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The Korean path? Corporate Social Responsibility and Korean Transnational Corporations in South Africa

Da Un Jeong

DECLARATION

I declare that this research report is my own original work, and that none of its sections have been previously submitted for publication or examination. It is submitted in partial fulfilment of the requirements for the degree of Master of Arts (Development Studies) by Coursework and Research Report in the University of the Witwatersrand, Johannesburg.

_____

Da Un Jeong

Signed on this _____ day of _____ 2016

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ABSTRACT

This research is a conceptual inquiry into the orientation and practice of corporate social responsibility (CSR) of Korean transnational corporations (TNCs) in South Africa. Through a case study of Mana Technologies' CSR programme, the research aims to explore Korean TNCs' conceptualisation of CSR and their rationale behind the engagement in CSR initiatives. The research found that Korean corporations in South Africa draw on the 'business case' for CSR in their conceptualisation of CSR. Therefore, CSR orientation, policies and practice of Korean TNCs, to some extent, align with those of TNCs globally. Notwithstanding some similarities with global CSR practices, a Korean path to CSR seems to exist in South Africa. While the Korean CSR programmes in South Africa are underpinned by rational motivation, they institutionalise individuals with seemingly caring and genuine heart in the implementation of their CSR programmes. Thus, CSR effectively becomes a mechanism to shift the image of Korean corporations from greedy representatives of global capital to a caring corporate *citizen* genuinely committed to the development of society.

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1. INTRODUCTION

The history of capitalism shows the age-old contention between capital and society. From the ravages of capital, society has always tried to protect itself through a counter-movement (Polanyi, 1944). Events or social movements since the Boston Tea Party [1773], the Battle of Seattle [1999] and the Occupy Movement [since 2011], all demonstrate society's deep-rooted anti-corporate sentiment and collective fear that global capital could or is devouring the social. These were examples of the measures that society has taken to free itself from harmful effects of the unfettered activity of corporations with global reach. In the midst of changing social conditions, businesses have learnt to skilfully respond to society's protective measures. They have embraced the notion of corporate social responsibility (CSR) in their business conduct. In so doing, they have also embraced the 'business case' for CSR that companies can 'do well while doing good' (Zadek, 2000). The notion of 'compassionate capitalism' has quickly gained popularity among giant transnational corporations (TNCs) (Rajak, 2011: 2). The discourse of CSR, driven by the business case, constantly preaches the message that capital and society *do* coexist, *should* coexist, and *can* coexist in harmony (Hilary, 2013).

This powerful message that there exists no longer any dispute between capital and the broader interests of society, however, is a "delusion", argues one commentator (Hilary, 2013: 78). According to another (Rajak, 2011), CSR is not just the response of big business to society's cries. CSR becomes a tool to paint corporate business activity as proactive 'partners in struggle' for development through which such corporations are enabled to colonise the social space of contention with capital. CSR now takes a more proactive role. It seeks to maximise corporate power by stretching the sphere of influence onto society and its social resources (Hilary, 2013; Rajak, 2011; Utting, 2005).

The late 2000s saw a dramatic increase in Korean business engagement in sub-Saharan Africa. At the time, Korea began to see Africa as a 'blue ocean' of opportunities and expanded its official development aid (ODA) and direct investment to the continent. In 2011, the membership of the Korean Business Association (in Korean: Jisansahyubuihwe; hereafter called, KBA) increased by 54% with most of them being TNCs (Yonhap News, 2011). The increasing presence of Korean TNCs in South Africa means that more South

Africans are brought under the light of the corporations' CSR programmes. But if, as the literature suggests, CSR is a source of global capital's power and moral authority over society, what is the case with Korean capital? What is the Korean TNCs' conceptualisation of CSR? What is the discourse of CSR and development being put forward by Koreans TNCs? What is the rationale for engaging in CSR? Is there a Korean path to CSR? If so, is this path related to the global path of CSR? Could the Korean variant of CSR be a development tool for South Africa? So far, no intellectual inquiry has been conducted on the CSR orientation, policies and practice of Korean TNCs in Africa. This research consequently seeks to fill this gap in the literature by exploring the discourse and values that underpin Korean TNCs' CSR in South Africa.

The conceptual inquiry of this research meant that the research was to be designed as an exercise in qualitative research. Quantitative data would not be sufficient to answer the research questions as it would only provide a surface picture of Korean TNCs' CSR programmes. This research rather required the adoption of qualitative methods such as interviews with document analysis of reports, documents and media interviews. Interview schedules were designed to probe into the minds and conceptualisations of the people involved in Korean CSR programmes in South Africa.

This research assumes that there is an inherent conflict between society and capital. While capital takes actions to ameliorate its relationship with society through CSR, it also seeks opportunities for securing further capital accumulation. This research finds that Korean TNCs envision the relationship between society and capital to be harmonious and mutually beneficial. Through CSR, the image of a harmonious society is created by conceptualising corporations as corporate *citizens* that give their best to assimilate, empower and assist their neighbours in a shared social space. The research also finds that the business case for CSR has a predominant influence on how Korean TNCs' conceptualise their engagements in South Africa. Inspired by the business case, Korean corporations find a variety of opportunities to influence society, sustain themselves and advance their economic interests. Inherent in the quest for grasping these opportunities is a market logic of enlightened self-interest and the rational calculation of risks and opportunities. Unlike the conventional thinking that moral capitalism and corporate pragmatism cannot coexist, Korean TNCs

successfully blend the two seemingly incompatible concepts with the logic of enlightened self-interest, which the business case for CSR embodies.

Notwithstanding some similarities with global CSR practices, a Korean path to CSR seems to exist in South Africa. While the Korean CSR programmes in South Africa are underpinned by rational motivation, they institutionalise individuals with seemingly caring and genuine heart in the implementation of their CSR programme. Thus, CSR effectively becomes a mechanism to shift the image of Korean corporations from greedy representatives of global capital to a caring corporate *citizen* that is genuinely committed to development of society.

This report begins by setting out the conceptual framework of this research and reviewing the literature on CSR. The literature review traces the evolving framework of CSR and a number of distinct conceptualisations of CSR. The discussion of the methodology adopted in this study then follows. The report then sets out to describe the accounts of CSR in Korea and Korean CSR in South Africa. The accounts provide a useful background history and introduction to Korean CSR as articulated and practised by Korean TNCs' CSR programmes in South Africa.

2. CONCEPTUAL FRAMEWORK

The conceptual framework of this paper begins by drawing on Karl Polanyi's (1944) concept of *double movement*, which recognises the competition between two organising principles in society - the principle of economic liberalism and the principle of social protection - that attempt to exert an influence on one another. Polanyi (1944) argues that a double movement emerges when capital, represented by the market, expands itself continuously on the one hand and on the other a counter-movement arises to check the expansion of the market. The counter-movement is characterised as society's protective measure from the perils of capital as it expands and encroaches on what was previously purely social terrain. The public's increasing uneasiness with the expanding power of corporations, coupled with a dramatic increase in anti-corporate activism is an example of such a counter-movement. In this context, corporate social responsibility (CSR) can, in turn, be conceptualised as the *response of capital* to society's counter-movement against global capital guided by the principle of economic liberalism.

More recently, however, scholars have noted that corporations' engagement in CSR is not limited to simply being a response to society's counter-movement, but has evolved into a more proactive form through which corporations now seek to maximise their power through stretching the sphere of influence on society and its social resources (Hilary, 2013; Rajak, 2011; Utting, 2005). The influence stretches even further to the field of development, affecting the very meaning of development (Blowfield, 2005; Blowfield & Frynas, 2005; Frynas, 2005; Prieto-Carrón, Lund-Thomsen, Chan, Murk & Bhushan, 2006; Utting, 2005). Peter Utting (2005), in observing the recent trends in CSR, described this as a *dual movement* where corporations (what Utting calls *big business*) are both responding to external pressures and threats directed at corporations while at the same time taking a proactive role in influencing society and its institutional reform. Accordingly, CSR is conceptualised not just as capital's response to society's protective measures, but also as a tool capital employs to promote further capital accumulation and sustain itself by exercising increasing influence on society.

2.1 Capital and society: double movement

The underlying theme of Polanyi's seminal book, *The Great Transformation: The Political and Economic Origins of Our Time* (1944) is the relationship between capital and society. Polanyi analyses the rise and fall of the market economy through history and reveals the inherent contradictions and ravages of capital on society. The analysis of the market economy's troubling nature stems from his belief that capital and society (or the economy and society) are not two autonomous entities. This belief - conceptualised as *embeddedness* - forms a dominant foundation to Polanyi's critique of the self-regulating market economy (Krippner, 2001). Although Polanyi mentions the term, 'embeddedness' only twice in his entire book, the concept is implied almost throughout the book (Krippner, 2001:779). Embeddedness means that markets are socially *embedded* into the very fabric of society (Granovetter, 1985). In other words, the economy cannot be separated from society because the economy is embedded in social relations and institutions. It is here where Polanyi distinguishes himself from the mainstream economists. With the concept of embeddedness in mind, Polanyi strongly disagreed with Adam Smith's concept of *homo economicus*, the economic man.

Current mainstream economists, for long drew their inspiration from such early classical economic thinkers as Adam Smith, David Ricardo, and other thinkers. Adam Smith (1776), in his well-known book *The Wealth of Nations*, claimed that in human nature, there can be found the propensity to barter and exchange. Such propensity originates, explained Smith, not from love or care for others (benevolence, as Smith termed it) but from 'self-love' and self-interest (Smith, 1776: 26). Alfred Marshall (1890) and William Stanten Jevons (1871), in their theories of price and marginal utility, agreed with Smith where he assumed that regardless of variety in people's social standings or circumstances, everyone will be able to derive benefits from a certain value of money or product because they are rational and guided by the perfect data of prices.

As a result of the rationality of market transactions, the economy was increasingly seen and developed in the neo-classical economists as standing over and above society. According to the fundamental theoretical foundation of orthodox economics, the self-serving rational 'economic' individual is disembedded from historical and social structures: The 'homo economicus' is expected to maximise his utility based on his rational calculation, ultimately leading to the greatest utility for all. For the mainstream economists, the self-regulating

market is thus possible and desirable. This *de facto* of economics exercising hegemonic power over society - ostensibly separated from it - was to be shown by Polanyi and explicitly by Granovetter rather to be embedded within it. Polanyi dismisses the idea of an autonomous, self-regulating market, which assumes it can operate independently of society and yet continue to serve the interests of society. For him, the ravages of capital and the market economy are derived from this ill-conceived notion of a 'self-regulating market' - separating the economy and society. He insists that the idea of the self-regulating market or *laissez-faire* is only a 'myth' and an utopian vision that will never be achieved because man is a social being (Polanyi, 1944). Polanyi argues that gain and profit made during exchange were never an important part in human economy because 'safeguarding his social standing, his social claims and his social assets' was more important (1944: 48). For Polanyi, economic transactions were merely the means to serve social ends. Historical evidence suggests that man's social consideration supersedes his rational economic calculation. Indeed, the strength of Polanyi's work in this book is in the concrete evidence for his claims and its relevance to the current setting. Polanyi (1944) provides anthropological and historical evidence that highlights individuals' social inclinations, where they regards their social standing as more significant than their economic position. Economic means are used to maintain or uplift social standing, not the other way around. Since Polanyi wrote in 1944, capitalism in the era of globalisation has arguably forced economic considerations to overshadow ancient concerns and priorities regarding social standing. Polanyi's analysis, therefore, is significantly more relevant for today than when it was first written.

So, as the economy that was once embedded in society is regarded as disembedded by free market capitalism, society's stability is threatened, ultimately leading to war and fascism (Polanyi, 1944). For Polanyi (1944), the rise of fascism, socialism and New Deal were reactions and solutions to the contradiction of the free market economy, despite their violent nature, especially in the case of fascism. He explains that the market's vicious movement of commodifying everything stirs up a counter-movement in which society tries to protect itself. The logic has it that society, once grounded to dreary pieces by Marx's Satanic Mill, will try to restore itself (Polanyi, 1944). So we see the emergence of a double movement where on the one hand the market expands itself continuously and on the other a counter-movement arises to check the expansion of the market in the opposite direction (Polanyi, 1944. 136). Indeed, since the publication of Polanyi's work, the world has seen

countless counter-movements and continuous struggles against capital accumulation varying in intensity and duration across time and place.

The history of the twentieth century witnessed the coupling of the growth of corporate economic influence and power and social movement activity. From the early twentieth century, corporations (particularly in the United States) became much more substantial in their size and power through mergers and acquisitions. Economic power became concentrated in the hands of a few very powerful corporations. This growth in corporate power was further aided by a policy of deregulation, a notable policy of Reaganism and Thatcherism, that swept through the United States in the 1970s and early 1980s. Deregulation was mainly inspired by the contemporary classical economists like Friedrich Hayek and Milton Friedman, who were guided by the principle of economic liberalism, advocating for a more *laissez-faire* economy (Soule, 2009). The growth in corporate power in the recent decades led to an increase in anti-corporate activism directed at corporations, which not only expanded in size and power but now also exerted greater influence on individuals (Soule, 2009). Anti-corporate activism such as the Occupy Movement and the Battle of Seattle are recent examples of society trying to protect itself from the perils of the self-regulating market economy and ever-expanding global capital.

2.2 CSR as response to society's countermovement

According to the examples provided by Polanyi (1944), capital has an impressive resilient nature whereby it constantly adjusts itself to changing society to ensure its survival. For him, this resilient and adaptive behaviour of capital was proof that there was 'nothing natural about *laissez-faire*' (Polanyi, 1944: 145). In contrast to the liberal economists' claim of 'self-regulating' economy, deliberate state action and planning were needed to create and sustain a *laissez-faire* economy. Historical evidence shows that even *laissez-faire* needs state intervention. By the 1870s and 1880s, a general protectionist movement - mostly in the form of restrictive enactments - swept across Europe as an attempt to protect society from the perilous effects of the expanding market mechanism. The counter-movement resulted in various pieces of legislation: factory laws, trade associations, social insurance, cartels and trusts, embargoes on immigration, on capital movements and on imports. (Polanyi, 1944). Polanyi (1944) claimed that even economic liberals themselves, at times, opt for restrictive

measures to limit the freedom of contract and hence *laissez-faire* when they felt the need arose. For example, under a liberal economy, freedom of contract ensured workers the freedom of withholding their labour. This meant they could go on strike or embark on go-slows at any time, either individually or jointly, if they so wished. But such freedom, in practice, works unfavourably with a self-regulating economy because workers' withholding their labour would bring catastrophic effects on maintaining production rates. Polanyi explains that:

> If the needs of a self-regulating market proved incompatible with the demands of *laissez-faire*, the economic liberal turned against laissez-faire and preferred - as any anti-liberal would have done - the so-called collectivist methods of regulation and restriction. Trade union law as well as anti-trust legislation sprang from this attitude (1944: 155).

In light of Polanyi's analysis of capital's response to society's protective movements, CSR can effectively be conceptualised as an example of capital adjusting itself and its behaviour to society's uneasiness with capital's perilous effects. Since the time when Polanyi was writing, the twentieth century repeatedly witnessed the return of society's counter-movement. The growing anti-corporate sentiment of the 1960s and 1970s brought a surge in society's protectionist movements in the forms of anti-corporate activism, the civil rights movement and the consumer rights movement (Soule, 2009). In response to these counter-movements of society, capital sought to strategically respond to society's threats by adjusting its behaviour in business conduct and introducing voluntary codes of conduct (Hilary, 2013). By the 1970s, capital realised that, freedom of contract under a liberal economy could have an adverse effect on capital itself. The realisation on the part of capital that society's protectionist counter-movements may disrupt capital's survival has led corporations to call for regulations and restrictions to corporate behaviour - or at least to pretend to do so, in order to 'window-dress' their irresponsible behaviour as some critics have argued (Hilary, 2013; Jones, 1996; Shamir, 2004a, 2004b, 2008).

2.3 Dual movement: CSR going beyond the defensive

Scholars and commentators in the field of CSR have raised their concerns about the *dual movements* in CSR in the modern era (Hilary, 2013; Rajak, 2011; Utting, 2005). They argue that corporations' engagement in CSR should not be seen as a single movement - whereby

capital reacts to society's countermovement in its own defence - but as a dual movement where CSR now takes a more proactive form through which corporations seek to maximise their power through stretching the sphere of influence onto society and its social resources (Hilary, 2013; Rajak, 2011; Utting, 2005).

History shows that capitalism has not only been exceptionally resilient and adaptive to changing social conditions and crisis by altering its institutions, but also creating new ones (Polanyi, 1944; Utting, 2002). The fact that Utting's argument, 60 years later, echoes Polanyi's, shows the relevance of Polanyi's argument prior to the emergence of CSR. Today, a number of high-profile corporations have advanced CSR initiatives further where they plan, initiate and execute their own development programmes. In some instances it is difficult to tell how they differ from NGOs or government aid agencies. The image of corporations as crusaders that will save the mankind from poverty and sickness is further enhanced when the corporations establish partnerships with NGOs, UN agencies and industry associations (Frynas, 2005; Newell & Frynas, 2007; Utting, 2005).

Critics argue that CSR does not only disseminate saint-like images of corporations - engaging in good behaviour to make the world a better place to live in. It 'plays an integral part in sustaining the programme of neoliberal globalisation itself' (Hilary, 2013: 60) by branding capital 'first as a partner in the struggle for sustainable development and then as the principal provider of public goods, entailing the structural transformation of the economy and the privatisation of the public sphere to the detriment of democracy and accountability' (Hilary, 2013: 60). Hence, while capital takes actions to ameliorate its relationship with society through CSR, it also seeks opportunities to champion the neoliberal programme in the global economy - characterised by deregulation and economic liberalisation under minimum state intervention - by opting for self-regulation and managing to sneak out from state regulations and intervention (Rajak, 2011; Utting, 2005). Guided by the principle of neoliberal economics, corporations - through self-governance and voluntary CSR initiatives - successfully 'colonise rather than alienate the very structures capable of obstructing the drive of corporate capitalism' (Rajak, 2011: 239).

In her study of Anglo American's CSR programme in post-Apartheid South Africa, Rajak (2011) arrives at a similar conclusion with the dual movement of CSR. She discovers that

CSR and its corporate 'gifts' develop a moral economy of 'care and coercion, benevolence and paternalism' and thereby subordinate society under capital in reciprocal relations of patronage and clientelism (Rajak, 2011: 18). The discourse of CSR:

> works to secure and extend corporate capitalism, by incorporating rather than excluding the social world from its projects…the moral movements of CSR, and the social bonds it creates, sustains and furthers the interests of corporate capitalism. These moral relations are at work at the heart of neoliberalism; they are intrinsic to its working; they are a source of its power (Rajak, 2011: 238).

Effectively, CSR can be conceptualised not just as capital's response to society's protective measures but also as capital's tool to promote further capital accumulation and sustain itself by exercising substantial influence on society and its institutional reform. This tenet of CSR is a concern to many scholars in the field of CSR and development studies (Hilary, 2013; Rajak 2011). Capital's increasing participation in and influence over processes of development have profound consequences on development trajectories of the global economy as well as on the meaning of development itself. It is to these concerns that the following chapter turns.

3. LITERATURE REVIEW

CSR, although a modern phenomenon, has managed to produce a plethora of literature. There are many different ways of studying CSR. It is studied by scholars of different disciplines (management, international relations, economic sociology, and development studies). It is addressed using different methodologies (qualitative and quantitative, theoretical and empirical, case-study oriented and statistics oriented studies). CSR's relationships to different entities (community, government, consumers and other entities have also been studied. There are also many different ways of conceptualising CSR. The debates within the discourse of CSR are fundamentally rooted in different conceptualisations and frameworks centred around the social responsibility of capital. Understanding how CSR is conceptualised has a significant implication on social development, even more so today, considering the paramount influence that huge TNCs exert on the social arena and global economy across the world. The literature reviewed below does not only point to the gap calling for more studies on Korean CSR; but also sets the foundation to our attempt to reach an answer to the question of this research report. How do Korea and Korean TNCs in South Africa understand CSR?

3.1 The evolving framework of CSR

In this section, the evolving framework of CSR will be presented historically. Over the years of its development, the understanding of CSR evolved and developed in response to changing conditions and society's counter-movement. The emergence of CSR can be dated back to the period 1945-1960 (Carroll & Shabana, 2010; Lee, 2008). In his review of the theories of CSR, Lee (2008) argues that the concept of CSR has experienced progressive rationalisation in two broad shifts, in terms of its level of analysis, and theoretical orientation. Firstly, the discussion of the macro-social effects of CSR has been moved to organisation-level analysis of CSR's effect on profit. Secondly, in terms of theoretical orientation, researchers moved from *explicitly* normative and ethics-oriented arguments to *implicitly* normative and performance-oriented managerial studies. As a result of the rationalisation of the concept, the current research on CSR weighs heavily on the business case for CSR.

In the period between 1945 and late 1950s, CSR was understood as naturally moral responsibilities of businesses where they were expected to behave ethically and make social contributions. In his seminal book, *Social Responsibilities of the Businessman*, Howard R. Bowen (1953) argued that businesses had to engage in CSR as "complimentary and corrective measures for some social failures inherent in *laissez-faire* economy" (quoted in Lee, 2008: 56). The discussions on CSR around this time did not make a linkage between CSR and its potential benefits for businesses. The focus of discussion was on the responsibilities of business towards society, based on the assumption that businesses have social consequences and hence need to shoulder social responsibilities (Carroll & Shabana, 2010; Lee, 2008).

The changing social environment - from the late 1950s to the 1960s - laid a foundation for a shift in the conceptualisation of CSR. During this period, legislation was enacted, across various jurisdictions, to protect consumers and employees by regulating the business conduct of corporations (Lee, 2008). The waves of social movements in the United States highlighted increasing protective measures taken by society in response to social failures and ills caused by business conducts. Businesses started to perceive that something needed to be done to address the expectations from society and defend themselves (Carroll & Shabana, 2010; Soule, 2009).

The 1970s can be distinguished from its previous decade in that the focus on CSR has moved from businesses assuming responsibilities to responding to the social environment (Ackerman, 1973; Murray, 1976; both quoted in Carroll & Shabana, 2010). Businesses responding to the social environment meant that businesses were now taking their *own* protective measures in relation to society, out of fear that society could put the financial performance of firms in danger. By the 1970s, patterns of investment in the United States had begun to change. Stockholders moved from owning shares in one company to owning shares in many companies in order to minimise and spread their investment risk (Soule, 2009; Wallich & McGowan, 1970). Stockholders no longer wished for their companies' better financial performance at the expense of other companies. Their interests became aligned with the overall social optimisation that would ensure shared profit maximisation of all firms. The logic is that firms would perform better when the social environment in which they operate was enhanced. Based on the view that society and capital are entwined and mutually dependent, scholars now argued it was in the long-term interests of corporations

and stockholders to improve the environment to which corporations belonged. Lee explains the underlying assumption behind this rationale: "…if the surrounding society which businesses belong to deteriorates, businesses lose their critical support structure and customer base. Therefore, it is in corporations' long-term interests to support the well-being of their environment" (2008:59). This view, that the fundamental interests of corporations' do not conflict with responding to society's expectations by seeking to improve the social environment, laid the foundation for the next conceptualisation of CSR to come: the business case for CSR.

3.2 'Doing Well While Doing Good' - The Business Case

The business case for CSR is essentially a critique of the liberal economists against CSR (Hamann, 2008). During the 1960s and 1970s, there were debates over whether or not businesses should engage in CSR. The liberal economists' stance was represented by Milton Friedman's (1970) famous *New York Times* article, 'The Social Responsibility of Business Is to Increase Its Profits'. Friedman (1970), being a staunch liberal economist and key economic ideologist behind Reaganism and Thatcherism, rejected the notion of CSR because he believed that it compromised the principle of a free society and the freedom of businesses to make profits (Carroll, 1999). For him, the "one and only one social responsibility of business is to use its resources and engage in activities designed to increase its profits…" (Friedman, 1970). In the view of liberal economists, corporations' financial performance may be compromised by their engagement in CSR. The business case, on the other hand, does not view engagement in CSR as conflicting with the fundamental values of corporations: profit-maximisation (Carroll & Shabana, 2010; Lee, 2008). Rather, corporations gain financial benefits by engaging in CSR, argue the proponents of the business case (Hamann, 2008; Knox & Maklan, 2004; Prieto-Carrón *et al.*, 2006).

This different framing of CSR was heralded in the 1970s through a groundbreaking study on CSR, *A New Rationale for Corporate Social Policy*, commissioned by the Committee for Economic Development in the United States (Lee, 2008). Wallich and McGowan (1970), the authors of the last article of this report, *Stockholder interest and the corporation's role in social policy,* outlined the changed patterns of stockholders' investments. They argued it was in the long-term interests of corporations and stockholders to make sure the social environment

improves in order to benefit corporations that operate in it. This assumption that capital and society are actually not in conflict with each other but "interdependent" (Porter & Kramer, 2006: 5) is fundamental to the business case for CSR. The key idea is that corporations tend to perform better when they behave ethically. Therefore, the 'tighter coupling between CSR and Corporate Financial Performance (CFP)' has shifted the focus from ethics-oriented to performance-oriented studies (Lee, 2008: 62). It has become *rational* for business to contribute to development of the wider society in order to reap greater profits, creating 'win-win situations' for both business and society (Lee, 2008; Prieto-Carrón *et al*, 2006: 979). Thus, engaging in CSR is not perceived as a cost or a charitable deed, but as "a source of opportunity, innovation, and competitive advantage" (Porter & Kramer, 2006: 2).

3.3 CSR as a development tool?

As corporations started to view CSR as opportunities to boost their financial performance and gain competitive advantage in the market, they have become increasingly attracted to CSR and become proactive in their CSR activities (Utting, 2005). Corporations have successfully painted a picture of themselves as 'partners of development' by adopting the language of global values embodied by international and multilateral organisations and NGOs:

> The very same language, concepts, and images that are pursued by activists to try and preserve the ozone layer and prevent environmental catastrophe are employed by multinational corporations to promote images of global responsibility (Moore, 2004: 82; quoted in Rajak, 2011).

But not all is smooth with the latest trend of the business case. A number of scholars have raised their concern with the business case dominating the CSR discourse, arguing that it could affect the meaning of development (Blowfield, 2005; Lee, 2008; Prieto-Carrón *et al.*, 2006). The business case has created a bias in the discourse of CSR, whereby it acknowledges and even endorses the inherent nature of business dedicated to profit-making and self-interest. According to Blowfield, apparent bias and limitations in contemporary CSR originate from "fundamental values and tenets of the capitalist enterprise" which are:

> the right to make a profit, the universal good of free trade, the freedom of capital, the supremacy of private property, the commoditisation of things including labour, the superiority of markets in determining price and value, and the privileging of companies as citizens and moral entities (Blowfield, 2005: 520).

So, Blowfield sees these values of the capitalist enterprise strongly remain *unchanged* in business thinking (Blowfield, 2005: 520). Therefore, one needs to distinguish between negotiable and non-negotiable values in order to understand the underlying motivations behind CSR:

> This distinction between negotiable and non-negotiable values helps clarify why some aspects of business's relationship with wider society have been included within CSR while others have not. CSR has fostered change in areas that business has been willing to negotiate over. None of the changes that have occurred constitute a challenge to the basic rights asserted by business as a whole (Blowfield, 2005: 521).

Therefore, unlike the rosy picture of 'partner in the struggle for sustainable development' (Hilary, 2013: 60), corporations that are incentivised to engage in CSR by the fundamental values of profit-maximisation are *not* mostly likely to become the crusaders of mankind who bring about development for the wretched. Corporations will constantly calculate the gains and losses of their 'rational' actions because their incentives revolve around the fundamental tenets of capitalism, 'profit-maximisation'. Lee also asserts that:

> Business case driven CSR will bias how corporations select their CSR strategy, because not all socially responsible behaviours have equal potential profitability or market demand. The bias will result in increased corporate attention to certain social needs that are less costly and potentially profitable, while other more costly social misery will be conveniently ignored. From the perspective of society, the social problems ignored by corporations may well be much more urgent issues that require corporate expertise and operational capacity. Conceiving CSR as discretionary business practices dilutes the meaning of social responsibility in CSR (Lee, 2008: 65).

As Lee pointed out above, the voluntarism in international discourse on CSR - coupled with the absence of enforcement mechanisms - has continued to exempt businesses from social accountability (Hilary, 2013; Rajak, 2011). Therefore, it is questionable whether or not and how much genuine changes are brought about by companies' CSR initiatives. Peter Utting,

in discussing the voluntarism of CSR programmes and initiatives, has claimed that there is a "considerable mismatch between rhetoric and reality" (quoted in Hilary, 2013: 66). While the rhetoric of CSR preaches moral movements and a crusade for everyone's well-being, the reality is that CSR serves to fortify neoliberal hegemony over global capitalism. Transnational capital, by adopting the business case, along with established practices, expands its reach even to the social order through extensive privatisation and takes over aspects of the role of the state. The conflict between capital and civil societies in the context of neoliberal globalisation is thereby sustained (Hilary, 2013).

3.4 CSR and government

The relationship between CSR and state/government is complex. Studies on the variety of CSR-government relations have been paid little attention (Gond, Kang & Moon, 2011). On the one hand, voluntarism in international discourse on CSR has viewed CSR as self-regulation, devoid of government intervention (Gond, Kang & Moon, 2011). In some cases, corporations seemingly take over the role of the state as the principal provider of public goods through vigorous CSR programme and partnerships, rolling back the frontiers of the state (Hilary, 2013). However, viewing the relationship between CSR and state/government in this way would be unidimensional. In fact, what is occurring is state complicity in the attempt to fortify the power of capital in the era of globalisation through governments facilitating, promoting and mandating CSR (Albareda *et al.*, 2008; Hilary, 2013). Thus, CSR is "not only self-government (voluntary and non-enforceable) or an alternative form of government (substitute for government)", but also "self-regulation which is facilitated by government, coordinated in partnership with government, and mandated - either directly or indirectly - by government" (Gond, Kang & Moon, 2011: 641-642).

CSR-government relationships can also assume a variety of forms (Albareda *et al.*, 2008; Gond, Kang & Moon, 2011). Albareda *et al.* identified different roles of government in the development of CSR as "mediator, facilitator (guidelines on content, fiscal and funding mechanisms, creating framework conditions) and partner (engagement with multi-stakeholder processes, stimulating dialogue)" (2008: 350). Gond, Kang and Moon developed five different CSR-government configurations: 1) CSR as self-government (corporate discretion independent of but alongside government); 2) CSR as facilitated by

government (Government provide incentives for CSR or encourage CSR through rhetoric); 3) CSR as a partnership with government (Government and business organisations - and often civil society - combine their resources and objectives); and 4) CSR as mandated by government (Governments regulate for CSR) (2011: 647).

Empirical studies suggest that the roles of governments in different countries are 'path-dependent' (Streeck & Thelen, 2005; quoted in Gond, Kang & Moon, 2011: 655). Different governments adopt divergent roles based on their previous cultural, political and social backgrounds. But a uniform pattern is evident across different governments: "both historically and comparatively, national governments have always had a relationship with CSR and continue to have influence on CSR" (Albareda *et al.*, 2008; Gond, Kang & Moon, 2011: 644).

The conceptual framework provided earlier in this report drew on the concept of social embeddedness of the economy; society and capital cannot be treated as separate autonomous entities. Likewise, Gond, Kang and Moon (2011: 644) argue that markets and politics cannot be separated and therefore national governments cannot be absent from discussions on CSR. They argue that, in discussions on CSR, government agency is important because it "allows room to contemplate strategic engagement with neoliberalism through CSR". Thus, as Fligstein (1996, 2001; cited in Gond, Kang & Moon, 2011) noted, the state may seem to be retreating from the market as it relies on the market mechanism for governing corporate behaviour. It is in fact, however, intervening actively to define the rules shaping the new mode of governance. By relying on the market mechanism through CSR, the state is effectively exerting market pressures on corporations to complement the legal frameworks. Some governments actually *exploit* CSR for their own purposes (Gond, Kang & Moon, 2011), with Norway being an example. In Noway, the state promotes CSR agendas to project its own positive image as a peace-loving nation deeply committed to upholding human rights and delivering international development (Albareda *et al.*, 2008; Welle-Strand & Vlaicu, 2013). Thus, Gond, Kang and Moon (2011) argue that as a result of this strategic shift towards a new mode of governance, market re-politicisation is taking place. This observation is significant because of its implications for our understanding of CSR and its effect on society.

After extensively reviewing the theories of CSR, Lee (2008: 65) asserted that it is "about time to renew the basic research in CSR". By basic research, he meant the kinds of research that ask fundamental questions like, "What exactly are the responsibilities of businesses?"; "What is CSR?"; "How and why are certain CSR-related changes taking place in organisational behaviour ?".

In the South African context, there have been a few attempts to study CSR of foreign companies ranging from Chinese to European transnational corporations (Chahoud, T. et al., 2001; Mangaliso, 1997; Zeng, 2013). While these attempts have been, no concrete study has been done on Korean CSR in South Africa. This is a context gap in CSR literature in South Africa. It is the intention of this study to return to the quest for basic research in CSR in the context of how Korean TNCs and the Korean government conceptualise CSR in South Africa.

4. METHODOLOGY

This research adopts qualitative methods of data gathering. The methodology adopted here is a simple case study, using ethnographic methods of interviews, participant observation and document analysis.

There were mainly two reasons for using qualitative methods while designing the research process: size of sample and nature of research question. Firstly, due to time constraints and difficulties of access, the research had a very small number of research sample of respondents, which remained at eight. Hence, a quantitative survey is not practically feasible as it is normally designed for a large sample of respondents. Secondly, the research question is a conceptual enquiry, which asks *how* Korean corporations conceptualise CSR and possibly *why* they engage in CSR activities. The *how* and *why* part of the enquiry can be best served by adopting qualitative and ethnographic methods, because they provide rich context and explanation of the subject matter (Janesick, 2000). Hence, this research studies CSR programme of Korean TNCs in South Africa through a single case study of Mana Technologies * (pseudonym), a Korean TNC. Due to limited time given for the field work, a sample company with an expansive, widely publicised CSR programme was identified through purposive sampling.

The two main methods adopted in this research are document analysis and interviews. Document analysis was found to be a very useful method of data gathering for this research. This method provided comprehensive accounts of the trend in the CSR literature, the history and pattern of CSR in Korea and the CSR programme of the sample company, within the limited time given for fieldwork for the research. After gathering data from document analysis, the data was narrowed down into categorised themes for further analysis. To establish a list of predominant themes for the research, the data and findings from document analysis were constantly compared with those from the interviews. This constant comparative method also allowed to see if the findings were valid and not biased (Strauss & Corbin, 1990; 1998).

The intention of the research was to get underneath the surface presentation of corporate ideology and discover values that underpin the rationale behind the engagement with CSR

initiatives. Hence, in-depth interviews were anticipated to be the dominant method for this research. Sensitivity in the field and difficulties in gaining access, however, resulted in fewer interviews and no repeat interviews, as originally intended. Most respondents were in the position of creating, managing, delivering and supporting CSR programme of Korean TNCs. They were aware of the public's skeptical eye regarding their CSR policies and practices regarding CSR. Hence, the respondents' position tended to make them defensive of their initiatives and suspicious of a researcher's intention who probed into their thoughts and conceptualisation of CSR. Most respondents were very cautious about commenting on behalf of their organisation. They worried that their comments might cause trouble for the organisation. As a result, some requested not to be tape-recorded. Notwithstanding the limited size of the research sample of respondents, and difficulty faced in facilitating respondents of opening up, one-to-one in-depth interviews permitted the obtaining of information to illuminate the key research question.

Despite the reluctance of respondents to speak freely, open unstructured interviews permitted the capturing of the most intimate information sought from the respondents. Unstructured interviews were conducted mostly with the respondents who were observers of Korean TNCs' CSR programmes that had indirect experience with the programmes. They were not in the position of creating or managing but of experiencing and observing the CSR initiatives. Their more liberated position and the informal structure of interviews allowed them to freely yet richly describe their experiences and processes of CSR programmes as if they were having casual conversation with their peers. This emulated established research practices (Weiss, 1994).

Respondents were identified and located via adopting the strategy of purposive and snowball sampling. This method was useful to access potential research participants (Strauss & Corbin, 1990). My initial access point was a Korean government agency where I worked for a brief period of three months three years prior to this research. Knowing that the agency had a rich network of Korean business community in South Africa, the agency was anticipated to be a source of access to potential research participants. However, it turned out that personnel had been moved to other branches and the new personnel were not as cooperative as hoped for. Emails sent to Korean TNCs, requesting contact details of their

CSR practitioner received no reply. Personal contact, agreement to meet and follow up telephone calls over three months, in once instance, yielded no results.

A key interview was with the Korean Ambassador, Mr. Y Choi, central to the Korean business community in South Africa. Invited to a business forum organised by the embassy, I gained access to government officials and members of the KBA. The social standing and authority of the ambassador made the members of the association to become cooperative with my interview requests and take me a little more seriously then before.

Considering the sensitivity around the nature of the research inquiry and the potential reputational harm to research participants and their organisations, confidentiality and anonymity were explicitly noted to all of the participants. All potential participants were informed about the nature of the research. The rights of participants were explained prior to interviews and rights of confidentiality were guaranteed. No audio recordings of interviews were made when participants did not wish to be recorded. Participants remain anonymous. Pseudonyms have been used throughout except for government representatives (the Korean ambassador and the regional director of KOTRA) and one informant who did not mind his identity made public (CEO of Nelson Mandela Foundation). Significant information that might identify participants has been disguised.

5. CSR IN KOREA

CSR in Korea is a relatively recent phenomenon that emerged in the early 1990s at a time of rapid social change in Korea. Within less than two decades, CSR has received much attention both from Korean society as well as large corporations. While the first sustainability report was issued by four Korean corporations in 2003, 75% of the largest 120 Korean corporations were committed to instituting CSR programmes by 2006 (Liem, 2011). The development of CSR in Korea has a close relationship with the emergence of neoliberalism in the Korean political economy. Korea's unique history of state-led economic development has also had an impact on the relationship between the Korean state and capital. While strong state intervention in the economy and the business activities of corporations has declined since 1987, the majority of Korean corporations - especially the *chaebol* (large family-owned businesses) - are still expected to serve national economic interests (Kalinowski, 2009). Parallel to the emergence of Korean CSR, recent trends show that CSR in Korea is following global CSR trends with a heavy emphasis on the business case for CSR and global corporate citizenship. This section will first trace, up to the present, the brief history of CSR in Korea, coupled with social changes in the country starting from the post-military regime in the late 1980s. The history of strengthening social power in Korea and the corresponding increase in Korean corporations' engagement in CSR activities show a strikingly similar pattern we have seen in Polanyi's conceptualisation of society's counter-movement and capital's response to it. The current Korean government's policies for CSR will then be laid out. The focus is the Ministry of Foreign Affairs (MOFA), and the Korea Trade-Investment Promotion Agency (KOTRA). From the studies of the two organisations' CSR promotion policies, it is evident that the Korean government has two clear objectives. Firstly, it seeks to project internationally Korea's positive image as a poverty-stricken aid recipient nation that successfully managed to become an aid donor nation, committed to contributing to international development. This branding effort is done by creating and displaying the 'image' of Korea and its corporations as respectable nation state or entities that are willing to share their knowledge and profits. This image managing is an important feature of the 'Korean Path' to CSR. Secondly, it seeks to enhance competitive advantage and facilitate the commercial profitability of Korean corporations conducting business abroad.

5.1 CSR: From the late 1980s to present

CSR in Korea can be said to have developed alongside radical changes in the Korean political economy and its corporate governance from the late 1980s. Over the years, the conceptualisation of CSR in Korean corporations has evolved according to the political economy environment of Korea. Therefore, to understand the development of CSR in Korea, it is important to understand the Korean political economy and its brief history.

Over the past half century, the Korean political economy has experienced a great shift from an autocratic regime dedicated to state-led economic development to a popular democracy with highly liberal market and financial policies (Kang, 2010; Pirie, 2005; Pirie, 2007). The period from the 1960s to the mid-1980s can be characterised as the era of 'the developmental state' (Kang, 2010: 532) whereby the state established the corporate governance system in which the state coordinated labour relations and subordinated the activities of financial capital such as banks (Kang, 2010). During this period, under the rule of President Chung-Hee Park, Korea gave birth to large family-owned and managed conglomerates, known as the *chaebol*, and strategically assisted and protected them to grow their businesses so that they could contribute to national economic development. In return for state assistance, the *chaebol* were expected to meet the government's targets in the areas of production and export (Shin and Chang, 2003; quoted in Kang, 2010). As a result, the *chaebol* were seen almost as 'pseudo-public institutions spearheading national development, rather than as private entities confined to profit-maximisation' (Chang, 1996; quoted in Kang, 2010). As will be detailed later, the *chaebol* have a significant importance in the history of CSR in Korea. The bulk of CSR programmes are initiated and managed by the *chaebol* and their subsidiaries which have now grown to be large TNCs. During this period, corporations led by the *chaebol* were mandated by the government to provide social protection measures for their workforce in the absence of the welfare state (Gond, Kang & Moon, 2011). This paternalistic and pseudo-public type of economic institutions is the earliest form of CSR in Korean corporations.

From the late 1980s, Korea experienced radical changes. A wave of democratisation swept through the nation, and finally led to the fall of the military regime which had spearheaded state-led economic development. Neoliberal ideology, which had gained prominent support

among big businesses in the Western economies, started to gain support amongst Korean elites and academia (Kang, 2010). From the late 1980s and onwards, the Korean state started to withdraw itself from active coordination of controlling financial capital and labour relations. The neoliberal-inspired reforms culminated around the 1997/98 IMF financial crisis. The Korean state actively took part in transforming Korea into a market-oriented economy, leading to the transnationalisation and financialisation of the economy (Kalinowski, 2009; Kang, 2010; Lim & Jang, 2006). Korea's large corporations now depended, not on the state, but on the market to coordinate financial capital and labour relations (Kang, 2010). The transnationalisation of Korean capital added to the transformation in the management strategy of the *chaebol*. By the early 2000s, foreign transnational portfolio investors held vast amount of stocks and voting shares in major Korean corporations. Popular shareholder-value ideology was to subsequently dominate the corporations' management decisions (Lim & Jang, 2006; Pirie, 2005).

Korea's transition - from autocratic, state-led economy to democratic market-oriented economy - brought forth a number of social changes. With the emergence of democratic rule in the late 1980s, several attempts were made to reveal the brutal practices of the previous autocratic regimes and punish those who were accountable for those practices. Under democratic rule, which allowed freedom of speech and expression and freedom for the press, civil society gained a stronger voice and influence, although compared to the rest of the developed world it is still relatively weak. By the mid-1990s, the Korean society's distrust of Korean corporations - mostly the *chaebol* - skyrocketed as a result of a series of corruption scandals and the IMF crisis (Liem, 2011). For example, it was revealed in 2003 that a Korean TNC - known for its 'environment-friendly' management - dumped 110,000 tons of toxic waster water in the Sumjingang river over a period of five months (Jung, 2004). By this time, Korea's rapid IT development had made it easier for civil society to actively share their opinions about corporations and their ill behaviour on the internet and social network services and to boycott products of certain corporations (Shim, 2013). As a result of rising protective measures (or counter-movement) taken up by strengthened civil society in Korea, large Korean corporations increasingly felt the need to enhance their tarnished image and sought to become more responsive to civil society's criticisms.

Most Korean corporations' CSR programmes consist of philanthropic contributions. The Federation of Korean Industries (FKI), in its "White Paper on Corporation and Corporate Foundation Social Giving" (2015), reports that 231 major Korean corporations contributed 3.5% of their total ordinary income to philanthropic activities; of this amount 29.5% supporting low-income population and the disabled, 18.2% went to education and 15.3% was spent on sponsorship of sports, games, arts and culture. The popularity of philanthropic contributions among Korean corporations is also evident in CSR of Korean TNCs operating abroad.

5.2 The Korean government position on CSR

The Korean government's attention to CSR surged around the 2010s. In the previous decade, a number of initiatives were created at the international level to encourage voluntarism in CSR, with the major example being the United Nations' Global Compact launched in 2000. In November 2010, the International Organisation for Standardisation (ISO) published ISO26000, principles for developing social responsibility (Jung, 2010). With the birth of ISO26000, the Korean government realised that CSR was no longer an option, but an imperative that could possibly turn into a new trade barrier (Jung, 2010). The activities of the Korean government's two main bodies, MOFA and KOTRA will be outlined.

Ministry of Foreign Affairs (MOFA)

The Korean Ministry of Foreign Affairs (MOFA), previously called the Ministry of Foreign Affairs and Trade (MOFAT) between 2007 and 2012, took the lead in promoting CSR for corporations. MOFA was the first Korean government ministry to allocate budget (KRW 1 billion) for CSR programmes starting from 2011. As the importance of CSR proliferated globally, MOFA began to develop an idea to promote CSR and set up guidelines for Korean corporations doing business overseas (Jung, 2010). In 2011, MOFA launched the CSR support programme for CSR activities of Korean corporations doing business overseas. The programme consisted of three main projects that are facilitated by diplomatic missions abroad. The programme establishes a cooperative network with the authorities in the host countries, such as the local governments and CSR relevant institutions. It enhances

CSR awareness of the Korean companies through the publication of CSR educational materials, and CSR workshops. The programme further hosts Korea CSR Week to reach out to local governments and media for wider publicity of CSR activities by Korean companies (MOFA, 2015; MOFAT, 2011). MOFA's CSR support programme is designed and planned by their headquarters in Korea and the diplomatic missions abroad. Embassies and consulate assume the role of promoting and enhancing awareness of CSR by Korean corporations as well as establishing partnerships with local government, NGOs and CSR related institutions (MOFAT, 2011).

Korea Trade-Investment Promotion Agency (KOTRA)

Korea Trade-Investment Promotion Agency (KOTRA) is another Korean government body that actively supports CSR activities of Korean corporations doing business overseas. KOTRA is a government agency tasked with promoting trade and investment of Korean businesses abroad. Under the guidance of President Chung-Hee Park's vigorous drive for exporting goods produced in Korea, KOTRA was established in 1962 with an aim to gather information about overseas markets so as to create business opportunities for Korean businesses as well as to attract foreign investment. KOTRA currently has nine local head offices and 122 Korean Business Centres (KBC) across 84 countries (KOTRA, 2014b). In most cases, each KOTRA KBC is represented as the Economic Section of the Korean Embassy in host countries. KOTRA's CSR support programme was first initiated in 2013 (KOTRA, 2014a). As an agency tasked with promoting Korean businesses abroad, KOTRA aims to enhance the competitive advantage of Korean corporations through supporting their CSR activities. KOTRA's CSR support programme is based on three values - dubbed the 3 Cs: Collaboration (between local governments and Korean businesses); Cultivation (of human resources) and Coexistence (with domestic and international communities). Guided by these three values, KOTRA's CSR support projects include the free provision of products and services, establishes vocational training schools, shares Korea's economic development experiences and hosts CSR competitions, forums and encourages philanthropic contributions (KOTRA, 2014a). To execute CSR support programme, KOTRA's KBCs in each country first identifies the CSR demands of host countries. KOTRA HQ in Korea then recruits Korean corporations willing to start a CSR project which can meet such demands. When a willing corporation is identified, the CSR project is

then carried out either by philanthropic contributions or by hosting CSR related events. The final step is to advertise the CSR project to domestic and international audiences for marketing purposes (KOTRA, 2014a).

Conceptualisation of CSR

Both MOFA and KOTRA seem to share a similar understanding of CSR. They both conceptualise CSR not just as philanthropic contributions, but to encompass broader issues: developing local communities; enhancing labour relations and human rights; protecting consumer rights; encouraging fair management; and protecting and improving the environment (Korean Embassy in Poland, 2014; KOTRA, 2014a). Most of their CSR activities, however, revolve around philanthropic areas such as education, medical care, scholarship and culture (Liem, 2011).

MOFA and KOTRA are well informed of global CSR trends. While they are aware of voluntarism surrounding CSR, they notice the increasing number of foreign governments that legislated requirements and regulatory measures for CSR. Due to foreign governments' requirements for CSR, CSR came to be viewed as a potential barrier to competitive trade, restricting Korean corporations doing business overseas. Thus, for MOFA and KOTRA, CSR now goes "beyond corporations' social responsibility", being an "inevitable wave" of the twentieth century, without which corporations' management and profitability may be at risk (KOTRA, 2014a: 2; MOFAT, 2011). MOFAT paid extra attention to the country's economic position in the global economy to enhance its competitive advantage. In 2010, MOFAT contracted a consulting company, Marcspon, for a recommendation report for CSR support programme. The 71-page report detailed the rationale for engaging in CSR, strategies for potential CSR programmes and the anticipated effects of engaging in such a programme. The report calls for a "CSR strategy that contributes to business profitability" where corporations are encouraged to move away from sporadic donation-giving events and volunteer services; and to adopt a strategy to use CSR as a marketing tool for stakeholder management to respond to international standards like ISO26000 and to improve profitability (MOFAT, 2010: 21). So, from the outset, the Korean government

conceptualised CSR as a vehicle of improved profitability of Korean corporations, which ultimately contributes to the nation's economic standing in the international arena.

Hence, CSR is not only conceptualised as corporations' social responsibility but also as "a source of opportunity, innovation, and competitive advantage" (Porter & Kramer, 2006: 2). Engaging in CSR, they view, will satisfy foreign governments' regulatory measures and requirements and further attract potential consumers who are conscious of firms' ethical conduct. Hence, engaging in CSR is expected to ensure continued profitability of the firms' international trade.

The objective of projecting Korea's positive image internationally resonates with Korea's diplomacy and ODA strategy. According to MOFA's 2015 Diplomatic white paper, one of six major tasks of MOFA is 'Enhancing Korea's Role and Prestige in the International Community'. The white paper dedicates a chapter to this task, detailing how Korea seeks to strengthen its contribution to the international development through effective cooperation and to improve Korea's national brand and image through strategic use of public diplomacy. Korea is highly desirous of disseminating its image as a once poverty-stricken donor recipient that turned to become one of the leading economies in the world that now offers to provide aid and its economic development experience. Thus, many CSR projects of MOFA and KOTRA claim to focus on skills transfer, vocational training, and sharing Korea's own economic development experience in the forms of lectures, training and other related activities (KOTRA, 2014a; MOFA, 2011). In so doing, Korea, in approaching international development, wants to distinguish herself from other countries as a nation that can empathise with developing countries and a nation that is 'genuinely' committed to international development.

Two objectives of enhancing the competitive advantage of Korean corporations doing business overseas and projecting a good image of Korea are interlinked and have become important feature of the 'Korean Path' to CSR Korea's positive image at the international level is considered to nurture a pro-Korean business environment in the international market. At the same time, CSR activities are also expected to enhance the image of Korean corporations operating overseas. Positive images of Korean corporations are believed to stimulate trust and attractiveness among consumers, which may lead to purchases -

ultimately leading to enhanced profitability. The rationale of Korean government and businesses for engaging in CSR is, therefore, to maximise firms' profitability while (or by) engaging in ethical business conduct. This rationale of 'doing *well* while doing *good*' is in line with the logic behind the 'business case' for CSR.

6. KOREAN CSR IN SOUTH AFRICA

CSR activities of Korean businesses in South Africa are relatively small in number and size, but have seen a rapid growth in the last two decades. The growth of Korean CSR in South Africa is due to an increase in business activities of Korean businesses in the region. Since the first Korean business venture in South Africa in the 1980s, Korean investment and Korean corporations doing business in South Africa have, as will be seen, increased drastically. While most Korean CSR activities are made up of philanthropic contributions, 'the business case' oriented discourse of CSR is quite evident in their programme. This chapter will review the history of Korean engagement in South Africa with specific focus on the history of Korean corporations in the region. A brief overview of Korean CSR in South Africa will follow. As a case study of Korean TNCs in South Africa that are engaged with CSR, Mana Technologies' CSR programme will be used as a case study.

6.1 History of Korea's engagement with South Africa

The history of Korean engagement with South Africa dates back to the 1960s when KOTRA opened its office in 1967 during President Park's term in Korea. About this time, Korea was actively seeking for business opportunities in foreign markets across the world. South Africa was no exception. Eleven years later, in 1978, KOTRA had to close its South African office when Korea joined the United Nations sanctions against South Africa for its racially discriminatory policies. In 1990, when the most overt policies of racial segregation were alleviated by the white-ruled South African government, this set the foundations to improve ties between Korea and South Africa. In December 1992, Korea and South Africa signed an agreement to establish diplomatic relations and the Korean embassy opened its doors in Pretoria the following year. The year 2012 marked the 20th anniversary of diplomatic relations between the Republic of Korea and the Republic of South Africa.

The bilateral relations between Korea and South Africa are described as 'friendly' and 'complimentary'. Since the establishment of diplomatic ties, a number of high level visits were exchanged mutually, with notable visits such as President Nelson Mandela's official visit to Korea in July 1995, President Jacob Zuma's two visits to Korea, first for the G20 Seoul Summit in November 2010 and then for the Nuclear Security Summit in March

2012, and President Lee Myung-bak's visit to South Africa for the IOC General Assembly in Durban in July 2011. From 1992 to 2014, a total of eight rounds of political consultations were held at the level of deputy foreign minister. In October 2014, the bilateral relations reached their height when the two nations agreed to enhance their relations into a strategic partnership at the 8th political consultation held in Seoul.

Since the establishment of diplomatic relations, trade between Korea and South Africa has increased significantly between 2006 and 2011. Trade volume between the two nations reached 3 billion dollars in 2006, hit a record high of USD 5.35 billion in 2011, and has remained significant at the level of USD 3 billion since then. Initially Korea ran a deficit in its trade with South Africa due to its mineral imports. However, with the strong performance of Korean manufacturers in the automobile and the electronics industry, the deficit turned into a surplus in 2012 (The Embassy of the Republic of Korea to the Republic of South Africa, 2015). According to Ambassador Choi, the Korean government and corporations consider South Africa the gateway to Southern Africa and sub-Saharan Africa.. This is due to South Africa's strategic advantages in terms of location, infrastructure as well as other factors. South Africa has subsequently become a strategically important entry point for Korean corporations wishing to expand their business ventures into the greater Southern Africa and sub-Saharan African region. Thus, the total direct investment by Korean companies amounted to USD 355 million as of 2014. Annual direct investment by Korean companies reached its height in 2012 with direct investment of USD 33 million and remains around USD 2 million as of 2014 (The Embassy of the Republic of Korea to the Republic of South Africa, 2015).

6.1.1 Korean corporations in South Africa

In the past three decades of Korean engagement with South Africa, and especially since 2010, the number of Korean corporations venturing into South Africa has increased consequently. After KOTRA established its office in South Africa in 1967, a number of Korean general trading companies started to venture into South Africa in the mid-1970s. As suggested by their names, the 'general' trading companies sought to export a variety of products such as industrial chemicals, footwear, kitchen equipment, tents and bags to South Africa. Imports from South Africa to Korea included gold, diamonds and military items

(Pururum, 2012). These 'general' trading companies soon, however, withdrew their businesses from South Africa when Korea, as noted, complied with the United Nations sanctions against South Africa. The first Korean corporation in South Africa on record was 'Daewoo International', a Korean trading company, which opened its branch office in South Africa in 1984 (KOTRA, 2014c). This opened up a chapter of major *chaebols* venturing into South Africa. In 2011, the Korean Business Association (KBA) saw a 54% increase in its membership with most of the members being TNCs (Yonhap News, 2011).

As of August, 2014, around 20 Korean corporations are conducting business in South Africa. Most of them are either state-owned enterprises (SOEs) or major Korean TNCs which are subsidiaries of the *chaebol* groups. Of 21 companies listed in KOTRA's 2014 country report, 17 are TNCs of which 12 are subsidiaries of the *chaebol* groups and four state-owned TNCs (KOTRA, 2014c). The Korean corporations in South Africa operate under different forms of business management. The majority of Korean corporations (14 companies) operate as branch offices of their parent companies with seven operating as incorporations. Whereas branch offices are representative of their parent companies in Korea - run on the headquarters' budget - incorporations are more like independent companies, officially registered with the South African government and South African Revenue Service (SARS). Incorporations, therefore, pay taxes to the South African government and they manage their own budgets independently of their parent companies. Most branch offices run on a very small scale, with a minimum number of staff usually dispatched from the parent companies in Korea. Incorporations, on the other hand, are much larger in terms of business scope, number of employees and turnover. They usually also employ local South Africans and Korean nationals who were either raised or educated in South Africa..

As mentioned earlier, the Korean corporations with branch offices or incorporations based in South Africa understand South Africa to be 'the gateway' to Southern Africa and the sub-Saharan Africa. Hence, they establish their 'African HQ' in South Africa, targeting the greater sub-Saharan African region as their areas of business activities. For example, Mana Technologies has its African Headquarters in Johannesburg which serves to oversee their business activities for the whole African continent. KOTRA also bases its African Regional Centre in Sandton, Johannesburg. Thus, the implications and influences of business and

CSR activities of many Korean corporations in South Africa are not limited to South Africa but extend well beyond its borders.

Representing most of Korean businesses in South Africa, the KBA plays a significant role in co-ordinating Koreas's involvement in South Africa. The KBA maintains a close relationship with the Korean government bodies in South Africa. The members of KBA (heads of KBA member companies) meet once every week with the Korean embassy in Pretoria and KOTRA. They also have regular quarterly meetings called, "Meeting for Supporting Business Activities'. The main purpose of the meetings is for the Korean government to support business activities of Korean corporations in South Africa. Other agendas of the meetings include discussions relating to the current state of South African political economy; difficulties and barriers to Korean corporations' business operation in South Africa; the sharing of information about the South African market and its economy outlook; the maintenance of networks among Korean business community and government officials among others. While the Korean embassy and KOTRA are both tasked with supporting business activities of Korean corporations in south Africa, their roles are somewhat different. KOTRA is not only mandated to support the existing Korean corporations in South Africa, but also to help small to medium-sized enterprises (SMEs) in Korea to venture into the South African market. KOTRA also focuses on identifying potential South African buyers of Korean products and assist in obtaining contracts. The Korean embassy tends to support the existing, mostly large, Korean corporations with their business activities.

6.2 Korean CSR Programmes

While remaining small when compared to that of other foreign corporations that have long histories in South Africa, Korean corporations have increasingly taken an interest in CSR and have incorporated CSR programme into their management strategies. According to MR YW Kim, Regional Director of KOTRA Africa, Korean corporations understand CSR to be an inevitable global wave affecting businesses in every corner of the world and that they need to engage with it to maintain their businesses.

Currently, TNCs are taking the lead in engaging in CSR programme among Korean corporations operating in South Africa. A few Korean SMEs also run CSR activities, but they tend to be limited in size and scope compared to the other Korean TNCs. SMEs are encouraged to keep the size of their CSR activities manageable to the extent that their budget allows to do so in a sustained manner. CSR activities of Korean corporations (both TNCs and SMEs) usually take the form of philanthropic activities and voluntary services concerning social developments in areas of education, medical care and child care.

Members of Korean business communities and government officials in South Africa share an understanding that CSR needs to be more than a marketing tool or responsive measures of corporations to social demands. There are, for instance, discussions to move away from CSR as once-off donation-giving or voluntary activities (such as cleaning or building toilets in poor communities) to CSR projects that are more 'sustainable' and systematic. For members of Korean business communities and government officials, a sustainable CSR programme is one that enables its beneficiaries to sustain themselves through education, knowledge-sharing and even modest capital to start an enterprise. It was found that they conceptualise an ideal CSR programme to be a programme that focuses on sharing Korea's economic development experience, knowledge and skills.

Guided by Korean MOFA's CSR support programme, the Korean embassy in South Africa has taken a number of initiatives to support CSR of Korean corporations in South Africa. Firstly, the Korean embassy establishes relationships with local governments and NGOs to promote CSR activities of the embassy and the KBA. The CSR activities organised by the embassy usually take the form of philanthropic contributions such as donation of goods and sponsoring educational materials. The 2013 report of Korean embassies' CSR support programme lists four activities of which three (Support for children's camping activities of the Leamogetswe Safety Home, support for school concert of Albert Luthuli Primary School and donation of children's books for the Nelson Mandela Foundation) were philanthropic contributions (MOFA, 2013). In June 2014, the Counsellor at the Korean Embassy and local Korean businessmen visited Leamogetswe Safety Home and donated 70 pairs of shoes and 30 sets of bed linen (MOFA, 2015). Also, the embassy has developed a relationship with Nelson Mandela Foundation by donating books in both 2013 and 2014 for the Nelson Mandela Foundation's Mandela Day Literacy for Leadership initiative, which

helped facilitate the opening of some 65 permanent libraries at impoverished schools across South Africa (Nelson Mandela Foundation, 2013; 2014).

Secondly, the embassy organises information sessions and forums to help Korean corporations become aware of CSR trends and legal requirements in South Africa. In April 2013, the embassy organised its first CSR seminar. Ten member companies of Korean Business Association participated and presented their CSR activities in South Africa (The Embassy of the Republic of Korea to the Republic of South Africa, 2015). Most recently, in December 2015, the Korean embassy hosted its fourth quarter meeting of 2015, 'Meeting for Supporting Business Activities' in Sandton, Johannesburg. The meeting, which took the form of a conference, invited a number of guest speakers to present useful information for member companies of the KBA. It was attended by 40 people, members of the KBA and a few officials from the embassy and KOTRA. In session two, Mr Sello Hatang, CEO of Nelson Mandela Foundation, was invited to give a presentation about CSR in South Africa. Mr Hatang gave a presentation of the history of CSR in South Africa, legislation and impact assessments pertaining to CSR and the CSR trend in the country. The presentation was intended to provide the Korean corporations with information about CSR in South Africa to enable the design of CSR programmes in the South African setting.

The level of development of Korean public/private CSR partnership can be considered to be at its primary stage. While the Korean embassy and KOTRA Johannesburg office share with the Korean government at home similar vision and direction for CSR support initiatives, the scope and level of CSR support initiatives, in practice, are limited. In contrast to the CSR initiatives envisioned at home, focusing on sustainable development and knowledge sharing[1], the Korean embassy's corporate public/private CSR support initiatives involve philanthropic contributions such as donation of goods and sponsoring educational materials and a couple of CSR forums or information sessions each year. In case of KOTRA's Johannesburg office, it does not have its own CSR support programme for Korean businesses in South Africa, except for encouraging Korean businesses in South

[1] The Korean government has been running the Knowledge Sharing Programme (KSP) for the South African government since 2011. Through the KSP, based on Korea's knowledge and experience of industrialisation and democratisation, the Korean government offers policy advice in building infrastructure and planning for agricultural development. The KSP, however, falls under the Korean government's ODA initiatives, not CSR (Korea-Africa Future Strategy Centre, 2015).

Africa to compete in the annual KOTRA CSR Award. Mr YW Kim, the regional director of KOTRA Africa, claimed that KOTRA expected Korean corporations to operate their own CSR programme individually. Since Korea is not a socialist state, said Kim, CSR programmes of Korean corporations are to be operated according to their own vision and mission for CSR. The disjunction between the Korean government's discourse of CSR and the actual practice of a government agency was found to be quite surprising, which needs further attention. It can be argued that while the Korean government doesn't actively dictate the form of CSR programmes undertaken by Korean corporations doing business in South Africa, it's not clear if the government doesn't regulate or even require the existence of programmes. This is because the Korean embassy, in particular, seems committed to promoting CSR programmes through hosting CSR forums for the KBA and leading discussions around CSR programmes. KOTRA, although it is reportedly not dictating corporates' programmes, is itself obliged to engage in CSR activities and submit reports to the HQ in Korea. Therefore, the Korean government regulates CSR programmes of its government agencies and Korean corporations albeit on different scales and intensity.

6.3 Case Study: Mana Technologies

6.3.1 Company Overview

Mana Technologies is one of the largest Korean TNCs. It is a subsidiary of the greater Mana Group, a small family-owned business turned one of the most powerful *chaebol* in Korea. Since its establishment in the late 1960s, Mana Technologies grew to be one of the world's largest electronics corporation. It operates in more than 80 countries across the world, employing around 300,000 employees. In terms of organisation structure, the company has three divisions of IT & Mobile Communications, consumer electronics and device solutions. The company produces electronics products and white goods; refrigerators, washing machines, and other household appliances.

Mana Technologies first opened its business in South Africa in 2000 (KOTRA, 2014c). Its sleek-looking office building is nestled in the Northern suburbs of Johannesburg. The company is a registered corporation in South Africa. Its South African offices function as

the regional headquarters for Africa. While there are also other Mana Technologies offices in the rest of the continent, these only serve as sales offices. South Africa is not only home to the regional headquarters for the continent but also houses a production base for the company. Mana Technologies' ambitions for its market in Africa are high. Its business drive in Southern Africa, as well as the whole continent, is clear and strong - 'to elevate the quality of consumer lives' and bring about innovation and change. It hosts an annual forum where thousands of invited guests, business partners and media swarm to see and experience a range of their latest products showcased - tailor-made for Africa to match African consumers' lifestyles. With products made to fit local consumer environments, the company aims to attract Africa's rapidly expanding middle class consumers.

6.3.2 CSR Programme

The overarching message in Mana Technologies' CSR programme is explicitly aimed at devoting its human resources and technology to create superior products and services and contribute to a better global society. Mana conducts its CSR programme on five general principles of compliance with laws and ethical standards, a clean organisational culture, respect of customers, shareholders, and employees, care for the environment, safety, and health, and a socially responsible corporate citizenship. The history of Mana Technologies' social contribution initiatives in Korea began with the inception of the company and continued until around 2000, mostly consisted of donation and volunteer activities. In the mid-2000s, the CSR programme expanded globally in areas of education and volunteer service. Three years ago, the company integrated all of its CSR activities across the world into five major well articulated programs. Today, the company is known for its sophisticated and expansive CSR programme across the world. In 2014, for instance, the company spent in excess of KRW520 billion on global social contribution - a figure roughly equivalent to ZAR7 billion. The company writes sustainability reports according to GRI G4 Core Guidelines.

6.3.3 Mana's CSR programme in South Africa

As a major TNC, Mana's CSR programme in South Africa has a CSR division dedicated for planning, executing and monitoring its programmes. The company is also one of a few Korean TNCs that employ local South African personnel to head its CSR division. Many

Korean corporations in South Africa experience a lack of staff and it is usually one or two members of the office that have to multi-task the jobs of managing the company's business, plan and execute CSR programme, report and monitor. The lack of human resources and capacity often lead the corporations to pay little attention to managing their CSR programme. Mana Technologies, on the other hand, has a handful of full-time staff in the CSR division, allowing its CSR programme to be much more systemised, sophisticated and widely publicised.

Mana Technologies in South Africa focuses its CSR programme on three 'key pillars': Education, health and employability. Of the 'three pillars', education is the highlight of Mana's CSR programme. Under education, four programmes have been implemented: Solar powered schools, e-learning centres, smart schools and an engineering academy. For education, Mana is committed to providing infrastructure system that fits the social, economic and geographical environment of the country. The solar powered internet school (SPIS) is an example of this. The school is a 40 ft container revamped to accommodate 24 pupils who are encouraged to use freely laptops, tablets, printers and electronic whiteboards. All devices, lights and air-conditioning are powered by the solar panel installed on top of the container. It has a central server which stores contents related to the local and national curriculum for grade 1-12 and can be easily accessed by educators and pupils through computers. The SPIS was first launched in South Africa in 2012. There are 34 SPISs in 16 African countries with 1.4 million beneficiaries. In 2014, about 8,000 South African pupils benefitted from the SPIS. The SPIS was intended to improve accessibility to education in rural areas as it could be transported to any areas, exemplifying the company's core message that it directly addresses the needs of individuals. The impact of the SPIS intervention has been an improvement in the general attitude of pupils in class and in their matriculation pass rate (one of the schools with Mana's SPIS attained 100% pass rate and another 81.03%, with the highest number of passes in the region). For its intervention, the SPIS received numerous awards from South Africa's major awards.

Mana Technologies also developed mobile clinics equipped with necessary facilities for dental, eye, ultrasound for maternal ladies and blood testing. The mobile clinics are built on trucks so they can travel to remote ares and the doctors in the areas can make use of those equipments. Mana operates four mobile clinics in South Africa with 90,000 beneficiaries.

The clinics provide medical services to their beneficiaries on a regular basis, during school hours for learners at schools and weekends for local residents. Under health is also a tele-medical centre where patients are enabled to conduct distant video consultations with doctors through the internet and also treated by healthcare practitioners who are stationed at the centres. Tele-medical centres keep all patients' medical records which can be readily available for follow-ups and to healthcare practitioners at other hospitals in case of need. Tele-medical centres also provide medical treatments for HIV/AIDS/VCT, tuberculosis, family planning, vaccination and other medical needs. As of September 2015, more than 40,000 patients have been treated through tele-medical centres. The first tele-medical centre which opened in 2013 serves 50,000 local residents with around 900 patients treated weekly. Since its inception, the centre maintains a 0% rate of mother-to-child transmission of HIV, the only area in South Africa with a 0% rate. For health focused programmes, Mana partners with local agencies like the Department of Health and health NGOs who assist the company by providing doctors and healthcare practitioners. David Nkosi [pseudonym], a CSR manager at Mana Technologies, describes the two programmes as empowering the people of Africa, "It's not just about alleviating them from poverty, but also about making them to compete globally. I'm giving you education so that you can compete with others in the world."

The third pillar of employability is to develop a pipeline of young people who may become Mana's future workforce. Mana's Engineering Academy provides hands-on, vocational skills training to high school and varsity students and unemployed youths. Mana operates four Engineering Academies in Africa for 7,000 beneficiaries. Classes run twice a week and are intended to open up skilled, well-paying job opportunities for its students. The students of the academy are given an opportunity for an internship at Mana or Mana's Channel partners. Mana runs one academy in South Africa which maintains a 40% employment rate for its graduates. Outstanding performers can participate in a year-long learnership opportunity at HQ in Korea. The rationale behind this academy is to build a workforce of technicians and exclusive service experts in line with the government's drive of creating decent jobs - and most of all for Mana Technologies.

The level of development of Mana's CSR programme in three areas of education, health and employability is arguably high. The programme's focus on sustainability is distinct from

once-off philanthropic contributions or activities with limited impact on beneficiaries in terms of duration and scope. Firstly, all initiatives under the three key 'pillars' are designed to provide services on a regular basis. The regularity of service provision enables monitoring and tracking development progress of the programme's beneficiaries. Secondly, the program is directed at addressing issues that contribute to sustainable development of beneficiaries. By providing improved access to better education, health and employability, beneficiaries are encouraged to become independent at a later stage rather than being continuously reliant on assistance from CSR programmes. The level of development of Mana's CSR programme shows a stark distinction from the level of development of Korean public/private CSR partnership. Whereas CSR activities under the Korean public/private CSR partnership remain at modest philanthropic contributions, Mana's CSR programme focuses on regular provision of services are directed at the sustainable development of its beneficiaries. Also in terms of scale and publicity, Mana's CSR programme is targeted at a wider group of beneficiaries, covering expansive issues of education, health and employability.

7. 'WE ARE A SOCIALLY RESPONSIBLE CORPORATE CITIZEN'

This chapter will discuss the notion of 'corporate citizenship' predominant in the discourse of Korean CSR in South Africa. The notion of responsible and respectable corporate citizens in CSR discourse is powerful. It does not only bestow corporations legitimacy in their business conducts, but also endows them with a moral mission to do good; by sharing and giving. In its 2015 sustainability report, for instance, Mana Technologies stresses the interdependence and role of corporate citizenship in the relationship between company and society, emphasising the word, *harmony*. The discourse of harmony - interconnectedness and peaceful coexistence of capital, society and corporation is almost as heart-warming as the pictures on the cover page of the report showing a father holding a baby (the two strike a bright smile on their faces), a group of smiling young people and a little girl playing on a tree. The frequent use of personal register like 'we' makes readers feel as if Mana Technologies was a real person, a real citizen. The notion that capital and society are interdependent on each other was deeply entrenched in the minds of the respondents I interviewed. For them, 'empowering' and 'enhancing' capital was important because capital cannot sustain itself without any base support from society. Thus, it becomes logical for corporations to not only become respectable citizens but also a proactive citizen to 'innovate' ways to support society to ensure its own survival and prosperity.

7.1 A Respectable Corporate Citizen?

Literally *all* of my respondents felt that engaging in CSR was a prerequisite for corporations. Besides pursuing the opportunities created for them when engaging in CSR, informants saw CSR to be a prerequisite to ensure the corporations and their sustainability in the market by gaining trust. Mr Y Choi, the Korean ambassador to South Africa explained,

> CSR is important, indeed! The fundamental goal of corporations may be pursuing profits, but it is equally important to gain *trust*. Trust in certain products. CSR is important because it helps people to have a good image about your products and thereby develop trust in your products. If they develop a good image about your company, the consumers will not stop only use the products themselves, but also recommend their

> friends and family to purchase your products… Much of Africa, in particular, has a history of colonialism. If any corporation enters the continent and pursue profits only, they will not stay sustainable in that market. For them to stay in the market, they have to develop their good image. People must realise, '*Ah, this company is not only after their profits. They're willing to share! They're willing to share their profits*!

From the ambassador's comments, it is again made clear that corporations need to be 'morally respectable' citizens in order to gain trust from the market and sustain their place in it. So we can see with the help from Polanyi's insight that, as society engages in its counter-movement against capital that has become greedy giants that are only after maximising profits, capital responds to the counter-movement by taking up CSR initiatives in turn. Effectively, CSR becomes an essential element for corporations' business conducts and ultimately, its survival. Creating and managing the image of corporations as a 'morally respectable' citizens through CSR programmes is a response from capital to society's protective measures. It is especially so, when foreign corporations want to establish a new market. Mr Kim, the regional director of KOTRA commented on this theme:

> We, Koreans, need to share our know-how in economic development so that Africa can develop. As people who have experienced abject poverty, it is our mission to provide them [African countries] with our knowledge for economic development so that Africa can be on an equal position as us in the world economy. In a greater sense, this is a CSR programme of the Korean nation.

Kim considers it 'a mission' for Korean corporations to share Korea's experiences and knowledge rather than material resources like money because "in terms of material support, Korea cannot compete with China". Mr Kim went on:

> Compared to China's $20 billion aid to Africa, Korea's $250 million is like nothing; and that's why Korea and its corporations must gear towards 'taking actions' and sharing experiences to be of 'real' help to Africa. And it must be accompanied by our *sincere hearts*.

In practice, the spirit of sharing also makes up a critical element in Korean CSR in South Africa. Mana Technologies' Nanum village is an example. 'Nanum Village programme' builds a Digital Village to provide solar power generators, schools, mobile hospitals, and remote clinics in underdeveloped areas of Africa that have no adequate access to electricity.

In South Africa, roughly 50,000 people use Mana's mobile hospitals and solar-powered internet schools every year. '*Nanum*' is a Korean word, which means 'sharing'. The programme is designed "to address the causes of poverty and lay the foundation for economic independence by providing the comprehensive infrastructure needed for basic livelihood in low-income and underprivileged areas.". Through the programme, Mana *shares* its technology and knowledge with beneficiaries so that they can "achieve economic independence". Sharing then becomes an 'empowering' tool. With shared knowledge, experience and technology, beneficiaries are encouraged to develop skills and capacities essential to attain the means of production and sustain their livelihoods.

So, in both practice and principle, the spirit of '*nanum*' (i.e. sharing) becomes a general characteristic of the 'Korean Path' to CSR. In today's world, the concept of 'sharing' comes through as unconventional as most corporations are regarded as selfish and greedy. The famous counter-movements organised by civil organisations, such as the Battle of Seattle and the Occupy Movement, have all painted similar pictures of major transnational corporations and finance corporations as close to greedy and profit-grabbing monsters. Korean corporations and government, therefore, respond to society's such treatment by managing their images as responsible and respectable citizens of the world who are committed to 'share' their profits and knowledge with society. And this ' banding of their images as respectable corporate citizen and national state in global society' becomes an intersection of Korean CSR and the government's diplomacy strategy. More detailed discussion will be made in the next chapter.

"And we have to do it with sincerity", says the Ambassador:

> It should not come from an arrogant attitude of saying 'Here, I have lots of money and I'm giving away some of it to you'; it should come from a genuine commitment to understand your counterparts heart-to-heart. For this to be possible, CSR should not be a sporadic activity. It should be sustained over a long time.

The ambassador's message resonates with Mr Kim's comments, "And it must be accompanied by our sincere hearts". The sense of genuine commitment and sincerity adds weight to the moral mission of the Korean corporations' CSR in South Africa. From my interviews with most respondents, I got a sense that they took pride in what they were doing

and aiming for in Korean CSR programme in South Africa. They believed that their CSR programme and its sharing activities are beneficial to the South African community. I could also see a strong sense of empathy in them. Most Korean respondents I interviewed were middle-aged males, all of whom are part of the generation that experienced the difficult times in Korean economic history. Having been born in abject poverty around the late 1950s or 1960s after the Korean civil war, they actively participated in the state-led economic development efforts and pioneered their way to today's prosperity. One of the respondents said, "We understand what it's like to be poor. To have nothing to start with". This could probably explain why most Korean officials and CSR practitioners feel a strong sense of empathy and even nostalgia when they engage in CSR programme in developing countries in Africa, including South Africa. I interviewed a chief representative of a Korean SOE based in Johannesburg. He had been in South Africa for less than a year. He was previously based in the Philippines office. He said he once ran a livelihood project to donate livestock to the locals. While describing his experiences there, he sported a shy smile on his face and said, "You know, on a personal level, it's a worthwhile experience. It's a really good work. It's rewarding." David, one of the only two South African nationals I interviewed, also seemed to take pride in contributing to his community and country at large through Mana's CSR focus on skills transfer and education.

The notion of 'genuine commitment' and 'sincerity' is critical to the discourse of CSR in Korean corporations, the 'Korean Path'. The notion is exemplified by heart-felt individuals who lead the Korean corporations' CSR programmes. The strong presence of individual integrity in the light of the institutional imperatives of the 'business case' can be understood as a mechanism to consolidate the logic of the business case as legitimate. The business case calls for benefits of society *and* capital. While corporations already have well-established mechanism of profit maximisation, they need a mechanism that provides the 'human face' of global TNCs that shows a genuine commitment to social benefits. This human face of global corporates personalises the global corporations and breaks down the barrier between society and capital. This, as a result, establishes an image of harmony between society and capital and strengthens and consolidates the business case for CSR.

7.2 A Proactive Corporate Citizen?

An overarching message in Mana Technologies' CSR programme is that they use their technology to bring change to many lives. It is highly note worthy that Mana does not only contribute to the process of change and innovation; it owns the process. Mana Technologies wishes to be a respectable corporate citizen. Moreover, it aspires to be a proactive citizen, heralding development and change to the environment in which it conducts its business. Through the process, Mana becomes a proactive agent of social and economic development that identifies social and economic challenges, develops solutions to counter them and delivers the solutions. David Nkosi explained that an NGO in Korea bought Mana's solar powered internet schools (SPIS) container in Ethiopia. Unlike conventional philanthropic CSR activities, Mana's CSR programme does not entail sponsoring or supporting NGOs' education programmes. It is quite the opposite: it *owns* the process of education development via the SPIS. Mana goes even further to disseminate its programme by selling its programme civil society.

The power of Mana's CSR programme is in its capacity to consolidate and disseminate its image as 'the deliverer of efficient development measures'. The fact that an NGO 'purchases' Mana's development scheme not only approves efficiency of Mana's CSR programme. In so doing, society is encouraged to endorse Mana's CSR programme. As Rajak (2011) observed how CSR served as a mechanism through which Anglo American consolidated its power over society, we see a similar working of CSR in the case of Mana, where the company slowly but effectively consolidates its power and gains influence and moral authority over society by influencing and shaping the discourse around development and upliftment. This process of Mana's power being consolidated through CSR is also evident in the case of Korea. Back at home, Mana has successfully established its position as a partner in national development by emphasising its role in postwar reconstruction and import substitution during the era of state-led economic development. In the words of a spokesperson, Mana claims to have cultivated the electronics industry "for the future good of Korean society" and the industry's success "sprung off to the rest of Korean society to become the global leader in IT research and development." Mana, by owning the process of development, transforms the image of abstract, giant, greedy TNC into that of an individual with the real caring heart. It remains to be studied whether this is an incomparable sophistication or a mask to disguise the real exploitable nature of the TNC.

8. CORPORATE SOCIAL 'OPPORTUNITY'?

The previous chapter studied how CSR could serve as a mechanism to consolidate Mana Technologies' power and influence in society. Mana 's role as a corporate citizen does not end at being a respectable citizen, fulfilling its responsibilities. CSR allows the corporation's role to extend to becoming a proactive citizen that designs, manages and delivers development measures. In the words of David Nkosi, a CSR manager of Mana Technologies, the motivation for being proactive agents of development is simple - yet powerful:

> Africa has a lot of problems. Corporates cannot turn a blind eye on these problems. The same people that we want them to buy our products, they cannot suffer from these problems. For the young people to buy the tablets, they need to be able to work. For them to be able to work, they need to go to school. Schools need to be next to them. Hence, the solar-powered internet schools (SPIS).

The company's motivation for engaging in CSR is in the opportunities that it creates: an opportunity to create a scenario where both capital and society can thrive by 'empowering' society (an opportunity to do well while doing good); an opportunity to maximise profitability (business opportunities); and an opportunity to enhance corporate image and build trust (branding opportunities). Korean corporations, including Mana Technologies conceptualise CSR as a mechanism through which these opportunities are created. Upon closer inspection, these opportunities can be summarised into a single opportunity: an opportunity for corporations to further capital accumulation and thereby sustain themselves in the market.

8.1 'Help yourself to a piece of the market and grab opportunities'

Each year, Mana Technologies hosts an annual forum directed at the African market. The purpose of the forum is to showcase the company's latest products and technologies for the African market, 'build for Africa'. The products, Mana claims, are designed to 'elevate' the lifestyles of African consumers by 'bringing consumers' desires to life through innovative products'". The products 'built for Africa' include TVs that have African Cinema Mode, a washing machine that is energy efficient, refrigerators with 'cool pack' which allow the

refrigerators to stay cool without power and other products tailor-made to fit Africa's consumer environment. The product lineup at these annual forums is not limited to the ones that are exclusively manufactured for to local lifestyles, but also highly sophisticated products that are globally inspired. For example, Mana showcases speakers that are developed in Mana's 'audio lab in *California*' and the Chef Collection refrigerators designed with the expertise of '*Michelin-starred* chefs.' By constantly coupling technology with opportunities, and use of words like 'innovation', 'better future' and 'global', Mana Technologies successfully creates an image of an average African being made 'empowered' and 'elevated' to join the global world of corporate capitalism that promises broader opportunities - thanks to the innovative technologies of Mana. Effectively, the company's catch phrase of moving towards a vision of togetherness across the continent could be translated as 'moving towards a vision of elevating and levelling consumer lifestyles and standards of living across the continent' so that consumers of Mana products can enjoy opportunities offered by the global capitalist market.

Alongside the latest products showcased in the forums, Mana's CSR programme can also be found: Mana's Digital Village, Engineering Academy and Solar Powered Internet School. Mana claims that the initiatives are designed to use Mana's innovative technology to 'uplift' and 'empower' communities, developing skills and creating sustainable education systems. Interestingly, the same kind of Mana's business narrative can be identified with Mana's CSR programme that Mana, through its innovative technology, will assist African consumers to 'help yourself to a piece of the market and grab opportunities'. The opportunities are conceptualised in a dual manner in two areas of business and CSR: an opportunity for Mana consumers to access hi-tech products and be included in the global market and an opportunity for Mana beneficiaries to empower themselves so that they are included in the global market as a decent workforce or an entrepreneur. In offering its beneficiaries an opportunity of inclusion, Mana seeks for itself an opportunity to strengthen and spread the discourse of market capitalism and global development whereby the market becomes the vehicle of "social improvement and inclusion of the marginalised" (Rajak, 2011: 231).

8.2 Branding opportunities

Often, the critics of CSR claim that corporations use CSR as a smokescreen to mask their unethical business conducts (Hilary, 2013; Jones, 1996; Shamir, 2004a, 2004b, 2008). However, contrary to their claim, this research found that Korean conceptualisation of CSR is not limited to just masking the corporations' ill behaviour. Instead, CSR is used to create and disseminate a specific image of corporations. In so doing, corporations' growing influence in society reshapes power relations between society and capital.

The Korean government has a strong desire to project internationally a positive image of Korea by guiding and supporting CSR activities of Korean corporations doing business overseas. Thus, the Korean government actually *exploits* CSR for its own purpose of consolidating its prestigious position in the international community as a leading, developed Asian nation with unique experience in economic development (Gond, Kang & Moon, 2011). Through CSR programme of 'sharing' Korea's knowledge and experience, Korea wishes to spread the so-called, 'Korean Model of Development' across the world.

For the Korean government, the process of embodying its positive image through the CSR programme of Korean corporations entails creating a narrative of Korean development approach as distinct from that of China. In the late 2000s, an intense debate was initiated in the realm of global capitalism, whether China's rapidly expanding investment and engagement in Africa should be seen as neo-colonial (Hadland, 2012: 467). The main criticisms against China were that she was exploiting Africa's natural and human resources in the name of international development. The international community's growing unease with the Chinese way of doing business and development in Africa had serious implications for Korea. Korea, too, could be a victim of the same criticisms. In 2008, a major Korean TNC became embroiled in a huge scandal over its land deal with Madagascar. In November 2008, the Financial Times reported that the Korean corporation struck a deal with the government of Madagascar to cultivate 130,000 hectares of land for 99 years at no cost at all. It was also reported that Korea would be cultivating maize and palm trees for its own food security (Song & Oliver, 2008). Immediately, the report caused an uproar among the international community and the people of Madagascar who accused the deal as neocolonial. The uproar turned into political demonstrations and eventually a coup in Madagascar, taking down the then-president Ravalomanana. Since then, the deal has been

cancelled indefinitely. This incident made the Korean government and the Korean TNCs realise that something had to be done to ameliorate their tainted image and to establish their positive identity and position in the international community. One way of doing this is differentiating Korea from China in its engagement with Africa. As anticipated, two Korean government officials interviewed spoke of how Korea differed (or should differ) from China in its engagement with Africa. They described China's development model as capital-orientated and state-led, which brings its own workforce to work on African soil. Korea, on the other hand,

> does not have such a massive capital, and has a highly privatised economy. So our corporations engage with African countries individually. In the process, the Korean corporations are contributing toward creating job opportunities, providing job-training and skill-training to the local people. So Korea's investment trend has a competitive advantage over other countries in that we can achieve a 'win-win' growth.

The Korean government's narrative of Korea as a respectable, sharing nation in the international community resonates with Mana Technologies' narrative of respectable corporate citizen. So, Korean corporations' CSR programmes play an important role of assisting to deliver the government's diplomatic strategy in branding Korea's image as a respectable nation. Such a branding effort is believe to bring benefits for the government as well as the corporations. So, effectively, CSR becomes the mechanism, the vehicle, arguably even the mask of transforming the image of Korea and TNCs.

8.3 Business Opportunities

For Mana Technologies, its profitability is fundamental to its business. Mana Africa website describes,

> Our CSR2.0 approach is about finding a balance between social contribution and alignment to business. Our CSR program therefore aligns to our Mana Blue Education, our target to become a $10 Bil business in Africa by 2015. To align to this bottom-line, our CSR program - Mana Blue Education, seeks to expose our current and future consumer base to our product offering, build their skills, and ensure their employability and entrepreneurship.

In sum, the corporation's CSR programme serves as a useful tool to achieve the corporation's bottom-line of profit-making. Mana's commitment on educating young people is in practice a commitment to securing quality workforce for the corporation and potential consumers for its products. Mana claims that it envisions the most important part of its continuous growth to be "*our* people….Our future lies in nurturing global talent, which leads to innovation and creativity in our products and services. To achieve our goal, we established a diverse range of policies and initiatives…."David explained how Mana's Engineering Academy started:

> We have a couple of individuals that work at Mana; they started off at the Engineering Academy. Initially, the services department said, we need young people who are able to fix our products. It was a *business* need. Purely *business*. But then CSR stepped in, saying, I will identify, train them and then give them to you (services department) so you can hire them. We are an IT firm that makes smart devices. We need a pipeline of young people who are able to fix and assemble our products. If there's a shortage of the pipeline, then how can we do? We need to hire them. So we run the engineering academy and provide technical training. We let them break down fridges and assemble them. The same with laptops! That helps us as a business. So that when go to the job market, there will be someone who can understand our device. The academy gives us that employee that we want. You want to influence people who are (not struggling to seek employment) at high school level. Most engineering academies target technical schools. By the time they are done with their schools, they can chooses to come to our call centre or services departments. So services department knows where to bring people from.

David's comments clearly map out the relationship between Mana's CSR programme on education and its corporate productivity. Mana's diverse range of CSR programme can also be interpreted as a tool to achieve the corporation's goal to secure human resources and a band of loyal consumers to make sure that Mana's profitability in not in threatened in the future. The corporation's programme on education is consequently a part of the mechanism through which the corporation seeks to minimise risks (lack of quality workforce and consumers), while maximising opportunities (pool of quality workforce and consumers loyal to the brand). Thus, in the long term, Mana Technologies conceptualises CSR as a source of an opportunity to sustain its business and secure further capital accumulation.

9. 'HOMO ECONOMICUS': MARKET LOGICS

The previous chapter discussed how CSR can be conceptualised as a source of various opportunities for the Korean government and Korean corporations. Simultaneously, CSR is conceptualised as a source of opportunities for its beneficiaries as well; that they can be 'empowered' and 'included' into the mainstream market through CSR. Therefore, the discourse of 'mutual benefit' reinforces the market logic of the 'business case' for CSR that pursuing opportunities will eventually create a mutually beneficial scenario for everyone, as David Nkosi explained:

> There's a problem with lack of education. Corporates say, 'Oh, if I do some thing about it, then I can hire them. That's sustainable. Win-win! How am I going to support you (society), and you support me (corporation)?' Especially in the South African context, its becoming mutually beneficial.

In her analysis of Anglo America's HIV/AIDS agenda, Rajak (2011: 120) also detects this coupling of hard, cold economics with the moral discourse of responsibility. She says that the business case for CSR "obscures the boundaries" between the two seemingly incompatible values of "the exigencies of capital and human care" under the narrative of 'shareholder value'. This odd coupling is made clear in her interview with a former Chairman of Anglo American:

> The decision was taken patly because this was simply the right thing to do - people were dying - morally you had to do something… There's an underlying morality… but that to be tempered of course…this is, of course, not just a humanitarian mission; it's just *good business practice*…There's a clear obligation to shareholders not to blow their money (Rajak, 2011: 131).

In similar vein, David Nkosi comments:

> We have a couple of individuals that work at Mana; they started off at the Engineering Academy. Initially, the services department said, we need young people who are able to fix our products. It was a *business* need. Purely *business*…Someone has to redevelop their skills. Up-skilling, training, enabling the environment. How else can we?…In developing countries, if corporates do not lay their hands, they're the ones that are suffering. Because they need the human pipelines.

It is interesting to note how both statements embody a similar narrative in their discourse of CSR. Each statement demonstrates the interweaving of "moral urgency and corporate virtue with the cold calculations of the cost of HIV in terms of human capital" (Anglo American; Rajak, 2011: 131) and with the calculation of the cost of illiteracy, lack of skills and poverty in terms of future human capital and loyal customer base. It thus becomes apparent that the 'business case' for CSR - doing well while doing good - is inspired by the discourse of enlightened self-interest expounded by the principle of economic liberalism.

The Korean CSR in South Africa, however, shows a shift towards a new model of CSR. Self-interest in the 19th century's laissez-faire capitalism was based on cold rational, direct and transactional calculations. Self-interest in the Korean CSR programmes in South Africa now has to be mediated by an active social orientation. Korean CSR practitioners in South Africa exemplify a new type of self-interest that involves a real, caring heart that motivates active social involvements. Thus, they effectively create and disseminate the 'new' face of TNCs under capitalism via their CSR programmes.

9.1 Incentives

According to the classical economists such as Adam Smith and David Ricardo, individual human beings are conceptualised as '*homo economicus*' - the economic actor who seeks to maximise his utilities through the rational calculation of weighing risks and opportunities. Korean corporations in South Africa - as corporate citizens - are also motivated to engage in CSR initiatives based on their rational judgement, inspired by the 'business case' for CSR. Concurrently, Korean corporations have shifted to a new modality of CSR, now implemented by individual CSR practitioners with caring hearts. The shift, as a result, required the institutionalisation of an incentive system to nurture among their employees, individuals with real heart.

The corporate institutions always find incentives whether to act or not from the rational calculation of maximising profitability and minimising risks. They are not only rational utility-maximising actors, but also designers of a system that reinforces the rationality within the corporate structure, mainly its employees. A number of Korean corporations have created a system that rewards their employees who participate in the corporations' CSR

programmes. In so doing, the employees are given market-based incentives to develop a sense of selfless, caring individuals. These corporations, by giving market-based incentives, pass on the spirit of rational calculation onto their employees in addition to the spirit of selfless commitment to social involvement. Through this process, individuals in corporate structures are led to assimilate into their corporate institutions' market principles. The principles of market and corporate capitalism are sustained.

In the South African operation, however, the strategy of incentives and involvement in CSR activities has not taken root as it has in Korea. In Korea, Mana Technologies instituted a 'Employee Volunteer Programme (EVP)' as a part of its CSR programme. The EVP was designed to encourage Mana's employees to participate in the company's CSR programme through volunteer services, donations and sharing their knowledge, skills and experience with their beneficiaries. Mana Technologies Korea is experiencing a steady growth in their employees' 'Volunteer Participation Rate' from 57% in 2012 to 79% 2013 and in 2014, the rate reached its peak at 89%. Mana employees in Korea often travel to developing countries to volunteer for a week, sharing their knowledge, skills and experience with local people in respective countries. Mana Technologies in South Africa also adopted the EVP strategy. The company encourages employees to volunteer for community services and give donations. The strategy, however, is not taking root in South Africa as it is in Korea. While Mana Korea maintains roughly 90% volunteer participation rate in its employees, David explains that Mana South Africa has just under 10% volunteer participation rate. The poor participation rate, explains Mana employees interviewed, is because the corporation's activities must always align with its business goal of profitability. They explained that taking time out of office hours to participate in the EVP could undermine productivity of the firm. As one CSR manager said:

> However…You'd be lucky enough to have 10% turn up of employees. The difficulty is that you always have to align with business. In the month-ends, you cannot take people from finance and sales departments. So, to encourage a high employee turn up, month-ends are usually avoided as they are the busiest times of the month.

Two other Korean national Mana employees I interviewed gave me similar responses. They said it is usually the staff level employees and South African nationals that participate in the

EVP activities. The respondents themselves have never participated in EVP. When I asked them why they would not participate, they explained:

> We never went to these activities. The EVPs are mostly on Fridays during work hours. If we go, it means we can't get any work done for the whole of that Friday. Our managers don't want productivity to be affected. They never explicitly said that we shouldn't go. But…even if we want to go, we choose not to. Because we know that our managers won't be happy about it. It's a corporate culture! It's (the EVP) Friday, during work hours. If we choose to go and volunteer, they'll probably think we're bunking off work. We could be seen as negligent of our work. We have to be careful. So either we become hesitant to go (volunteer) or don't go at all.

Although one of the two respondents added that he probably didn't participate in the EVP because he was not genuinely interested in volunteering, he did stress that the *gaze* of the managers was true. He said that a corporation's activities must always align with its business goal - profitability and that is why he cannot only criticise the managers. "If you start working for a company, then you'll know what we're talking about" added the respondent. The lack of keenness to get involved in CSR under stricter operating conducts in South Africa shows that a rational motivation underpins the CSR initiative of Mana Technologies.

I was very curious to find out why such discrepancy exists between Mana Technologies in Korea and its regional headquarters in South Africa in their employees' participation pattern. While Mana Technologies Korea's employee volunteer participation rate is 89%, Mana Technologies South Africa's rate sits just below 10%. The discrepancy might be due to different human resources (HR) management systems. Most of the major Korean TNCs have a point system for managing their employees and their promotion. Often, a certain number of volunteer hours are translated into a certain value of points which then contribute towards the employees' total points needed for their promotion. The points system is a pragmatic way to manage and assess corporations' human resources because a large number of employees make it difficult for corporations to assess the employees individually. Mana Technologies Korea employees about 90,000 people and is also managing its employees with the points system. An employee who works for another Korean TNC told me that his company used to award points for the number of volunteer hours (e.g. 24 hours per year = 1 point). Now his company stopped giving points for

volunteering. On the other hand, Mana Technologies does not use the points system for its employees:

> In Korea, their employees are about 100,000 in number[2]. They can't manage each and every one solely based on their performance. That's why they use the points system. But here in South Africa, we're only about 3-400. So it's possible they can assess us based on our work performance only. That's why they (employees in Korea) volunteer on the weekends (Assistant Manager, Mana Technologies).

Constraints of time and access made it difficult for me as a researcher to probe more into the points system and the general volunteer participation patterns of Mana employees. Therefore, it is difficult to establish a causal relationship between the two Mana Technologies' different HR management systems and their employees volunteer participation patterns. Notwithstanding the absence of causal relations, the case of the Korean points system enables us to think about the potential effect that market-based incentives might have on CSR. The concept of 'market-based incentives' is significant in our study of CSR. Conceptualising CSR as an action based on incentives leads to its actors' participation to solely depend on the actor's willingness or taste. Under an incentive systems, an actor will calculate benefits and costs before taking any actions. If the calculation turns out that costs outweigh benefits, then the actor is most likely not to take such actions. This line of thinking behind the incentive system is risky because it tends to move corporations and individuals away from the notion of 'responsibility'; but to 'opportunity'.

During my field work, I happened to hear a story about a Korean man who worked at Mana Technologies Korea. I heard that he had some disputes with a community social worker over their disagreement about volunteer service. I was intrigued with the story and wanted to find out more. Then I finally managed to interview the Korean social worker who works for a Korean-run NGO in Southern Africa. The story the respondent told me was very interesting:

> You know, he was a regional specialist from Mana Technologies Korea…He would always play golf with his friends. Then, he heard about me from his 'golf friends'. One

[2] This turned out to be incorrect as the actual number is about 90,700. But the number is still huge.

> day, he called me up and told me that he wanted to do some volunteer service. But since doing it alone would not have so much impact, he wanted to do it with a group of regional specialists in the neighbouring countries. I think maybe they had this kind of discussion before - like, how can we get more points when we go back to our headquarters in Korea? Let's do volunteer service together. He said, "All the senior members of my company have been to South Africa before. So, they wouldn't approve of any volunteer service in South Africa (because it's wealthy). I heard you have a programme in Lesotho. Would you organise a volunteer activity for us? We are ten of us here, one from each country. I'll organise to bring these ten people to volunteer."

'Regional Specialists Programme' is a popularised programme among most Korean TNCs whereby the companies send a certain number of employees each year to overseas for a period of one to two years. This programme is the companies' globalisation effort for their employees. During their tenure as regional specialists, the employees do not work at all but to study foreign languages and culture and to build local connections. At the same time, they are expected to report to their headquarters in Korea of their findings and their achievements as 'regional specialists' in their respective regions. Mana Technologies website uploads the testimonials of the regional specialists with pictures taken during their regional specialist experience. Often, many of these specialists highlight their volunteering experience with their Mana colleagues in their region of specialty. The respondent continued:

> So I told him that I'd need to get a permission from the manager in Lesotho. After a series of call, the manager gave us a go ahead. In fact, we thought very deeply. How can we plan this volunteer service so that the beneficiaries can receive some tangible help, and simultaneously, these guys can get good points? Then we thought of a project for building toilets…So I told him, "You're all working people. Why not spend some money? I'd suggest you build one toilet per person, and hire a worker to build the toilet." He seemed to be happy with our suggestion, since labour costs were cheap…We even got quotations from Builders Warehouse for all the necessary building materials. Each toilet would cost them R2,000… the guys said they were flying to Lesotho…I suggested that they stay around the airport, rent a big vehicle and travel from their accommodation to our programme each day. We estimated the project to take three to four days. I said I'd provide lunch for the ten guys, since they can't travel here and there just for lunch. Then he abruptly said, "Since we're volunteering, I thought you were

> going to provide accommodation and meals for all of us?" I said to him, "Sometimes we provide meals and accommodation for students who come and volunteer. But you're working, no? And you're working for Mana Technologies, everyone's dream company! You're not going to volunteer for *us* (Korean community workers). You're volunteering for the local people here…Besides, we don't have a vehicle to transport ten people." But he didn't understand a word I said. He had such a mentality… Since then I never heard from him. If he wasn't happy with our suggestion, he should have told us he wanted to cancel it. But he never bothered to. We were put in a difficult situation because we already told the beneficiaries that we'd be building toilets for them. We even drew up a list of beneficiaries, you know. And these guys even knew that! This whole thing started because he wanted to improve his points. *But it didn't fit his calculation*. He had calculated the costs of his air ticket to Lesotho, and building the toilets; but not for accommodation and vehicle rentals. I'm sure he must have been gobsmacked. This guy plays golf every day. I mean 'everyday'. He even hired a private tutor to teach him golf. But for this?…I was so upset. I never called him back, although I had his number on my phone.

During the interview, the social worker still seemed quite upset about the whole incident. The respondent told me about another incidents about this 'guy' and described how calculating person he was. The regional specialist simply opted to scrap the whole project because according to his rational calculation, costs would outweigh his benefits. This is not to say that this Mana employee was morally wrong in his behaviour (except for not contacting the social worker to inform that he's gotten cold feet!). This is not to say that it was Mana Technologies' points system that had a direct influence on this regional specialist's behaviour. But I found the notion of enlightened self-interest in this story significant. It brings us back to the question of whether CSR can in the South African context be a development tool.

The notion of rationality in Mana Technologies' CSR programme is also evident in how they select key material issues for the programme. Mana's sustainability report details the meticulous process of selecting material issues for the corporation's CSR programme. The selecting of key material issues for CSR programme is important because the selection determines where the corporation's CSR will focus on and where to invest its budget. When it comes to costs (spending), corporations become very conscious and sensitive. They start to ask questions: Why are we spending money on this issue, not another? How does benefit

outweigh cost on this issue? Mana Technologies has instituted a detailed process, and complex assessment matrix, not discussed here, to respond to these questions.

This chapter has suggested that the notion of rationality and self-interest underpin the discourse of Korean CSR in South Africa. So, can the Korean CSR be a development tool in the South African context? According to Blowfield (2005: 521), the business thinking in CSR still remains unchanged whereby "the fundamental values and tenets of the capitalist enterprise" such as profitability and the principle of free trade remain as non-negotiable values. We have seen that the spirits of free market and corporate capitalism in the CSR discourse is resilient and powerful. With Mana's EVP in South Africa, business values of profitability and productivity were not to be compromised. A scholar in CSR was concerned that:

> ….business case driven CSR will bias how corporations select their CSR strategy, because not all socially responsible behaviours have equal potential profitability or market demand. The bias will result in increased corporate attention to certain social needs that are less costly and potentially profitable, while other more costly social misery will be conveniently ignored (Lee, 2008: 65).

Considering the discourse of market values which underpins the 'business case' for CSR in Korean corporations' CSR programme, it seems unlikely that their CSR programmes could achieve a balanced development that gives equal weight to all problems and challenges faced by this society. From this study, it seems, the Korean path of CSR has not taken root in South Africa. The Korean path is characterised by an emphasis on '*nanum*', meaning 'sharing'. Unlike in Korea, people in Mana South Africa cannot take time off and participate in CSR activities. This seems to be due to stricter operating conditions or tougher business environment of South Africa than Korea that Mana cannot afford to implement the EVP in the same manner as in Korea. While it is not known why the Korean path to CSR has not taken root in South Africa, it remains to be seen how successful the Korean path will be in South and Southern Africa.

10. CONCLUSION

This research aimed to explore how CSR is being conceptualised by Korean TNCs doing business in South Africa. Through the study of CSR programme of a major Korean TNC in South Africa - Mana Technologies - the research attempted to identify the principles and values that underpin the Korean firms' engagement in CSR programme. In other words, how do these corporations understand CSR? What is the rationale of their programme? What is the discourse of development being put forward in their CSR programme? Is there a 'Korean Path' to CSR and what is it?

The research question seeks to understand the Korean CSR's underlying assumptions about the relationship between society and capital. Corporates maintain and manage their relationship with society through CSR. As seen in the Polanyian framework of the relationship between capital and society, there is a constant double movement between the two. On the one hand, we have capital trying to exercise hegemonic power over society and pretends to act independent of it. Society, on the other hand, strengthens itself to check the expansion of capital's power and influence over society. In response to society's counter-movement, claimed Polanyi, capital takes up measures to regulate or restrict its business activities to ensure its survival. In the same vein, CSR can be interpreted as capital's response to society's critical attitude towards capital and to further expand its influence and power over society. So, to understand *how* corporates maintain and manage this relationship requires understanding *how* they conceptualise CSR; *how* they understand the role of capital and society; and *why* they feel the need to manage the relationship in the manner they do. To address the research question, qualitative research methods of document analysis and interviews were adopted to identify narratives and discourse of CSR from participants' rich data of experiences and opinions.

The recent trend in CSR literature shows that the discourse of CSR has been largely driven by the 'business case' for CSR. Central to the business case is the assumption that the relationship between capital and society can be mutually beneficial because they are "interdependent" on each other (Porter & Kramer, 2006: 5). The relationship then becomes a simple equation: capital benefits society and society benefits capital. Hence, it becomes 'rational' for business to contribute to development of the wider society in order to reap

more profits, creating 'win-win situations' for both business and society (Lee, 2008; Prieto-Carrón *et al*, 2006). The research found that the development of CSR in Korea had a close relationship with the emergence of neoliberalism in Korean political economy and the social changes which followed. The recent trends show that CSR in Korea is following the global CSR trends with a heavy emphasis on the business case for CSR and global corporate citizenship.

Mana Technologies in South Africa was used as the single case study of the research. From the study of the Korean government and Mana Technologies, the evidence suggests that both conceptualised CSR as opportunities in two broad senses. Firstly, CSR provides beneficiaries with opportunities to be empowered and advanced through technology and shared knowledge and thus to be included in the mainstream market. Secondly, CSR provides Korea and its corporations doing business overseas with opportunities to improve their national and corporate branding as well as to enhance their competitive advantage and profitability in the global market. They key method of implementing CSR was via individuals to present the 'human face' of Korean corporations with an emphasis on 'sharing' i.e. '*nanum*'. The notion of '*nanum*' appears particular to and emblematic of the Korean path to CSR.

Hence the key finding of the research is the attempt to implement a potential Korean path to CSR in South Africa. The study found that Korean CSR programmes in South Africa display a unique trait whereby their motivation for CSR shifts to a new type of self-interest. While Korean CSR programmes are still underpinned by rational motivation of the 'business case' for CSR, they attempt to add the 'human face' of TNCs. The 'new face' of TNCs is created by instituting individuals with seemingly caring and genuine heart in the implementation of their CSR programme.

The Korean path to CSR in South Africa aims to make society to view Korean TNCs not as greedy, society-destroying global capital, but now as corporate *citizens* with the real caring heart for society. '*Nanum*' (i.e. sharing) as an expression of the Korean path within a dominant global CSR orientation is also strategically adopted by the Korean state and TNCs in their attempt to distinguish themselves from Chinese capital. This effort of managing and branding the image of Korea and its corporations is an important feature of the 'Korean Path'. The

'Korean Path' to CSR provides an intersection between the Korean government's diplomacy strategy and the corporations' marketing and business planning strategy, offering both 'opportunity' to enhance their competitive advantage. Thus, for Korean state and Korean TNCs, CSR becomes the mechanism to paint their image as society-friendly and genuinely committed to development, leading to growing influence of TNCs in society and their further capital accumulation.

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List of interviews (*Pseudonyms)

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APPENDICES

A. Ethics clearance certificate

B. Interview Schedules

   1. Korea Business Association (KBA)
   2. KOTRA
   3. Korean embassy
   4. Korean transnational corporation in the electronics sector

DRAFT

1. Interview Schedule
Experts on Korea-South Africa Relations: Business Community

1. Would you please introduce yourself? (Name, Position, Duration of Employment)
간단히 자기 소개를 부탁 드립니다 (성함, 직급, 담당 업무 및 업무기간)

2. What is your view on Korea-South Africa relations in general?
한국-남아공 관계에 대한 일반적인 의견은 무엇입니까?

3. Does your company run any CSR programme in South Africa? If yes/no, why?
귀사는 남아공에서 CSR 활동을 하고 있습니까? 그 이유는 무엇입니까?

4. Does your company's headquarters outline guidelines for CSR programme?
귀사의 본사는 CSR활동에 대한 가이드라인을 제시하는지요?

5. Are you a member of Korea Business Association (KBA) in South Africa?
귀사는 지상사협회원입니까?

6. If yes, has there been any discussion or debates within the Association regarding Korean TNCs' CSR programme in South Africa?
만약 그렇다면, 남아공 지상사협회에서 남아공 내 한국 다국적기업의 CSR활동에 대한 논의가 이루어 졌습니까?

7. If yes, kindly tell me about the discussion or debate.
이루어진적이 있다면 설명을 부탁드리겠습니다.

8. How important is CSR for Korean TNCs operating in South Africa, and why?
남아공 내 한국 기업에게 CSR 이 얼마나 중요하다고 생각하십니까? 이유는 무엇입니까?

9. What would be your best advice for the Korean TNCs that want to pursue CSR programme? What would be the best strategy for them?
남아공 내에서 CSR활동을 원하는 기업이 있다면, 가장 효과적인 CSR 활동 전략은 무엇일까요? 조언이 있다면?

Questions after the interview:
1) Do you know of anyone that I can speak to from the Korean Business Association (KBA) in relation to the CSR programme of Korean TNCs?

2) Apart from the KBA, who do you suggest that I go and speak to, in order to gain valuable information about CSR programme of Korean TNCs?

A. Ethics Clearance

Research Office

HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)
R14/49 Jeong

CLEARANCE CERTIFICATE	**PROTOCOL NUMBER: H15/08/18**
PROJECT TITLE	Corporate social responsibility (CSR) of Korean transnational corporations (TNCs) in Southern Africa
INVESTIGATOR(S)	Ms D Jeong
SCHOOL/DEPARTMENT	Social Science/
DATE CONSIDERED	21 August 2015
DECISION OF THE COMMITTEE	Approved unconditionally
EXPIRY DATE	19 January 2019

DATE 20 January 2016 **CHAIRPERSON** _____
(Professor J Knight)

cc: Supervisor : Dr P Stewart

DECLARATION OF INVESTIGATOR(S)

To be completed in duplicate and **ONE COPY** returned to the Secretary at Room 10005, 10th Floor, Senate House, University.

I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee. **I agree to completion of a yearly progress report.**

_____ _____/_____/_____
Signature **Date**

PLEASE QUOTE THE PROTOCOL NUMBER ON ALL ENQUIRIES

DRAFT

2. Interview Schedule

Experts on Korea-South Africa Relations: Korea Trade-Investment Promotion Agency (KOTRA)

1. Would you please introduce yourself? (Name, Position, Job description, etc.)
간단히 자기 소개를 부탁 드립니다 (성함, 직급, 담당 업무 등)

2. When was the KOTRA established in South Africa? Who established the agency? What are the activities of KOTRA in South Africa or Africa at large?
코트라는 남아공에 언제 진출하였나요? 코트라는 누구에 의해서 설립되었으며, 남아공 내에서 또는 아프리카 내에서 코트라의 활동은 무엇이 있습니까?

3. What is your opinion/ assessment of Korea-South Africa relations? And why?
한국과 남아공의 관계를 어떻게 보십니까? 또, 그 이유는 무엇입니까?

4. What is the relationship between KOTRA and the Korean businesses in South Africa?
코트라와 남아공 내 진출한 한국 기업들의 관계는 어떻게 이루어져 있습니까?

5. Are you aware of any CSR programme of Korean businesses in South Africa? Have there been any conversations or debates about CSR programme of Korean businesses?
남아공 내에 한국기업들의 기업의사회적책임(CSR) 활동에 대해서 알고 계십니까? 혹시 한국 기업들의 CSR 에 대한 논의가 이루어진 적이 있습니까?

6. Does your agency have a programme or guidelines for Korean TNC's CSR programme? If yes, could you explain?
한국 기업들의 CSR 활동에 대한 코트라의 별도 프로그램이나 가이드라인이 있습니까? 있다면 무엇입니까?

7. Has your agency ever organized a conference or forum for Korean TNCs' CSR programme in South Africa?
코트라에서 남아공 내 활동하고 있는 한국 기업들의 CSR 활동에 대한 컨퍼런스를 주최한 적이 있습니까?

8. How important is CSR for Korean TNCs operating in South Africa, and why?
남아공 내 한국 기업들에게 CSR 이 중요하다고 생각하십니까? 이유는 무엇입니까?

9. What would be your best advice for the Korean TNCs that want to pursue CSR programme? What would be the best strategy for them?
남아공에서 CSR 활동을 하려는 한국 기업들에게 해주고 싶은 조언이 있으시다면 무엇이 되겠습니까? 가장 효과적인 CSR 활동 전략은 무엇일까요?

3. Interview Schedule

Experts on Korea-South Africa Relations:
Mr Yeon-ho Choi (Ambassador of South Korea to South Africa)

1. Would you please introduce yourself? (Name, Position, Job description, etc.)
간단히 자기 소개를 부탁 드립니다 (성함, 직급, 담당 업무 및 업무기간)

2. What is your opinion/ assessment of Korea-South Africa relations? And why?
한국과 남아공의 관계를 어떻게 보십니까? 또, 그 이유는 무엇입니까?

3. What strategy or direction does the ROK government have in its involvement in Sub-Saharan Africa or South Africa?
대한민국 정부의 대 아프리카/남아공 외교 및 투자 활동 전략이 따로 있는지요? 있다면 무엇입니까?

4. What is the relationship between the Korean embassy and the Korean businesses operating in South Africa?
남아공에서 활동하고 있는 한국 기업들과 대사관의 관계는 어떻게 이루어져 있나요?

5. What is the role of Korean businesses operating in South Africa?
남아공에서 한국기업들의 역할은 무엇이라고 생각하십니까?

6. Are you aware of any CSR programme of Korean businesses in South Africa? Have there been any conversations or debates about CSR programme of Korean businesses?
남아공 내에 한국기업들의 기업의사회적책임(CSR) 활동에 대해서 알고 계십니까? 혹시 한국 기업들의 CSR 에 대한 논의가 이루어진 적이 있습니까?

7. Has the embassy ever organized a conference or forum for Korean TNCs' CSR programme in South Africa?
혹시 대사관에서 한국기업의 CSR 에 대한 컨퍼런스나 포럼 등을 주최한 적이 있는지요?

8. How important is CSR for Korean TNCs operating in South Africa, and why?
남아공 내 한국 기업들에게 CSR 이 중요하다고 생각하십니까? 이유는 무엇입니까?

9. What would be your best advice for the Korean TNCs that want to pursue CSR programme? What would be the best strategy for them?
남아공에서 CSR 활동을 하려는 한국 기업들에게 해주고 싶은 조언이 있으시다면 무엇이 되겠습니까? 가장 효과적인 CSR 활동 전략은 무엇일까요?

4. **Interview Schedule**
CSR Practitioner at Korean Transnational Corporations in the Electronics Sector

1. Would you please introduce yourself? (Name, Position, Duration of Employment)
간단히 자기 소개를 부탁 드립니다 (성함, 직급, 담당 업무 및 업무기간)

2. Would you please describe your job and responsibilities?
귀하가 맡으신 담당 업무 소개를 부탁드립니다

3. Would you please give a brief overview of your company's CSR programme?
귀사의 기업의사회적책임(CSR) 활동에 대해 간단히 소개 해주시겠습니까?

4. Do you focus on one or two areas intensively over others in your CSR programme? If yes, what are they and why?
보통 CSR 활동을 할 때 한 두 개 분야에 특히 비중을 두는지요? 만약 그렇다면 어떤 분야이고 왜 그 분야를 선택 하셨습니까?

5. What does your company aim to achieve through CSR programme?
귀사가 CSR 활동을 통해서 성취하고자 하는 것은 무엇입니까?

6. What is the greatest challenge in your job as a CSR practitioner?
CSR 담당자로써 가장 어려운 점은 무엇입니까?

7. Would you please describe decision-making process in relation to your CSR programme?
귀사의 CSR 관련 결정과정에 대해서 설명 해 주실수 있습니까?

8. How important is CSR for your company in South Africa, and why?
귀사에게CSR 이 얼마나 중요하다고 생각하십니까? 이유는 무엇입니까?

9. What is your vision for the best CSR strategy?
가장 효과적인 CSR 활동 전략은 무엇일까요?

10. How would you define CSR?
CSR을 정의한다면?

Questions after the interview:
a) Are there any documents that your company or department has on your company's CSR programme that you can make available to me?