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Community Engagement in Corporate Social Responsibility Projects: The Case of Mtibwa Sugar Estates in Tanzania

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Abstract

Community level stakeholders are important part of business that companies need to consider when making decisions. This paper argues that companies that do not engage communities in their corporate social responsibility (CSR) programmes fail in delivering the objectives of their CSR projects. In advancing this argument the paper uses the stakeholder theory to interrogate and explain the results of how companies engage neighbouring communities in the conception, implementation and evaluation of their CSR projects. This qualitative study picked one company with CSR projects; and used in-depth interviews, FGDs and semi-structured questionnaires to collect data. The study found that although community engagement in CSR projects is important for the success and satisfaction of the project beneficiaries, the case study company did not engage its stakeholders. The study concluded that CSR in some companies was grossly underdeveloped and uncoordinated. The study therefore recommends that companies operating in the global South, need to have clear participatory stakeholders' engagement mechanisms when engaging in CSR if their CSR initiatives are to help in the development of the neighbouring communities.

Keywords: *corporate social responsibility, stakeholder theory, community engagement, community projects*

Introduction

Corporate social responsibility (CSR) has multiple conceptualizations and is multi-disciplinary in nature (Caroll, 2016; Garriga & Melé, 2004; Mbirigenda & Msoka, 2015). CSR is said to be an obligation for business organizations to pursue policies, decisions and lines of actions that are consistent with the objectives and values of the society (Enuoh & Inyang, 2014). Jenkins (2006) and Idemudia (2011) perceive CSR awareness of the impact of business on wide range of stakeholders through business decisions that are made. This was resonated by Chi Vo (2011: 90) who argued that:

> CSR was seen as an 'all embracing' idea to have an awareness of the impacts of the business, and a positive impact on a wide range of stakeholders through the business decisions that are made. Key stakeholders were employees, customers and suppliers, shareholders, community and environment.

Utting (2003) suggests that in cases where CSR is a genuine attempt on the part of big businesses to improve social, environmental and human rights conditions, the agenda needs to be broadened and its implementation strengthened by having better integration between voluntary approaches and law or government

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regulations, rather than the present situation where voluntary initiatives are often seen as an alternative to legal instruments (Broomhill, 2007). Some CSR activists have argued for legislations for better implementation of CSR. The Business Council of Australia claims that legislation runs the risk of repressing the innovation and creative approaches to CSRs that are already in the market, which will result to a less meaningful CSR (UNRISD, 2003). Whether legislated or voluntary, a CSR approach should begin by ensuring full compliance with laws already in place; such as laws related to consumers, workers, health and safety, human rights, environmental protection, bribery and corruption, corporate governance, and taxation. The Association of Tanzania Employers (2012) cautions that companies should not use CSR as an alternative to law compliance. Failure to comply with the law will undermine good CSR efforts. In short, CSR is a business necessity pushed by different factors such as customer and consumer expectations, internal factors, global resource markets, and regulatory initiatives.

In the Northern countries such as the UK, the debate on voluntarism against compulsion approach to CSR is at a critical stage, and has even entered the UN level (Bichta, 2003; Cowe & Porritt, 2002). Clapham (2006), for example, argues that there are times when non-state actors such as international organizations, transnational corporations, and armed opposition groups threaten human rights. He argues that though the state is best placed and obligated to monitor non-state actors, however, recently states have become increasingly negligent and powerless, while transnational corporations and international monetary institutions are increasingly becoming more relevant and powerful in this regard. Clapham proposes that human rights laws should be applied to non-state actors such as the corporations.

Since CSR is on a voluntary basis, companies tend to relate to local communities in unofficial ways, which create problems such as the of lack of participation and exclusion of local communities in decision-making processes. Thus, some scholars argue that CSR is an attempt by companies to show that they are not just soulless ugly giants milking profits from the poor, but also allies of governments and non-government organizations (NGO), also known as not-for-profit organizations (NPOs) (Bakan, 2004; Charteji, 2011). Community engagement is a deliberate plan of action and sustained effort to establish and maintain mutual understanding between an organization and its community, thus social coherence in a geographical area. Wosu argued that the lack of genuine engagement or participation of local communities in oil exploration and in the concept of CSR is the source of conflicts in the Niger Delta where oil companies use different strategies to alienate, divide, and rule the locals. However, CSR conflicts are not only with companies and the outside world, but also within companies themselves, such as in a case between two different stakeholders in the same company (Rubin & Barnea, 2006). This study, therefore, aims at analysing how communities as stakeholders of CSR in a developing country are engaged—and ultimately participate—in the planning, implementation, and evaluation of CSR projects.

Literature Review

The stakeholder theory begins with the assumption that ethical values are necessarily and explicitly a part of doing business (Diallo & Ewusie, 2011). Stakeholder theory is a group of theories, which include theories like the normative stakeholder theory that tend to be used by firms that believe they are moral agents due to contractual obligations to satisfy societal expectations (Donaldson & Preston, 1995; Drucker, 1984; Wartick & Cochran, 1985; Wood, 1991). According to Davidson (2006) and Diallo and Ewusie (2011), the stakeholder management theory forms one of the foundations of CSR. There is also the instrumental stakeholder theory, which includes enviropreneurial marketing, corporate citizenship, and corporate environmentalism. These theories believe that companies need to satisfy stakeholders, which is instrumental in achieving firms' objectives (Freeman, 1984; Porter & van der Linde, 1995; Hart, 1995; Menon & Menon, 1997; Maignan, Ferrell & Hult, 1999; Klassen & Whybark, 1999; Judge & Douglas, 1998; Akbas, 2012). In the stakeholder approach to CSR, an organization maximizes business value-creation based on relevant stakeholder interests, and a fair allocation of business value to stakeholders. This is in consonance with Porter et al. (1995), the competitive strategist, who asserted that businesses "must seek out opportunities to create shared value," i.e., both for the organization and other stakeholders. Porter's assertion is that CSR and core business are not mutually exclusive (Diallo & Ewusie, 2011).

The above view is against scholars such as Barnet (2007) and Friedman (1970) who argue that CSR devotion only increases running costs, thus putting a company at a competitive disadvantage. Therefore, CSR redistribution of shareholders' wealth to the society is not right, since the latter have no rightful claim of the wealth (Diallo & Ewusie, 2011). The stakeholder theory claims that by trying to conceive how stakeholders would react to different decisions, companies try to keep stakeholder reactions in the back of their minds when making decisions. This can be done by actually involving them in decision-making processes. Freeman (1984) mentions two techniques of involvement: negotiation, and voluntary agreements. He stresses that involving stakeholders is the only way to cope with the congruence problem: that the perception that an organization has concerning its stakeholders does not have to be in line with reality (Gooyert, 2012). Freeman argues that voluntarily adopting a negotiation posture with stakeholders is the only way to avoid imposing solution from outside; which might even harm stakeholders. He goes further to say that, in the short-term, a company might get away with a solution that harm stakeholders, but in long-term, dealing with the same stakeholders that have been harmed might result into conflict escalation, which in turn can harm a company (ibid.).

Gooyert (2012) argues that there are three reasons why companies should consider stakeholders: first, it is the law; second, it is in the interest of the corporations; and lastly, stakeholders have a value on their own. The process of stakeholders' participation means a procedure of analyzing, planning and designing, engaging, taking action, evaluating and reviewing. The process of analyzing involves identifying stakeholders and assessing engagement risk and opportunity, while that of planning and designing involves identifying engagement level and method. The process of engagement comprises the involvement of stakeholders, and together the two (company and stakeholder) identify key issues and start to correspond. The last process is that of evaluating and reviewing, which involves public reporting, competency building, and reviewing (Freeman & Evan, 1990). Freeman and Evan (1990) argue that all stakeholders, especially those with asset-specific stakes, have a right to bargain, and deserve a fair contract. When communities, as part of stakeholders (ATE, 2012), are not involved in decision-making processes, then they are denied their right space to bargain and get a fair contract. This, as Freeman (1984) points out, might result into a conflict relationship between a company and its surrounding community.

Literature shows that CSR as a concept has many meanings and many contending theories. The existing CSR theories are still being modified and others being heavily criticized. As shown above, scholars are more engaged in discussing what the concept entails, with a small body of literature discussing how corporations involve communities in their CSR decision-making, and evaluating the impact of CSR activities on communities. However, none of the discussions have looked into the missing link between the involvement of communities in CSR projects and the reactions of communities towards company projects. The stakeholder theory assumes that the greater the participation of the community in decision-making processes, the less the chance for negative responses towards companies' projects and programs. On the other hand, the less companies engage communities in decision-making, the higher the chances of negative responses. The theory assumes that business organizations are dependent upon stakeholders for success, and similarly stakeholders have some stake in organizations (Mbirigenda, 2015). In this way, the theory is able to describe, explain, analyse and offer reliable prediction on community responses to CSR programs.

Methodology

This was a qualitative study that involved in-depth interviews with 40 respondents were chosen using snowballing. These respondents were one manager, a welfare officer (WO), the Headmaster of Nassor Seif Secondary School, the Headteacher of Kiwandani Primary School and the Assistant Headteacher, 6 village officials from Lukenge village, 6 village officials from Mabaoni village, 5 village officials from Diongoya village, a water pump operator from Lukenge village, and 17 other villagers. Some of these were involved in in-depth interviews, while all of the 40 respondents filled semi-structured questionnaires. In addition, there were 4 (FGDs) from Lukenge, Mabaoni, Diongoya, and Nassoro Seif Secondary School. The study collected two sets of data: the first set was from the Mtibwa Sugar Estate Limited (MSEL) documentaries and interviews with its management; and the second set was from the communities. Analyses of data was done manually by comparing and contrasting data from the company and data from the members of the local communities.

The Case Study Company

The study used Mtibwa Sugar Estate Limited (MSEL) located in Turiani division in Morogoro region as a case study. The MSEL is a sugarcane growing, sugar and related-products production company, which was started as state-owned enterprise in 1973 until it was privatized to the Tanzania Sugar Industries (TSI) in 1998/1999. Cane is supplied to the MSEL from the company's own fields, and a small portion from small out-growers in surrounding villages. The MSEL produces about 47,000 tons of sugar per year, which is sold both domestically and internationally. By 2008 the company had a workforce of 1,300 permanent employees, and some 1,500 additional seasonal employees during the harvesting season, which is June-February (USAID, 2012).

The relationship between MSEL and the surrounding communities started to sour after the communities started to protest against the company factory activities that were polluting the Wami river, and later when it built the Nassoro Seif Secondary School by imposing tax on the sugar cane farmers. The MSEL claimed that only a small amount was discharged into the Wami river, at a location approximately 16km downstream from the intake point (USAID, 2012). However, the local populace reported fish kills and skin diseases (e.g., near Lukenge village) resulting from the of dumping excess molasses from the MSEL into the Wami river. The company claimed that it stopped releasing molasses into the river and established a cattle-fattening program in December 2004, but the communities disputed this, saying that the MSEL did not stop discharging dirty water into the river. To calm down the conflict about the polluted river that attracted media coverage, the MSEL offered to repair a broken water pump that supplied water to Lukenge village as its CSR project.

Findings and Discussion

CSRs of MSEL

The Mtibwa Sugar Estates CSR documents mention several CSR initiatives, such as accommodations for teachers, the Mtibwa Primary School, Kiwandani Primary School, the Nassor Seif Secondary School, repair of roads and bridges, donation of pumps and building of a dispensary in Lukenge village, among other things. On road repairs and construction, the company reported that it did—and was still doing—road services to the villages and farmers' plantations, including the construction of culverts and bridges. This was repeated by the company's Welfare Officer (WO) in charge of CSR. In an interview, the WO reported that the MSEL had repaired the shortcut route to Dakawa, which he claimed had simplified communication between Turiani and Morogoro town. He also asserted that the MSEL contributed to the building of the Kiwandani Primary School, Mtibwa Secondary School (located at Kidudwe), and Nassor Seif Secondary School by offering 30 acres of land on which the school was built. The WO also said that the company contributed in the buildings of the Sungaji Secondary School, Saddiq Murad; and donated funds for the buildings of the Lusanga Dispensary in Lukenge village. Also, the MSEL had given buildings for the offices of the Mtibwa Police Station and the Mtibwa local court.

Negative Community Comments Towards CSR by MSEL

Unlike what the MSEL reported in its CSR documents: that it had donated water pump to the Lukenge village, the villagers asserted that the company did not donate the water pump. They claimed that the MSEL only repaired it, but both the pump and its diesel generator were donated by the Dutch Rural Water Supply Project in

Morogoro as a part of a water supply project in rural areas financed by the government of Tanzania and the Royal Netherlands Embassy. Furthermore, the Lukenge village authority accused the district authority for misappropriating the aid funds by buying a cheap pump and generator with low horsepower, which made the generator be overpowered by the pump. In an interview, the community pump operator had the following to say:

> *"In short, there was a village generator that was offered to us by benefactors from Holland. They were the ones who built the water stations. Now that generator, the Hollandese had a good intention; but when the idea reached the district authorities that is where the problem started. You know those are human beings, they misappropriated and brought something cheaper, you see. Now during the time, the village chairperson was not a knowledgeable person. Since at the district authority you had people who knew and nearly all the sectors there were people of the same clever tribe from the North. When the funds arrived at the district, it was misappropriated and a different machine (generator) from the one we agreed was brought. Then the agreement was that a new water tank would be built from the fund given by the benefactors, so that when the water was full it would be transported to Songambele. Until now there are rollers of pipes that were bought and are still there, you see. That is how it was, the project of about twenty million or so. Those guys at the district after realizing that the money had already been misappropriated, and now they had less money, they thought after all what do these village people know anyway. We are the ones with the funds, they would not know anything and we will do whatever is possible and give them water. Village people would simply appreciate if they know that they will have water, after all, all they want is water."*

According to the Lukenge village officials, frequent repairs of the water pump and the generator became rather expensive. At some point the generator broke-down, and was taken to a government regional office where it stayed for over a year awaiting repair; and then it was stolen. It was at this time that the MSEL started pumping waste-water from its factory into river Diwali, thereof provoking the irk of the community.

According to the village officials, it was the reaction of the community over the polluted river water—which attracted news reporters and made big news in the media—that forced MSEL to act fast to save its face. To appease the villagers, the then Acting General Manager of the MSEL bought a new pump (after the company failed to repaired the old one) and bought a new generator to replace the stolen one. Here, CSR is seen as an activity geared towards addressing a problematic situation of a company before it attracts a legal action, thus amounting to a public relation (PR) whitewash (ATE, 2012).

However, evidences from the FGDs show that the Ag. Manager helped the village out of his friendship with the then village chairperson. The villagers believed that the manager bought the pump out of his own money. One villager said:

> *He [the manager] at least had a spirit of helping the village. He was a person going through the sugar cane plantations by foot, I have never seen that. He was helping a lot. Even the pump, it was because of his friendship with the then village chairperson that he brought the pump. He had a different heart for sure, he had a human relationship. There was a day he came and sat there (pointing to a tree) with the villagers, we chatted with him before he left* [FGD in Lukenge village].

This information was in conflict with what was said earlier. According to the participants, the MSEL did not buy the pump: rather, it was a donation from the Dutch Rural Water Supply Project in Morogoro. Further probing in the matter revealed that there had been three different pumps in the village. MSEL bought another pump when it realized that the second pump bought by its former manager was stolen. The acting manager of the MSEL bought a second pump after he failed to repaired the first one donated by Dutch Rural Water Supply Project. The FGD revealed further that, after installation of the pump and the new generator, it was realized that the pump had small horsepower to pump water from the river to the village. Furthermore, the Lukenge officials said that they knew that drinking water from the Diwali River was not then safe, and that the installation of the pump and generator was not a 'saintly' (Samaritan) offer, rather it was a compensatory deed for an irresponsible act of the company poisoning the waters of the river. The villagers claimed that the same poisonous water was pumped into their farms, which made plants that came into contact with the water to dry up. People were concerned about their health in using the contaminated water. In an FGD, one villager said:

> *In my farm the poisonous water is still coming. When the plants are exposed to the water, they die. Up to now, people from Mbulume do not fetch water from the river: they go to Mkindo where they buy a pot of water for hundred shillings* [FGD in Mabaoni].

This was also confirmed with data from the questionnaire in which 29 (72.5%) respondents perceived CSR by the MSEL as simply a cover-up for polluting the river waters and other factory misdeeds that were done to re-gain faith from the communities around the factory (Table 1).

Table 1: Responses to Whether CSR by MSEL was Genuine Attempt to Help Communities or a Cover-Up to Favour Company Activities

Not genuine		Genuine		Do not know	
Frequency	*Percentage*	*Frequency*	*Percentage*	*Frequency*	*Percentage*
29	72.5	9	22.5	2	5

The pollution of the Diwali river and the surrounding areas was also testified by the USAID (2012), which reported of fish kills near Lukenge village because of the MSEL dumping excess molasses into the Wami river.

While road repairs and construction of bridges and culverts helped the surrounding local community by facilitating communication, it was clearly noticeable that the company equally needed the road in transporting sugar canes from farmers to its factory located in Manungu, and again transporting sugar from the factory in Manungu to consumers elsewhere in the national and international markets. This explains why the road repairs were largely undertaken in those strategic areas of the company's business operations.

For example, while the shortcut route to Dakawa benefited local communities, it was strategic for the company in lowering cost and increasing profits, a strategy that stands at the centre of any business. In an interview, the company WO admitted that the Dakawa shortcut route was important for MSEL production activities such as bringing in other raw materials apart from sugar canes, including—but not limited to—sacks for packing the sugar and machines for its Manungu factory. Therefore, the road repairs did not primarily aim at benefiting the communities: the benefits trickled down to the communities as the company could not prevent other road users from using those repaired strategic roads.

Other CSR initiative proclaimed by the MSEL was that of offering its buildings to host the Police Station at Manungu, giving its houses to the teachers of Kiwandani Primary School, etc. As the MSEL documents claimed, the structures that inhabited the Kiwandani Police Station belonged to what were once offices of the Chama cha Mapinduzi (CCM) political party in the era of mono-party system, which could also mean that the company had no use for those offices after the introduction of multiparty system in the country. Observation data, which were confirmed by the company management, showed that the company had a number of other buildings that were no longer for any use, and which were probably a burden in terms of maintenance and repairs. The police station raises doubts if one can get a fair treatment by the police in a case involving the company as a defendant as it the company that host the police in the area. One would even wonder if the police station was for the benefit of the communities around, or for the company's security.

Respondents also supported the contention that CSR activities by the MSEL were aimed at benefiting the company and not the communities around it. Table 2 shows that 30 (75%) respondents considered CSR as beneficial to MSEL, while only 6 (15%) considered CSR activities by MSEL as beneficial to the communities. This is contrary to convention: that CSR should not be done only when there is benefit for a company, but should be an obligation of the corporate world as the society helps corporations exist (Fontaine, 2013; DESA, 2009: Ashley et al., 2007).

Table 2: Communities' Perception on Whether CSR by MSEL To Benefit the Company or the Community

	Cost		**Benefit**		**Do not know**	
	Frequency	***Percent***	***Frequency***	***Percent***	***Frequency***	***Percent***
Company	21	52.5	30	75	1	2.5
Community	31	77.5	6	15	3	7.5

Data on the Nassor Seif Secondary School also presented conflicting information on the issue of the land offered by the company. The headmaster of the school said in an interview that the company gave only 11 acres of a sugarcane farm for the building of the school. However, the company documents showed that the company gave 30 acres of land. Observation of the area showed that the area could be less than 20 acres. This way of companies extrapolating spendings on CSR was common throughout this research. For example, in FGDs it was found out that since the

MSEL had no clear CSR program, at times it attributed success of projects that it never contributed to. In an interview, one Lukenge village official disputed the report given by the MSEL that the Lukenge village dispensary was built with contribution from the MSEL:

> *The company contributed? Nassoro gave out money. He gave as a person not as a company; he gave it in his position, not as a contribution of the company. He gave out… I cannot remember how many bags of cement. Lusanga, yes, the company built everything including connecting electricity after a tender was given. But for Lukenge, the company as a company…No… What I know is that they came to clear the place using a grader. It was the time when Mambo-Mambo was the village chairperson. The company came to clear the field and not to build anything. They cleared the place when the Uhuru torch was coming, when we already had started to build the foundation; and the occasion of the coming of Uhuru torch was to put foundation stone. They came to clear the field to have bigger space and prepare the road from that place you see (pointing) with a diversion: that diversion was exactly the purpose of clearing. Let us say that was not from the company, it was forced by the government, the company did not volunteer to help.*

Poor CSR Management and Engagements

In an interview, the WO of the MSEL claimed that there were regular meetings between the company and the surrounding communities, known as '*ujirani mwema'* ('good neighbourhood'), aimed at knowing the problems of the communities. In addition, he explained that another way of knowing the problems was for the communities to present their problems and requests to the company's offices:

> *Let's say they need a certain amount for building a certain thing, you either give materials or cash for them to continue with the project, or carry on with that activity which is already there. Wisdom is required in case there is urgency and the community is stuck. We therefore give certain amount of help but they will have to look for the rest needed so that their project can continue, we do that. That you can provide materials and the people (members of the communities) can continue…*

However, FGDs with the community members revealed that the *ujirani mwema* meetings between the company and local communities were not in the firm's CSR policy, but a private initiative of the former MSEL Acting General Manager. After the said manager left the MSEL, the practice naturally died, but its legacy remained behind for the company to boast about. In an FGD, one community member said:

> *We are not involved in any way when they want to do something. They give what they want, at the time they want, and the amount they want. Besides, we are not even talking about the company here, we are talking about a manager in the company. These* ujirani mwema *meetings are only for the leaders, and we do not know what they discuss* [FGD in Diongoya village].

This claim of communities not being involved in CSR planning, management and evaluation corresponded with data from the questionnaires as shown in Table 3. The data indicate that 29 (72.5%) respondents claimed that the MSEL did not involve the communities in their decisions on CSR activities, while only 8 (20%) respondents said there was engagement (both full and partial).

Table 3: Community Engagement in Decision Making Processes

	Full Engagement		Partial Engagement		No Engagement		Do not know	
	Frequency	*%*	*Frequency*	*%*	*Frequency*	*%*	*Frequency*	*%*
Community participation	3	7.5	5	12.5	31	77.5	1	2.5

The data from both the FGDs and questionnaires show that the CSR of MSEL was not participatory: it disengaged the community in its formulation and implementation. The company's CSR was centred on the Managing Director. Although there was a WO who dealt with CSR, everything related to CSR was actually decided by the Managing Director. This one-man show CSR is against CSR principles promulgated by the ATE (ATE, 2012). Interviews with different people indicated that before privatization, the MSEL had clear CSR policies, and CSR activities ran smoothly. However, after privatization, CSR policies were unclear: individuals in the management team were doing what they individually thought was best. This created problems since each time there were management changes, ongoing CSR projects were brought to a halt, and new ones cropped up. One of the administrators at the Kiwandani Primary School said the following regarding this:

> *Things were running smoothly before the privatization. The company used to support our school, but after privatization everything stopped. Even the sugarcane farms that the company used to cultivate as source of income for the school were taken over… when you ask for help, you do not get any.*

There was also a confusion on knowing what belonged to the company and what belonged to the public. At the Kiwandani Primary School, for example, a number of teachers, students and parents perceived the school as a private property of the company. In an interview, one of the administrators said:

> *"These people (the company) no longer see that this school is theirs, it was built for the children of the people working in the factory; yes, it also accommodates people from surrounding villagers but it was not initially for the surrounding communities. However, they now no longer care for it."*

The perception that the Kiwandani Primary School belonged to the company is wrong because it was built by the government, and was still a public property at the time of the study. However, the relationship between the school and the company was so much interwoven to the extent that it was not clear under whose jurisdiction some properties in the school fell. The mentality of the local people perceiving the school as being in the hands of the company because the company used to help running it revealed the dependency mentality of the community, and thus the challenge of sustainability the school was facing after the company had stopped it help; a help that had resulted into the transfer of duties from the state to the company. In this, there was even no realization of duties on the side of the local communities, which perceived that it was the company which had the responsibility to run the school. While the communities perceived the school as their right, they felt no obligations towards it: thus, they only professed property rights without property obligations.

Since the MSEL did not have a clear CSR management system, those in charge of the company's CSR (such as the WO) did not have any idea on how much was being spent on CSR. For example, the WO did not know if funds spent on CSR were tax deductible or not. In an interview, the WO in charge of CSR argued that such information was for the accounting department. However, even the accounts officer could not provide any information on the cost of CSR incurred by the company.

Community Preference on CSR Management

The respondents were then asked to propose a way the company should develop its CSR programs: whether by fully engaging the community, partially involving the community, or developing the programs alone. The results were as shown in Figure 1.

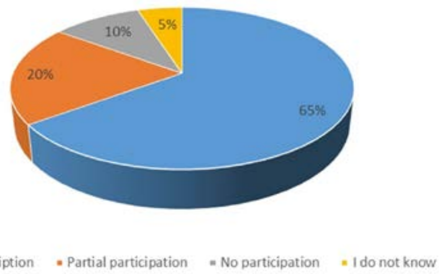

Figure 1: Respondents' Preferences on Community Participation In Developing CSR Programs (Field data)

Figure 1 shows that 26 (65%) of the respondents said that an ideal CSR framework should be developed in full participation with the communities, 4 (10%) asserted that an ideal CSR framework does not need to involve community members, while 4 (5%) respondents did not know how an ideal CSR framework should be developed.

Implication and Future Direction

The results from this study show that the MSEL did not share its power to define, formulate, and implement its CSR. Power is defined as the ability of a stakeholder to influence organization decision-making and action (Chatterji, 2011). The power of definition can be hegemonic and ideological. It is hegemonic in that those who defined a concept are the ones with the power to implement and modify what they have defined. This power is only shared if companies invite the beneficiaries when the definition is being constructed, and not after its construction. This reconstruction is important because CSR has to suit the local context. The argument of the stakeholder theory in inclusion and taking care of stakeholders' needs is an attempt to share this power.

The MSEL case study qualitatively shows that CSR practices remain grossly underdeveloped in Tanzania, and that companies use CSR to their advantage; at times even at the expense of the society, as CSR initiatives by some companies such as the MSEL crop from damage by companies on the environment. The study also shows appreciation of the correlation between non-involvement of a community in CSR strategy development and implementation, and disappointment of the local community with CSR projects as contended by the stakeholder theory (Gooyert, 2012; Freeman, 1984; Freeman & Evan, 19902). The concept of CSR brings out the human aspect of development: CSR should put people first, and thus human relationships have to be managed efficiently. CSR signifies the concept that it is better to have a shared interest in a successful development process than to dominate a failed and a dissatisfied socio-economic structure (Charteji, 2011).

Crowther and Aras (2008) assert that CSR in its broadest sense concerns what is or should be the relationship between companies, the government, and individual citizens. Locally, CSR should mean the relationship between a company and the community in which it resides or operates. The Mtibwa case study indicates that the company either misunderstood or ignored the true meaning of CSR, rendering it as a concept vaguely defined as a PR issue; and a CSR initiated as a PR damage-control has a higher chance of receiving negative response. This supports the stakeholder theory that it is important to predict in advance how stakeholders would react to different decisions that companies make. At the back of the mind companies should have stakeholders' reactions when they make CSR decisions, and the best way to predict stakeholders' reactions is engaging them in decision-making processes that touches their welfare. Lastly, communities should be aware that CSR is not a driver of development, but boost to development.

Conclusion and Recommendations

Evidences presented in this paper indicate that the MSEL had no clear official CSR program as a company. It was at the individual level that officials in the its management had a number of initiatives, which however lacked community engagement. In addition, people in charge of the welfare department where CSR was situated within the company structure did not know how much fund was being spent on CSR. The Welfare Officer had no knowledge on the amount of funds spent on CSR, or if the funds were tax deductible or not. Since the CSR of MSEL was aimed at addressing grievances, it only created a PR white-wash, which invited further grievances and dissatisfaction from the surrounding communities.

The MSEL case shows that CSR activities fail because some are conceptualized without consultation with the local communities who are an important part of stakeholders, which in turn makes the success of these activities hard to determine. Since CSR funds are tax exempted, CSR activities must be coordinated in one way or another: in some degree this can be one way of regulating companies in host countries. Companies on their part should have clear CSR management systems that are stakeholder-participatory from their conceptualization to implementation and evaluation. This will lead to need-based CSR projects and minimize the chances of companies using local community problems to solve their ailing relationships with workers, local communities, or with the state; thus, making CSR projects stand higher chances of reducing economic inequalities in local communities. Therefore, the study recommends that the Tanzania government, under the Ministry of Finance, form a government body to oversee, harmonize, coordinate, and promote CSR in the country.

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