

CORPORATE SOCIAL RESPONSIBILITY MOTIVES OF AUSTRALIA AND SOUTH AFRICA: A SOCIO-ECONOMIC PERSPECTIVE

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Abstract

This study analyses the socio-economic similarities and differences between Australia and South Africa, a developed and developing country, respectively. In particular, we consider the corporate social responsibility motives and mechanisms in lieu of social, economical, cultural and environmental influences in these two countries. The study reveals that, despite some significant similarities, corporate social responsibility values have been constructed with different social, economic and cultural interactions in the aforementioned countries. This is owing to the different socio-economic infrastructure that exists in each country. The study pointed out that it is important for multinational companies and policy makers to understand corporate social responsibility motives of different countries in order to fulfil stakeholders' demands. Also, taking cognizance of the fact that the stakeholders' expectations can vary across nations.

Keywords: Corporate Social Responsibility, Motives, South Africa, Australia

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1 Introduction

Corporate Social Responsibility (CSR) has become a global phenomenon (Carroll, 2008). In this context, business organizations have some kind of social obligation to the society due to the existence of their business activities in the society (Hinson and Ndhlovu, 2011; Carroll, 1991). As such, companies are being urged to focus on social aspects (i.e. economical, social and environmental) besides the financial aspects (Hidayati, 2011) and it has been steadily increasing in recent years, particularly in the developed countries. In this regard, the business world has started to embed CSR issues in their corporate strategic management (Fédération des Experts comptables Européens, 2008). Subsequently CSR recently became an important issue on corporate governance structures of every business organization (Kamal and Deegan, 2013; Srisuphaolarn, 2013; Stiglbauer, 2011) especially in the twenty-first century (Crowther and Aras, 2009).

In the last few decades, CSR literature was mainly linked to the developed economies. There has been relatively limited academic research on CSR in the developing world (Kamal and Deegan, 2013), especially in the African continent (Hinson and

Ndhlovu, 2011). Despite the interest shown in CSR research there is a paucity of substantial academic CSR research that explicitly seeks to understand to what extent societal factors (such as social, economical, cultural and environmental) influence CSR motives in a developed and developing country. Therefore, the main aim of this paper is to provide an in depth understanding of CSR motives and social and economical perspectives in a developed and developing country. Particularly, this study sets out to compare South Africa (a non OECD country) and Australia's (an OECD country) socio-economic similarities and differences as drivers of their respective CSR frameworks.

In the sequel, we highlight some of the relevant background information about Australia and South Africa that forms the foundation to this study. Firstly, the industry (mining and manufacturing) sector is the largest economic sector in Australia (www.economywatch.com, 2012) and South Africa (www.mediaclubsouthafrica.com, 2012). Both countries have similar types of resources such as gold, diamond, and coal. South Africa is the world's largest gold (produces 10% of the world's gold) and platinum producer, fourth-largest diamond producer, and leading producer of coal

(www.mediaclubsouthafrica.com, 2012). South African mining industry contributed 5.6% of the country's total GDP in 2008 (www.mediaclubsouthafrica.com, 2012). On the other hand, Australian mining industry accounts for 8% of Australian GDP in 2008/2009 financial year (De Villiers and Alexander, 2011:6). Australia holds the world's largest reserves of uranium and recoverable brown coal, second largest reserves of gold, bauxite, and copper (www.economywatch.com, 2012), and third largest reserves of diamonds (Mineral Council of Australia, 2009, cited in De Villiers and Alexander, 2011:6). South Africa's GDP composition by its industry sector was 32.1% in 2009 (www.africa.com, 2011a) and Australia's GDP composition by its industry sector was 24.9% in 2010 (www.economywatch.com, 2012). Although both mining and manufacturing industries are important to these countries' economies (De Villiers and Alexander, 2011; Azapagic 2004), social and environmental issues (for example, using land, environmental damage by industrialization, workers' health and safety, and others) should also be taken into account since society and environment are affected by their operating activities (Hinson and Ndhlovu, 2011; Pratten and Mashat, 2009; Azapagic 2004). Consequently, it is assumed that both mining and manufacturing sectors will have significant social and environmental impacts on each country.

Secondly, there is a similarity in capital markets and accounting rules in South Africa and Australia that may cause similar corporate pressure in both countries regarding CSR practices and CSR reporting practices (De Villiers and Alexander, 2011).

Lastly, Australia and South Africa both are democratic countries, and there is a freedom of expression and media/press in both countries (De Villiers and Alexander, 2011). The "freedom of association and expression" is an important factor to raise various social issues (De Villiers and Alexander, 2011:3) that will lead to make social valuations more accurate. Brown and Deegan (1998) said that stakeholders can be influenced by the media attention to exert pressures on companies to deal with CSR issues. De Villiers and Alexander (2011) said that it would be ideal to compare the CSR issues between a fully democratic OECD country (Australia) and a fully democratic non-OECD country (South Africa).

This article is structured as follows: The current section is of an introductory nature, followed by Section 2 which is a brief literature review. In section 3, we focus on socio-economic similarities between South Africa and Australia in order to understand the CSR motives in the two countries. In the fourth section, we consider the differences between the aforementioned countries. Here, we argue that social priorities and subsequently the CSR activities should be different in our two focal countries because of two dissimilar traditions and cultures, two different identities, and two different constitutions.

Furthermore, different cultures and different historical backgrounds lead to different social expectations (Lorenzo-Molo, 2009) that constitute different CSR contents. Finally, we conclude with Section 5.

2 Literature Review

In the sequel, we discuss the CSR concepts and its dimensions. In addition, CSR in the South African and Australian contexts are highlighted briefly in this section.

2.1 CSR and its dimensions – An Overview

Although no universally accepted CSR definition exists in the literature (Crowther and Aras, 2008), CSR concept has been articulated as social responsibility, corporate social performance, corporate social responsiveness, corporate social investment, sustainable business, sustainability, corporate citizenship, corporate philanthropy, business ethics and environmental concerns (see McElhaney, 2009; Crane et al., 2008; Shahin and Zairi, 2007; Fig, 2005; Carroll, 1979; Ackerman and Bauer, 1976; Sethi, 1975). World Business Council for Sustainable Development (WBCSD, 1998:3) stated that:

“Corporate Social Responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large”.

However, CSR practice has increased over the past decades (Papasolomou-Doukakis et al., 2005) due to the demand for sustainable business practices all over the world. Furthermore, CSR became more prominent due to the recent corporate failures in many countries. Particularly, developed countries, placed emphasized on some CSR issues in conjunction with corporate governance issues in order to be socially responsible and in which long term loss can be prevented (Crowther and Aras, 2008). In addition, more recently, the Organization for Economic Co-operation and Development (OECD) and the European Commission (EC) have actively taken part in the CSR discussion. For instance, OECD in 2000 developed guidelines for multinational enterprises related to sustainability development in which CSR issues (economic, social and environmental) can be addressed to minimize any difficulties that may arise from the daily business activities (OECD, 2001). In 2001, the EC prepared a paper called 'Green Paper' for promoting CSR practice for having a cleaner environment for the society around Europe and rest of the world (EC, 2001). In South Africa, CSR became prominent in the national corporate governance code (i.e. King Commission on Corporate Governance). CSR is defined by King Committee on Corporate Governance as follows:

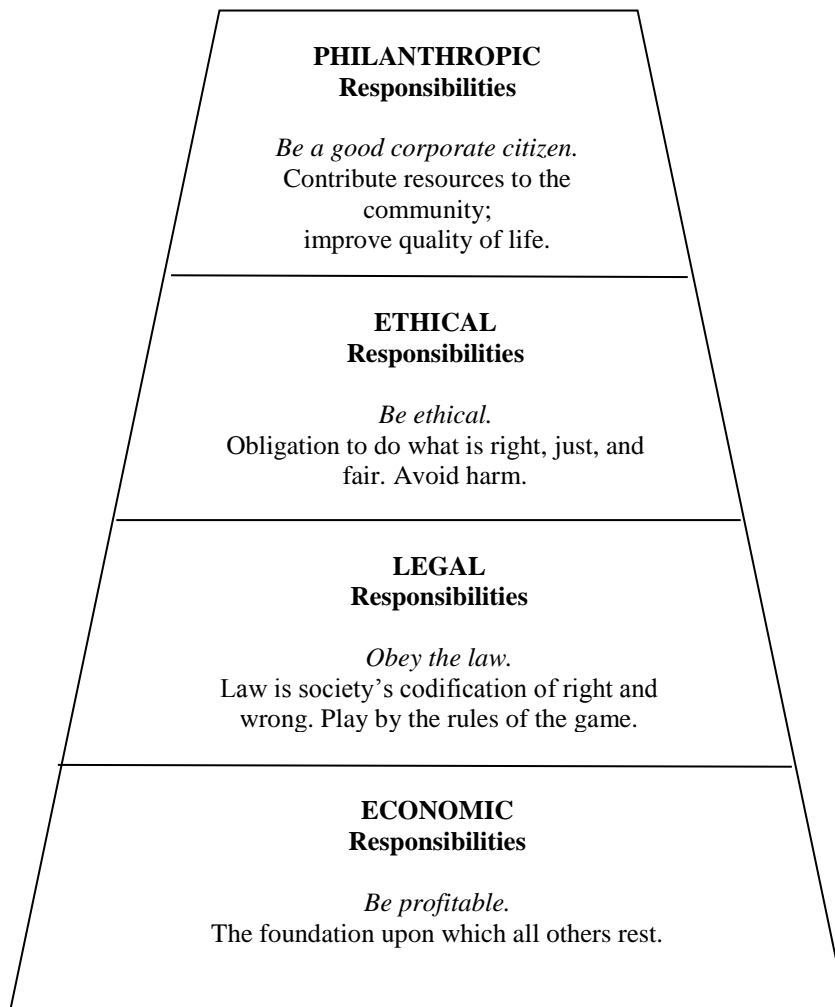
“A well-managed company will be aware of, and respond to, social issues, placing a high priority on

ethical standards. A good corporate citizen is increasingly seen as one that is non-discriminatory, non-exploitative, and responsible with regard to environmental and human rights issues. A company is likely to experience indirect economic benefits such as improved productivity and corporate reputation by taking those factors into consideration” (Institute of Directors in South Africa, 2002:12).

Similarly to the CSR concept, CSR dimensions have been delineated in a number of different ways in terms of various concepts and definitions. Carroll

(1991) proposed four kinds of CSR dimensions (economic, legal, ethical, and philanthropic) that constitute the CSR pyramid (see Figure 1). This investigator (1991:40) suggests that the CSR pyramid is made in such a way that all four kinds of social responsibilities addresses the “entire range of business responsibilities”. In other words, to make sure that they “have always existed to some extent” and then all CSR aspects can be acceptable by business organizations to deal with various social issues (Carroll, 1991:40).

Figure 1. Carroll’s Pyramid of Corporate Social Responsibility



Source: Carroll, 1991:42

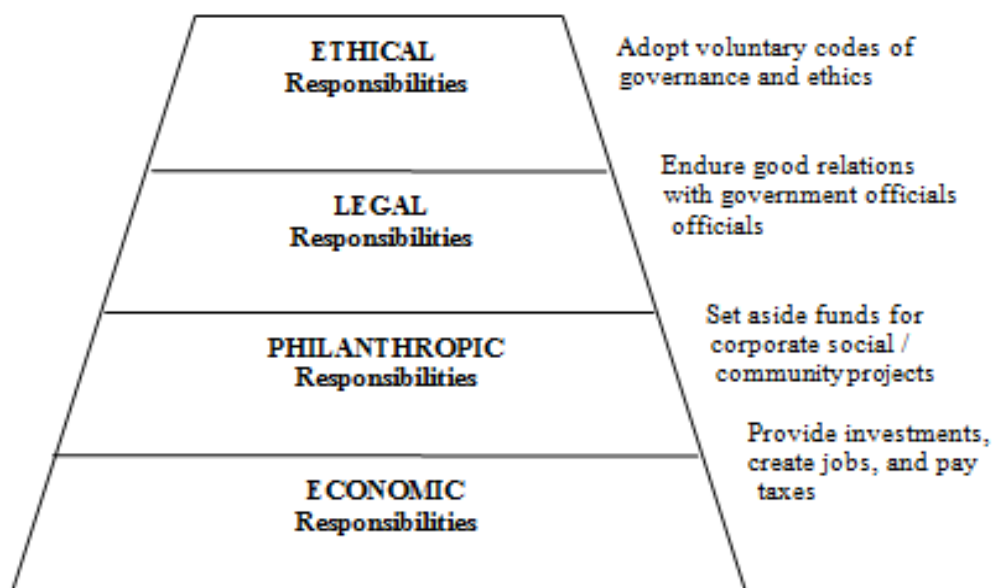
There are some criticisms towards Carroll’s (1991) CSR pyramid. For instance, some writers believe that this pyramid is not sufficient as a comprehensive model of CSR. Nevertheless, his CSR pyramid is “still widely used” (Claydon, 2009:20). Visser (2008) argues that Carroll (1991) constructed his CSR Pyramid based mainly on an American (a developed country) social and economical context. Visser (2008) states that Carroll’s CSR pyramid may not be considered adequately in developing countries since drivers for CSR in developing countries are not similar to the drivers for CSR in developed countries.

Many aspects, particularly culture, may influence CSR priorities significantly therefore, Visser reconstructed (see Figure 2) Carroll’s CSR pyramid to incorporate the perspective of developing countries (Visser, 2008).

It is evident in Visser’s CSR pyramid for developing countries and Carroll’s CSR pyramid for developed countries that economic responsibility is still at the foundation of both pyramids. Thus, suggesting the importance of this type of responsibility. However, philanthropy responsibility is given second highest priority in the Visser’s CSR pyramid as, from the traditional point of view, it is the

most direct way to develop communities in their surroundings in the developing countries, followed by legal and ethical responsibility.

Figure 2. Visser's CSR Pyramid for developing countries



Source: Visser, 2008:489

From a global perspective, Global Reporting Initiative (GRI) outlined three dimensions of sustainability such as economic, environmental, and social (GRI, 2011). In another point of view, Aras and Crowther (2009) state that, within the broad concept of CSR, corporations should focus on all important CSR components such as environmental impact, societal influence, financial, and organizational culture in the short term and long term contexts in order to ensure sustainability and enable sustainable development.

Evidently, it reveals that universal CSR definition and universal CSR dimensions framework do not exist in the CSR literature (Claydon, 2009; Montiel, 2008) because different organizations and subsequently different countries have different priorities to engage in CSR activities (Baker, 2009). CSR literature suggests that CSR activities and contents in the country depend on country's economic development and social needs which are different from one country to another (Srisuphaolarn, 2013). Also, the majority of the previous studies and their prescriptions on CSR motives and mechanisms require reconsideration in the context of social, economical, cultural and environmental influence on countries' CSR paraphernalia. This study seeks to address these important observations in order to refine and articulate our understanding on societal and indigenous factors that generate CSR motives in a developed country (i.e. Australia) and a developing country (i.e. South Africa). It is imperative for the policy makers and international investors to know whether developing country's CSR pattern is the mimicry of developed country's CSR pattern or local social and cultural

influence. Thus, it is important to understand CSR motives between a developed country and a developing country which is useful to regulators, multinational corporations in particular. The ensuing sections present two countries' CSR context information and socio-economic similarities and differences between two countries.

2.2 CSR in the South African context

CSR in South Africa is not only influenced by the impact of corporate activities but also significantly influenced by the country's apartheid history (Fig, 2002). Traditionally and historically, the CSR concept in South Africa was mainly dominated under the form of corporate philanthropic responsibility during the apartheid regime in South Africa (Visser, 2008; Fig, 2002) and the CSR initiative first came from the banking, mining and oil industries in the early 1970s (Fourie, 2005). There are a range of CSR related laws (not mandatory legislation) in South Africa which have been opted by the South African government to encourage corporate sectors for CSR practices such as BBBEE Act 53 of 2003, Employment Equity Act 55 of 1998, Skills Development Act 97 of 1998 (as amended in 2003), National Empowerment Fund Act of 105 of 1998, and Preferential Procurement Policy Framework Act 5 of 2000 (Ramlall, 2012). In addition, South African King III Report, Johannesburg Stock Exchange (JSE) Listing Requirements and JSE SRI Index also play a major role in terms of CSR in South Africa. It is worth noting that, in South Africa, firms generally prefer the notion Corporate Social Investment (CSI) than CSR in order to redress the

results of its past apartheid system (Fig, 2005; Fig, 2002) and most of the CSR initiatives are conducted via CSI (Nxasana, 2010).

With respect to CSR in South Africa, there is a substantial support from the companies (local and foreign) including government and CSR projects which are carried out by most of the large companies as a part of their normal business activity (www.csr-weltweit.de, 2011). Major areas of CSR activity by

South African companies are education, poverty, health and HIV/Aids, training and skills development, social and community development, environment, entrepreneurship and job creation, safety and security, food security and agriculture, and others (Trailogue, 2008). Table 1 illustrates some of the key focus areas of CSR activity and money spent on CSI initiatives by sixteen South African leading companies in 2006/2007.

Table 1. CSI Profiles in South Africa – 2006/2007

Company	Budget 2006/2007 (in million)	Key focus areas
Anglo Platinum	126.0	Education, infrastructure, enterprise development
BHP Billiton	115.0	Community development, education, environment, arts, health, sports and recreation
FirstRand Group	96.8	Community care (38%), education (26%), HIV/Aids (11%), arts, culture and heritage (9%), skills development (6%), environment (6%), agriculture livelihoods (4%)
Eskom Foundation	74.7	Skills development, job creation, poverty alleviation, health
MTN SA Foundation	74.0	Education (48%), health (14%), entrepreneurial (14%), arts and culture (8%), special projects (8%)
Anglo American Chairman's Fund	70.0	Education (46%), HIV/Aids (19%), welfare/development (18%), health (5%), arts, culture and heritage (5%), entrepreneur development (4%), environment (2%), policy and advocacy (1%)
Standard Bank	66.0	Education, entrepreneurship, sport development, community development/heritage, arts and culture
Vodacom	65.0	Education (47%), health (44%)
Absa	60.9	Education (37%), health (26%), entrepreneurship (10%), special projects (10%), employee community involvement (9%)
Transnet Foundation	60.0	Sport and recreation (33%), health (30%), arts and culture (12%), women, youth and child development (9%), entrepreneurial development (5%)
ArcelorMittal	57.0	Education (89%), sports development (5%), health (4%), job creation (2%)
Primedia	53.7	Education, agriculture
Telkom Foundation	51.1	Education (46%), ICT (29.7%), empowerment (18%)
Sasol	50.0	Education, health and welfare, job creation and capacity building, arts and culture, sports development, environmental conservation
Pick n' Pay	46.0	Education and literacy, entrepreneurial development, primary health care, assistance to the disabled, street children, HIV/Aids prevention and support programmes, road safety, housing, feeding schemes
PetroSA	44.8	Education (65%), community development (20%), HIV/Aids (9%), sponsorship (3%), environment (3%)

Source: Trialogue, 2008:57-59

A recent survey, done by Trialogue (2011) on one hundred leading companies in South Africa, shows that the education area was supported by more than 90% of the companies and received the largest share of CSI spent followed by social/community development, health, and environment in 2010/2011.

2.3 CSR in the Australian context

In Australia, the focus on CSR has started from the relationships between business community and society due to the growing roles of business in the community involvement (www.accord.org.au, 2011). It is evident

in the literature that CSR issues in Australia have been discussed for many years. For example, BHP (a leading mining and manufacturing industry in Australia) is disclosing its social information for more than a century (Guthrie and Parker, 1989). Further, a Melbourne-based community organization, Brotherhood of St Laurence, is actively involved in CSR in Australia since 1930s with a vision of "an Australia free of poverty" (Brotherhood of St Laurence, 2006)

The most important local CSR regulatory framework in Australia is developed by the Australian Stock Exchange (ASX). Due to the recent failures of large businesses in Australia (www.accord.org.au, 2011), in March 2003, ASX published the Principles on 'Good Corporate Governance and Best Practice Recommendations' as a guideline for listed companies in order to practice best corporate governance (www.accord.org.au, 2011; Anderson and Landau, 2006). ASX outlined 10 fundamental voluntary principles (www.accord.org.au, 2011) of which three Principles (Principles 3, 7 and 10) are CSR related (Anderson and Landau, 2006:10). Regarding local reporting guidelines, there are two specific sections in the Australian Corporations Act 2001 that are widely recognized as expanding company reporting in a way that relates to CSR (Anderson and Landau, 2006:8). For instance, section 1013D(1) of the Act imposes obligations on superannuation, life insurance and managed funds to disclose the extent to which they take account of environmental, social, labour and ethical standards in their investment decisions (Anderson and Landau, 2006:8). Section 299(1)(f) requires companies to include within their annual reports details of breaches of environmental laws and licences (Anderson and Landau, 2006:8). Besides, there are a number of other CSR reporting related guidelines established in Australia. For example, in 2003, 'Triple Bottom Line Reporting in Australia: A Guide to Reporting against Environmental Indicators' was developed by the Department of the Environment and Heritage (Anderson and Landau, 2006:11). In 2004, The Department of Family and Community Services published a draft guide in line with GRI that assists companies for reporting their social impacts (Anderson and Landau, 2006).

Over the past decades, Australian studies have suggested that a large number of Australian companies practice philanthropic related CSR (Anderson and Landau, 2006). In 2000, a study conducted by the Centre for Corporate Public Affairs and the Business Council of Australia noted that almost half of Australia's large companies established CSR policies related to community involvement, social responsibility or stakeholder engagement (Anderson and Landau, 2006). Cronin and Zappalà (2002) found from their study that more than 70% of top 100

Australian companies have corporate community involvement programmes or CSR policies. However, most of Australian companies approach CSR practice as short-term initiative rather than integrating it into their corporate strategies (Anderson and Landau, 2006; Cronin and Zappalà, 2002; Sweeney et al., 2001; Glazebrook, 1999). A survey in 2008 shows that most Australian companies chose the following social impact areas with regard to CSR activity:

- 71% companies chose 'Health Safety and Wellbeing'
- 70% companies chose 'Employee Development'
- 67% companies chose 'Equality, Diversity and Inclusion in the Workplace'
- 62% companies chose 'Community Investment' (Source: Longstaff, 2008)

3 Similarities between South Africa and Australia

Australia and South Africa both were once colonial countries (www.convictcreations.com, 2011). Australia was ruled by British and South Africa was ruled by Dutch and British. Both countries have had a large number of immigrants from Asia, Europe and other parts of the world (www.convictcreations.com, 2011). Therefore, these similar social characteristics may lead to similar CSR activities in both countries. In addition, after 1992, a number of South Africans, especially white South Africans, migrated to Australia and other countries as they perceived that there would be an economic down turn in South Africa under the black government. Thus, similar type of stakeholder groups can be found in both countries.

Both Australia and South Africa export a large amount of natural and mineral resources (see Table 3). The structure of the economies of both countries is relatively similar. For instance, the service sector is the largest contributor to both countries' GDP followed by industry and agriculture sectors, and GDP composition by the sectors of South Africa and Australia is very close to each other. Refer to Table 2 for the GDP composition of these two countries.

Table 2. GDP composition of South Africa and Australia

Agriculture sector South Africa 3.5% in 2009 (www.africa.com, 2011a) Australia 3.8% in 2010 (www.economywatch.com, 2012)
Industry sector South Africa 32.1% in 2009 (www.africa.com, 2011a) Australia 24.9% (www.economywatch.com, 2012)
Service sector South Africa 64.9% in 2009 (www.africa.com, 2011a) Australia 71.3% in 2010 (www.economywatch.com, 2012)

Both countries' financial sectors are well developed and regulated, and both have vast reserves of natural resources (www.africa.com, 2011b; www.economywatch.com, 2012). In terms of market capitalization, both countries stock exchanges are ranked among the top 20 in the world. Australian stock exchange is the 11th largest in the world (www.economywatch.com, 2012) and South African stock exchange is the 17th largest in the world (www.africa.com, 2011b). The mining industry in South Africa and Australia is one of the biggest employers in both countries (De Villiers and Alexander, 2011), and both countries' agriculture sectors are well developed. Both countries comply with International Financial Reporting Standards (IFRS) as mandatory compliance (De Villiers and Alexander, 2011). Though there was a negative impact on both countries' economies due to global economic crises in late 2008, the economic growth of South Africa (www.africa.com, 2011b) and Australia (www.economywatch.com, 2012) had been steady and stable.

Legislation pertaining to social and environmental issues is well developed in Australia and South Africa; for mining industry, similar type legislation is applied with regard to practice and disclosure issues in both countries (De Villiers and Alexander, 2011). For example, before obtaining a mining licence, it requires for mining industry in both countries to submit "an approved environmental rehabilitation programme, implying a rehabilitation liability, leading to environmental disclosure in the annual report" to the respective authorities (De Villiers and Alexander, 2011:11-12). Similar rules, regarding disclosing information, are applied in both countries' listed companies. Listed companies in both countries are required to disclose their social and environmental information in addition to their financial information (De Villiers and Alexander, 2011). Both countries have an internationally recognized and progressive corporate governance framework such as 'King III Report' in South Africa and 'Principles of Good Corporate Governance and Best Practice Recommendations' in Australia in which a list of guidelines are manifested for good corporate governance practice and disclosure practice (De Villiers and Alexander, 2011:10). It implies that, due to the similarities in social and environmental legislation and other rules in Australia and South Africa, pressure from the stakeholders of the two countries may emerge in a similar manner that leads to similar attention towards CSR and CSR reporting practices by the corporate sectors in both countries.

An "interesting similarity" is that BHP Billiton is largest mining company in Australia and South Africa and listed in both countries stock exchanges (De Villiers and Alexander, 2011: 10). BHP Billiton is one of leading mining companies in the world who also produces better corporate sustainability report (Perez and Sanchez, 2009). 'BHP Billiton' is a product of the

merger of two companies, namely, BHP and Billiton. They merged in June 2001 and BHP Billiton's corporate headquarter is in Melbourne, Australia (www.bhpbilliton.com, 2012).

In terms of stakeholders' pressures, there are also similarities in Australia and South Africa that may lead to coercive isomorphism in both countries in different directions (De Villiers and Alexander, 2011). Australian (as developed and OECD country) companies may expect more pressure from Greenpeace regarding environmental issues and South African (as developing and non-OECD country) companies may expect more pressure regarding employment equity from the Congress of South African Trade Union (COSATU) than environmental issues (De Villiers and Alexander, 2011). However, it should be noted that, while local isomorphic pressures in different countries might influence different CSR and CSR reporting practices, global isomorphic pressures might imposed on corporate sectors similar CSR structures and CSR reporting practices (De Villiers and Alexander, 2011). For examples, GRI guidelines for sustainability reporting and IFRS for corporate financial reporting tend to be similar everywhere in the world.

In order to manage CSR issues, De Villiers and Alexander (2011) found in their study that companies' annual reports of both countries show similar administrative reports about management structures. For instance, an Australian company indicated the following statement in the annual report as follows:

"The role of Head of Safety, Environment and Risk has been created, reporting directly to the Managing Director... The Managing Director reports monthly to the Board on all environmental and health and safety incidents" (De Villiers and Alexander, 2011:22).

On the hand, the researchers found a similar type of indication in the annual report produced by a South African company. For example, the South African company indicated that:

"Strategic direction for sustainable development is managed at the corporate office level by the safety and occupational health department, and the sustainable development and environment department" (De Villiers and Alexander, 2011:22).

De Villiers and Alexander (2011) said that these similar management structures influence similar CSR rules and practice, as well as being legitimating. Mr. Geoff Gallop, the former premier of Western Australia, said that:

"There's a lot of common interests in sport, there's a common interest called the Indian Ocean, there's a common interest in certainly the mining sector. A lot of service skills that we have, they have, we share.....So I think South Africa and Australia, there's a history of goodwill coming out of the anti-apartheid movement, and there's a lot of shared interest. And of course, trade is going from strength to strength" (cited in, Geoghegan, 2007).

4 Differences between South Africa and Australia

However, while there are a number of similarities in Australia and South Africa, there are also prominent differences between social and economic infrastructure in both countries.

De Villiers and Alexander (2011) said that local social problems of Australia and South Africa should be different since the social structure of the two countries is different, particularly income and unemployment status. According to the World Bank report, Australia falls under 'high income' country category with a gross national income per capita US\$43,740 in 2009 and South Africa falls under 'upper middle income' country category with a gross national income per capita US\$6,100 in 2010 (World Bank, 2011). The unemployment rate in South Africa was 24.3% in December 2009 (www.africa.com, 2011b) and Australia was 5.9% in July 2009 (HRM Guide, 2009, cited in De Villiers and Alexander, 2011:8). This substantial difference of income and unemployment status between Australia and South Africa would carry different social demand and, consequently, CSR initiatives would be different in the two different countries.

In Australia, people are identified with no race groups (there was no racial conflict) and "there is no policy of keeping groups separated from others" (www.convictcreations.com, 2011:1). In contrast, South African people are historically defined according to their "respective identities" (www.convictcreations.com, 2011:3) with different race groups such as black, white, coloured, and indian. Furthermore, there is a policy of affirmative action (AA) on the labour market in South Africa for providing employment opportunities to previously disadvantaged groups that are designated as black, coloured, and indian. It should be noted that the affirmative action and racial groups in South Africa are stemmed from the past experience in order to redress the inequalities created by apartheid and colonialism.

In 2007, South African black population was 80% while South African white population was 9.1% (www.convictcreations.com, 2011). On the other side, white population comprised 92% and Aboriginal population comprised 2.3% in Australia in 2007 (www.convictcreations.com, 2011). In South Africa, both whites and blacks were developed in two different societies. For example, blacks were living away from the cities and they were prohibited to live in the cities during the apartheid time. Blacks were living in the townships that were made for blacks communities. "Black society remained third world with high birth rates" and "white society grew into first world with low birth rates" in South Africa,

(www.convictcreations.com, 2011:2). In Australia, no townships were made for Aboriginal people and they are always encouraged by Australian white government to live in cities (www.convictcreations.com, 2011).

The life expectancy in Australia is approximately 82 years, whereas it is approximately 49 years in South Africa (www.aneke.com, 2012). While only 29,385 people were living with HIV infection at the end of 2009 in Australia [(National Centre in HIV Epidemiology and Clinical Research) NCHECR, 2010], almost 5.6 million people were living with HIV infection including 300,000 children under 15 years old at the end of 2009 in South Africa (www.avert.org, 2012). The HIV prevalence in South Africa is largely high compared to Australia. It is estimated that, based on the total population, the HIV prevalence is more than 11% in South Africa (www.avert.org, 2012) and 0.08% in Australia (De Villiers and Alexander, 2011:7). "These infection rates among the working age population affect the social and economic spheres severely", especially in the South African mining sector since this industry employs thousands of workers (De Villiers and Alexander, 2011:7).

In South Africa, poverty, unemployment, and HIV/AIDS issues are more common topics every day though government and corporate sectors pay attention about environment and climate issues. In contrast, environmental issues receive more attention in Australia (De Villiers and Alexander, 2011). Social stakeholders (for example, trade unions) are more interested in social issues (for example, employment, health and safety) than environmental issues (Azapagic, 2004). In this context, stakeholder groups with a social agenda such as COSATU (the South African trade union) might stronger than the stakeholder groups with an environmental agenda such as Greenpeace (De Villiers and Alexander, 2011) and C17 (a South African local organization deals with climate). On the other hand, De Villiers and Alexander (2011) said that, in Australia, environmental stakeholder groups such as Greenpeace might be stronger than social stakeholder groups. Greenpeace is a Netherland based global environmental organization with 28 national and regional offices around the world including Australia and South Africa, and works with the issues such climate change, forests, oceans, agriculture, toxic pollution, and nuclear (www.greenpeace.org, 2012). Greenpeace opened its first South African office in 2008 in Johannesburg (www.greenpeace.org, 2012). Table 3 below shows some other differences between Australia and South Africa in terms of religion, languages, human development index, literacy, and export items.

Table 3. Differences between South Africa and Australia

Country between South Africa and Australia	
Australia	South Africa
Population	
21,766,711	49,004,031
Life Expectancy	
81.810 years	49.330 years
Human Development Index	
0.965	0.670
Literacy Rate	
99.0%	86.4%
Religions	
Catholic 26.4%, Anglican 20.5%, other Christian 20.5%, Buddhist 1.9%, Muslim 1.5%, other 1.2%, unspecified 12.7%, none 15.3% (2001 Census)	Zion Christian 11.1%, Pentecostal/Charismatic 8.2%, Catholic 7.1%, Methodist 6.8%, Dutch Reformed 6.7%, Anglican 3.8%, Muslim 1.5%, other Christian 36%, other 2.3%, unspecified 1.4%, none 15.1% (2001 census)
Languages	
English 79.1%, Chinese 2.1%, Italian 1.9%, other 11.1%, unspecified 5.8% (2001 Census)	IsiZulu 23.8%, IsiXhosa 17.6%, Afrikaans 13.3%, Sepedi 9.4%, English 8.2%, Setswana 8.2%, Sesotho 7.9%, Xitsonga 4.4%, other 7.2% (2001 census)
Exports	
Coal, iron ore, gold, meat, wool, alumina, wheat, machinery and transport equipment	Gold, diamonds, platinum, other metals and minerals, machinery and equipment

Source: www.aneke.com, 2012

5 Conclusions

The purpose of this paper is to contribute to the understanding of CSR motives in a developed economy (i.e. Australia) and a developing economy (i.e. South Africa) through an in depth analysis of each country's socio-economic factors. The study reveals that, while there are a significant number of similarities in Australia and South Africa, there certainly are many social and economic differences between the two countries.

The CSR activities including CSR reporting practices are carried out in a similar approach in Australia and South Africa. Companies in both countries use similar internal CSR structures and there are similarities in CSR legislation, stock exchange rules, and corporate governance rules in both countries (De Villiers and Alexander, 2011). These similarities may lead to a similar motivation for adopting CSR into company practice in both countries. De Villiers and Alexander (2011) said that these similarities influence companies to focus on similar CSR dimensions and its reporting practices in both countries though the social structures of the two countries are developed in two different levels.

This study shows that the social structure in South Africa is not similar to the social structure in Australia in many aspects; particularly HIV

prevalence, unemployment statistics, and income status are largely different in the two countries. Because of the substantial differences in the two countries, it is believed that two countries social demands are developed on very different levels. Accordingly, stakeholders of the two countries will root for different social needs and priorities in line with their local social structure. As a result, corporate sectors of the two countries are expected to demonstrate their CSR activities through different perspectives and approaches.

The main limitation of the study is that this study examined only two countries CSR motives. Thus, understanding CSR motives through different social and economical structure is limited and it should not be generalize to other jurisdictions. As such, more comparative studies are imperative to understand the CSR motives in other developed and developing countries, particularly from two different continents. However, this study contributes to the knowledge of CSR motives of two different jurisdictions (OECD and non-OECD) in the context of social, economical and cultural factors. It also shows evidence on how CSR motives are driven in developed and developing economies based on the country's societal and indigenous contextual factors.

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