Chapter 6

The Role of Multinational Corporations in Community Development Initiatives in Cameroon

Kingsly Awang Ollong
University of Bamenda, Cameroon

ABSTRACT

Inadequate provision of infrastructural and social facilities by governments for citizens’ use calls for intervention of corporate organizations and individuals to contribute/provide for other people via social obligation. By virtue of Corporate Social Responsibility (CSR), many communities and individuals have been developed to dependable levels. Through it, the general wellbeing of individuals, groups and communities, growth and development are encouraged and promoted while stimulating innovative business. Government multiple taxes, business unfriendly policies, unions’ agitations, and scamming by some ill-intentioned citizens are impediments to efficient CSR by multinational companies in Cameroon. Though the rate of participation by business entities in being socially responsible is not encouraging, this chapter singles out a few MNCs that have distinguished themselves by sharing their enormous profits with the communities in which they operate. This chapter uses case studies of three Fast Moving Consumer Goods (FMCGs), that is, MTN, Guinness Cameroun SA, and British American Tobacco to ascertain that corporate social responsibility by MNCs has helped to ameliorate living conditions of local communities.

INTRODUCTION

There have been increasing demands on multinational corporations (MNCs) to provide community development programs and assistance to the communities where they operate particularly in developing countries. In other words, meeting locally defined social and economic goals. This is mainly because developmental projects and other social infrastructures are lacking in most of these countries, and most of the time they are not provided by the state. The purpose of this paper is to examine the roles of MNCs as representatives of business in society and in creating and maintaining corporate social responsibility in Cameroon through community development.
projects. The study examines the involvement of MNCs in community development projects in Cameroon using the case studies of three fast moving consumer goods (FMCG) company—Guinness Cameroun S.A., British American Tobacco (BAT) and Mobile Telephone Network (MTN). It assesses the value of MNC-supported community development projects as an expression of demonstrating corporate social responsibility and legitimacy to operate at different regions of the country. This is undertaken within the context of growing demands from various stakeholders for multinational corporations to be more socially responsible. Yet despite the effort these MNCs are making to give back to communities, many people still believe that the main objective of these corporations is to exploit the economies of Africa in general and Cameroon in particular.

The empirical domain is fast moving consumer goods companies (brewery, tobacco and mobile telephone companies) in Cameroon. The case studies are based in part on a series of interviews with key stakeholders in the brewery, tobacco and mobile telecommunications. The underlying approach adopted for this article has been to use all the information collected to provide a basis for MNCs and Cameroon to resolve the social issues that have plagued relationships between them.

CONCEPTUAL FRAMEWORK OF THE STUDY

Three key concepts are used in this study to demonstrate the implication of Multinational Corporations through corporate social responsibility in community development. They are: corporate social responsibility, multinational corporations and community development.

Corporate Social Responsibility

Multinational corporations (MNCs) are increasingly important actors in economic development. They currently account for 33% of world exports and 10% of world GDP. They are among the major contributors of global trade and social development. Previous research studies in international business have long argued against the ways MNCs use their economic power to solely improve economic conditions in the host countries. MNCs should be able to promote not only economic development but also sustainable development in the host countries (Moyeen and Huq, 2012).

Most MNCs refer to their contributions to the host countries as corporate social responsibility (CSR). Technically, CSR refers to the relationship between business and society, where the role of business is purported to go beyond the provision of goods and services (Dunphy, Griffiths & Benn, 2007). CSR has become “the fact of life” among most MNCs operating in developing nations. The traditional neoclassical view of business, the cornerstone of capitalism, is that the role of business is to create and protect shareholder value, thereby driving economic and social development through profit maximization. Made famous by neoliberals such as Milton Friedman, this dominant view of business as contributing to society through wealth generation is contested by those who argue that business must take on an expanded role in society in light of the increasing privatization of social and welfare services and the diminishing role of the state. Following the end of the Cold War, firms stepped into this vacuum and enabled by globalization, were able to accrue growing power and influence over global markets. Entering the twenty-first century, MNCs made up over half of the world’s 100 largest economies. Wal-Mart’s sales alone in 2007 eclipsed the economies of 114 countries. CSR proponents argue that with this power comes responsibility (Werbach, 2009).

Caroll (1999) conceptualizes CSR as a four-part definition that can be visually represented by a four-tiered pyramid of business responsibilities, that is, economic, legal, ethical and voluntary or philanthropic. The pyramid is founded upon the economic responsibilities of a business, as a basis for all other additional activities to occur, with legal, ethical and philanthropic tiers layered
Related Content

Empirical Study on the Correlations of Environmental Pollution, Human Capital, and Economic Growth: Based on the 1990-2007 Data in Guangdong China
[www.irma-international.org/chapter/empirical-study-correlations-environmental-pollution/68342/](www.irma-international.org/chapter/empirical-study-correlations-environmental-pollution/68342/)

An Examination of Personal Mobility Patterns in Space and Time Using Twitter

Emissions Trading Schemes in the Transportation Sector
[www.irma-international.org/chapter/emissions-trading-schemes-transportation-sector/76560/](www.irma-international.org/chapter/emissions-trading-schemes-transportation-sector/76560/)

Architecture, Design and Development of a Green ICT System
[www.irma-international.org/chapter/architecture-design-development-green-ict/51701/](www.irma-international.org/chapter/architecture-design-development-green-ict/51701/)

Sustainable Business Initiatives in the Context of Emerging Economies
[www.irma-international.org/chapter/sustainable-business-initiatives-context-emerging/51788/](www.irma-international.org/chapter/sustainable-business-initiatives-context-emerging/51788/)