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PRIVATE SECTOR CONTRIBUTION TO REGENERATION: CONCEPTS, ACTIONS AND SYNERGIES

Katherine Trebeck Research Fellow CPPR University of Glasgow

1. INTRODUCTION

There is a variety of ways in which communities are affected by businesses, including via business's production and consumption of goods and services, and community participation and investment (Boehm, 2005). As Tracey *et al* (2005) highlight, companies are

'arguably the most powerful form of organisation in early 21st century capitalism, [and therefore] it is important that we understand how corporations can harness their resources for the wider social good'.

Of these resources, those involving strategic decisions – closures, openings, employment, procurement and so on – invariably have a greater impact on localities than do contributions under the guise of corporate social responsibility (CSR). While the core activities of companies might be greater than CSR contributions to local communities, tax revenues may not benefit neighbouring areas, dividends go to shareholders who are not local, required skills may exclude local people, and private delivery premised on cost-recovery often excludes the poor (Warner, 2002: 44 and North *et al.*, 2003: 73).

Concurrently, business is increasingly expected to take a role in areas traditionally considered the domain of the public sector, such as education, crime reduction and local governance (Curran *et al.*, 2000 and Glass *et al.*, 2001). This expectation, while not dismissing the role of government, reflects recognition that problems such as poverty and social exclusion are too complex to be solved by a narrow approach. Challenges facing deprived areas, for example, are multidimensional, require a multifaceted solution involving participation of a range of entities (Carter, 2000: 44). Policy and development efforts have thus lauded the role of business in fostering economic renewal (see, for discussion, Reese and Rosenfeld, 2002 and Jacobs, 2004). UK governments at both national and regional levels have pursued a variety of initiatives and policies to alternatively encourage, entice and compel the private sector to become involved in various socially orientated activities.

While this involvement could be as partners, employers, service providers or investors, this paper considers the private sector's contribution largely through corporate social responsibility (CSR). CSR can be defined as those activities, other than commercial outputs, and beyond legally required behaviour, that deliberately address social and environmental concerns – as opposed to 'core business' that might inadvertently benefit disadvantaged people and places. CSR can include many different activities: community investment, concerted and targeted recruitment and training policies, partnerships and employee volunteering in the local community. Companies, especially large companies, are offering more in such community investment, either cash or other resources, and encouraging their employees to support local communities (Mori, 2003).

The increased private sector focus on community issues via CSR warrants exploration of company's motivations for this. This paper uses case studies to explore what the private sector might offer regeneration activities in particular, especially what drivers push CSR efforts in particular directions. Theories of community development are set out as useful models or indicators of regeneration. The Sustainable Livelihoods Approach (SLA) and asset based community development (ABCD) are used to illustrate how businesses might impact a community (see, Khanya, 2001). Drawing on desk top research and in-depth interviews, the paper then assesses this contribution in practice by considering the activities of selected companies: BP, Jaguar, Marks & Spencer and Salford City Reds Rugby League Club. It considers the alternative types of contribution that company action might deliver according to the 'relative advantages' that respective companies bring to regeneration. Discussion specifically examines the drivers behind company investment in initiatives that seek to bring some benefit to local areas, groups or individuals. This will reveal where company involvement might be expected and alternatively those instances it is unlikely companies will engage in activities impacting deprived areas or people from deprived backgrounds. The paper concludes by reflecting on synergies between regeneration processes and corporate interest.

2. DEFINITION OF THE OBJECTIVE: REGENERATION

In examining private sector activities that might mitigate area deprivation, briefly outlining the sought objective – regeneration – illuminates the breadth of possible contributions. A major policy developer describes regeneration as improving

disadvantaged areas and the lives of people who live and work there (Office of the Deputy Prime Minister, 2003; see also Warner, 2002: 43 and Adair et al., 2003). Roberts (2000: 17), for example, defines urban regeneration as 'lasting improvement in economic, physical, social and environmental conditions of an area' (also Scottish Executive, 2004: 26). As expanded further shortly, these improvements can be considered as changes that increase the various 'capitals' in an area: financial, natural, human, social and physical.

In economic terms, the demand side of regeneration is an area's ability to simultaneously retain local spending and attract spending from outside the locality (Noon et al., 2000: 62; see also Hart and Johnston, 2000: 137), while the supply side involves improvements to the competitiveness of a locality – its infrastructure, its workforce and other locational characteristics. This entails investment in both local infrastructure and land; and in people to improve workforce productivity. Employment is a fundamental component of this dynamic process, specifically creation of employment opportunities for local people through increased jobs in or near the locality (demand side), and measures that enhance the employability of local people so they can better compete in the jobs market (supply side). Such changes entail enhancing the financial, natural, human, social and physical capital of an area.

Clearly, these developments interact and reinforce each other in a complex two-way process. For example, unless measures enhancing workforce productivity (human capital) changes just outlined take place with simultaneous improvements in the area's appeal as a place to live (physical and natural capital), once local people find employment they will seek to move to more desirable locations (which would undermine social, financial and human capital in the area). There is an important role for government in contributing to both demand side and supply side aspects of regeneration, but, notwithstanding the need for government action as provider, facilitator and partner, businesses can also be instrumental in enhancing various aspects of regeneration, through increases in the five capitals.

3. CONCEPTUALISING REGENERATION

In assessing what sort of contribution private sector entities might make to area regeneration, this section offers a framework that enables to gauging more intangible, but fundamental, tenets of regeneration. Rather than simply looking at changes in the usual relevant socio-economic indicators, this reveals a more nuanced understanding of what businesses can contribute. Sen (cited in Jasek-Rysdahl, 2001), for example, observes that indicators such as standard of living and income are too narrow, and suggests instead focusing on concepts such as choice and opportunities open to a community.

Drawing on community development literature that emphasises sustainable livelihoods and community capabilities assists in understanding of the complexity potential corporate contribution by taking account of diverse, but interrelated, components of regeneration. The Sustainable Livelihoods Approach (SLA) often used in developing world contexts (see Hinshelwood, 2003) is a useful tool to consider area regeneration. The SLA utilises a matrix of 'capitals' necessary for regeneration, as alluded to above (Hinshelwood, 2003 and Long et al., 2002: 10). This matrix can be conceived of as a pentagon shape in order to easily visualise changes to the relative availability of each extent of respective capital in an area, with each side representing financial, natural, human, social or physical capital (see figure 1). The shape of the pentagon will shift according to respective capital bases or changes in circumstances which affect access to these capitals (see figure 2).

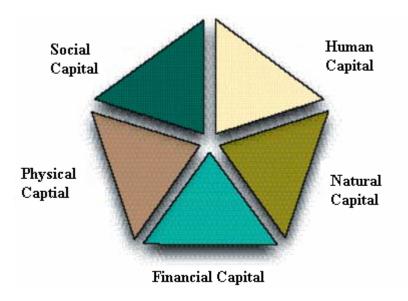


Figure 1 Asset Pentagon (Little and Edwards, 2003)

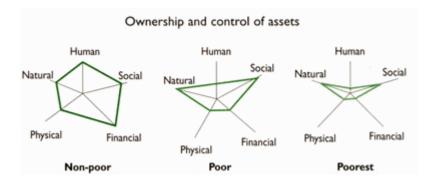


Figure 2 Changes to the Capitals in an Area (Food and Agriculture Organization of the United Nations and Department for International Development, 2000)

In the context of area regeneration, the extent of financial, natural, human, social and physical capitals in an area is reflected in the area's assets and strengths. Any contribution the private sector makes to the various capitals would be expected to advance regeneration and while many private sector activities can enhance regeneration, private sector activity can, however, also undermine an area's assets, for example, through environmental impact or retrenchments. Thus the set of five capitals – visualised as the shape of the pentagon – will alter in the direction of those capitals that the private sector has enhanced, or, potentially undermined, through its activities.

Looking at the contribution to regeneration not simply as numbers employed or quantity of community donations, but the holistic impact a company has on the community's capitals (sustainable livelihoods) generates a multi-faceted appreciation of regeneration, and the relevance of private sector activity. It should also enable consideration of the overall impact of a company's activities – from business decisions that might economically harm a community, to deliberate CSR activities designed to make a positive impact. The net change in assets or capitals can then be understood by evaluating changes to the shape of the 'asset pentagon' brought about by private sector activities.

4. THE BUSINESS CASE FOR CSR AND REGENERATION

Inevitably, different companies will offer contrasting contributions to regeneration. These contributions reflect each company's 'relative advantage' (discussed further following the case studies) and, crucially, will only be undertaken when there is a sufficiently compelling 'business case' for doing so relative to cost of deployment (see, for example, Trebeck, 2005: 74-80 and McWilliams and Siegel, 2001).

Literature on corporate community involvement reveals that there is generally a need to understand and communicate the commercial prudence of such actions. While many individuals who advocate or implement particular CSR initiatives might believe that these activities are 'the right thing to do', the requirement of a commercial rationale stems from the nature of companies as profit-making entities, constituted to act according to commercial incentives and what is in shareholder interests, rather than moral or social axioms (see for example, Parker, 2002: 110; Warburton *et al.*, 2004; Chapter 2 in Bakan, 2004; Webley, 2001 and Van Den Berg *et al.*, 2003: 6). Only when the existence of a compelling business case is accepted will resources be dedicated to implementing CSR. Specifically, McWilliams and Siegel (2001) explain that there is an 'ideal' level of CSR delivery ascertained via cost-benefit analysis through which managers assess the level of CSR at which the increased benefit is equal to the higher cost of delivering CSR.

Drivers and motivations that constitute the 'business case' for each CSR activity stem from a range of pressures for companies to engage in community investment, with varying pertinence for respective companies and industries. Of relevance to regeneration, for example, these might include:

- reputation enhancement
- employee attraction, retention and motivation
- consumer and shareholder pressure including ethical consumerism, shareholder activism and socially responsible investment
- the need for 'healthy' and stable market contexts for consumers, employees, suppliers

The nature and strength of these influences in a particular situation determines the commercial imperative of CSR.

Many of these factors point to a relationship between company interests and those groups or individuals that are interested in the company. Explicitly, in ultimately answering to their shareholders, companies need to penultimately answer to other audiences that can influence firm viability: the company's 'stakeholders'.ⁱ The need for a 'social licence to operate' from these stakeholders, in addition to formal government licences, is manifested in efforts to meet stakeholder demands, such as good external relations, stakeholder engagement and consultation, for example. Through these activities companies hope to improve reputation and attain acceptance (Banerjee, 2001: 46; Cragg and Greenbaum, 2002: 325; Zadek, 2003; Solomon, 2000; and Parker, Christine, 2002: 81). The nature of activities is therefore likely to correspond to that sought by key audiences. For example, companies engage with schools to promote their brand (Plimmer, 2006), while the public believes that homelessness is high amongst issues companies should support (Bain and Company cited in Business in the Community, 2006a). Unsurprisingly then, education features in all of the case studies outlined below, and homelessness prominently in one of them.

One aspect of the business case with particular pertinence for area regeneration stems from the influence of local socio-economic circumstances on firm viability (Porter, 2003; Forstater *et al.*, 2002; Besser *et al.*, 2006; Van Den Berg *et al.*, 2003: 1; Business in the Community, 2002; Cleverdon, Julie (Chief Executive, Business in the

Community), in Business in the Community; and World Business Council for Sustainable Development, 2004). For instance, if a local community is 'healthy' and growing, companies have improved market opportunities (such as stronger consumer demand), and can source skilled local employees. Porter and Kramer (Porter and Kramer, 2006) highlight how

'ability to recruit appropriate human resources, for example, may depend on a number of social factors...such as the local educational system, the availability of housing, the existence of discrimination (which limits the pool of workers), and the adequacy of the public health infrastructure'.

Tellingly, the Confederation of British Industry found that over a third of businesses have to send their employees to remedial classes to impart basic literacy and numeracy (CBI cited in Cassidy, 2006). Employers often complain that many school leavers do not have basic communication skills to perform junior roles (cited in Bryant, 2007). Businesses are consequently compelled to undertake education projects because of recruitment difficulties (Plimmer, 2006). As seen in the case studies, by acting to increase the employability of local people (through improved education, raising aspirations and key skills), companies can therefore build a better skilled local workforce.

5. EVIDENCE FROM CASE STUDIES: WHY BUSINESSES BECOME INVOLVED IN CSR ACTIVITIES IN THEIR LOCAL COMMUNITIES?

5.1 BP: 'My Future's in Falkirk'

The oil and gas sector industry, more so than many others, has been the focus of substantial negative attention from environmentalists and community groups concerned about its environmental footprint and deleterious impact on local communities. Many companies, including BP, have sought to respond to this by establishing their credentials as environmentally and socially responsible.ⁱⁱ

In the Falkirk area in Scotland, BP has a historic role as a major employer and, despite recent downsizing, remains a significant rate-payer. BP has to be a good 'corporate citizen' because it has been so visible and because the nature of its industrial

operations heighten the necessity of local acceptance (Moffat, 2006; Jones, 2003 and Focus Group, 2006). In this context BP has become involved as a key partner in a regeneration initiative called My Future's in Falkirk (MFIF), along with Scottish Enterprise Forth Valley and Falkirk Council. Twenty associated projects include environmental works, property development and creation of business space, tourism, and education and training initiatives. The objective of MFIF is to broaden the economic base of the local area and build on its strengths, creating new jobs and stimulating additional investment by growing local companies and attracting new enterprises into the area, with young people a key target group.

Given BP's partial withdrawal from the Falkirk area recently,ⁱⁱⁱ ongoing participation in MFIF arguably reflects its historical commitment to the area and pragmatic efforts to be seen as, at least to some extent, off-setting the impact of its diminished supply chain linkages, employment and rate contributions. MFIF illustrates BP's efforts to be seen positively by the Council to facilitate operational flexibility, especially pertinent given BP's recent downsizing. As in Jaguar's experience (outlined shortly), in order to undertake such substantial change of operations, the utility of harmonious relationships with external stakeholders motivates local community investment. MFIF thus constitutes a way in which BP can progress implementation of commercial decisions that may not be welcomed by local communities, and which, in other circumstances, may have been construed as a threat to the local economy (Firebrace et al., 2005: 19). One BP employee has suggested that there was little adverse reaction to the company's restructuring and later sale of a significant portion of the business 'because of the relationship BP has built up with [the] local community, the Council and others...[MFIF] has allowed us to mange the fairly shocking news that BP is exiting a fairly large part of Grangemouth' (Jonathan Evans, BP, quoted in Firebrace et al., 2005: 20).

Another significant component of BP's community investment programme in the Falkirk area is education. Activities include work placements, interview workshops and support for head teachers. These initiatives existed prior to MFIF and highlight different objectives, still, however, demonstrating how the company seeks to align its

skills and experience with delivery of its community investment, and also how BP's community investment corresponds to the company's needs and priorities. Explicitly, BP is experiencing a lack of apprentices and skill shortages, hence its education initiatives seek to bring corporate benefit via an increase in the skill levels of future employees by widening interest in subjects related to BP's operations: science, technology and engineering (BP, 2006 and Palmer, 2006). Moreover, benefits to current BP employees involved in the education activities include motivation and skill enhancement, professional development, and understanding of young people (BP, 2006).

5.2 Jaguar: Education Business Partnership Centre

Jaguar has long been a substantial presence in the Coventry region. While it has recently experienced financial difficulties, Jaguar's contribution to the local area through the Education Business Partnership Centre (EBPC) has been sustained. The Centre offers primary and secondary students opportunities to enhance their education at purpose-built facilities at Jaguar's Brown's Lane site. It aims to give students 'an out-of-school experience in a work-related environment with non-teachers' demonstrating the relevance of schoolwork (Snell, 2006). Relating activities to the world of work seeks to raise students' aspirations, achievements and employability (Business in the Community, 2006b and CSR Partnership, 2006: 33). A range of modules for all school levels has been developed, focusing on subjects teachers struggle to deliver without assistance. Jaguar has donated equipment; supplied minibuses; and pays for the Centre's 'board, and lodgings, heat and rates' (Snell, 2006).

There are a number of different drivers behind Jaguar's involvement in the EBPC. For example, being well regarded by local stakeholders is a form of 'reputational capital' (Fombrun *et al.*, 2000) or insurance (Brammer and Pavelin, 2005) that proved useful when Jaguar needed to make changes to its operations. A pertinent illustration of this was the reaction to Jaguar's recent decision to close operations at Brown's Lane in Coventry. Both the media's portrayal of the closure and the response of other stakeholders could have undermined the closure process. For example, unions threatened strikes; the Government held an inquiry into the decision; and five thousand Jaguar workers and supporters marched in protest (Staff Reporter, 2004).

These actions illustrate the impact of community dissatisfaction – being called to a Government inquiry is clearly something Jaguar would have preferred to avoid, and, had a strike taken place, production would have been affected.

In contrast, Jaguar's links with the Council, built up through their Education Centre partnership, were sufficiently robust to maintain dialogue during the potentially fraught closure period (Ratcliffe, 2006). Beyond the Council, the wider community seems to deem it appropriate that Jaguar is 'putting something back into the local community' (for example, Dodds, 2006 and Paschali, 2006), perhaps especially so given its scaled-down presence in the Coventry area.

While Jaguar does seek to be considered a trustworthy and valued part of the community, its principal motivation for involvement in the EBPC surrounds skill enhancement amongst the local workforce (Ratcliffe, 2006). Jaguar identifies the Education Centre as helping to address the national shortfall of engineers (Jaguar, 2005). Although Jaguar has not experienced significant difficulty in recruiting graduates itself, many of its suppliers have – thus Jaguar is impacted by skill and education issues faced directly in its supply chain (Ratcliffe, 2006).

How it is perceived amongst these future employees is also important. The Centre is a tool to improve perceptions of manufacturing and engineering through use of impressive technology and well-equipped facilities (Business in the Community, 2006b). More directly, visits to the EBCP inspire students to seek work with Jaguar specifically (Ratcliffe, 2006). The EBPC therefore helps position Jaguar as an 'employer of choice' in the Coventry area. The Centre also presents an outlet for current employees' wish to become involved in social programmes, simultaneously adding to their personal and professional development (Business in the Community, 2006b and Jaguar, 2005). Employees are inspired by their participation in the Centre: surveys involved show increased motivation and confidence (cited in Business in the Community, 2006b). Finally, Jaguar's community engagement programmes, of which the Centre is a component, are

important for future employees – all potential recruits reportedly ask about Jaguar's CSR activities (Ratcliffe, 2006).

5.3 Marks & Spencer: Marks & Start

The community strand of Marks & Spencer's CSR recognises that the company has a role in creating localities where people want to work and live, and accordingly directs M&S's CSR to those communities where it operates (Marks and Spencer, 2006b: 24). Marks & Start, launched in February 2004, is now the company's flagship community programme and has evolved to become the largest company-led work experience Targeted beneficiaries are lone parents, people with programme in the UK. disabilities, homeless people and young people who are unemployed or at risk of exclusion. Through three stages - pre-employment training, work experience and post-placement support – Marks & Start seeks to raise participants' aspirations and employability. Following pre-placement preparation and an M&S induction (health, safety and so on), participants commence an in-store work placement, usually over two-weeks. They are paired with an existing member of staff as their 'buddy', and provided with lunch, a uniform and travel expenses. M&S acts where it can to remove certain barriers to work that their target groups face, for example, adjusting hours to suit childcare commitments.

M&S articulates a range of reasons for undertaking Marks & Start. These relate to both immediate operational needs and more intangible and longer-term notions of the company's social responsibilities. Business benefits from Marks & Start include:

- increasing recruitment and contributing to workforce diversity
- enhancing employee skills
- encouraging employee community involvement
- generating loyalty and pride in M&S to attract and retain staff
- capturing reputation benefit and increasing customer approval
- establishment of links with local communities, government and opinion formers
- contribution to the socio-economic status of local communities

Of these, one of the major drivers is recruitment. Like other employers, especially those in relatively low-skill and high-turnover sectors, M&S is confronting a skills gap. Marks & Start thus represents a tool through which M&S can broaden its supply of labour to a recruitment pool that M&S would not otherwise approach.

Even for those stores that do not face a labour shortage, the calibre of recruits remains a motivation. During the placement stores witness potential recruits' performance. M&S human resource managers have said there is no 'better recommendation [potential employees] could have' than the opportunity to prove themselves in the workplace (Bischoff, 2006). The relevance of this on-the-job experience is evident in the exemption for Marks & Start participants from a 'talent screen' that other recruits sit. Furthermore, when Marks & Start employees take up employment, stores gain loyal and committed employees: for example, the absentee rate of former participants is a third below that of other employees (Pinner, 2006).

Human resource development is another motivation. Employees who act as 'buddies' increase their leadership, teamwork and communication skills, and develop awareness of social issues. They also gain a sense of pride in having contributed to their local community (Marks and Spencer, 2006a). A large majority (89%) of buddies say giving back to society through Marks & Start motivates their involvement (quoted in Flint-Taylor *et al.*, 2005: 12). Essentially, Marks & Start offers an outlet for employee values, potentially contributing to retention as employees are able to 'live out their values' at work, improving their productivity and service.

Finally, the socio-economic status of communities in which M&S seeks to operate is important. As seen earlier, the competitive advantage of companies is, in part, a function of their local socio-economic context (Porter, 2003; Forstater *et al.*, 2002 and Besser *et al.*, 2006). Marks & Start is a deliberate effort to advance the objective of community sustainability utilising competencies within the company and offering what M&S is well-placed to deliver: work experience and employment for those otherwise disadvantaged in labour market.

5.4 Salford Reds Rugby League Club: Community Development

One fifth of households in Salford are defined as 'poor' and Salford is 'one of the most deprived areas in the country' (Olsen, 2005: 4). Salford is a traditional working class area (Olsen, 2005; Brocklehurst, 2007), which informs the Club's identity, brand and perceived community stakeholders. For example, compared to nearby Manchester United, Salford Reds City Reds Rugby League Club are a consciously grassroots team.

Consequently the Reds operate a wide range of activities in the local community. For example, the Reds' Sporting Enterprise programme aims 'to qualify high school pupils within the city's high schools' (Salford Reds Rugby League Club, 2007a). Groups of students form a business similar to the Reds, appointing each other to positions such as marketing manager or commercial manager. They sell match tickets and merchandise and are accountable through board meetings and progress presentations. The programme raises money for participating schools and augments students' skills and CV, aiding their progression into work or further education (Salford Reds Rugby League Club, 2007a and Brocklehurst, 2007).

The Safer Stronger Communities delivers rugby league coaching in some of the most deprived wards of Salford (Parker, 2007). Projects also encompass after school activity clubs; rugby league competitions; dedicated days at the Reds' ground; and education assemblies and lessons to promote health, careers and crime prevention (Salford Reds Rugby League Club, 2007b). The initiative thus seeks to use rugby league to 'reduce crime, improve quality of life and develop active community involvement' (Salford Reds Rugby League Club, 2007b).

Marketing is the main objective of the Reds' community programme, including increasing participation in rugby league amongst local young people and increasing the Club's fan base. The efficacy of this approach is evident in that younger fans and even players who have experienced the Reds' community development work display more loyalty (Watson, 2007; Blackburn, 2007). It also seeks to improve education locally and reduce anti-social behaviour.

In addition, however, as in the BP and Jaguar cases, Salford Reds are also in the process of a significant change in its operations that presents a risk to their local reputation. In 2009 a new stadium opens as the Reds' home ground after more than one hundred years at the existing Willows Stadium. While this new stadium will undoubtedly be more attractive to fans from outside the area, some observers have voiced concerns that the Reds will be seen as abandoning the 'heart' of Salford and will face condemnation that it is 'too elite'. This issue is especially pertinent considering that the Reds consciously brand themselves as linked to, even epitomising, the working class identity of the city. There is thus a challenge to link the Reds to the community to counter any assertion that the Club is moving away from its 'roots' (Brown, 2007). This requires 'work on the hearts and minds' of the local community (Brown, 2007); namely activities to ensure it is seen as part of Salford and an active community member making a positive difference to the area.

6. SIMILARITIES WITH THE CSR THEORY

Of the elements of the 'business case' set out earlier, the case studies reveal that some have more resonance for respective companies than others, depending on the nature of the business, the operating context and the strength of various audiences able to impact company activities (as summarised in figure 3). In particular, of the activities outlined here all sought to advance recruitment, which was perhaps one of the strongest motivations behind both Jaguar's Education Centre and Marks & Start, and an important element of BP's education effort and Salford Reds' community investment. This reflects each company's reading of the skills environment and how it might impact future recruitment and company performance. The need for skilled employees garnered corporate action to train local people and increase their employability, a vital aspect of regeneration.

Reputation amongst local audiences was also an important factor in the community engagement activities of BP, Jaguar and Salford Reds, and while still relevant, seemingly less so for M&S. For these companies the relevance of their reputation amongst local audiences had particular pertinence because all had recently undergone or would soon undergo a process of considerable change in their operations in respective communities. These changes constituted potential to incur widespread negative reactions that might have hampered not only implementation of business decisions, but also sought operational flexibility in the future and in other locations. This reflects how reputation can be 'cross-subsidised', both positively and negatively, across locations. It also reflects the importance of local audiences for certain types of companies – for example, BP's involvement in MFIF demonstrates the importance of a 'social licence to operate' that prompts efforts to meet local expectations to avoid becoming the subject of public censure. For Salford Reds its reputation in the area directly affects its fan base, so its activities to benefit school children, for example, are an effort to increase attendance by improving awareness and approval of the Reds amongst pupils, teachers and parents.

Another strong motivation apparent in the BP, Jaguar and M&S cases was employee utilisation and development. Many initiatives engaged staff expertise in order to advance the objectives of respective projects. For example, the contribution of BP managers to the direction of MFIF and other employees in BP's education initiatives; the involvement of Jaguar staff in the Education Centre; and M&S employees as Simultaneously, in involving employees in their CSR activities, the 'buddies'. companies sought to enhance employee skills and human development, so contributing to the company's human resources. The programmes moreover present employees with an outlet for their wish to be involved in community improvement initiatives. This desire is apparent, for example, in positive feedback from Jaguar employees about their involvement in the Education Business Partnership Centre and its experience that graduates ask about the company's CSR activities, and also in the results of employee surveys and the reported satisfaction of employees acting as 'buddies'. So long as employees retain a wish to be associated with local community development, and if their skill development can be linked to participation in activities that advance local development, then this element of the business case can be utilised to advance regeneration.

Although less tangible in terms of measurement, a strong motivation behind the CSR activities examined above is the objective of healthy communities in which to sell, employ and operate. All businesses require a local community as a source of skilled, healthy employees and customers, rather than an area undermined by deprivation and social exclusion.^{iv} For example,

- M&S: because of its substantial retail presence
- Jaguar: via its need for skilled local employees
- Salford Reds: in the need for a strong fan and player base and a locality attractive to fans from outside the area

This objective, along with recruitment, corresponds most clearly to that of regeneration initiatives deliberately seeking to reverse area deprivation. Making any immediate and measurable link between regeneration impact and company effort is, however, difficult given the complexity of both deprivation and regeneration. What is clear is that certain companies have identified an interest in the regeneration of local communities, albeit for commercial reasons.

| Business | Recruitment | Reputation | Employee | Healthy |
|--------------|----------------|-------------|---------------|--------------|
| Case | | Amongst | Development | Communities |
| | | Local | | |
| Company | | Audiences | | |
| BP | • Education | • MFIF | • Education | • MFIF |
| | | • Education | | Education |
| Jaguar | • EBPC | • EBPC | • EBPC | • EBPC |
| | (participants) | | | |
| M&S | Marks & | Marks & | Marks & Start | Marks & |
| | Start | Start | (buddies) | Start |
| | | (less so) | | |
| Salford Reds | • Fan Base | • Community | | • Community |
| | • Players | investment | | investment |
| | | | | (fans, |
| | | | | players, |
| | | | | attract fans |

| | | from |
|--|--|----------|
| | | outside) |

Figure 3 Business Case/ Regeneration Activities

7. RELATIVE ADVANTAGE

The literature points to the importance of the 'business case' in whether and where companies undertake activities that might enhance regeneration, the case studies support this, but they also add a determinant of *how* they do so – according to the company's 'relative advantage'. What emerges from these case studies is that not only does company community investment get channelled in the direction of business interest, but also that activities tend to correspond to company skill sets. Many activities explored above reflect what each company is best placed to deliver. While there might be benefit for the company to be derived from an assortment of CSR initiatives, the case studies suggest that of these, it is those circumstances where the reverse is also true – the company can benefit the community – where businesses deploy their resources (see figure 4). Thus, there must be both a business case and the opportunity to draw on the company's relative advantage.

| When Invest in CSR? | en Invest in CSR? Business Case Exists | |
|----------------------|---|---|
| Business Case Exists | Yes, but not efficient impact | Most likely (and most efficient impact) |
| Relative Advantage | Most likely (and most efficient impact) | No commercial imperative to do so |

Figure 4 When Companies Invest in Regeneration Related CSR Activities with Most Efficient Impact

It is likely this second criteria will strengthen as companies become increasingly strategic in their CSR, seeking to report back, measure and demonstrate their positive impact, and in some cases attract external funding. Different companies will thus

make different contributions according to their 'relative advantages' in various aspects of regeneration. Examples of relative advantages from the case studies include:

- BP's management expertise in MFIF; funding for the BP Business Loan Fund; and through employee support for head teachers and local education
- Jaguar's inspiration prompting local children to seek work in manufacturing, the contribution of Jaguar employees in this; funding and in-kind contribution to the EBPC; and eventually employment opportunities
- M&S's work experience placements suitable for those seeking to re-enter the labour market, references for participants that utilise the company's prestige; and flexibility and 'anonymity' that a large and high-turnover company such as M&S can offer
- Salford Red's use of the 'hook' of rugby league to enthuse young people in deprived areas and impart a range of benefits such as diversionary activities and healthy lifestyle education

In terms of capturing the most efficient and sustainable private sector contribution to area regeneration by increasing the various capitals that underpin community regeneration and sustainability, the more community investment activities correspond to relative advantages, then the more resources from each company will be brought to bear on regeneration processes. Exploiting relative advantages is an opportunity for regeneration efforts because traditional modes of CSR – for example, employee volunteering in team projects and gifts in-kind – do not harness the skills and resources of businesses, only drawing 'on the lowest common skills in a company by mobilising people to do physical work' (Moss Kanter, 1999). Instead, harnessing the relative advantage of companies vis-à-vis regeneration will better leverage tangible and sustainable private sector contribution the asset bases of deprived areas.

8. CONCLUSION – REGENERATION LINKS IN CSR

The diversity of ways in which companies can advance the regeneration of deprived areas also highlights the gradation of impact that various efforts deliver. Exploiting what a company can best deliver – their 'relative advantages' – will lead to the most substantial regeneration impact most efficiently. Certain companies will be better

placed than others to undertake activities bringing deeper, more systemic regeneration results to different issues, localities and groups of people. Likewise, each company will perceive the commercial benefit of doing so differently, and will accordingly be more or less willing to become involved in regeneration activities.

The requirement of a business case, varied and context-contingent as it might be, presents a mechanism to lever company action that contributes to regeneration, as the case studies demonstrate. Explicitly, CSR prioritises what businesses can gain from an activity: inherently seeking to leverage corporate benefit from what an area offers. CSR therefore has some useful parallels with community development concepts outlined earlier that highlight the importance of community assets and capabilities. By linking company benefit to the assets of a particular locality, CSR as regeneration seeks to harness latent community capacity or assets. In this sense CSR can, arguably, be seen as a form of asset-based community development, the success of which depends on the extent to which community assets and capacities are mobilised and company contribution supports and increases capitals comprising the 'asset pentagon'.

Thus, the most substantial and effective regeneration impact can be attained when there is an overlap of commercial interest and regeneration interest. As Porter and Kramer (2006) observe, in undertaking community investment companies can unlock

'shared value by investing in social aspects of context that strengthen company competitiveness. A symbiotic relationship develops: the success of the company and the success of the community become mutually reinforcing. Typically, the more closely tied a social issue is to the company's business, the greater the opportunity to leverage the firm's resources and capabilities, and benefit society'.

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ⁱⁱ For example, BP has re-badged itself as 'Beyond Petroleum'

ⁱⁱⁱ In December 2005 Innovene, BP's olefins and derivatives business, was sold to INEOS. Since the sale, approximately 200 BP employees remain at Grangemouth, dramatically reducing BP's presence in the area.

^{iviv} Of course there is some threshold of deprivation, below which companies will not even have a presence in an area and therefore will not be in a position to undertake CSR activities.

ⁱ Rodier outlines five levels of stakeholders – those with a veto, those with a right to compensation, those with a right to participate, those with a right to be consulted and those with a right to be informed [Rodier, David (Senior Vice President Noranda Inc).(2002) "Roles and Responsibilities of Players" In GMI Conference, May 14, 2002.