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## Qualitative and quantitative perspectives of social impact - how are the pupils, the community and society impacted, and how do the organizations benefit?

- The case of the three-year CSR project in Ghana resulting from the partnership between Ibis and Toms
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## List of abbreviations

<b>BOP</b>	Bottom/Base of the Pyramid
<b>BROI</b>	Blended Return on Investment
<b>BVP</b>	Blended Value Proposition
<b>CCI</b>	Comprehensive Community Initiative
<b>CEO</b>	Chief Executive Officer
<b>CRM</b>	Cause-Related Marketing
<b>CS</b>	Circuit Supervisor
<b>CSR</b>	Corporate Social Responsibility
<b>DAC</b>	Development Assistance Committee
<b>DEFAT</b>	District Education for All Team
<b>DKK</b>	Danish Kroner
<b>ESP</b>	Education Strategy Plan
<b>GES</b>	Ghana Education Service
<b>GHC</b>	Ghanaian Cedis
<b>GNECC</b>	Ghana National Education Campaign Coalition
<b>GPRS</b>	Growth Poverty Reduction Strategy
<b>ILO</b>	International Labor Organization
<b>IPD</b>	Innovative Partnerships for Development
<b>LFA</b>	Logical Framework Approach
<b>MDG</b>	Millennium Development Goals
<b>NGO</b>	Non-Governmental Organization
<b>NNED</b>	Northern Network for Education and Development
<b>NPO</b>	Non-Profit Organization
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>PPP</b>	Public Private Partnership
<b>PTA</b>	Parent-Teacher Association
<b>S-ROI</b>	Social Return on Investment
<b>SIA</b>	Social Impact Assessment
<b>SMC</b>	School Management Committee
<b>SRI</b>	Social Responsible Investment

**TLM** Teaching and Learning Material

**UN** United Nations

**UTTDBE** Untrained Teachers' Diploma in Basic Education



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## Introduction

Tackling the social issues of this world such as lack of access to education, poor labor conditions and poverty is no longer left to governments and NGOs (nongovernmental organizations) alone. Increasingly, companies accept their social responsibility, known as CSR (corporate social responsibility), and join the battle against the pressuring issues. However, CSR efforts are not only a means for companies to contribute to society, it is also a way to gain consumer loyalty.

As a result of the economic crisis and the lack of faith in businesses, the European Commission found it relevant to propose a new definition of CSR in its ‘renewed EU strategy 2011-14 for corporate social responsibility’, stated as follows: “the responsibility of enterprises for their impacts on society” (European Commission 2011). Companies should thus be involved and concerned with the effects they have on society both in economic, social and environmental terms. Also the Danish government emphasizes CSR’s importance in terms of growth, and in its action plan for CSR 2012-15 it highlights partnerships as an approach to responsible growth and shared value. An already well-known case of a CSR partnership in Denmark is that between the confectionary company Toms and the development NGO Ibis. This partnership started in 2007 with support from the Danish development agency, Danida, and is still continuing to grow. The objective of the CSR project between these two parties is to improve the quality of the education and therewith combat child labor in selected areas in Ghana. The background for the partnership is unfortunate media exposure for Toms concerning their supply chain and child labor in Ghana (Hefting 2012), which is a general issue within the cocoa industry in the country (Mull and Kirkhorn 2005).

This partnership will serve as a case for this thesis in the investigation of how the CSR project of Toms and Ibis impacts the target group in Ghana. More specifically, this thesis looks into what effects or impacts the original three-year Danida sponsored projects has on the targeted pupils, local communities and society. The research question is as follows:

*How are the targeted pupils, the Ghanaian society and community impacted by the CSR project?*

With the following sub question:

*I. How are the targeted pupils, the Ghanaian society and community impacted from a qualitative perspective?*



*II. How are the targeted pupils, the Ghanaian society and community impacted from a quantitative perspective?*

*III. What do Ibis and Toms emphasize as the impact and why have they chosen to emphasize these aspects?*

The pupils refer to the children of the schools targeted by the CSR project, the community refers to the local surroundings, i.e. the families of the pupils and the surrounding communities and society refers to the Ghanaian society, represented as e.g. the government officials in terms of the first sub question and as the society at large in terms of the second sub question.

The logic behind the research question and its sub question is to answer the sub questions sequentially and that this leads to an answer to the overall research question. The first sub question deals with the impacts from a qualitative perspective. This entails a social impact analysis based on the logic model, which examines the changes made from the baseline situation based on the inputs and project activities (McCawley 1997). This approach is used to analyse the impacts from a qualitative perspective, as the conclusions are an analysis of the outcomes.

The second sub question focusing on the impacts from a quantitative perspective are based on a social return of investment analysis, which purpose is to arrive at a ratio indicating the social impact monetized relative the inputs of the project (Lingane and Olsen 2004).

Finally, as it is acknowledged that the analysis of the impacts are conducted based on data from Ibis and Toms, it is analyzed how the impacts are emphasized by these two actors, and what the reasons for emphasizing these aspects are. In order to answer the third sub question, the concept of cause-related marketing (CRM) is applied. CRM is a marketing tool for communicating about the CSR activities of companies (Liu and Ko 2011). Academics researching within the field of CRM state that the communication about the CSR activities is often used to further the reputation of the company and to create customer loyalty (Liu and Ko 2011, Brønn and Vrioni 2001). Therefore, this theory would suggest that it is in the interest of the company to communicate positively about the CSR activities, hoping it would affect the business side positively.

This implies that it is relevant to look into whether the results of the abovementioned analyses of the impacts from a qualitative and quantitative aspect are emphasized as positive or negative. Based on this, it is subsequently discussed what the reasons for the emphasized aspects of the impact are.

An important concept to define is that of social impact for which reason its application is discussed here. According to the new definition of CSR of the EU Commission, companies' impact on society is central – but how do we understand impact is a social context? Social impact is somewhat of a fluffy term and its intangibility makes it difficult to measure in a precise and objective manner (Connell and Kubisch 1998). Nevertheless, it is highly relevant to understand the social impact of socially oriented projects – in part because public funds are often involved and should be carefully accounted for, and in part because those executing the projects have the desire to make positive changes in a needing context.

Impact can be defined in different ways, but for this thesis, impact is defined as the outcomes and the effects of the outcomes of the project considering the inputs. This definition is relevant as the two approaches to analyse the impact look upon the outcomes, from quantitative and qualitative aspects, considering the inputs (McCawley 1997 and Lingane and Olsen 2004).

With the purpose of answering the research question, the first chapter is a brief section on the context in which the CSR project is embedded. It outlines the context of CSR partnerships in Denmark, the evaluation criteria of Danida and the Program for Innovative Partnerships for Development, which the CSR project is part of. Finally, chapter one gives a brief overview of the cocoa industry and child labor in Ghana. The findings of this chapter are used later in the discussion on how the CSR project relates to its context and how this helps to explain the motivations of Ibis and Toms.

The second chapter is a literature review exploring relevant theories and approaches to CSR, partnerships and social impact assessment. In this chapter the relevant theories and approaches to answer the research question are reviewed. The theories reviewed are the basis for the framework for answering the research question and for the discussion of the findings of the analyses.

After the literature review, the third chapter is on the methodology, which includes aspects such as the epistemological aspects of this thesis, the data and the limitations. The fourth chapter is presenting the framework used to answer the research question.

The fifth chapter is the analysis and discussion of the data according to the framework presented, i.e. conducting an analysis based on the logic model and the S-ROI, analyzing how pupils, Ghanaian society and community are impacted from the CSR project. The results of the analysis are discussed, i.e. it is discussed what the analysis based on the logic model and the S-ROI shows, what can be stated about how the impact is emphasized by Ibis and Toms and their reasons for emphasizing this. This chapter presents the answer to the research question through the answering of the three sub questions.

The sixth chapter is the conclusion of the thesis. Here, the findings of the thesis and the answer to the research question are summed up. Finally, there will be a brief seventh chapter with reflections on avenues for further research.

# **Context**

## **Introduction**

Commencing this thesis, the context, in which the CSR project analyzed in this thesis is embedded, is discussed. The purpose of this section is for the reader to understand the background of the project and important elements, which have influenced it. Firstly, a look into CSR partnerships in Denmark. Subsequently, a look deeper into Danida, which has influenced the design and evaluation of the project indeed, and more specifically Danida's approach to evaluation. In continuation, the very settings of the CSR partnership between Ibis and Toms, namely Danida's Partnership for Innovative Partnerships for Development is discussed. Finally, there is a brief section on the cocoa industry and child labor in Ghana.

## **CSR Partnerships in Denmark**

The Danish consultancy Dalberg Global Development Advisors (from now on referred to as Dalberg), conducted a survey revealing that many Danish companies have created partnerships with NGOs based on common local, regional and global challenges (2008). It was found that both parties gain advantages from these partnerships. However, the NGOs are generally perceived to be more satisfied than the companies, due to the fact that many of them are being helped to realize otherwise impossible strategic and financial goals. Additionally, NGOs perceive the partnerships as strategic to a larger extent than companies.

Dalberg found that companies tend to emphasize the mutual responsibility as well as the accountability of the NGOs; however, the Danish NGOs are more focused on the communication aspect as well as the finalization of the project. Danish partnerships are often found to be long-term partnerships, and the survey indicates that there will be an increasing number of partnerships in Denmark in the future (ibid.). Furthermore, Dalberg find that there may be risks involved in connection with partnerships and that Danish companies and NGOs find both internal and external risks. As an example, companies see financial risks as well as risks connected to the control and delineation of the partnership.

Neergaard et al. (2009) have also contributed to the literature on Danish partnerships between companies and NGOs. However, they are critical towards some of Dalberg's findings presented above. Neergaard et al. criticize Dalberg for failing to adapt their research to a Danish context, and that several issues and in-depth questions were left out of their questionnaire. Neergaard et al. also find Dalberg's response rate of only 10% to be too low but some of their findings are still closely connected.

Being more specific, Neergaard et al. found that the different types of partnerships in Denmark can be parted into four categories; philanthropy (96%), mutual exchange/transverse marketing (3%), independent value creation (0,4%) and symbiotic value creation/integration (0,6%). Philanthropy involves a company providing an NGO with donations of e.g. products or money, while mutual exchange/transverse marketing includes common marketing. Independent value creation may be seen as semi strategic as a partnership between the company and the NGO will help them reach their goals, which may be rather different. Symbiotic value creation is, on the other hand, strategic. The company and the NGO are working together to solve a common problem and they are thus dependent on each other for common value creation (ibid.).

The majority of partnerships in Denmark are, according to Neergaard et al. (2009), within the category of philanthropy, which correlates with Dalberg's findings. This is closely connected to the fact that the majority of NGOs in Denmark are rather small in size. However, Neergaard et al. state that a partnership is a changing entity and may move from one category to another, as well as have elements from several categories.

Danish policy changes have made the Danish NGOs focus more on partnerships, as the government in 2004 cut down on subsidies, which were previously provided by the government to fund Danish NGOs (ibid.). As a consequence, many NGOs had to find other means to get economic support, and the development of partnerships between the financial sector and the volunteering sector has been an effect of these changes. Neergaard et al. do, however, clearly state that only very few of these partnerships have been strategic. Neergaard et al. further explain that there has been a tendency for the NGOs to be more strategic and to think more long term than the companies in terms of partnerships, and that many NGOs see companies as being good promoters for social and environmental change due to the latter's action orientation.

Companies, on the other hand, also see the positive effects and the importance of partnerships, especially as there has been an increasing focus on companies' CSR activities. Companies are increasingly expected to take their share of the social and environmental responsibility, thus, partnerships with NGOs are for many companies a way to implement CSR and to satisfy stakeholders.

## **Danida's approach to evaluation**

Having examined the context of partnership in Denmark and understanding that few partnerships are in fact strategic, and rather that the majority are philanthropic, we move on to another aspect of the CSR project's context. Danida is the Danish development agency and the CSR project is part of its Program for Innovative Partnerships for Development. Therefore, the project is subject to certain criteria in regards to its planning and evaluation. The relevant aspects are therefore explained here.

Schaumburg-Müller (2005) explores Danida in relation to evaluation. He states that an overall goal for Danida's work is poverty reduction. Furthermore, there has been a transition from project aid to program sector support in terms of the bilateral aid. Danida is thus focusing on increasing the ownership of the recipient of the aid by providing sector support rather than single and isolated projects (ibid.). This transition is very much in line with general development in the development aid industry, i.e. providing support to governments' budgets or certain sectors, rather than finding individual projects, allowing the recipient to take ownership and be in charge of how the money is best spent in its context (Degn-Mol-Martinussen and Engberg 2003).

Schaumburg-Müller provides an overview of the different kinds of evaluation and monitoring activities done by Danida. The Danida reviews are assessing activities – either individual or group activities – on a routine basis. Danida evaluations are conducted by the evaluation secretariat and a guide on policies and guidelines is available. The National Audit Office is an institution reporting directly to the Danish parliament and it looks at all public expenditures (2005).

In regards to the definition of evaluation, Danida refers to that of the OECD DAC (Organization for Economic Co-operation and Development Assistance Committee), i.e. "An assessment, as systematic and objective as possible of an on-going or completed project, programme or policy, its

design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, developmental efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donor” (Danida 2006). Moreover, Danida emphasizes that the organization does not refer to evaluations in regards to the following work; appraisals, reviews, performance monitoring and auditing.

The success of evaluations is dependent on the inclusion of different parties and the integration of these in the process according to the interpretation of Danida. The parties taken into account are commissioners, evaluators, stakeholder and users. Particularly, the inclusion of stakeholders is crucial in regards to making the evaluations useful (ibid.).

Certain challenges to evaluating development assistance are mentioned by Danida, i.e. that there are methodological challenges to evaluating new kinds of development efforts, e.g. questions regarding how to evaluate good governance, human rights and private sector support (ibid.). Different perspectives may include looking upon changes in policies, e.g. in relation to institutional problems, development co-operation and partnerships (ibid.).

As the projects of Ibis and Toms can be framed as single interventions, it is here focused on that aspect, and the other types are merely mentioned by category from the Danida Evaluation Guidelines: sector, country program, modes of development cooperation and thematic.

Single intervention is defined as an individual intervention whose purpose has specific goals and the resources needed to implement it is specified (Danida 2006). It is often part of a broader program and may be referred to as a development project. It is stated that the evaluation of this type of development intervention is relatively simple, and may be summarized in figure I below.

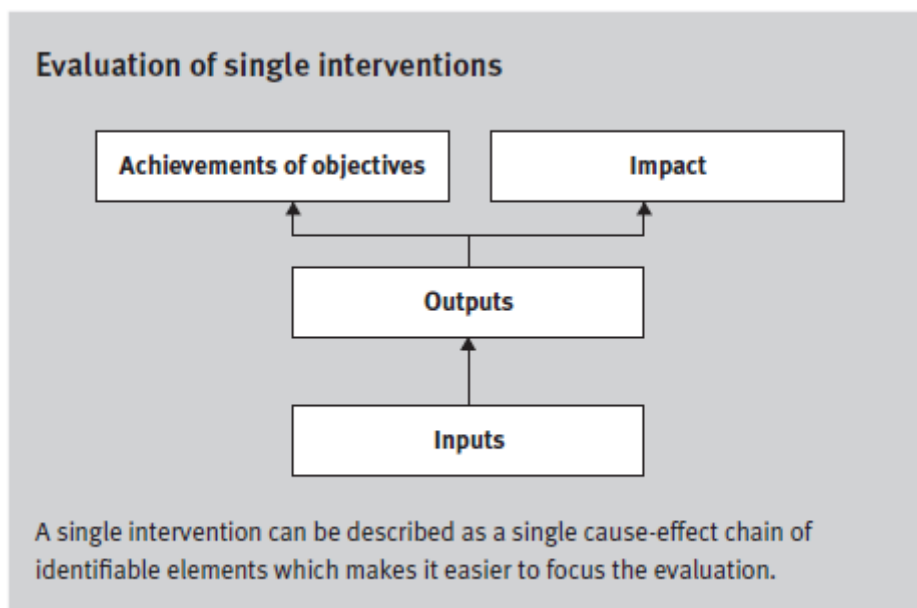


Figure I, Evaluation of a single intervention, source: Danida 2006

The basis for the evaluation is thus looking into the process from the inputs, to the outputs and evaluate in terms of the impacts and to what extent the objectives are achieved.

The evaluation criteria of Danida are taken from the OECD Development Assistance Committee and have the purpose of providing essential information for decision-making and generate comprehension for the situation at hand. Five evaluation criteria are presented, namely relevance, efficiency, effectiveness, impact and sustainability (Danida 2006). Relevance refers to how or if the development intervention addresses issues relevant to the local society and the policies of partners and donors. Efficiency deals with the usage of the resources, i.e. how the input is turned into output. Effectiveness evaluates to what extent the objectives set up are achieved. Impact refers to the effects of the development intervention - both negative and positive effects, long term and short term and intended and unintended effects must be included. Finally, the sustainability refers to the continuation after the development intervention project has finished in the long run (ibid.).



## **Danida's Program for Innovative Partnerships for Development**

After a general look at Danida and its evaluation criteria, the subsequent section is on the specificities of the program of Danida, which the CSR project between Ibis and Toms, is part of.

The Danish development aid agency, Danida, supports the potential of partnerships between businesses and NGOs in terms of achieving development goals in an innovative manner. Building upon this notion, Danida has created The Programme for innovative partnerships for development (IPD)(Danida 2009). The program has stated both an overall objective and an intermediate objective. The former is “to contribute to poverty reduction by promoting economic growth and social development in developing countries”. The latter takes a broader perspective including different stakeholders, i.e. to promote the conditions for employees, their family, the local community and society at large. This is desired to be achieved via CSR, SRI (social responsible investment) and with the specific target of the BOP segments (bottom /base of the pyramid - referring to those with the lowest incomes). It is believed that this should be achieved via innovative partnerships, hence the program. The frameworks applied are the Global Compact stating CSR principles within the area of human rights, labor standards, the environment and corruption and the Millennium Development Goals (MDGs) (ibid.).

The organization of the IPD is structured in two facilities, namely the strategic CSR facility and the BOP facility. The former takes point of departure in the Global Compact and Danida supports partnerships, which promote “better working and living conditions for employees, their families, the local community and society at large” (ibid.). As the name of the facility implies, the nature of the CSR must be strategic measured by it having a direct impact on the business and respond to a challenge that the company is faced with.

Danida emphasizes the inclusive partnerships following the Global compact. “Traditional partnerships will benefit from pooling the partners’ core competencies and knowledge. Inclusive partnerships will in addition facilitate the dissemination of best practices to a wider group of stakeholders, and to the sustainability of attained results”(ibid.). As a minimum, the partnership must include one Danish partner for IPD program eligibility.

An additional criterion is the innovative aspect of the partnership and its purpose. This is defined as it should look into new solutions to social and environmental challenges in developing countries. Innovation could be in relations to product, services, business models or new methods to gain access to markets. The program is open to many kinds of partnerships in line with the purpose of business making a positive developmental impact. However, industries relating to alcoholic beverages, tobacco and weapons are excluded. In addition, certain basic conditions must be present, e.g. the partners must respect ILOs (International Labor Organization) labor rights and other relevant legal obligations.

The IPD program has six development impact criteria; namely gender equality and empowerment, diseases and HIV/AIDS combat, the promotion of employment, the environment, furthering anti-corruption and transparency and finally the promotion of investment and competitiveness. It is not expected that a project should meet all criteria, a more focused impact is preferred; however, the applications are assessed in relation to these six criteria.

This concludes the sections on Danida. The most important take-aways are the following. Danida evaluates its development interventions based on the OECD DAC criteria of relevance, efficiency, effectiveness, impact and sustainability – and in the specific case of a single intervention, the aspect of achievement of objectives is used as well. Furthermore, it is important to note that Danida is making a transition away from single interventions and towards sector or country support.

## **The Cocoa industry in Ghana and child labor**

Part of the motivation of Toms for the CSR partnership was the criticism it had received in the media in regards to its supply chain in Ghana from the cocoa industry, in particular in regards to child labor (Hefting 2012). Thus, the cocoa industry is part of the CSR project's context, for which reason some important aspects of it are briefly introduced here.

The cocoa industry in Ghana supply mainly to Europe, as there is very little consumption within the country and only a small part of the cocoa production in Ghana is exported to the US (Fold 2008). The Ghanaian government controls a large part of the cocoa production and another large manufacturing company is an international grinder based in Germany (ibid.). The quality of the cocoa from Ghana has a reputation of being high (Ntiamoah and Afrane 2008). The cocoa farmers

in Ghana tend to have very small landholdings and the cocoa is thus arriving from many smaller scaled farms rather than larger farms exclusively (Knudsen and Fold 2011). It has often been pointed out in the media that the cocoa in Ghana is very difficult to trace and the conditions of those working within the production are difficult to monitor and secure (e.g. BBC 2010).

In the cocoa industry in rural Ghana, children often participate in the work and are exposed to hazardous conditions, heavy lifting and working with dangerous equipment (Project document and Mull and Kirkhorn 2005). In rural areas, 73.6% of children were involved with agricultural work according to the findings of Mull and Kirkhorn (2005). Despite progressive child labor laws the enforcement is weak in Ghana and as a result child labor is widely spread (ibid.).

Important to note is the significance of the cocoa industry for the country of Ghana and the difficulties of the industry, e.g. in terms of lack of traceability due to small farmers' harvest being gathered and re-distributed collectively and that children are often taking part of the labor.

# Literature review

## Introduction

Before embarking on an analysis of the case in order to seek an answer to the research question, the relevant literature on topics such as corporate social responsibility, company/NGO partnership and different aspects of social impact assessment are reviewed and discussed. The literature review commences with the topic of CSR, its definitions and relevant recent trends. Subsequently, the concept of cause related marketing is presented and discussed. Partnerships between NGOs and companies are the basis for the section afterward followed by a section on social impact assessment. The latter section entails definitions of social impact, the theory of change approach, the logic model and social return on investment (S-ROI). The theories and approaches of the literature review serve as a basis for the framework for the analysis and represent important point for discussing the findings.

## Corporate Social Responsibility

The literature review begins with a section on CSR, as this concept is highly relevant to the case, i.e. the CSR project between Ibis and Toms. The purpose of this section on CSR is to understand its definitions and various possibilities for application, as this will guide the understanding of the case and thus help setting the ground for answering the research question.

The field of CSR is fragmented and covers many definitions with emphasis on different aspects. Carroll and Buchholtz (2009) are highly influential authors in regards to CSR; therefore, their definition is presented first. These authors emphasize the voluntary aspect of CSR and its association to stakeholders, sustainability and ethics (ibid.). According to Carroll and Buchholtz (2009) a stakeholder is an individual or an organization with a stake, i.e. interest or claim in a given company. A business' stakeholders are both internal and external being e.g. employees, management, shareholder and suppliers, partners, the media and society/the community (ibid.). The argument behind the stakeholder approach is that a company is responsible towards those with a stake in the company, and not just those with a share in the company. This may be referred to as stakeholder capitalism opposed to shareholder capitalism (ibid.)

Carroll's CSR pyramid (see Figure II) illustrates the different levels of CSR, with the economic responsibility at the bottom, the legal responsibility as the subsequent level, the ethical responsibilities follow and on top of the pyramid is philanthropic responsibility (ibid.). The logic of the pyramid is that the company must first and foremost be profitable and obey the laws as a foundation for being ethical and being a good corporate citizen, which involves philanthropic projects giving back to the community.



Figure II, CSR pyramid, source: Carroll 1996

However, while philanthropy is at the top of Carroll's pyramid of CSR, it is the most basic corporate responsibility dimension of action in Halme and Laurila's model (2008). The perspective of these authors is relevant as it is embedded in a Scandinavian context, same as the CSR project between Ibis and Toms. Halme and Laurila state that philanthropy covers projects or donations without relevance to the core competencies of the company and are activities looked upon as an add-on to the company's activities (2008). The purpose of this type of CSR is improvement of the company's image. Halme and Laurila present the corporate responsibility integration as the subsequent dimension of action. The integration involves activities close to the core business of the company, e.g. in form of environmental improvements to its business processes or its social performance. Lastly, the corporate innovation dimension is presented as that of the highest level of action. This entails the development of new business ideas within the areas of the core business, e.g. by producing new products or providing new services with a corporate social responsibility angle. The purpose is to face some of the major issues that society is faced with like poverty alleviation (ibid.).

Much like Halme and Laurila, Porter and Kramer emphasize that the core competences of the company in relation to its CSR activities as central. From the point of view of these authors, CSR should be strategic, and thus not merely an add-on activity to further the reputation of the company. They have influenced the debate of CSR greatly and have emphasized the importance of linkages to the strategy of the company and the potential for creating a competitive advantage via CSR. They argue that society and the company are interlinked and that there is a potential for CSR as being more than merely a cost (Porter and Kramer 2006). Thus, central to the argument of Porter and Kramer (2011) is that companies should take point of departure in their core competencies when doing CSR, as the benefits will be greater, both for the company, but also for society/the target. It is argued that companies focusing on their areas of expertise will be more effective and that companies should be striving for the creation of shared value. The notion of creating shared value as a goal for CSR is supported by the Danish government's action plan 2012-15 (the Danish government 2012) and is thus relevant in a Danish context.

The most important aspects of CSR, as it is applied in this thesis, are the importance of CSR beyond philanthropy towards the integration of CSR into the core business and relying upon it for innovation as represented by Halme and Laurila and Porter and Kramer's aspect of shared value. In addition to those aspects, one final perspective is included in this thesis in relation to CSR, namely that of the EU Commission presented in the introduction. The new definition put forward in 2011 by the commission is: "the responsibility of enterprises for their impact on society" (the EU Commission 2011). This definition is of particular interest as it is a definition emerged from the current context and because it emphasizes impact – the very point of interest of this thesis.

## **Cause related marketing**

This section reviews the concept of cause related marketing. It can be framed as either an approach to CSR or an approach to communicate it, as it is discussed below.

Cause related marketing is framed as a type of corporate social responsibility by some authors (Van den Brink, Odekerken-Schröder and Pauwels 2006) and has an original definition as follows: "The process of formulating and implementing marketing activities that are characterised by an offer from the firm to contribute a specified amount to a designated cause when customers engage in

revenue-providing exchanges that satisfy organisational and individual objectives” (Varadarajan and Menon, 1988). In order to bring this concept into the context of CSR today, more intangible aspects have been brought in as benefits from CRM such as customer and brand loyalty (Van den Brink, Odekerken-Schröder and Pauwels 2006). However, this definition may in itself be too narrow in only considering the philanthropical activities of donations to a specific cause. Liu and Ko (2011) broaden the definition, making it more relevant to the CSR project between Ibis and Toms. These authors emphasize CRM as a marketing tool to promote CSR rather than being a CSR approach in itself: ”Cause-related marketing (CRM) is an effective marketing tool for promoting corporate social responsibility (CSR) activities and the bulk of campaigns are designed and delivered through collaborative ‘social’ alliances with non-profit organisations (NPOs)” (Liu and Ko 2011). The mentioning of the social alliance with a nonprofit organization, also makes this definition highly relevant to the CSR project, which is the basis for this thesis. These authors actually frame CRM as part of strategic CSR opposing it with altruistic giving (ibid.). In this way, the approach of these authors to CRM differs greatly from that of Van den Brink, Odekerken-Schröder and Pauwels (2006) in the aspects of donations (philanthropy) versus strategic CSR, in terms of CRM being a CSR strategy versus a marketing tool to communicate CSR and finally in terms of the inclusion of the social alliance. Therefore, the definition, which is the most relevant is that of Liu and Ko (2011) in relation to the CSR project between Ibis and Toms.

CRM can lead to changing the opinion of the public in regards to the identity of the company and it can enhance both the legitimacy and profitability of the company (ibid.). Furthermore, the building of reputation is often associated with CRM (Brønn and Vrioni 2001). Four CRM strategies are suggested by Liu and Ko (2011) for CRM in social alliances; sponsorship, transaction-based, joint promotion and finally in-kind contribution. The sponsorship refers to sponsoring an event, which is exposed directly to the public. The transaction-based strategy involved corporate donations to a charity for each product sold, and is therefore much in line with the definition of Varadarajan and Menon (1988). Joint promotion involves a joint advertising campaign between the company and the nonprofit and finally the in-kind contribution centers around a social issue and the improvement of this through a non-financial donation, e.g. in form of services or products (Liu and Ko 2011). It is emphasized that these strategies can be combined.

CRM strategies may be chosen by companies as a way to separate themselves and their products from the competitors (Brønn and Vrioni 2001). However, depending on the level of consumer skepticism, the effect of the CRM campaigns may or may not have the intended effect on the

reputation of the company and loyalty to its brand (ibid.). Consumers are being overwhelmed with CRM campaigns communicating the noble intentions of companies in terms of their donations; however, this can create the sentiment of skepticism from the consumers in regards to the intentions of the companies (ibid.). Consequently, consumers are looking for sincerity and true involvement of the company in regards to the CSR, so that it is not just a philanthropical donation, but rather commitment to an issue, about which the company really cares (ibid.). “Honesty, long-term commitment to a cause and involvement of non-profit organisations are factors that help to overcome customers’ scepticism towards CRM. However, to properly manage stakeholder relationships and its reputation, the company not only needs to adopt CSR as an integral part of a company’s mission but must also communicate this to the stakeholders” (Brønn and Vrioni 2001). It is thus implied that the CSR must be strategic and core to the mission and the project must reflect long-term commitment and be communicated to stakeholder in order to gain the benefits from the consumers by reversing the skepticism.

The notions of the strategic element and the long-term commitment in regards to the positive effects on consumers are supported by Van den Brink, Odekerken-Schröder and Pauwels (2006). These authors find that consumers respond positively in regards to the brand perception as a result of a company’s long term commitment. It is furthermore emphasized that improved brand perception and loyalty, which may follow a successful CRM campaign, are likely to have positive effects on the financial bottom line (ibid.). Van den Brink, Odekerken-Schröder and Pauwels (2006) differentiate between tactical and strategic CRM based on four dimensions. These dimensions are: congruence between the company’s core competencies and the cause, the duration of the project or campaign, the amount of resources invested and the degree of involvement of management. In order for the CRM to be classified as strategic according to these authors, the project must score high in terms of these four dimension. If the congruence, duration, invested resources and management involvement are low, the CRM campaign is tactical, and if high, it is strategic. It is found that the tactical campaign does not have effects on brand loyalty; however, that strategic CRM does for products with low consumer commitment.



## **NGO/company CSR partnerships**

Having defined CSR and CRM and discussed the most important aspects in term of this thesis in the previous sections, the next step is a discussion on NGO/company partnerships, which is one option for companies to realize CSR projects. In fact, the Danish government emphasizes the partnership approach as an important basis for sustainable development and social innovation (the Danish government 2012). More specifically, in this section the field of NGO/company partnerships is explored, looking into their nature, motivations and potential benefits.

Selsky and Parker (2005) state that partnerships between businesses, i.e. companies, and civil society, e.g. NGOs, are becoming more frequent and that they vary in size, purpose and time frames. Societal trends pushing for CSR is a current motivational force behind some partnerships between companies and NGOs as demands are rising for improved efficiency and accountability (Selsky and Parker 2005). Furthermore, partnerships represent an approach to work around the inefficiencies and incompleteness of aid and an expression of interdependence (Selsky and Parker 2005 and Fowler 2000).

Cowe (2004) does not acknowledge that project-based philanthropic donation from companies to NGOs should be considered as partnerships, as he states that a partnership must entail a more permanent, deeper and lasting relationship. Central to a partnership is the sharing of risk and resources and that the results should amount up to something otherwise not achieved by the business or NGO alone. Additionally, there is potential for the NGO to learn business related operations from the company (ibid.).

Googins and Rochlin (2000) emphasize that the creation of “value exchange relationships” is of key importance and done through the following three stages: reciprocal exchange, developmental value creation and symbiotic value creation (ibid). Reciprocal exchange refers to “transactional relationship” as basis of which goods and services are exchanged. Developmental value creation refers to a greater effort from both parties, as they typically collaborate on projects. Lastly, symbiotic value creation entails the creation of value through a dependent relationship based upon mutual ideas, resources and efforts. Reciprocal exchange represents the step with the least amount of commitment, the developmental value creation follows and symbiotic value creation represents the step with the highest level of commitment (ibid.).

NGO/company partnerships are a result of the realization of the responsibility of companies towards society and the manifestation of partnerships makes sense in light of the benefits from both parties explained in terms of e.g. the NGO's expertise and reputation and the resources of the company. However, it is found that the partnership should be properly managed and that different levels of commitment lead to differences in value created from the project.

## **Social Impact Assessment and Evaluation**

Having looked upon the fields of CSR, CRM and NGO/company partnerships, we have gained an understanding of the concepts and are prepared to continue with the field of social impact assessment and evaluation. Much like the field of CSR, this field contains many different approaches, and the relevant approaches to answering the research question are mapped out in this section. After an introduction to the field of social impact assessment, the literature on theory of change, then the logic model and finally social return on investment is reviewed.

Some definitions of social impact are rather broad with the possibility to include several aspects and approaches to evaluating or assessing it. Burdge and Vanclay (1996) define social impact as "all social and cultural consequences to human population of any public or private actions that alter the way in which people live, work, play, relate to another, organize to meet their needs, and generally cope as members of society". This approach is rather broad and it opens the opportunity to include all kinds of consequences for all kinds of actions, which has a social or cultural context.

Burdge and Vanclay (1996) define social impact assessment as the act of estimating in advance the social consequences of a certain project, policy or program. The purpose of the social impact assessment is to assist management in deciding between alternative projects, and is thus, meant as a decision making tool. Defining the target group, i.e. the community or individual recipients, is pointed out as one difficulty in relation to social impact assessment according to Burdge and Vanclay (1996). Another issue is determining the role of the local community. A third issue is how to evaluate the impact, as positive impact for some groups, may be considered negative for others. Weighing the impacts in comparison to other impacts only makes it more complicated. Fourthly, the issue of who is to make the judgment is raised (ibid.).

Cracknell (1996) emphasizes that evaluating development aid is relevant as public money is spent, and the social causes rarely have been through a cost-benefit analysis. He concludes that the risks of misuse of funds or inappropriate investments are high. He further states that priority is given to accountability over a lesson-learned approach in evaluations from ministries. However, the former requires more resources and the latter may be used for performance improvement. It is stated by this author that the lessons learned approach is the most common among aid agencies, except from the UN and the EU Commission.

Furthermore, Cracknell (1996) emphasizes the difficulty of making the evaluation and selecting the criteria, as the development projects are intended for people of a different culture, and thus different perceptions and values. Impact studies are very demanding of resources. For this reason, the World Bank recommends that impact assessments are only done if they are likely to contribute with valuable insight useful for future projects, if the methods do not cause major issues and if they can be of use in terms of conducting impact studies in the future (ibid.).

Danida is developing new approaches for impact evaluation with linkages to participatory methods. Impact evaluation will normally include the involvement of local institutions in the developing countries and field studies/surveys. Cracknell argues that most agencies should be better at their feedback system to evaluations. “Development in the past has been too often “for” and not “with” the people”. He thus argues that stakeholders and beneficiaries should be involved in all stages of the evaluation.

The definition of social impact and its assessment presented above is rather broad, but for the purpose of making a social impact assessment of the CSR project between Ibis and Toms, it is necessary to narrow the field down. This is done by the two approaches chosen to make the impact assessment, namely the logic model and the social return on investment model. The two approaches have that in common, that they consider the impacts as effects from a project based on the outcomes considering the inputs (McCawley 1997 and Lingane and Olsen 2004); however, the approaches are explained more in detail in the separate sections on the approaches.

## Theory of Change

The theory of change is a theoretical aspect included in several social impact evaluation approaches. In order to understand the nature of this concept and how it is used, this theory is reviewed before discussing the logic model and S-ROI.

The point of departure of the theory of change approach is the assumptions of an organization concerning how to make the desired changes, and is referred to as the organization's theory of change. This can be defined as a theory of how and why an initiative works, according to Weiss (1995). Moreover, other stakeholders than the recipients of the desired outcome are included. It is stated that the theory of change should be agreed upon by all stakeholders in order to reduce problems associated with causal attribution of impact; however, this seems rather difficult, which is also recognized by Connell and Kubisch (1998).

Connell and Kubisch (1998) argue that there has been a struggle to find appropriate evaluation methods and approaches to comprehensive community initiatives (CCIs) since the 1980s. They suggest the theory of change approach as a solution to this issue. The steps involved appear similar to other evaluation; "the initiative plans to do X in order to accomplish Y and Z. But, this similarity- and its implications for evaluating CCIs- vanishes quickly when one realizes that, unlike most programs, CCI theories have multiple strands (economic, political, and social), which operate at many levels (community, institutional, personal network, family, and individual), are co-constructed in a collaborative process by diverse stakeholders, and evolve over the course of the initiative" (ibid.). The level of complexity is thus higher, which therefore require a multiple factor approach.

Connell and Kubisch (1998) point to three attributes necessary for a good theory of change, namely, plausibility, ability to be achieved and testability. It should be determined by stakeholders that these three attributes are characterizing the theory of change before it can be used for the evaluation approach. In order to achieve a good theory of change, it is emphasized that multiple sources of information should be used (ibid.).

Fundamental to the theory of change approach is the 'if...then connection', i.e. the cause-relations between the actions taken and the effect (Weiss 1997). With the theory on how and what works as a

starting point, the theory of change approach is based on a sequential evaluation. Central to this approach is the inclusion of multiple stakeholders in the formation of the theory of change (Cornell and Kubisch 1998) and the complexity of the approach is emphasized, as multiple levels should be considered, such as the social, political and economic level. In addition, a good theory of change should state the desired outcomes; both in regards to the short term and the long term (Organizational Research Services 2004). The Organizational Research Services theory of change handbook refers to three elements of the desired results, namely impact, influence and leverage. Impact refers to changes of the initial situation based on the actual outcome of activities, influence to changes in policy, public opinion and systems and finally leverage refers to changes in investment.

In order to evaluate, the activities must be translated into measurable observations taking into account the multiple factors and perspectives mentioned earlier. The latter involves looking into linkages between the various outcomes and activities (ibid.).

### The Logic Model

Following the discussion above on the theory of change approach, the literature review continues with the logic model. The logic model has the purpose of measuring the effectiveness of a given program or project (McCawley 1997). The name indicates a logical coherence between each aspect of the model. Illustrated by the figure below, McCawley (1997) explains the logic model with point of departure of the current situation, which is desired to change.

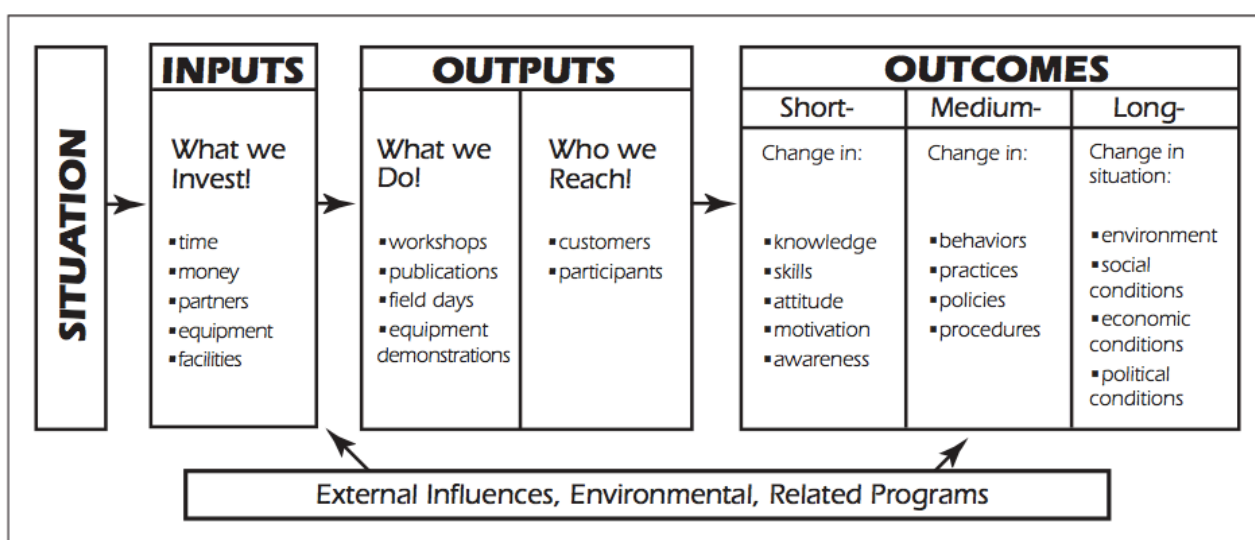


Figure III, the logic model, source: McCawley 1997

Going from the undesired situation towards the desired change (outcome), the logical model looks at the inputs, i.e. an idea of the resources the organization has in terms of money and time to generate a desired outcome. The resources put into the program/project lead to the actions of the organization, i.e. the outputs. The results are looked upon from three perspectives, namely the outcomes seen in the short term, medium term and long term. Additionally, the logical model includes external influence from the environment and similar programs. Millar et al (2001); however, have pointed out that taking point of departure of the inputs, i.e. the resources the organization has, can have the effect of limiting the thinking on existing activities and thus limiting the creative opportunities for generating something new. The alternative suggested is reversing the sequence, and thus taking point of departure in the desired outcome (ibid.). This is only relevant for cases when the logic model is used as a tool to forecast the impact, and not relevant in relation to evaluating it.

Grant (2012) presents the W.K. Kellogg Foundation's logic model, which has an extension to the elements mentioned above. In this model, the last step is determining the impacts. On the other hand, the first step of this model is the input, thus, the baseline is not included. As this has been a point of criticism, that the logic model did not take the context into account, it is relevant to include this aspect of the logic model presented by McCawley (Grant 2012 and McCawley 1997).

The W.K. Kellogg Foundation logic model thus has the first two elements as the inputs and the activities, which is stated as the two elements for planning the work. The subsequent three elements are the outputs, described as the 'direct and tangible products', the outcomes, which are the changes for those affected by the program or project. The final element is impacts. Impacts are defined as follows: "the fundamental intended changes in organisations, communities or systems – *if* the outcomes are achieved, *then* certain changes in organisations, communities or society as a whole might be expected to occur" (Grant 2012). Thus, the impacts are the changes occurring if the outcomes are realized.

The logic model has been put into the context of planning a certain program or project; however, it is also a way to create accountability and has been stated as being valuable in terms of communicating to other what is desired to be achieved by a given project (McCawley 1997).

## Social return on investment

Another approach to social impact assessment and evaluation is the social return on investment, which is discussed in the following section. The motivations behind the idea of monetizing the outcomes and its implications are examined. Social returns on investment theories encompass several framing of the concept, e.g. blended value and S-ROI.

Emerson (2003) points to several factors influencing the concept of value, namely, anti-globalization movements calling for a view away from the corporate approach, increased number of companies and CEOs (Chief Executive Officer) discussing the social and environmental responsibilities, the rise of nonprofit organizations/NGOs and social enterprises and finally discussions of investors on measurement of non-financial value. Mulgan (2010) defines social value metrics as those intended to evaluate the value of NGOs, social enterprises and the like. He argues that nonprofit organizations should find a balance between relying on academic social science and public policy when creating metrics to measure social value contrary to current trends separating the two.

“Our understanding of both investment and return is founded upon a traditional separation in the creation of social versus economic value” (Emerson 2003). However, this is the notion Emerson challenges and believes to be inherently wrong. He also challenges the zero-sum outlook stating that it is not social *versus* financial value. He emphasizes that investment is not a tradeoff between financial and social value, but rather the pursuit of an embedded value composed of the two. This calls for new metrics in measuring value, which do not take point of departure in a quid-pro-quo notion.

Emerson (2003) presents different aspects to measuring value: namely economic, environmental and social (i.e. the triple bottom line approach) – and it should not just be an add-on to the financial reporting but an integrated approach. The blended value approach will require a new way of measuring value, reporting and training of accountants and the likes.

It is proposed by Emerson (2003) to look at the blended ROI, acknowledging that economic and social value is intertwined and should both be accounted for. The ultimate goal is to maximize both the economic and social return on investments. There is a tendency for financial measures to be



focusing on short-term impacts, however; this does not suffice in social relations, as the life cycles of social issues and the social impacts may not be present in the short-term. The measurement of the blended ROI includes the creation of BROI ratios (blended return on investment), which can be calculated.

Lingane and Olsen (2004) support the view presented by Emerson concerning the outlook on social and financial value as opposites and it being viewed as a zero-sum game. They present data and measures developed by participants at the Global Social Venture Competition, who have attempted to create measures for impact assessment by monetizing or quantifying social value. They call it the Standard for Social Return on Investment (S-ROI).

Lingane and Olsen (2004) define S-ROI as a term, which originates “from return on investment (ROI), as used by traditional investors. It describes the social impact of a business or nonprofit’s operations in dollar terms, relative to the investment required to create that impact and exclusive of its financial return to investors”. They furthermore state that the “basic purpose of accounting is to facilitate sound business management by quantifying the creation of value by firms”. Continuing on this notion, they state that managers will be frustrated if they use the financial accounting measures for measuring the effect the company has on people and the environment.

Lingane and Olsen (2004) present ten guidelines illustrated in Appendix III (for further details, please see this appendix). It is emphasized that S-ROI should be used according to a benchmark and always be seen in a relative context. The first guideline emphasizes the importance of including both positive and negative outcomes to the analysis. The second guideline refers to the impact made on and by all stakeholders, which should be considered and prioritized for the analysis. Important to note in regard to guideline 3, is that it can be difficult to separate what can be attributed to the actions/programs/policies of the company or organization and which are a result of external forces. In extension of this, the fourth guideline states that the company should be careful not to count an effect twice. The fifth guideline refers to how the analysis should focus on the effects uniquely attributed to the company and which are not just the effects of have any company there. That monetization should only be done when it is logical within the context, is stated in guideline six. Continuing with this logic, the seventh guideline states that the context is highly important in the monetization and that it should be appropriate according to the economic and social context.



Guideline eight and nine deal with the concepts of risk, discount rate and a sensitivity analysis, which are all important factors in understanding the influences of the given project. Finally, guideline ten emphasizes the importance of social impact measurement not merely being a snapshot of a given time, but that it should rather be continuous and dynamic. The authors additionally stress that S-ROI should only be used to compare two businesses if the methods are the same, and they are both using the same parameters (ibid.).

One difficulty in measuring social value, is the difficulty of agreeing upon what the desired outcome should be, e.g. in relation to schooling and crime prevention. Mulgan (2010) argues that S-ROI can be used on a broader scale in order to gain an overview, but it does not suffice when it comes to the details. S-ROI attempt to make calculations and monetize social outcomes; however, the way in which this is done is not always precise enough. Additionally, the use of discount rate adopted from the financial measure ROI, is based on “a mistaken belief that treating social discount rates as equal to commercial ones will make social value metrics seem more rigorous” (ibid.). The idea of discount rate stems from the idea that money loses value over time, thus, 100 dollars today is worth more than 100 dollars next year, e.g. due to inflation in uncertainties, for which reason a discount rate of 5% would be applied, so that the future value loss is taken into account. Mulgan emphasizes that “[s]ocial value is not an objective fact. Instead, it emerges from the interaction of supply and demand, and therefore may change across time, people, places, and situations”. Additionally, the importance of adopting the measures of impact and/or evaluation to the organization is stressed. The suggested approach of Mulgan relies on the concepts on supply and demand, and how the best contribution is to forge a linkage between the supply and the demand that will create value. Thus, influencing the market is what will generate value in the long run.

## **Conclusions from literature review**

The literature view has taken the reader through theories and frameworks crucial for conducting the steps necessary in order to answer the research question how the pupils, local communities/Ghanaian society are impacted from the CSR project. The section on CSR looked into different definitions and approaches to a very fragmented field. Important to emphasize are the aspects of going beyond Carroll's concept of philanthropy as the highest level to achieve and rather go into the direction of Porter and Kramer and Halme and Laurilla in terms of looking into shared value and social innovation. Additionally, the theory of cause related marketing was included.

Cause related marketing is a marketing tool for the communication of CSR activities with the purpose of gaining from them through improved reputation and customer and brand loyalty.

In terms of CSR partnerships, it was found that partnering with NGOs are becoming more common for companies, who see their responsibilities as going beyond earning profits. Several authors emphasize the element of creating strategic alignment. Furthermore, for the purpose of this thesis, it concurs with the theorists stating that mere philanthropic donations do not count as partnerships; however, long term commitments and with projects of a common purpose do.

The sections on social impact measurement focused mainly on the guiding models and theories for the thesis, namely the theory of change, the logic model and the S-ROI. It was found that the impact of social projects might be subject to different analyses emphasizing different elements. The theory of change approach has focus on the theories and assumptions behind a project and it is key to both set up objectives and corresponding indicators for these objectives. The logic model on the other hand, looks into the outcomes of the project and the input and output. Finally, the S-ROI approach draws upon elements from the other frameworks, but in the end the goal is to quantify and monetize the impacts.

# **Methodology**

## **Introduction**

The methods of the thesis are outlined in this section with the purpose of explaining firstly the epistemological and ontological assumptions upon which the thesis and its conclusions are based. Secondly, the research design and approach chosen to answer the research question are presented followed by a presentation and discussion of the data used. Finally, the limitations of the thesis and its coherence are discussed.

## **Epistemological and ontological reflections**

There are two determinants of the epistemological and ontological assumptions of a piece of research, namely the researcher's personal attitude towards knowledge and the methods applied (Saunders et al. 2007). In the case of this thesis, both perspectives are accounted for.

The interpretivist approach is reflected in this thesis. This is the case because it represents the point of view of the author in regards to knowledge and how it is subjective and influenced by its social actors. It is thus acknowledged that the understanding of the concept of knowledge of the author of the thesis is reflected in the work done and the analyses conducted.

In terms of the application to the methods and research question, the interpretivist approach allows analyses, which take into account different points of view of the social actors involved, in this case e.g. Ibis and Toms. It is acknowledged that there are in fact several perspectives and not one ultimate truth. This approach also allows taking into account the context in which the CSR project is embedded in order to conduct the analysis and make the interpretations. Acknowledging that the analyses made are interpretations and dependent upon the source of the data makes it possible to be critical towards the statements made. More specifically, this means that the interpretivist approach enables us to not just make an analysis of the social impacts of the CSR project, but also to reflect upon how the sources of the data affect these conclusions, i.e. how Ibis and Toms have influenced the project descriptions and evaluations upon which the analysis is made. The interpretivist approach thus allows us to go more into depth by not accepting the project documents and the data

used for this thesis as reflections of the truth, but rather reflections of the perspectives of the truth of those behind it.

The ontological background of the thesis is social constructivism. By this, it is acknowledged that the social actors, in this case Ibis and Toms are constructing the 'reality' that is represented in the project documents and interview. Viewing the data from these social actors enables a critical reflection on how these actors have influenced the perspectives represented and why this may be the case. By looking upon the data as subjective, we gain further insight into the impacts and the reasons why it is emphasized a certain way by Ibis and Toms.

The second sub question involves the quantitative perspectives of the impact, but even so, the interpretivist and social constructivist assumptions are still highly relevant, as they allow for interpretations of the result, rather than looking upon the social return on investment figure as an absolute. The subjective approach is very important in all elements of this thesis as the research question entail looking at the social impacts of the CSR project, which is a socially constructed project, very much embedded in its context. This thesis is based on the point of view of Ibis and Toms mostly, as this is what the data has allowed. On the other hand, this allows for the opportunity to make interpretations of the social impacts on the targeted groups and how Ibis and Toms have influenced the representation of these impacts.

Summing up, the interpretivist and social constructivist approaches allow for looking upon the data as subjective and socially constructed, i.e. as being influenced by Ibis and Toms. This allows the thesis to be critical towards the data and reflect upon both the approaches used to make the social impact analyses and also to reflect upon the motivations of Ibis and Toms in reflecting and emphasizing the impact as they have done.

## **Research design**

The basis for the thesis is the CSR project resulting from the partnership between Ibis and Toms, which is treated as the case. More specifically, the case of this thesis is the three-year project starting in 2007 ending in 2010 and which is part of Danida's Program for Innovative Partnerships for Development. The context in which the project is embedded, which is a crucial part of a case study (Saunders et al. 2007), is also considered. The design of the research is consistent with the interpretivist epistemological assumptions as interpretations of the data, the context and the theories make way for answering the research question and its sub questions.

This thesis is descriptive, interpretative and explanatory. The descriptive aspects help understand the context, in which the CSR project is embedded, and to present the data from written documents and interviews, and thus serve as a basis for the next two aspects. Conducting the analysis and the subsequent interpretation of the data aims at answering the aspect of the research question, which relates to the impact of the project from both a qualitative approach, by conducting the logic model analysis, and from quantitative approach by conducting the S-ROI analysis. In addition, the explanatory aspects enables a critical view on the data and how it is socially constructed by Ibis and Toms by looking at why they have chosen to emphasize the impact of the CSR project as it is reflected in the project documents, the interview and other data from these two actors.

By designing the research so it includes both descriptive elements, interpretations of data and explanatory factors, it is made possible to conduct social impact analyses and reflect upon the results, both by interpreting data according to relevant theories, but also to critically seek to explain how Ibis and Toms have influenced how the impact is stated.

## **Research approach**

The research design of this thesis is deductive as it is based on existing theories and applying them to the analysis of the data (Saunders et al. 2007). More specifically, theories on social return on investment as presented by theorists such as Emerson, Lingane and Olsen and Mulgan and theories on CSR partnership, e.g. reflected by Googins and Rochlin, are applied to the case of the CSR projects resulting from the partnership between Ibis and Toms in order to analyze the social impact. Furthermore, the deductive approach entails the use of the cause related marketing theories in the context of the motivation behind the how Ibis and Toms emphasize the impact.

## Data

The data, which form the foundation for the analysis of the social impact of Ibis' CSR project with Toms is both qualitative and quantitative, and come from two main sources, namely written and oral sources. The written sources are composed of internal documents and documents concerning the project made by Ibis and Toms, along with the publically available information on the partnership and project from the websites of the two organizations. In addition, data from other sources than from Ibis and Toms are included when possible and relevant.

The documents provided by Ibis to document the partnership between the organization and Toms can be divided into four categories, namely budgets, project description, milestones overviews, and evaluations.

The budgets account for the cost in relations to the different activities of the partnership project, and expenses in regards to e.g. administration, salaries, evaluations, monitoring and information campaigns specific to the CSR partnership project(s) (Please see attached digital form under Copy of Budget Danida format). Including the budget is helpful in terms of establishing the inputs, as it accounts specifically for the financial inputs of the CSR project.

The project description sets the scene and provides background information for the partnership; it states the objectives of the projects and its target groups. Furthermore, there are stakeholder overviews and strategic considerations plus a discussion of risk and management of the projects (Please see attached digital form under Project document final draft).

The milestones overviews are reports conducted every three months and provide an overview of the progress of the projects according to predetermined targets divided into different areas such as teachers' education and schools receiving school kits. All indicators are compared to the target (Please see attached documents under folder PPP Milestones and Indicators). The milestone documents are used to analyze the outputs and outcomes of the CSR project.

Finally, the evaluation reports provide an evaluation of the project after their first three years (2007 to 2010). The main evaluation is conducted in August 2010 and is composed of the following

elements; alignment to government policy and programs, relevance and strategic approach, output and outcome, sustainability, partnership and participation, synergy and finally management and monitoring and evaluation and staffing (Please see attached digital for under Toms Evaluation Report 27 Aug final).

It should be noted, that in order to conduct the S-ROI analysis, other sources are brought in. The analysis is based on the information provided by Ibis and Toms through the interview and the project documents, but also including data on wages in Ghana and impacts of education. The calculations and the steps of the S-ROI analysis are entirely done by the author of this thesis with the assumptions stated.

With the purpose of furthering the validity, the written sources of data are triangulated with data collected first-handedly by the conduction of an interview with a representative from Ibis, who has been involved in the CSR projects from its beginning. In continuation, the data from other sources are also used with the purpose of gaining higher validity, so that it is not just Ibis and Toms' perspectives on the matter analyzed. However, it is often not possible to triangulate the data from Ibis and Toms, for which reason, this data is critically analyzed. The interview guide below presents the interview with Anne Margrethe Hefting and explains the motivation for the questions and type of interview.

As the research question indicated, the data used for this thesis is mainly from Toms and Ibis, and thus, highly subjective, portraying the point of view of these organizations. We therefore treat this data not as portraying the final truths about the CSR project, the partnership and the impacts, but as portraying these subjects from the point of view of Ibis and Toms. Throughout the analysis and discussion, the data is critically examined and it is discussed what the reasons are for how the impact is emphasized by Ibis and Toms. It is acknowledged that this data has limitations in the sense that it cannot provide us with evidence or support of other points of view of the project, which is taken into consideration.

## **Interview guide**

The purpose of the interview with the representative from Ibis is to triangulate the data and gain further perspectives on (the perception of) the impact of the CSR project and the process of evaluating and cooperating with Toms. Along with the project document and the publically available data, it constitutes the data used for conducting the analyses. The interviewee is Anne Margrethe Hefting, Campaign Manager of 'STOP Child Labour - School is the best place to work' & CSR partnerships, Ibis.

## **Interview type**

The interview is qualitative and semi-structured. The motivation behind this choice of interview type is that a semi-structured interview allows the respondent to provide more input to the questions at hand, compared to e.g. a questionnaire, which is structured and often only allows the respondent to choose between a number of possible answers according to what best fit (Saunders et al. 2007). In order to allow Hefting to explain her perspective of the CSR project, the partnership and the impacts, it is desired that she is able to freely to respond according to her judgment, rather than being bound by choices of potential answers. Another important aspect is that answers to certain more specific questions are obtained, for which reason, the semi-structures interview is chosen.

## **Interview questions**

The interview questions are posed with the purpose of triangulating the data and gaining insight into the CSR partnership and project in terms of the impact and the process of the work and deciding the content of the project documents. The question can be found in Appendix II in Danish, as they were asked at the interview, and translated to English. The questions are posed with point of departure of the theories used for the social impact analyses. In regards to the theory of change, it is crucial to understand the planning behind the project and how this has been influenced by the partnership with Toms and by other stakeholders. The documents provided by Ibis include statements of the objectives of the project, but asking about the background, elaborations and implications are also significant.

Throughout the interview also questions helping to conduct the analysis of the indicators for the achievement of the objectives, are raised. The documents provided by Ibis state a number of



indicators of progress of the project; however, it is important to determine how these were determined, the influence of Toms and other stakeholders. In regards to the outcomes, questions were posed to triangulate the data and gain further understanding into the background of the evaluation of the project.

## **Limitations**

The impact analyses conducted in this thesis are based on data from Ibis and Toms, for which reason it must be considered that these two organizations have influenced the data. The data from Ibis and Toms is therefore considered subjective and it is critically questioned in terms of the motivations behind what is chosen to be included and how it is emphasized. This is done in the section on data analysis and conclusion.

The analysis of the impact of the CSR project is based on the logic model and the S-ROI analysis. These models were chosen as they represent two different approaches to social impact, one with a qualitative perspective and the other with a quantitative perspective. And yet both take point of departure in similar outlooks on impact, i.e. both look at the outcomes considering the inputs and the outputs. Though other frameworks could have been applied instead of these, or to supplement these, the logic model and the S-ROI analysis are chosen as they contain many elements represented in other social impact evaluation frameworks, such as the LFA (Logical Framework Approach). But it is clearly acknowledged that the results in terms of the social impact are affected by the models and frameworks used. To compensate for that, it is discussed in the data analysis and discussion section how these frameworks have influenced the results and with what significance.

One obvious limitation of this thesis is that it was only possible to interview a representative from Ibis, and not from Toms. The conclusions drawn are thus viewed taking this fact into consideration, that it is, in terms of the interview, only representing the perspective of Ibis. We try to compensate for this by including this aspect in the data discussion.

It should be taken into account that the assumptions established for the conduction of the social return on investment analysis are very much determining the outcomes of the analysis. The assumptions are based on data from Ghana and on the impact of education, but the assumptions and the approach have alternatives. Therefore, the results of the S-ROI are not just considered a result of

the data provided by Ibis and Toms, but also of the assumptions. The assumptions are clearly stated throughout the analysis, so that it is clear when something is assumed.

However, the most significant limitations of the thesis is that it was not possible to go Ghana and observe the impacts in order to have a basis for comparison against what is emphasized by Ibis and Toms and the fact that we can never know for sure what the thinking and planning process behind the choices of Ibis and Toms were. This is taken into account in the discussion and by critically analyzing the motivations of Ibis and Toms in terms of what they choose to emphasize.

## **Coherence**

The research question and its sub questions structure the thesis in the way that the three sub questions are answered sequentially in order to finally reach an answer to the overall question. As it was discussed above, the context in which the CSR project is embedded is important as it affects the project. For this reason we outline topics such as Danida's evaluation criteria and the cocoa industry in Ghana. The literature review entails theories used to answer the different aspects of the research question and its sub questions in terms of CSR, NGO/company partnership, social impact assessment and cause related marketing. The social impact assessment and cause related marketing theories are used as basis for the framework, which is applied in the analysis and discussion section. The latter section is structured according to the sub questions, so that firstly the qualitative perspectives are analyzed using the logic model, secondly the quantitative perspectives on the impacts are analyzed using the S-ROI framework and cause related marketing theories along with elements from the context section and aspects of CSR and partnerships are used to analyze the motivation behind what is emphasized by Ibis and Toms as the impact.

## **Framework for answering the research question**

In this section the framework for answering the research question is presented. The structure follows the research question with its sub question so that by answering the sub questions sequentially, the overall research question is answered. However, the theory of change framework is applied prior to the sub questions, as it entails elements relevant for conducting the subsequent parts of the analysis. In order to answer the first sub question of what the impacts are from a qualitative aspect, the logic model is applied. In order to answer the second sub question a social return on investment analysis is conducted with the purpose of arriving at an answer to what the impacts are from a quantitative perspective. Finally, cause related marketing theory and the context in which the CSR project is embedded are brought in to answer the final sub question of how the impacts are emphasized and with what reason.

### **Theory of change**

As discussed in the literature review, central to the theory of change approach are the assumptions concerning how change is achieved, upon which a project is made. In the analysis, the theory of change is applied from two different perspectives, namely from the organizational level for both Ibis and Toms and from the perspective of the CSR project. In regards to the organizational level, the mission, vision and the assumptions an organization have as basis for their work are relevant factors, for which reason these will be the basis for the analysis. The theory of change of the CSR project is analyzed through the objectives of the project and the cause-effect relations behind the assumptions of how and why the project will work.

### **First sub question: qualitative perspectives of the impact**

The logic model includes the consideration of the initial situation and subsequently the inputs of the project in terms of the time, money and facilities – in other word the resources invested in the project. The outputs are the next step, i.e. looking into which tangible activities are realized by the project, e.g. workshops held or material distributed. Lastly, this leads to the outcomes, measured in the short run, the medium run and the long run. The logic model is particularly applicable to the theory of change framework, as it emphasizes the multiple facets of the outcome and the change, which has occurred (or has not occurred) (McCawley 1997). The final result of the analysis

conducted as based on the logic model is the outcomes; however, according the W. K. Kellogg Foundation logic model, the impact of the project is a separate step after the outcomes (Grant 2012). By Grant the last step, the impact, is explained as the changes made from the output, once these activities have taken place, which is how the outcomes are explained in the logic model by McCawley (Grant 2012 and McCawley 1997). Therefore, as the logic model is not used as a planning tool in this case, but rather for evaluation of a project, which has already been done, the impacts are considered as part of the last step, the outcomes. The model below illustrates the steps for evaluation.

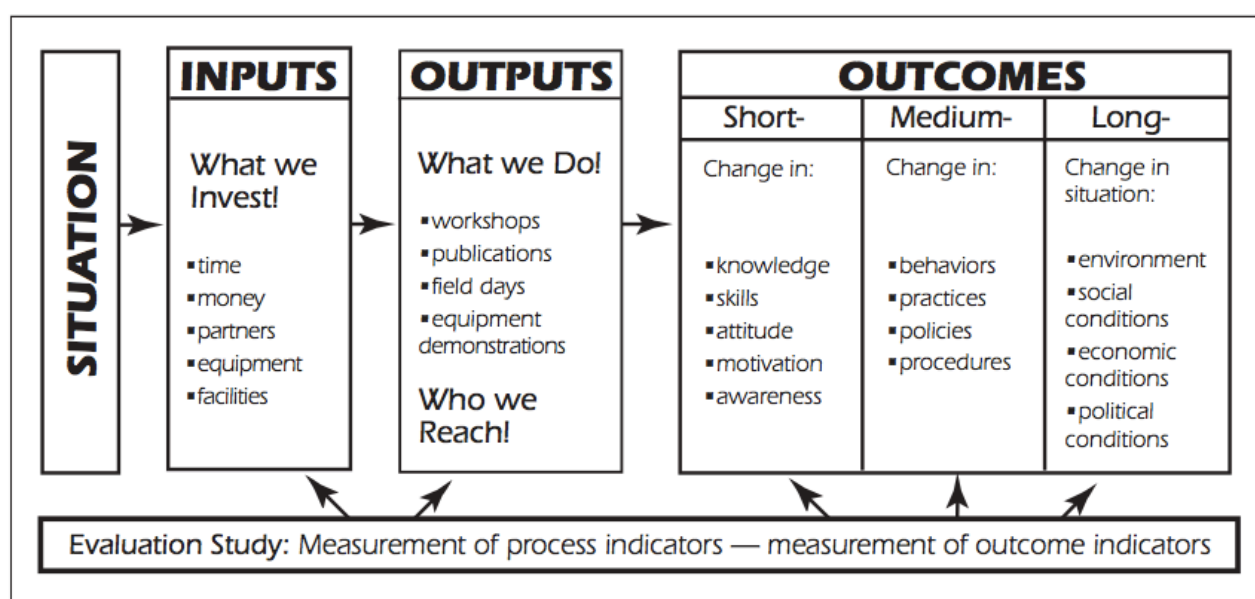


Figure IV, The logic model for evaluation, source: McCawley 1997

As can be seen from this model, indicators are central to the evaluation process. They are therefore included in the analysis made. This step of the model is to formulate clear and specific statements of indicators of the change, which is desired. In other words, analyzing how it can be measured whether the desired outcomes are reached. The purpose of this step is to set up statements to test the objectives stated in the first step. Conducting the analysis according to the logic model will result in a qualitative understanding of the impact of the CSR.

## Second sub question: quantitative perspectives of the impact

To answer the second sub question, the S-ROI analysis is conducted to get a quantitative figure of the impact. This part of the framework for the social impact analysis entails analyzing the outcomes by quantifying and monetizing them. The social return on investment approach builds upon the previous steps of this model, i.e. understanding the organizations, analyzing the inputs and the outcomes. However, the last steps of this approach differ from e.g. the logic model in the sense that the result is monetary, and thus a quantified representation of the social impact rather than the qualitative results of the logic model. The S-ROI involves the monetizing of social impact, e.g. estimating the economic value of 100 children more attending school on a regular basis and then comparing it to the investments made and the baseline situation.

On a more practical level, the steps, which are implemented in order to make the S-ROI analysis, are the following:

- I. Establishing the scope of the S-ROI analysis (Cabinet Office – Office of the third sector 2009). This entails determining what is covered in the S-ROI. As the information provided by Ibis and Toms is limited, the S-ROI analysis reflects that.
- II. Mapping the outcomes (ibid.). Making an impact map involves displaying the relations between inputs, the outputs and the outcomes based on the theory of change approach.
- III. Monetizing the outcomes (ibid.). This step involves putting monetary value on the effects of the CSR project. This process in particular will be done based on certain assumption, which are clearly stated throughout this step.
- IV. Calculating the S-ROI ratio (ibid.). This is done with by dividing the net present value of the project with the value of the inputs, as seen below. This step also entails considering to what extent other parties have contributed to the impact and subtracting this from the contribution of Ibis and Toms.

$$\text{Net S-ROI ratio:} \quad \frac{\text{Net present value}}{\text{Value of inputs}}$$

Net present value is defined as [Present value of benefits] - [Value of investments] (ibid.).

### **Third sub question: how and why the impacts are emphasized by Ibis and Toms**

Answering the third sub question involves the cause related marketing approach and discussing what benefits there would be from emphasizing the impacts as positive, if this is the case. As it was found by Van den Brink, Odekerken-Schröder and Pauwels (2006), the strategic element is determining for the positive effect on the brand, it is analyzed whether the CSR partnership is in fact strategic. Using cause related marketing theories discussed in the literature review, the benefits, which could be achieved, by Ibis and Toms by emphasizing the impact of the project as positive are analyzed and discussed. Furthermore, the CSR project and the elements included and emphasized are discussed with the purpose of understanding why Ibis and Toms chose certain aspects. In this discussion, the cocoa industry and child labor is included along with the theories discussed on CSR and partnerships.

## **Data analysis and discussion**

### **Introduction**

The analysis of the data is conducted according to the two types of analyses, namely the logic model representing the qualitative aspects and the S-ROI representing the quantitative aspects. In order to gain insight to the objectives and the background of the CSR project we commence with a theory of change analysis. More specifically, the theory of change of the two organizations and secondly the theory of change of the resulting CSR project in Ghana are looked upon. Subsequently, an analysis is conducted based on the elements of the logic model with the purpose of understanding the impacts from a qualitative perspective. Finally, a social return on investment analysis is conducted drawing upon elements from the previous steps and adding the aspect of monetization. The assumptions functioning as the basis for this S-ROI analysis are stated clearly. The motivations of Ibis and Toms for the way the partnership and its impacts are expressed are looked upon drawing upon the cause related marketing theories and the context of the project.

### **Theory of change: Organizational level**

The theory of change of the two organizations, Ibis and Toms, is relevant to analyze, as this gives us insight into the assumptions upon which the organizations do their work (Cornell and Kubisch 1998), and because the CSR project will reflect both their theories of change. Looking into Ibis and Toms' theory of change from an organizational level helps us setting the ground for further analysis of the impact and thus answer the research question with further depths. Central to the theory of change of the organizations are their missions and visions, their assumptions behind their work in terms of the cause-effect relations assumed (Weiss 1997) – and therefore, these are the aspect covered in the organizational level.

### **The theory of change of Ibis**

Firstly, the theory of change of Ibis is looked upon by presenting the data gained from the interview and public sources in regards to the mission, vision and assumptions of this organization. Subsequently, the theory of change is analyzed.

Hefting states in the interview (2012) conducted that the overall vision of Ibis is that everyone should have equal access to education. She furthermore states that you “hereby can create a healthy foundation in the poor regions of the world to create healthy democracies and structures”. The overall approach of Ibis is based on rights and guiding principles, e.g. in relation to children’s work. Hefting emphasizes that education is the foundation for sustainable development and that education allows people to gain confidence and can act as a driving force for people to accomplish something for their own families and to participate actively in the civil society. Hefting continues by explaining Ibis’ approach as a bottom-up process, i.e. taking point of departure of the individuals and their education, believing that this leads to the sustainable development of society and the democratic and structural development. The mission of Ibis, as stated on the organization’s website is to fight global poverty and inequality with its partners (Ibis 2012).

There are thus certain inconsistencies with the more general ideas of development stated on the website of Ibis compared to the strong emphasis on education as the foundation for development stated by Hefting. The core of the CSR project, education, is emphasized as being the most significant element in Ibis’ understanding of development.

The theory of change as a concept is theoretical and not something a company or organization typically publish. It is therefore more an instrumental tool for understanding the cause-relations of the thinking of an organization (Weiss 1997). The theory of change of Ibis centers on education and advocacy, which have been emphasized as key elements by Hefting and the official statements of Ibis. It is a key assumption of Ibis that education and democracy are the basis for a healthy society, and are the pillars upon which development occur. The most basic element; however, is education (Hefting 2012). By informing and educating people, Ibis believes that there will be more civil participation, better knowledge about the rights and opportunities of the people, and that there will be a positive spill-over effect on society from giving the individuals education. The theory of change of Ibis on an organizational level is defined in this thesis as providing education for the



poorest people, shall not only improve the lives of the individuals, but also foster a change in the civil society, on several levels, and help combat poverty, inequality and injustice. The cause-relation found from analyzing the statements of Ibis and Hefting is thus that education leads to sustainable development.

### **The theory of change of Toms**

Having made a brief analysis of the theory of change on an organizational level Ibis, an equivalent analysis of Toms is following.

According to the company's website, the very essence of Toms is “tasteful moments – responsible choices” (Toms 2012 A), which captures two main elements of this company; namely creating quality confectionery products to be enjoyed and doing so in a responsible manner. The mission statement of Toms is as follows (translated from Danish): “We are working passionately to bring out original quality products and on an ongoing basis creating social and environmental improvements throughout the supply chain<sup>1</sup>” (ibid.). The stated values behind the organization, Toms, are the following: quality, responsibility, simplicity, change and openness. Quality for Toms refers to setting high minimum requirements to both own employees, the organization and its suppliers and responsibility reflect aspects on both the individual and organizational level; taking responsibility for every employee and for the effects of the company on its exterior. The third value, simplicity, means not making anything more complicated than it has to be and change is to be understood as identifying opportunities for change and being able to adapt to them. Finally, openness is an indication of the communication strategy of Toms in the sense that they wish to communicate openly, internally and externally, and learn from their mistakes (Toms 2012 B).

The theory of change of Toms on an organizational level should reflect the core business of the company, namely the chocolate and confectionery business, but also the aspect of responsibility, which is given great importance in the statement of the mission on values of the company. We suggest that the theory of change of Toms is that sweet treats, when enjoyed with moderation and responsibility, brighten life. Central to the concept of theory of change is the if-then propositions stating the assumptions behind the choices done and what the effect will be if these choices are

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<sup>1</sup>Mission statement in Danish: Vi arbejder passioneret for at frembringe originale kvalitetsprodukter og løbende skabe sociale og miljømæssige

made (Weiss 1997, Cornell and Kubisch 1998). In terms of Toms, there is no clear lined if-then proposition made obvious in the statements; however, it could be suggested that it is a core belief of Toms that if responsible choices are made, we can enjoy the sweet moments of life better.

The statements made by Toms are emphasizing the responsibility aspect, rather than the aspect of their core business: producing sweets. The positive aspects of the company, namely the employees, the responsible supply-chain etc., are given more focus rather than the more controversial aspects, the confectionary products, which may endanger the health of the consumers.

### **The theory of change of the CSR project**

The past two sections analyzed the theory of change of the two organizations involved with the CSR project based on how they perceive themselves. The theory of change on the organizational level evolves around the mission and visions of the organizations, whereas the theory of change of the project is about the objectives and the cause-relation assumptions behind (Weiss 1997).

In determining the objectives and aim of the CSR project between Ibis and Toms, a feasibility study and a baseline study was done (Hefting 2012). Consequently, the scope of the project was changed from its original ideas (ibid.). Ibis and Toms had first thought of doing the project with a focus on access to education, i.e. getting the children into school rather than working. Hefting explained that "...after the feasibility study it became apparent that this [access to education] was not where we should focus, but rather on the quality" (ibid.). Hefting specifies what is meant by the quality of education by stating that there was a lack of teachers and the existing teachers were poorly educated or not educated at all. Furthermore, the sizes of the classes were very large and there were many pupils dropping out. This, according to Hefting, was the basis for the parents in Ghana to decide to not send their children to school – due to the bad quality – as it did not make sense. Another argument behind the choice of focusing on quality rather than access was that Ghana had initiated compulsory school attendance the year before.

Based on the findings from the reports conducted and the examination of the local context in Ghana and the competencies of the organizations involved, the objectives of the project were determined. The project was given the title "Strengthening the education sector in cocoa producing district in

Ghana” (Project document, Ibis, 2007). The development objective was phrased as follows: “The education sector and the civil society ensure that all children enjoy their right to achieve basic quality education” (ibid.). The objective was specified further and divided into three areas, namely access to quality education, governance and accountability and finally advocacy. In terms of the first area, access to quality education, the objective was stated as: “[t]o ensure that 15,000 pupils in rural schools benefit from quality education, as a result of 330 untrained teachers have received support to finalise their teacher education; 400 teachers have been given intensive training in curriculum and methodology, and all rural primary schools have access to sufficient teaching material” (ibid.). The second area, had objectives stated as follows: ”Parents, teachers, SMCs [school management committees] and PTAs (parent-teacher associations) of 100 rural communities are aware of children’s right to education; and do together with GES [Ghana Education Service] contribute to effective management, and regular and functional supervision” (ibid.). Finally, in regards to advocacy, the objectives stated in the Project Document were: “[r]egional and National coalitions arrange advocacy campaigns bringing the issues of child labour and children’s right to education to the public and to governmental level”.

The interview with Hefting supports the Project Document in the sense that she also emphasizes the three main objectives as being quality education, community involvement and advocacy. She also mentions the combat against child labor as a key element and states that the three objectives are equally important (Hefting 2012). But she also mentions again that education is a main element, which is to be the starting point of the process.

Despite the fact that the project was initiated due to Toms issues with child labor in its supply chain in Ghana, the emphasis of the CSR project is improving the quality of education. Thus, based on the overall thoughts reflected in the interview with Hefting, the theory of change of the project, on a macro level, is that better quality of education will lead to less child labor. Going more into specifics, the assumptions behind the project are that focusing on the teachers and providing them with education and training will improve the quality of education. Furthermore, the access to sufficient teaching material is believed to affect the quality of education positively. It is a core assumption of the project that governmental influences must be brought in as well, both on the local level in terms of PTAs, on the national level in terms of legislation and on the regional levels in terms of advocating against child labor.

Hefting emphasizes in the interview that the project was designed by Ibis and based on the experiences of the organization in its previous work (Hefting 2012). The analysis shows that Ibis' perspectives shine through in regards to the objectives. The theory of change and the objectives of the project take several levels into account; the communities, the political level and the national level, as is emphasized as important by Connell and Kubisch (1998).

### **Conclusions from the theory of change analysis**

It was found that the aspects relevant to the project were emphasized highly by Hefting in regards to the focus on education as being the basis for development and poverty alleviation according to Ibis. The public statements of Toms express a concern for its responsibility in regards to its products and what surrounds them. The theory of change of the CSR project as analyzed in this thesis is that improving the quality of education shall lower the amount of child labor and is the basis for developing society. Though it is within Ibis' core competencies to look at education, it is just one aspect, which is stated as the organizational belief of how to change the world. Furthermore, it was found that the theory of change of an organization and a project is very much representing an ideal – how the organizations would like it to be, rather than reflecting the real potentials. Therefore, it is no surprise that both the theory of change of Ibis and Toms sound unrealistically in the context of their capabilities.

## **Impact assessment**

### **Introduction**

The following analysis is conducted with the purpose of answering the research question of how the CSR project impacted the targeted pupils, Ghanaian society and community from a qualitative and quantitative perspective. In order to analyse the impact from a qualitative perspective the logic model is applied. Subsequently, the impacts are analyzed from a quantitative perspective by conducting a social return on investment analysis, which includes elements from the previous steps and in addition provides an evaluation of the quantifiable outcomes relative to the input.

### **The Logic model**

#### **Baseline**

The first step of the logic model is to establish the initial situation in order to know, what there is to change and to justify the project (McCawley 1997). In the interview, Hefting explained that she deemed that the parents in Ghana were making the rational decision to not send their children to school based on the offers (Hefting 2012). As previously mentioned, she explained that the number of pupils per class was very high, that many teachers had very poor education and many even had no education. “The main challenges behind the poor enrollment rate in Northern Ghana is a combination of high level of poverty; food insecurity; heavy labour demands on the family farms, and finally large family sizes, which force most parents to select only a few children to send to school. Also, lack of schools in remote areas is a barrier for access to education, and even where school structures exist, the district education offices find it difficult to recruit and retain qualified teachers in resource poor areas” (Project Document). Thus, as a result of the poor quality of the education and socio-economic factors and historical influences, many children are forced to work rather than attend school. “In 2001 the Ghana Child Labour Survey found that 2.47 million children (or nearly 40 percent of the Ghanaian children aged 5-17) were engaged in economic activities” (ibid.). Although these figures are several years prior to the initiation of the project, they show the gravity of the child labor situation with nearly 40% of the children of Ghana involved in economic activities. Ibis’ research shows that the conditions under which the children were working were particularly poor; they were under paid – if paid at all – exposed to endangering elements, hard physical work and long working hours (ibid.). This is supported by the findings of Mull and

Kirkhorn (2005). In some cases, trafficking of children even occur; however “[t]he [Ghanaian] Ministry of Manpower, Youth and Employment does [...] express that trafficking happens, but to a lesser extent than the widespread ‘voluntary’ search for labour” (Project Document).

The cocoa industry is of central importance for Ghana. The production mostly takes place on small-scale farms involving intense physical labor (Fold 2008). In regards to children's involvement, the Project Document from Ibis states the following: “Children are usually involved in carrying seedlings for planting, weeding, gathering of pods, and carting of fermented cocoa beans for sun-drying on mats. Children’s involvement in these activities is an age-old tradition which, besides the immediate labour value, among the farmers is said to constitute a traditional way of imparting cocoa farming skills to the youth and equip them to take over from ageing relatives, and that migration the children or adolescents to the cocoa producing communities is a natural part of a maturing rite when entering adulthood” (ibid.).

The educational situation for children in Ghana is very different from region to region – it is mentioned in the Project Document that the capital has high enrollment rates; however, the Northern Ghana have significant issues (Project Document). Also in terms of gender, there are differences. “The problem is especially severe for girl children of Northern Ghana. Traditionally girls have not been enrolled in schools, and for those who do get enrolled, the dropout rate is very high after only a few years education. In Northern Region only one out of four women are literate” (ibid.). The focus of the CSR project is the Brong Ahafo Region, whose education situation prior to the project was described as follows: “The 2003 survey disclosed that in Brong Ahafo 11% of the boys between 6 and 17 years, and 13% of the girls of the same age group never enrolled. 5% of the age group mentioned that they dropped out of school due to reasons such as; high expenses/poverty (23%), found education useless (37%), failed exams (6%) and illness or pregnancy (5%)” (ibid.). However, the Project Document does state that the enrollment figures had improved the years from 2003 to 2007 when the report was conducted. Furthermore, the figures are from the region not from the targeted schools specifically.

As stated by Hefting during the interview, it is emphasized in the Project Document that the teacher barely have any training; “The only training these ‘teachers’ have received within the last two years is one two-hours training session. A rapid test in a primary school proved that the pitiful training of

the teachers has a clear impact on the children's skills" (Project Document). In addition to the teachers' lack of appropriate training, it is mentioned that the lack of teaching materials is making it very challenging for the children to learn.

In addition to the previously mentioned district targeted by the CSR project, Asunafo South and Tano South are also target areas. The districts of Asunafo are described as suffering from poor infrastructure and as having a high dependence on the cocoa industry. The educational situation is described as follows: "The district has 63 primary schools and had in May 2006 326 teachers under GES. In addition, 150 youths were deployed in the kindergarten and primary schools in late 2006. GES has divided the district into 7 administrative circuits. There is no NGO working in the district, neither local nor international" (ibid.). Both districts had been created recently.

The baseline establishes that the basis for teaching and receiving schooling for the children was poor prior to the CSR project. It is important to notice that the emphasis for the baseline study is on education and mentioning child labor as a result of poor education quality. This point is interesting, as it supports the theory of change, indicating a clear relation between child labor and education. This way, the emphasis of the project on education rather than on child labor directly is justified by Hefting (2012). However, it is not mentioned to what extent the families studied are working for the farms specifically supplying cocoa to Toms. Interestingly, this topic is completely ignored by the project documents. Moreover, there is a clear lack of measurable evidence of the situation in the specific areas targeted other than on a macro-level. It was found that the quality of the education was poor, that many children were not in school, but rather working. Maintaining the baseline relatively vague, may have been done due to lack of data or resources to collect data or as a strategic move, as this entails that it is easier to state improvements and impacts from the project after it has been done.

## **Inputs**

The next step of the Logic Model is analyzing the input, i.e., the resources put into the project in terms of time, financial resources and facilities. This step is important in terms of understanding the impact, as the impact is looked at as the outcomes considering the inputs.

In terms of the financial resources, Toms and Danida are invested in the project. From 2007 until the end of the project in 2010 the budgeted amount of the project was just over 3.2 million DKK, as shown in the table below.

Year	2007	2008	2009	2010	200	Total amount (= pkt. 14 in budget)
<b>Amount</b>	600,000	1,050,000	1,050,000	508,106		<b>3,208,106</b>

Table I, overall budget, all amounts in DKK (Danish Kroner), source: Copy of Budget Danida format, translated from Danish

According to the budget the first year's spending would be 600.000 DKK, the subsequent two years would be 1.05 million DKK and finally the last year the spending would amount to 508,106 DKK.

<b>1. Activities, total</b>		<b>2,348,630</b>
	1.1 In-service training	729,000
	1.2 Support to UTDBE Students	942,000
	1.3 Teaching and learning materials	200,000
	1.4 Community Meetings, training of SMCs and PTAs	242,430
	1.5 Supervision and training of supervisors	78,600
	1.6 coordination and networking	52,500
	1.7 Advocacy	75,600
	1.8 DEFATs, training and mobilization	28,500
<b>2. Investments, total</b>		<b>79,000</b>
	2.1 Motorcycles	60,000
	2.2 computer and printer	19,000

Table II, specified budget, all amounts in DKK, source: Copy of Budget Danida format, translated from Danish



The table above shows the most important expenses in regards to the project itself. As can be seen, the expenses related to the activities and the approximately 2.35 million DKK and go to the following eight activities; in-service training (729,000 DKK), support to Untrained Teachers' Diploma in Basic Education (UTTDBE) students (942,000 DKK), teaching and learning materials (200.000), community meetings, training of School Management Committees (SMCs) and Parent-Teacher Associations (PTAs) (242,430 DKK), supervision and training of supervisors (78,600 DKK), coordination and networking (52,500 DKK), advocacy (75,600 DKK) and finally District Education for All Teams (DEFATs), training and mobilization (28,599 DKK). In addition to these financial inputs and those for the investments made, the other expenses are for salaries for local employees in Ghana, administration, evaluation, monitoring and auditing (Copy of Budget Danida format).

In terms of the human resource inputs, Hefting explains in the interview that she was working on the project; however by no means on a full time basis, and that Toms had hired an employee responsible for CSR working on the project (Hefting 2012). The Ibis office in the local division in Ghana was involved as well. An important point here is that the human resource inputs are not specified and could not be accounted for by Hefting specifically, for which reason, assumptions have been made about this, as is revealed later.

The inputs of the project in terms of the financials are stated clearly, as this is a prerequisite for Danida sponsored projects. It is not stated anywhere specifically how much human resources are put into the projects, which again may be for strategic reasons, as this entails the inability to measure the impact relative to the resources precisely. However, it may also be due to the difficulty of measurement, as the employees working on the project are involved in other projects as well.

## Outputs

The output of the project refers to which activities or other tangible actions that came out of the input, i.e. the investments made in terms of finance and human resources (McCawley 1997). The outputs should not be mistaken for the outcomes and impact, but should rather be looked upon as the activities from the project, which lead to the outcomes (ibid.). The outcomes are analyzed based on the indicators for the objective of the CSR project. According to McCawley and the logic model from an evaluation perspective, the objectives must be translated into more specific and precise

statements of how we can measure these objectives in order to measure the impact (1997). Setting up indicators of (the desired) change is crucial in measuring the impact, and is a necessary step between the objectives and the impact.

Ibis and Toms have established a number of indicators for the objectives of the CSR project, which are examined in this section. The indicators are presented in the Project Document according to the three areas, namely I) Access to quality education, II) Governance and accountability and III) Advocacy.

In Ibis' own evaluation the output and outcomes have become a blur and there is in fact no account for the actual outputs, but rather a focus on the outcomes (Toms Evaluation Report 27 Aug final). The indicators are gone through and it is analyzed to what extent they have been successfully fulfilled after the 10th quarter of the project, as this is what the data provided by Ibis allow. Each indicator is first stated, followed by the output and finally by an analysis of the two. The data is taken from the PPP Milestones and Indicator documents.

- I. “400 teachers receive training in child-centered and motivating methodology, in curriculum, and in roles and responsibilities 5 days annually, and will in addition participate 4 times a year in circuit based training”

**Output:** In 2007, 177 teachers were reached, 330 in 2008 and 362 in 2009

This indicator relates to the theory of change of the CSR project, as it is an indicator concerning training of teachers, which is believed to lead to better quality education, which again is believed to lead to less child labor. By the end of the three-year period of the project, the objective has not been fulfilled fully; only 362 out of the 400 teachers have finished the training.

- II. “330 untrained teachers enrolled on the teacher diploma course receive financial support to obtain their teacher training diploma”

**Output:** 275 out of the 330 have completed the training and have received the diploma. The 55 remaining are still to complete the training – 36 are scheduled to complete in December 2010 (thus after the completion of the CSR project) and the 19 remaining are supposed to complete during the year 2011.

This indicator follows the same logic as the previous, that training teachers lead to improved quality of education, which leads to a reduction in child labor. This objective is not entirely reached by the end of the project; 275 out of the 330 teachers have obtained the teacher training diploma.

- III. “Once, all rural primary schools of the target districts receive school kits, including readers and notebooks”

**Output:** 3,600 English readers mainly from the Junior African Writers Series have been distributed along with 20 mini book shelves, 24,000 exercise books. Additionally, every pupil in the selected schools has received 5 exercise books.

This indicator reflects another aspect of what improving the quality of education means according to Ibis and Toms, namely that school and teaching supplies improves the quality. As the indicator does not specify any desired quantities, it cannot be concluded whether or not the objectives were met.

- IV. “In 100 communities parents – also from feeder communities – are mobilised to participate in 5 annual community meetings revolving around education and children’s rights”

**Output:** From 2008 and up until the end of the project, 50 are engaged in meetings per quarter.

This indicator reflects another level of the theory of change, namely that of the community. Hefting and Ibis’ website states that their way of work is right-based, which is what is included here. However, the right-based approach is given less attention than the education. Only half of the community parents are engaged in the meetings and this objective is thus not fulfilled.

- V. “100 SMCs and PTAs of rural schools attend meetings on roles and responsibilities within the education sector”

**Output:** Regular SMC meetings are conducted in almost all communities and minutes done at every meeting. Training of 50 SMCs and sensitization of 50 communities in education and child labor issues are implemented.

This indicator also reflects the level of the community with the addition of the political level of the theory of change. This entails the view that the community and the political level must be included

in order to improve the quality of education and combat child labor. This objective has not been met entirely, as only half of the SMCs have been trained.

- VI. “11 Ghana Education Service supervisors participate in annual 3-5 days training courses on how to effectuate efficient supervision and are supported to carry out quality supervision”

**Output:** Annual training courses for 11 Ghana Education Service supervisors.

This indicator reflects the national level, and thus the part of the theory of change that highlights that the national government must be included in order to improve the education and combat child labor. This objective is met as all 11 Education Service supervisors have been trained.

- VII. “Quarterly interaction between all education stakeholders of the two target districts”

**Output:** After four quarters into the CSR project, one meeting is held every three months with representatives from St. Joseph’s College of Education, Bechem, Ghana Education Service, District Assembly, Social Development and Improvement Agency and Ibis.

Including the participation of education stakeholders as one indicator again reflects the importance of the inclusion of the community in terms of making changes. It reflects that the improvements of the quality of education is not just via tangible goods, e.g. school kits and books, and human resources, e.g. training of teachers, but also about discussion and sharing information. This objective was met.

- VIII. “12 annual radio programmes dealing with education and children’s rights are broadcasted annually on local radios in Brong Ahafo region”

**Output:** Broadcasting of radio programs in the targeted region

This indicator takes point of departure in the right-based approach of Ibis and is indirectly mentioning child labor, which has not actually been included in the other indicators. The content of the radio programs are kept vague, both in the indicator and in the evaluation. But this objective was fulfilled.

- IX. “District Education for All Teams (DEFATs) are set-up and supervise school performance regularly, including School Feeding Programme and disbursement and utilisation of Capitation Grant. Information is supplied to GNECC [Ghana National

Education Campaign Coalition] and NNED [Northern Network for Education and Development], who initializes annual regional and national education campaigns and advocacy activities”

**Output:** Setting up District Education for All Teams focusing on community dialogue and sensitization on the elimination of child labor in the cocoa industry.

This is the only indicator, which deals with child labor directly; however, still only in terms of providing information and advocacy, which reflect the statement of Hefting of education being the basis for development. This indicator does not specify frequency or extent of the supervision, but the District Education for All Teams are set up, thus the objective is achieved.

The indicators, or parameters for the achievement of the objectives of the project, were established based on Ibis' knowledge and experience with similar projects (Hefting 2012) and Ibis knowledge on what improves the education (ibid.). Thus, the indicators were created by Ibis without the involvement of Toms; however, Hefting emphasizes that one cannot separate the objectives of Ibis from the objectives of Toms, as the project reflects common goals (ibid.).

The indicators established correspond well to the theory of change of the project, namely how the assumption on better educated teachers and better quality teaching material are central in improving the quality of education. Some of the indicators live up to the standards of the guidelines in the sense that they are measurable, giving precise numbers for e.g. number of radio programs to be broad casted and number of teachers to receive training. Cornell and Kubisch (1998) emphasize that the indicators must reflect several levels and perspectives – i.e. short, medium and long term and including different levels such as economic, political and social aspects. The indicators established are based on objectives of the Danida sponsored project, and thus a three year period (Project Document). It could be said though that the indicators are created so to reflect changes both in the short, medium and long term, due to the inclusion of the governmental and advocacy aspects as well as the focus on training teachers and providing teaching material. In continuation, both the social and political levels are accounted for by including the local community and stakeholders.

The output, or activities resulting from the project, was analyzed based on the stated targeted objectives and indicators presented in the project description. The objectives were not met entirely, which is interestingly not specified in the evaluation to a very large extent. It is necessary to

combine and make calculations based on different documents in order to see to what extent the objectives were reached.

## **Outcomes**

The final step of the Logic Model is looking into the outcomes, or put differently analyzing the changes, which have occurred to the initial situation as a result of the input and output (McCawley 1997).

A main achievement mentioned by Hefting in the interview from the project was that the children to go school and do not drop out (Hefting 2012). She also emphasizes how the community groups started by the project have come together to find solutions to problems in the community on their own. Hefting brings up the example of how children typically had to put water out on the streets so to make it available for those walking during the day – and how this was a task performed in the morning, thus hindering the children in going to school on time. A solution to this issue was found in putting out the water the night before, thus freeing the children in the morning to get to school. She mentions this as an example of how people would start to realize that some things could be done differently than before. Furthermore, how "two plus two is all of the sudden five" (Hefting 2012) meaning that there are certain spill-over-effects and that the projects embarked upon set other things in motion as well.

Overall, the CSR project is being referred to as a great success from the perspective of Ibis and also from Toms (at least according to Hefting). In the evaluation conducted in late August 2010, the positive outlook of the project is shared. "Under the project, training of School Management Committees (SMCs) and sensitization of communities led directly to improvements in enrolment and retention. In this regard, the rights-based approach was absolutely appropriate. Training of teachers, Circuit Supervisors (CSs) and other GES staff led to significant improvements in teacher, pupil and CS performance and enhanced functioning of the entire education system at district level. Provision of supplementary reading materials and teaching/learning materials (TLMs) was highly motivating for both pupils and teachers" (Toms Evaluation Report 27 Aug final). Thus, the two first areas targeted, namely quality education and governance was looked upon as having great success; however, in terms of the last area, advocacy, some troubles were found.

Going through the three objectives one by one in terms of their outcomes, the focus is first on improving the quality of education. In the evaluation report it is stated that "[t]here was evidence that educational quality had improved as a direct result of the project". The training of Ghana Education Service is mentioned as the most effective action of the project and it was emphasized that the quality of the education was visibly strengthened by the training of the teachers and their newfound confidence (ibid.). The improvement of the quality of education witnessed by the pupils was stated to be a consequence of training of the teachers, teaching materials and increased awareness in the community. In the interview Hefting stated that the schools, which previously ranked very poorly was ranked in the top ten after the project (Hefting 2012). During the project the test results improved at the targeted schools and the failing rate went down – below can be seen an example from one of the projects where the failing rate went from 44% in 2006 to 12% in 2009:

"2006 (before the project was initiated) 20 pupils out of 45 failed (44%)

2007 (1st year of project) 16 pupils out of 55 failed (29%)

2008 (2nd year of project) 12 pupils out of 56 failed (21%)

2009 (3rd year of project) 7 pupils out of 60 failed (12%)" (Toms Evaluation Report 27 Aug final).

These improvements are accredited to the provision of school furniture and books, in particular story books, which accelerated the learning of many children (ibid.). Another positive example is in the Tano South district where performance was increased significantly throughout the project. Before the project, the district was ranked 24th in the country, but after project it was ranked 3rd in the country and first in the region (ibid.).

The teachers had gained much confidence from their training and were now able to not only teach better, but also collaborate better with other stakeholders. Improvements in terms of the following points were found in the evaluation:

- I. "Understanding of subjects on the curriculum. It was interesting to hear that some teachers had in the past actually skipped over parts of the curriculum that they did not understand! Of course, not understanding, they had no idea how to teach them.
- II. Updating of knowledge on subjects and on teaching methodology.
- III. Lesson preparation
- IV. Preparation and use of TLMs [Teaching and Learning Material]

- V. Child-centered teaching including letting children do activities and involving them in lessons instead of lecturing
- VI. Classroom management including how to make lessons fun to improve attentiveness.
- VII. Discipline
- VIII. Confidence in teaching
- IX. Catering to special needs of children
- X. Enriching lessons by identifying resource people in the community” (ibid.).

Moving on to the second objective of governance and accountability, the capacity building of the School Management Committees (SMCs) is being emphasized as having a great effect.” Parents expressed a heightened awareness of the link between civil society involvement and improved quality of education, and a detailed knowledge of the harmful effects of child labour” (ibid.). The training and empowerment of the SMCs had great effect in the community, e.g. in getting a grant financing the building of classrooms and participation in decision-making processes. In addition to the parents' commitment, the radio broad casts are mentioned as being effective. The largest impact in terms of the second objective was seen from the improved performance of the Circuit Supervisors. Changes had occurred by informing people what their roles and rights are. As a consequence, more participation in the communities was seen (ibid.).

In regards to the outcomes of the third and most troubling objective, advocacy, was influenced by weaknesses which undermined the capacity building and thus leading to a somewhat poor performance of this objective (ibid.). However, on a more positive note, advocacy within the two first objectives had been successful in terms of changing the socio-cultural view on child labor and traditional teaching. Members of the communities would be able to speak with great detail about child labor and what is appropriate and what is not. Interviewed parents had stated that they would no longer send children to work during school hours and that the children would not be doing the heavy lifting work (ibid.).

The changed reported include better quality of education, community involvement and confidence of the trained teachers. Among the chances or impacts from the CSR project, which is depicted in the evaluation report, is the combat of child labor. As a result of the informative campaigns and the improvements of the education, the conditions for child labor has improved, it is stated (ibid.).



Thereby, the theory of change is confirmed. In other words, the evaluation report concludes that the improvement of the education and educating the community and political actors, child labor is diminishing and changed to better conditions. This conclusion is being discussed in the subsequent part of the thesis, the discussion.

### **External influences and influences from other programs**

Very important aspects to include in a social impact analysis are those of influences from other sources than the project itself and those influences from other similar programs. This is to assure, to the extent possible, that credit is not assigned to the project for impacts from other sources. In this section, we go through programs initiated by the Ghanaian government and other organizations within the field of education.

In 2006, the Ghanaian government – more specifically the Ministry of Manpower, Youth and Employment – launched a program called 'National Programme for the Elimination of the Worst Form of Child Labour in the Cocoa Sector'. The worst form of child labor is referring to that involving trafficking, hard physical labor and damaging conditions. According to the Project Document, at the time of the CSR project between Ibis and Toms started, the program was ” in its initial phase focusing on identification of challenges”(Project document). The purpose is being describes as “to enlighten the public in the cocoa sector about the differences of acceptable use of children in the cocoa field and the forbidden exploitation of children, which is against the children’s rights as it eventually will harm their health and/or education”(ibid.). The Ghanaian government, according to Hefting as stated in the interview, had also embarked upon a campaign to enforce compulsory school attendance in Ghana (Hefting 2012).

According to a report from UNICEF in June 2007, the government of Ghana had already in 2007 implemented policies such as the Education Strategy Plan (ESP) (2003-2015), the Growth Poverty Reduction Strategy and the Free Compulsory Universal Basic Education Programme. Furthermore, “Strategies adopted to operationalise the policies include the introduction of the Capitation Grant (School Fee Abolition), expansion of Early Childhood Development services, promotion of measures to improve Gender Parity in primary schools, and the introduction of Nutrition and School Feeding programmes” (UNICEF 2007).

The ESP is given great importance by UNICEF and being described as a commitment towards meeting the Millennium Development Goals. “Within the ESP primary education is designated as a sector priority and various measures and decisions have been taken by the Government to accelerate its efforts in achieving MDG 2 by 2015. Some of the measures taken include the institution of the capitation grant to all public basic schools, inclusion of pre-school education (4 to 5 years old) as part of compulsory basic education, the introduction of a school feeding program, special programs to bridge the gender gap in access to education and targeted programs to improve access in underserved areas” (ibid.). Thus, the Ghanaian government had not just implemented policies and measures targeted school attendance directly, but taken a more broad approach by feeding programs and programs targeting the issues of distances as an obstacle for school attendance. The ESP had four main areas of focus; namely Equitable Access to Education, Quality of Education, Educational Management and Science, Technology and Technical and Vocational education (ibid.). Furthermore it had ten policy goals targeting access to education, but also participation and quality in terms of improving teaching quality for pupils.

What Hefting did not mention in the interview is that the Ghanaian government also was involved with improving the quality of the education (UNICEF 2007). With the Growth Poverty Reduction Strategy (GPRS), whose second round was started in 2006, the government not only attempted to make Ghana a middle income country, but also “emphasizing the creation of competent manpower for development of the country whereby education obviously plays an important role [...] The GPRS II not only aims to meet the MDG 2 goal but also to strengthen the quality in basic education, improve quality and efficiency in the delivery of education service and bridging the gender gap in access to education” (ibid.).

The impacts from a qualitative approach based on the logic model analysis, were positive. Many teachers without prior training had received relevant teaching training, the teachers with some level of training had been taught teaching methods. The test scores of the pupils had improved, and the enrollment rate as well. The communities had learnt about the necessity of schooling for their children and the dangers of child labor. All in all, the impacts are depicted as vastly positive and the project as a success.

## **Social return on investment**

The social return on investment analysis is the conducted with the purpose of determining the impacts from a quantitative perspective. The process of calculating the S-ROI employs many elements from the previous steps of the analysis; however rather than a qualitative descriptive type of evaluation as a final outcome, the S-ROI arrives at a quantifiable view on the impact relative to the inputs of the projects while taking into consideration what would have happened without the project, the so-called null hypothesis (Emerson 2003, Lingane and Olsen 2004).

There are two kinds of S-ROI, a forecasting S-ROI and an evaluative S-ROI. The former is referring to being used as a tool in the planning process, as it is projecting figures based on what is assumed of the project. The latter on the other hand involves an analysis conducted after the project and function as (part of) the evaluation. As the project examined in this thesis already have been implemented, the S-ROI is evaluative; however, still partly based on qualified assumptions, as the planners and the implementers of the CSR project are not involved in the S-ROI analysis.

This S-ROI analysis is conducted as follows; firstly the scope is identified, secondly an impact map is made – showing the relations between input, output and outcomes. Thirdly, the outcomes are quantified and monetized and lastly the S-ROI ratio is calculated.

## **Scope**

The scope of the social return on investment analysis conducted here is based on the research question of the thesis and thus, the analysis has the purpose of analyzing the social impact of the CSR project between Ibis and Toms in Ghana from its initial three year period. The data upon which the analysis is based is mainly the evaluations conducted by Ibis; the perspectives included are those of Ibis, Toms and local stakeholders in the targeted areas in Ghana, who were interviewed as part of the evaluation process. The S-ROI analysis conducted here will be of limited scope and involving a number of assumptions. Normally, it is the organization itself conducting the S-ROI analysis and collecting the data with the purpose of this particular analysis. However, in this case, the S-ROI analysis is conducted by an external third party with data collected with a more qualitative purpose. Therefore, the analysis is limited to calculating the social returns on the quality improvements of the education in terms of the effects on the pupils and the Ghanaian society. For the purpose of the S-ROI, how the community is impacted is integrated into the impact on the

pupils and society, as the households of the pupils are included along with the society at large. The impacts on the teachers are included as they are the basis for part of the impact, i.e. they are the vehicles to improve the quality of education. The S-ROI analyzes the impacts 20 years into the future.

### **Impact Map**

After having defined the scope for the analysis, the second step is to construct an impact map showing the inputs, outputs and grouping of outcomes based on different perspectives for different stakeholders.

The presentation of the impact map is rather brief, as it simply orders the elements of the previous steps of the analysis, and therefore does not contribute with anything new. As illustrated by Figure V below the inputs of the CSR project are represented by the monetary investments made, the work of the two employees in Denmark, one from Ibis, one from Toms, and the work of the local Ibis division. The output, i.e. the activities that resulted from the input, were the teachers trained and educated, the teaching material supplied, the organization of community meetings and the informative radio programs, among others. The outcomes of these inputs and outputs are for the teachers and improved self-confidence and feeling of understanding the purpose of teaching and the best methodology. For the pupils it has been improved life quality in terms of less working in the cocoa industry with the heavy lifting and endangering conditions and in return improved learning and higher test scores. For the families and local communities, the outcomes has been improved understanding of the dangers of child labor, the benefits of sending their children to school, when the quality has improved and the feeling of community.

# Impact Map

## Inputs

3.2 million DKK

1 Ibis employee

1 Toms employee

Ibis Division West  
Africa and partners

## Outputs

869 teachers trained in child-centered and motivating methodology

275 untrained teachers completed the teaching diploma course

3.600 story books, 20 mini book shelves, 24,000 exercise books provided

Community meetings involving 50 parents per quarter

SMC meetings plus training of SMCs and local communities in child labor issues and education

Annual training courses for 11 Ghana Education Service supervisors

Education stakeholder meetings on a quarterly basis

Informative radio programs broadcasted on education and child labor

### Outcomes for teachers

- Improved confidence
- Understanding of how to teach

### Outcomes for pupils

- School attendance rather than working during the day
- Improved learning
- Higher test scores

### Outcomes for community/society

- Understanding of the do's and don'ts in regard to child labor
- Feeling of community established

Figure V, impact map, created with data from Toms Evaluation Report 27 Aug final

## Monetization of outcomes

A central part of conducting a S-ROI analysis is making certain assumptions upon which the monetization is based. In this section, we go through the process of monetizing the outcomes and inputs of the CSR project, which has up until now mostly been looked at in terms of impact from a qualitative perspective. Throughout the monetization, the assumptions upon which the analysis is based are stated.

	Purpose	Assumptions	Process	Results
<b>Step 1</b>	Financial inputs	All financial resources are accounted for in the budget	N/A	3,208,106 DKK
<b>Step 2</b>	HR resources	HR resources for employees in Ghana are accounted for in the budget The employee from Toms and Ibis have spent 20% of their time during the three years on the project Their wages are equivalent of that of administration officers on the 4th salary step	23,770 DKK x 12 months x 3 years x 2 people x 20 %	342,288 DKK
<b>Step 3</b>	Monetized input total	No other input	342,288 DKK + 3,208,106 DKK	3,550,394 DKK

Table III Monetization of inputs

For the input, it is assumed that the local expenditures are included in the budgeted amount of 3,208,106 DKK, also those for the employees. We assume that the two employees in Denmark, one from Toms, one from Ibis, have spent an average of 20% of their work time during the three years of the project on the CSR project. If it is assumed that the wages are equivalent of that of administration officers on the 4th salary step, 23,770.00 DKK, the wage input from the two employees during the three years is 342,288 DKK<sup>2</sup> (See table III).

<sup>2</sup> 23,770 DKK x 12 months x 3 years x 2 people x 20 %

	Purpose	Assumptions	Process	Results
<b>Step 1</b>	Number of pupils reached	15,000 pupils reached if objects of 330 untrained teachers and 400 insufficiently teachers trained are met	$(90.5\% + 83.3\%)/2 = 87\%$ $87\% \times 15,000$ pupils	13,050 pupils
<b>Step 2</b>	Number of households reached	25% of pupils belong to the same household	13.050 pupils x 75%	9787.5 households
<b>Step 3</b>	Difference in total increased earning in 20 years	Income prior to project is 2242.3 DKK Wage gap is 50%	$(728 \text{ GHC} / (728 \text{ GHC} \times 150 \%) = 1092 \text{ GHC}, 1092 \text{ GHC} - 728 \text{ GHC} = 1121.15 \text{ DKK}$ $1121.15 \text{ DKK} \times 20 \text{ years} \times 9787.5 \text{ households}$	219,465,112.5 DKK
<b>Step 4</b>	Difference in increased taxes in 20 years	Level of taxation is 20% as income is below \$2700 per year All households pay taxes All taxes benefit the Ghanaian society/community	$(20\% \text{ taxes} \times 1092 \text{ GHC}) - (20\% \text{ taxes} \times 728 \text{ GHC}) \times 20 \text{ years} \times 9787.5 \text{ households}$	43,893,022.5 DKK
<b>Step 5</b>	Monetized benefits for society and households in 20 years	N/A	$219,465,112.5 \text{ DKK} + 43,893,022.5 \text{ DKK}$	263,358,135 DKK
<b>Step 6</b>	Discounted monetized benefits for society and households in 20 years	50% would already have benefitted from the education without the CSR project 25% would have benefitted from projects of the Ghanaian government	$(263,358,135 \text{ DKK} \times 50\%) \times 75\%$	98,759,300.625 DKK

Table IV Monetization of outcomes

See table IV above for overview of the monetization of the outcomes. The process is explained below. In the Evaluation report, the following objective is stated as the first: "To ensure that 15,000 pupils in rural schools benefit from quality education, as a result of 330 untrained teachers have received support to finalise their teacher education; 400 teachers have been given intensive training in curriculum and methodology, and all rural primary schools have access to sufficient teaching material" (Toms Evaluation Report 27 Aug final).

It is assumed that based on the project, if 330 untrained teachers receive support for a teachers education and 400 are given training, then 15,000 pupils are reached and have received quality education.

By the end of the three-year project, 362 teachers out of the 400 (90.5 %) had received training and 275 of the 330 (83.3 %) had done the teacher education.

Taking an average of the two percentage figures, we reach approximately 87 %. By means of this percentage, it is assumed that 87% of the 15,000 pupils, i.e. **13,050 pupils**, had received quality education.

The calculation is based on households, but assuming that some of the pupils impacted by the program may belong to the same household, which must be taken into consideration. With the assumption that 25% of the pupils belong to the same household, the number of households affected is **9,787.5<sup>3</sup>**.

It is assumed that the wages of the households are among the lowest in Ghana, which amount to 728 Ghanaian Cedis (GHC) (Ghana Statistical Service 2008), the equivalent of 2242.31 DKK (CoinMill) and that the wage gap for those receiving the education is approximately 50% (Verner 1999).

In terms of the gains for the Ghanaian society, represented by the government and its extra income in terms of taxes, the calculation is based on an income tax level of 20% (Ghanaweb), as the income

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<sup>3</sup> 13,050 x 0.75



is less than 2,700 USD on an annual basis. It is furthermore assumed that all households pay taxes and that those taxes benefit society.

Calculating the benefits of the CSR project for the pupils, their family (defined here as their household) and the Ghanaian society/local community (defined here in terms of extra taxes), we calculate firstly the extra earnings per year per household as follows:  $(728 \text{ GHC} / (728 \text{ GHC} \times 150 \text{ \%}) = 1092 \text{ GHC}$ ,  $1092 \text{ GHC} - 728 \text{ GHC} = 364 \text{ GHC}$  (equivalent of 1121.15 DKK).

728 GHC are the lowest average wage in Ghana, and by taking the 50 % wage gap into consideration, we arrive at 1092 GHC as the new expected annual wage for the household as a consequence of the education.

364 GHC (1121.15 DKK) is the difference between the assumed annual income without the education and assumed annual household income with the education. In a period of 20 years, the difference in DKK will be 22,423 DKK<sup>4</sup> per household.

As it is assumed that 9787,5 households were reached by the CSR project, the total gain in the 20-year period is 219,465,112.5 DKK<sup>5</sup>.

In terms of the gains for the Ghanaian society in terms of extra taxes, we find that it would be 72.8 GHC/224.23 DKK<sup>6</sup> per household. Again, to get the gain from all households in the entire 20-year period, we multiply 224.23 DKK with 20 years and 9787.5 households, arriving at 43,893,022.5 DKK.

Having calculated the gains for the pupils, the families and the Ghanaian society, we cannot stop here. According to Toms Evaluation Report 27 Aug final, the passing rates prior to the project were about 50 %, therefore, it is assumed that 50 % pass, and thus, that 50 % of the households would have benefitted from the education, even without the CSR project. Furthermore, it cannot be assumed that the CSR project between Ibis and Toms can take credit for this development alone, as

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<sup>4</sup> 1121.15 DKK x 20 years

<sup>5</sup> 22,423 DKK x 9787.5 households

<sup>6</sup> 224.23 DKK (Coinmill) per year per household, calculated by the difference of 20 % taxes of 728 GHC (145.6 GHC) and 20 % taxes on 1092 GHC (218.4 GHC)

the Ghanaian government also had done a significant work in terms of granting access to education. However, since the CSR project has targeted the 13,050 pupils, the teachers, the schools and communities specifically, it is assumed that the Ghanaian government and its education related policies contributed to 25 % of the positive development. In the end, the following net present benefit from the CSR project is: **98,759,300.625 DKK<sup>7</sup>**.

## S-ROI

The social return on investment ratio is calculated based on this formula: net present value of benefits divided by net present value of investments. This ratios provides us with a figure indicating how many DKK of value is created for each DKK invested – negative or positive.

Net S-ROI ratio: 
$$\frac{\text{Net present value}}{\text{Value of inputs}}$$

The social return on investment ratio is as follows:

Net S-ROI ratio: 
$$\frac{98,759,300.625 \text{ DKK}}{(342,288 \text{ DKK} + 3,208,106 \text{ DKK})} = 27.81643407$$

For the sake of simplicity we refer to **the social return on investment ratio as 27.8**, which indicates that, in a 20 year period, the initial investment made into the project over the three years, benefitted the pupils, their families and the Ghanaian society 27.8 fold, based on the assumptions of the analysis. In other words, for each 1 DKK invested in the CSR project, the beneficiaries benefitted with a monetary value of 27.8 DKK over a period of 20 years.

The analysis concludes that in a 20-year period into the future, the CSR project would have significantly large positive impacts for both the pupils targeted by the project and the Ghanaian society. In fact, the social rate of return is just under 30. However, this conclusion is very much dependent on the assumptions, upon which the S-ROI analysis is based, concerning the impact of

<sup>7</sup>  $(219,465,112.5 \text{ DKK} + 43,893,022.5 \text{ DKK} \times 50 \%) \times 75 \%$

education on future income. Therefore, there are two points of vulnerability of this conclusions; firstly the data from Ibis and Toms and its accuracy and secondly, the assumptions.

### **Non-quantifiable outcomes**

The purpose of the social return on investment analysis is to monetize the outcomes; however, certain outcomes are difficult, or even impossible to quantify and put monetary values on. In the case of the CSR project between Ibis and Toms, the teachers' feeling of self worth and increased confidence and the feeling of community are examples of such outcomes, which cannot be monetized. This does not indicate that these outcomes are not valuable, only that they cannot be translated directly into financial figures. In terms of the teachers' self-confidence, it could be argued that it has an effect on the quality of the teaching, which is accounted for in the S-ROI. But in the end, it is important to note that not all elements can be included in the monetary analysis. Furthermore, as this thesis only investigates how the pupils, the community and Ghanaian society are impacted, the impact on other parties is left out.

### **The social impacts**

For the purpose of this thesis the social impact of the CSR project was looked upon defined as the outcomes considering the inputs. We are relying on the information provided by Ibis and Toms, the two organizations behind the CSR project, to make the analysis. The logic model analysis was conducted with the purpose of getting a qualitative perspective on the impact and a social return on investment analysis to get the quantitative perspectives. Overall, it is found that the analysis has shown that the impact of the CSR project, is positive and significant according to the data provided by Ibis. However, several issues are also found in terms of what is being stated and what is not being stated and in terms of how the impact is supported.

The logic model and the S-ROI analysis both consider impact as a result of the outcomes considering the inputs, one in a qualitative manner, the other in a quantitative manner. Burdge and Vanclay (1996) defined social impact much more broadly as "all social and cultural consequences to human population" from any kind of public or private action. The impact looked upon by this thesis is much more limited in its following the steps and definitions of the logic model and the S-ROI. However, it could also be argued that the aspect of the impact is being broadened from Burdge

and Vanlcaay's definition in using the S-ROI. Emerson (2003) argued for including economic considerations for the social impacts of a project, which is the result of the blended value or social return on investments.

However, the social return on investment analysis is mainly a tool for those planning and evaluating the project and should include the perspectives of a wide array of stakeholders (Emerson 2003, Lingane and Olsen 2004). As the S-ROI presented and calculated in this thesis is conducted by a third independent party not involved with the CSR project, the scope is limited. No matter what, it is necessary to make assumptions to conduct a S-ROI analysis (Cabinet Office – Office of the third sector 2009). These assumptions have been stated clearly in the analysis with the purpose of transparency and it is acknowledged that the assumptions upon which the analysis is base are crucial to the results and must therefore be looked upon as one estimate as a result from those assumptions and the data made available from Ibis and Toms.

Due to the results of the S-ROI's dependency on the assumptions, it is relevant to discuss the usefulness of the result of the S-ROI versus the process of conducting the analysis. We argue that taking the steps of the S-ROI starts a thinking process, which includes a broader view of the impact, e.g. looking into future income increases and the benefit for the Ghanaian society, which are interesting for the concept of impact. Rather than looking into how it impacts the pupils of the program only, the S-ROI requires that estimations of the monetary value this entails are included. It can thus be argued that perhaps more is gained from the process of conducting the S-ROI than achieving a financial figure in the end.

In regards to the logic model, the impact was evaluated according to the objectives of the project and the success criteria, or indicators. However, the relevance of these objectives and their indicators should also be discussed in terms of reaching the targeted groups, i.e. the families involved in the cocoa industry, which are supplying to Toms. In fact, it was found that the indicators relate to the education through the training of teachers and supplying school material and advocacy through community meetings and information campaigns (Project document). The aspect of child labor is an indirect part of this, which is meant to be affected through these measures. To what extent this project actually reaches the families involved in the supply chains and cocoa production of Toms, is discussed in the section on cause related marketing below. Here, it is just

noted that the indicators, like the objectives center on education, governance and advocacy, not child labor.

It should also be discussed whether it is actually possible for Toms and Ibis to claim that the impacts depicted are in fact for these families involved in Toms supply chain, as the supplying process of the cocoa industry in Ghana is characterized by intraceability to a large extent due to the origin of cocoa from many smaller farms (Fold 2008). Improving the education of children in the provinces where the cocoa is being produced is far from making improvements in the supply chain of Toms. Therefore, it is argued that the impact of the CSR project do not apply directly to the supply chain of Toms. It cannot; however, be ruled out that the pupils and families impacted by the CSR project are not those working to supply Toms with cocoa. In order to gain full insight to this, a journey to Ghana doing field studies would be required.

### **Relevance of other factors**

Both the logic model and the S-ROI are limited in their scope and what is included in the steps of the analysis in order to reach a conclusion about the impact. As the CSR project is Danida sponsored, the evaluation was conducted emphasizing the evaluation criteria of Danida, involving the aspects of relevance, efficiency, effectiveness, impact and sustainability (Danida 2006). These aspects could help gain insight to the social impact of the CSR project; however, it is necessary to consider that the sources of the information are still Ibis and Toms.

As stated in the context section, Danida defines relevance as how or if the development project addresses issues relevant to the local society and the policies of partners and donors (ibid.). In the evaluation report, it is stated that the CSR project is ‘perfectly relevant’ as Ghana now focuses on strengthening civil society awareness of human rights, gender rights and children’s rights as these elements are already in the constitution and that relevant UN (United Nations) conventions had been signed (Toms Evaluation Report 27 Aug final). In continuation, it is also stated that the project had relevance in light of Ibis West Africa’s work with a right-based approach (ibid.). In the evaluation report it is thus emphasized that the CSR project is relevant on an overall level, as Ghana was focusing on enforcing the basic rights and in addition, it is stated that the quality of education needed improvement. However, one could conclude from this, that a focus on the quality of the education is in fact relevant, but that the specific approach is not evaluated as being relevant or not.

Improving the quality of education through training of teachers, providing school materials and informing about the rights was the approach chosen by Ibis based on their experience (Hefting 2012), but the relevance of this is not judged. Furthermore, it could also be argued that the fact that it is a project constructed by Ibis and Toms, is more suitable in relevance for the two organizations than for the overall development of development aid. With the first principle of the Paris Declaration, national ownership (High Level Forum 2005), the countries involved committed to a shift in the relationship between the development aid donors and receivers (Meyer and Schulz 2008). The developing countries receiving aid should take ownership of the projects according to this first principle, changing the nature of the exchange from a one-way donation to a horizontal partnership approach building capacity in the developing countries and ensuring the recipient country taking ownership of the development strategy (ibid.). In order to provide more autonomy to the recipients of the development aid, providing budget or sector support is used an approach rather than a stand-alone project planned by the donors (Mosley and Eeckhout 2000). The relevance of the CSR project, in light of it being a project, is thus fairly low in the context of the first principle of the Paris Declaration and international aid tendencies.

Efficiency is the second criteria mentioned by Danida based on the OECD DAC guidelines, but it is not mentioned in the evaluation report. However, since Danida defines it as usage of resources (Danida 2006), we have covered this point in the S-ROI and logic model analysis. Here, we just note that Ibis and Toms did not consider it as part of the evaluation.

Effectiveness according to Danida's evaluation guidelines deals with the extent to which the objectives established are met (ibid.). The output analysis conducted above illustrated that not all objectives were met, but in the evaluation report of the CSR project, the positive effects of the project, only mentioning the advocacy objectives as being restricted and limited in scope, which made the implementation difficult (Toms Evaluation Report 27 Aug final).

Impact defined by Danida's evaluation guideline is the effects of the development intervention - both negative and positive effects, long term and short term including intended and unintended effects from the project. The impacts of the CSR project are covered in the evaluation report as output and outcomes, and have thus been covered by the analyses above. Important to note is that the impacts of the project are stated as vastly positive in the evaluation report.

The final evaluation criterion is sustainability and concerns the continuation of the project and its effects after the project has finished. The sustainability of the teachers' training is dependent on funding; however, it is noted in the evaluation report that it might be possible to sustain with less funding due to solidarity efforts among the teachers, as they were appreciative of the training (Toms Evaluation Report 27 Aug final). The sense of community experienced as a result of the governance objective and the regular meetings, is believed to help sustain the governance aspects (ibid.). The advocacy aspects of the project were not successful and not sustainable as the situation was by the end of the three-year project due to weak civil society partners. Concluding on sustainability, there is found evidence of lack of sustainability, even admitted by Ibis and Toms, perhaps due to its nature being a project supporting very specific activities and providing books and teaching material, which has limited reach. The fact that the development probably would not be able to be sustained is however, an argument for continuing the CSR partnership between Ibis and Toms, which was already planned at the time of the evaluation (Hefting 2012). Finally, we wish to note that the core of the sustainability aspect of Danida is the long-term emphasis (Danida 2006), and we cannot draw conclusions about this aspect as the evaluation report was done in 2010 right when the three-year project ended.

The models provide a theoretical framework, which has been constructed by and discussed by academics; however, it should be noted that it is unlikely for theoretical frameworks to capture all aspects of impact from any project or activity. Social impact is very intangible (Connell and Kubisch 1998), and several theories emphasize the inclusion of many stakeholders in understanding the impact (Weiss 1997, Connell and Kubisch 1998, Emerson 2003, Lingane and Olsen 2004). We would therefore argue that the real impact of the project, so to speak, could perhaps be captured by simply asking the pupils affected, the teachers and community members, rather than looking into the input and the potential future gains. In continuation, it is argued that a simple financial ratio does not capture the complexity of social impact, but rather contributes with valuable aspects.

## **How and why Ibis and Toms emphasize the impact**

According to CRM theory, CSR activities are communicated with the hope that it will improve the reputation of the company and customer loyalty – thus that it would have positive effects on the business side (Brønn and Vrioni 2001 and Lu and Ko 2011). The analysis of the social impacts and the discussion of the findings concluded that the targeted groups have been impacted positively and to a significant extent; however, it was also concluded that Ibis and Toms may have had an interest in this portrayal. Therefore, it is looked upon how cause related marketing theories can help explain the impact emphasized by Ibis and Toms from their CSR project in this section.

By Van den Brink, Odekerken-Schröder and Pauvels (2006) it was found that strategic cause related marketing had a positive effect on brand loyalty if the products of the company are low involvement products and the commitment is long term. This entails that Ibis and Toms have potential to benefit if their CSR project is strategic and communicated in a strategic manner. The CSR project of Ibis and Toms is a long term project (starting with a three year period, and now, two years after the Danida sponsored project ended, still continuing to expand (Hefting 2012)) and it is being communicated strategically as having high relevance to the core competencies of both Toms and Ibis, which is central in terms of classifying a partnership and project as strategic (Porter and Kramer 2011). Based on Halme and Laurila (2008) classification of CSR into philanthropy, integration and innovation, the CSR project between Ibis and Toms would fit best with the integration classification. It can be stated that targeting families in the provinces of Ghana where Toms gets its cocoa from is more strategic than e.g. simply donating amounts of money to a children's hospital in Denmark or planting trees in Brazil. Thus, there is an element of integrating the CSR into the core business of Toms; however, in the project documents and by statements of the organizations we find that the strategic element is being further emphasized beyond what can be documented. By Porter and Kramer (2011) the concept of shared value is presented as an ideal for CSR, i.e. for a company to use its core competencies to improve society. Targeting children and improving the education in Ghana cannot be stated as a such project creating shared value.

Analyzing the partnership based on Googins and Rochlin's (2000) framework, it can be concluded that the developmental value creation is the categorization that fits the best. This is due to the fact that Ibis and Toms are coming together to do the project, but since Ibis is designing the project without much consultation from Toms (Hefting 2012), it cannot be said to be creating value



symbiotically. It can therefore be noted that there is a certain level of commitment from both parties, but the project does not create value symbiotically.

It was found that the CSR project between Ibis and Toms have limited strategic value, but that the fact that it reflects a long-term commitment rather than just a one time one-way donation makes the project more than pure philanthropy. It was also found that Ibis and Toms are emphasizing the CSR project as being strategic and as being highly relevant to Toms' core business and the social issue the company is facing (Hefting 2012). The reason for this portrayal could be gains in terms of brand value and loyalty, as was found by Van den Brink, Odekerken-Schröder and Pauvels (2006).

It is in the interest of both Ibis and Toms to communicate positively about the impact of the CSR project and the project in general to gain customer (or in the case of Ibis supporter) loyalty. However, it is also in their interests to communicate positively about the project in order to gain support from other actors, for Ibis e.g. to attract other CSR partnerships, as the funding from those and the possibilities they entail are highly important for most NGOs (Cowe 2004). By communicating the CSR project as having high impacts and being strategic, there are thus grounds for both Ibis and Toms to gain from it (Van den Brink, Odekerken-Schröder and Pauvels 2006). Communicating the CSR project and its impact as positive could be done as a CRM tool so to gain loyalty for both the brand of Toms but also for that of Ibis; however, as it would be in the interest of both parties to gain from a positive partnership.

Hefting stated in the interview that she was very interested in the concept of CSR and that the CSR responsible person at Toms had just graduated with a degree in development studies (Hefting 2012), for which reason it would be proposed that the two main actors involved in the planning and controlling of the project in Denmark are very much aware of the trends of the time in terms of strategic CSR. They would therefore know that strategic CSR is valued higher, and that it would be in the interest of both organizations to communicate the project as strategic. This supports the notion of the possibility of Ibis and Toms communicating the project and its impacts as positive as they could gain from it.

Brønn and Vrioni (2001) have stated that cause related marketing is an approach to make the products of the company stand out from the competitors, but that consumers are being overwhelmed

with campaigns concerning the good deeds of companies, which may lead to skepticism and thus not to the intended effects. These authors pointed to the importance of the sincerity and long-term commitment plus the involvement of a nonprofit organization as ways to overcome the skepticism and gain from the CRM campaigns and efforts. There is therefore good ground for Ibis and Toms to communicate about the impact and strategic element of the CSR project, its long-term commitment and the partnership itself.

It makes particularly much sense when looking at the context of the CSR partnership between Ibis and Toms, i.e. looking at the scene of CSR partnerships in Denmark. Dalberg (2008) conducted a survey, which found that many of the Danish CSR partnerships are in fact long term much like the partnership of Ibis and Toms. However, Neergaard et al. (2009) found that the vast majority of Danish CSR partnerships (96%) are philanthropic, and only 3% mutual exchange/transverse marketing, 0.4% individual value creation and 0.6% symbiotic value creation. Understanding this context, we see that there is good ground for Ibis and Toms to communicate their partnership as creating value together, i.e. symbiotically, and being more than just philanthropic, in order to differentiate itself from the competitors, which Brønn and Vrioni (2001) found the consumers needed in order for the companies to gain from the CRM. Neergaard et al. (2009) also found that Danish NGOs increasingly search for companies for financial contribution in order for them to do their job after the change of legislation in 2004 when government subsidies were decreased. Therefore, it is also in Ibis' interest to not only sustaining the partnership with Toms to get further funding, but also to attract other CSR partners.

On the other hand, Brønn and Vrioni (2001) and Neergaard et al. (2009) found that the Scandinavian context for CSR is one with pressure from stakeholders to be good corporate citizens and contribute to society, and ensure that the net-effect of the company is more positive than harmful. This could indicate that the CSR project between Ibis and Toms is an expression of the expectations of the Danish society in terms of Toms accepting their social responsibility, in particularly after the bad publicity the company had with child labor in Ghana (Hefting 2012).

As the point of departure for the CSR project was the issues of unethical supply chain practices in Ghana for Toms and child labor, we find it interesting that the issue of child labor is a secondary and often implicit part of the CSR project, and that the supply chain aspect is overlooked. For

Toms, it can be argued that it is an easier solution to look into the field of child labor via improving the education of the children in the cocoa producing areas of Ghana rather than working with improvements within the supply chain and the working conditions. Interestingly enough, Toms has actually shown commitment to changes within its supply chain, e.g. in form of another CSR initiative teaching the cocoa farmers about the cultivation of the cocoa beans. Together with Danida and the Ghanaian research institutions, Cocoa Research Institute of Ghana, a project has been implemented to improve the methods for improving the fermentation of the beans, which will increase efficiency and improve the working conditions for the farmers (Toms 2012 C). However, the information of the partnership with Ibis is far more widespread than this latter project, which is rarely mentioned, opposite to the education oriented project with Ibis, which is mentioned in a number of articles and on CSR platforms (e.g. PartnershipPractice.dk, u-landsnyt.dk, csr.dk and sustainconsulting.dk).

Though the CSR partnership does not fit entirely in any of the four categories presented by Liu and Ko (2011), it can be argued that joint promotion is perhaps the strategy, which fits the best with Ibis and Toms, as this entails a joint advertisement campaign. The CSR project between Ibis and Toms is not merely an advertisement campaign; however, their efforts are being jointly promoted. In extension of the point of the previous paragraph, one could argue that the joint promotion of this partnership, its positive impacts and strategic fit has given both organizations positive media coverage and attention.

It is important to note that the analyses of Ibis and Toms have been based on Ibis' representation to a large extent, as it was not possible to interview Toms. The written documents represent both organizations, but the interview only Ibis. However, since Ibis has been in control of the project in terms of its planning, evaluation etc. (Hefting 2012), the conclusions can be applied as representing Toms as well.

However, it should be noted that we cannot exclude that the impacts of the partnership were not positive, as this would entail going to Ghana and observing the impact before, after and several years after the project. Additionally, the intentions of Ibis and Toms in regards to how the impacts and the partnership are portrayed can only be discussed and analyzed.

## Conclusions

This thesis examined the CSR project resulting from the Partnership between Ibis and Toms, which was part of Danida's Program for Innovative Partnerships for Development and ran from 2007 until 2010. The point of interest of this thesis was the social impacts of the CSR project and what Ibis and Toms emphasized as being the impact. The research question was: How are the targeted pupils, the Ghanaian society and community impacted by the CSR project? In order to answer the research question, three sub questions were established, and the logic was that by answering each sub question sequentially, we would arrive at an answer to the research question. The sub questions were as follows: I) How are the targeted pupils, the Ghanaian society and community impacted from a qualitative perspective? II) How are the targeted pupils, the Ghanaian society and community impacted from a quantitative perspective? III) What do Ibis and Toms emphasize as the impact and why have they chosen to emphasize these aspects?

The framework for answering the research question is rooted in the theories presented and discussed in the literature review. The framework entailed the following: the logic model to answer sub question I regarding qualitative perspectives on impacts, S-ROI analysis to answer sub question II regarding quantitative perspectives on impacts and cause related marketing and CSR partnership theories and context to answer sub question III regarding what Ibis and Toms emphasized as the impact and the motivations for emphasizing these aspects.

The following are the findings from the analyses and discussion of the data applied to the framework. By conducting the logic model analysis, it was found that the impacts from a qualitative perspective were that the teachers had a far better understanding of how to teach and target the individual pupil. Consequently, the pupils experienced improved quality of teaching and joy of learning e.g. due to the new books and reading materials. Higher attendance in the schools were found and improvement on tests and passing rates. The community, government officials and families to the children affected, i.e. members of society, enjoyed the feeling of community and understanding of the issues of child labor and the importance of schooling. Overall, the targeted groups were impacted positively and significantly. Only in regards to the advocacy aspect of the project the impact was not significant, but this is not emphasized in the project documents.

By conducting the social return on investment analysis, it was found that on a 20 year basis, based on the information and impacts of the project depicted by Ibis and Toms and assumptions clearly stated, the investment made would be increased 27.8 times through increased monetary gains of the households affected by the project and increased tax income for the government. By conducting the S-ROI analysis, it was found that the impacts from a quantitative perspective were very positive. For the purpose of the quantitative perspective on the impact, the community and society were integrated and the ratio covers the impact on both, plus on the pupils. However, we found it relevant to discuss the S-ROI method, and argued that the ratio found has less meaning compared to the value of the process of conducting the analysis, which opens up for thinking about the impacts in a new way.

As the analyses conducted are based on project documents and interview of an Ibis representative, it is acknowledged that the data is subjective in the sense that it is representing the point of view of Ibis and Toms. Therefore, it was analyzed and discussed how and why these two organizations emphasize the impact. It was found that Ibis and Toms emphasized the impacts of the CSR project as very positive and a success. With this conclusion as point of departure, the motivations for emphasizing the impacts as positive were discussed. By communicating positive impacts and results from the project and the strategic emphasis of the project, cause related marketing theory suggests that the company involved can benefit in terms of increased brand and consumer loyalty. As NGOs are highly interested and depending on funding, it is also in Ibis' interest to communicate positive result to continue the partnership and attract new CSR partners. We found it interesting that the CSR project was initiated due to public criticism Toms met due to issue in the supply chain in Ghana, but that the project ended up with the objective to improve the quality of education for children in areas of Ghana where Toms gets its cocoa, but without any knowledge of whether the families supplying to Toms are in fact affected. The CSR project, we argue, does not relate to the supply chain of Toms, but it was found that Toms is in fact involved in a CSR initiative to improve the conditions for the farmers supplying Toms. However, this initiative, although far more relevant and strategic, is less communicated. We suggest this is due to the fact that it is more attractive from a marketing perspective to communicate about providing school material and training teachers to help the children than about the fermentation of cocoa beans.

## **Avenues for further research**

Analyzing, discussing and exploring the case of the CSR partnership between Ibis and Toms has shed light on many interesting aspects of social impact assessment, cause related marketing and CSR partnerships. In extension, it was found that the increasingly blurry boundaries of actors in society and its impacts of socially oriented work and aid is an interesting issue and could be a basis for further research. Namely how it affects the recipients of the aid that private actors are involved and how it affects national aid agencies', such as Danida, practices and the involved NGOs, such as Ibis. In the case of the CSR project between Ibis and Toms, part of Danida's Program for Innovative Partnerships for Development, it was found that it meant a project-based project rather than sector or budget based aid. The latter two forms allow the recipient country a higher level of ownership and influence compared to a single intervention, or project based approach. For Ibis has meant taking upon a new role and losing some independence as the outcomes of the project and how it is communicated affects Ibis as much as Toms. It is therefore found that this issue is relevant for further research.

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### **Data from Ibis and Toms, available in file as appendices**

Hefting, A. M. (2012) interview conducted on June 13th, 2012, a sound file with the interview recording is attached on CD

### **Project documents provided by Ibis:**

Toms Evaluation Report 27 Aug final (please see attached digital version on CD Rom)

Project document, final draft, Ibis January 2007 (please see attached digital version on CD Rom)

Copy of Budget Danida format (please see attached digital version on CD Rom)

PPP Milestones and Indicators reports (please see attached digital version on CD Rom)

## Appendix I: Summary

This thesis takes point of departure in the case of the CSR project resulting from the partnership between the development NGO, Ibis, and the confectionery company, Toms. More specifically, the project, which functions as the case, is the CSR project entitled "Strengthening the Education Sector in Cocoa Producing Districts in Ghana" supported by Danida's Program for Innovative Partnerships for Development running for a three-year period from 2007 until 2012.

The research question is: how are the targeted pupils, the Ghanaian society and community impacted by the CSR project? With the following sub question, which are answered sequentially in order to arrive at an answer to the overall research question: I) How are the targeted pupils, the Ghanaian society and community impacted from a qualitative perspective? II) How are the targeted pupils, the Ghanaian society and community impacted from a quantitative perspective? III) What do Ibis and Toms emphasize as the impact and why have they chosen to emphasize these aspects?

For the purpose of this thesis, impact is defined as the outcomes of the projects considering the inputs. In order to answer the first sub question regarding qualitative perspectives on how the pupils, the Ghanaian society and community are impacted from the CSR project a logic model analysis is conducted. The conclusion is that the pupils improved their test scores, the drop-out rates lowered, they spent less time doing dangerous work in stead of going to school and they felt more enthusiasm for learning and school. The community and Ghanaian society experienced increased knowledge and understanding of child labor and strengthened feeling of community.

In order to answer the second sub question regarding the quantitative perspectives on how the pupils and the Ghanaian society and community are impacted, a social return on investment analysis is conducted. The result is a ratio indicating how much social value is gained for the investment made. The analysis was conducted based on a number of assumptions and concluded that the pupils and the Ghanaian society and community benefitted from the CSR project 27.8 fold. This indicates that for each DKK invested, the pupils and the Ghanaian society gained 27.8 DKK through higher income as a result from the CSR project.

Finally, as it is acknowledged that the data upon which the social impact analyses are conducted is subjective and representing the point of view of Ibis and Toms, as they have made it, it is analyzed what the motivations for emphasizing the impact as positive could be. Cause related marketing

theory suggests that companies can benefit in terms of increased brand value and customer loyalty from communicating positive impacts and results from the project and the strategic emphasis of the project. It was found that the CSR project is dealing with improving the quality of education in areas of Ghana involved in the cocoa industry; however, not targeting directly Toms' supply chain or child labor other than indirectly. Toms is actually involved with CSR activities which involve improvement of its supply chain and the working conditions, but this project is not known very well publically, as the emphasis on education and providing children with school books and educating teaching is easier communicated persuasively to the public, and is thus a better point of departure for benefits in terms of increased brand value and customer loyalty.



## **Appendix II: Interview questions**

### **Interview questions with Ibis June 2012**

Question for interview with Anne Margrethe Hefting from Ibis

#### **Questions in Danish:**

Hvad arbejder Ibis for? /hvad er vigtigt for Ibis?

Hvad var tanken bag partnerskabet med Toms?

Hvordan valgte I hvilke projekter, der skulle indgå i partnerskabet?

Hvad ville I opnå med partnerskabet?

Hvilke mål havde I med projektet? På kort sigt, langsigtet? Hvilke prioriteter?

Hvilken målgruppe havde projektet?

Hvordan besluttede I jer for målene?

Hvordan passer målene med Ibis' mission?

Hvordan synes du at målene passer med Toms' mission?

Hvem var involveret i at planlægge projektet, beslutte jer for målene?

Hvilke stakeholders var involveret?

Hvordan var det arbejde med Toms?

Havde I nogle tanker fra starten om hvordan projektet ville blive evalueret?

Hvordan besluttede I jer for de indicators, der blev brugt? Var nogle mere vigtige end andre?

Hvem var involveret i evalueringsprocessen?

Hvor meget var Toms involveret?

Hvor meget tid brugte I på projektet?

Hvilke resources blev brugt? Hvordan var resourcerne fordelt mellem Toms, Ibis, andre?

Hvilke aktiviteter kom der ud af projektet?

Hvad kom der ud af projektet? Hvilken effekt havde projektet?

Opnåede I de opstillede mål?

Var stakeholders involveret i evalueringen af effekten af projektet?

Hvordan var Toms involveret?

Hvad bruger I evalueringen af projektet til?

Hvordan har Danida påvirket projektet?

Hvordan ser fremtiden ud for partnerskabet?

**Questions translated into English:**

What does Ibis work for/what is important for Ibis?

What were the thoughts behind the partnership with Toms?

How did you choose which projects would be part of the partnership?

What did you want to achieve with the partnership?

Which goals did you have for the partnership? On short term, long term? Which priorities?

Who was the target group of the project?

How did you decide on the goals?

How do the goals fit with Ibis' mission?

How do you think the goals fit with Toms' mission?

Who was involved with the planning of the project and deciding the goals?

Which stakeholders were involved?

How was it working with Toms?

Did you think about in the beginning about how the project would be evaluated?

How did you decide on the indicators used? Were some more important than others?

Who was involved with the evaluation process?

To what extent was Toms involved?

How much time was spent on the project?

Which resources were used? How were the resources split between Toms, Ibis and others?

Which activities resulted from the project?

Which outcomes and effects did the project have?

Did you achieve the goals set out?

Were stakeholders involved in this process?

How was Toms involved?

What do you use the evaluation of the project for?

How has Danida influenced the project?

What does the future of the project look like?

## Appendix III: The standard for Social Return on Investment Analysis

**TABLE I.** The Standard for Social Return on Investment Analysis

<b>Construction</b>	Guideline 1. Include both positive and negative impacts in the assessment.
	Guideline 2. Consider impacts made by and on all stakeholders, including those inside the company itself, before deciding which are significant enough to be included in the assessment.
	Guideline 3. Include only impacts that are clearly and directly attributable to the company's activities. Be conservative with leaps of faith and don't take credit for more than your organization can realistically affect.
	Guideline 4. Avoid double counting the value (financial and social) created by the company and avoid using market valuations of social impacts where they do not reflect full costs and benefits.
<b>Content</b>	Guideline 5. In industries or geographic areas in which impacts would be created by the existence of any business, do not count these impacts. The SROI should describe what makes the company different from a standard venture in the industry (i.e., from its competition).
	Guideline 6. Only monetize impacts if it is logical given the context of the impact, business, or industry.
	Guideline 7. Put numeric metrics into context (e.g., this period versus last period, this company versus similar companies) to give the social return on investment meaning.
<b>Certainty</b>	Guideline 8. Address risk factors affecting the SROI in the assumptions and carefully consider and document the choice of discount rate for social cash flows.
	Guideline 9. Carry out a sensitivity analysis to identify key factors influencing projected outcomes.
<b>Continuity</b>	Guideline 10. Include ongoing tracking of social impact.

Note: While the unit of analysis of the SROI is referred to in these guidelines as "the company," these guidelines are relevant to any entity on which SROI analysis is performed (e.g., a business unit, project, or nonprofit organization).

Source: Lingane and Olsen 2004