

# ASSESSING CORPORATE SOCIAL RESPONSIBILITY AND POVERTY REDUCTION PROGRAMMES IN THE EMERGING MARKETS

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## Abstract

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According to Frynas et al. (2000), poverty is a global challenge which has attracted the concerns of the government and non-government organisations. The paper aims to examine corporate social responsibility (CSR) and poverty reduction programmes in the emerging market. The scope of the paper is limited to the activities of Lafarge Africa Plc in Cross River State. It adopts a survey research method. Data was obtained through unstructured interviews and questionnaires, administered to a sample of 400 respondents: staff of the company and resident in Mfamosing village, in Akamkpa Local Government Area. Data obtained were analysed using independent t-test analysis to test the hypotheses. The main findings of that study show that the provision of educational support programmes by Lafarge Africa Plc significantly contributes to poverty reduction in Cross River State, also that the maintenance of rural roads by Lafarge Africa Plc significantly contributes to poverty reduction in Cross River State. The study concludes and recommends the need for inclusiveness and community participation, in the initiation, design, and implementation of CSR in Cross River State and developing economies at large.

**Keywords:** Corporate Social Responsibility, Poverty Alleviation, Socio-Economic Development, Integrated Development

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## 1. INTRODUCTION

Poverty is a pervasive problem in Nigeria. It manifests in the lack of income and productive resources to ensure sustainable livelihoods. Other features are hunger and malnutrition, lack of employment opportunities, limited access to health care, education, and other basic services, social discrimination, and exclusion as well as the lack of participation in decision-making. Frynas et al. (2000) observed health indicators in Nigeria comparing to other developing countries. There are disproportionately high fatality rates from water-borne diseases, malnutrition, and poor sanitation. The quantity and quality of housing, infrastructure and socio-economic structures that supports the wellbeing of the vulnerable groups are deficient in Nigeria. This is because of long years of neglect and deprivation of rural communities, and this have created a volatile atmosphere characterized by protest, agitation, and community conflict.

To address the challenges of poverty, Oshewolo (2010) disclosed that Nigeria has adopted several poverty alleviation programmes, yet the nation's oil wealth has done little to improve the life of the poor population due to corruption, political instability, weak administration, poor macroeconomic management, and bad governance. Poverty has remained a pervasive problem in Nigerian society, with a much more devastating dimension in the Niger Delta region where unemployment, underdevelopment, and squalor are realities of daily living for most people. This development gap has led to the reliance on multinational companies (MNCs) and other large indigenous business firms by host communities to complement the efforts of the government in enhancing their well-being.

Corporate social responsibility (CSR) has attracted several scholars attention. It has been defined as *"a comprehensive set of policies, practices and programmes that are integrated into business operations, supply chain, and decision making processes throughout the company, and wherever the company does businesses that are supported and rewarded by top management"* (Adeyanju, 2012, p. 19). They argued that CSR perform an important function of coordinating social and business activities that benefits both the community and the organisation. In this regard, they provide a viable opportunity for organizations to contribute to society, the environment, and the country at large. Ite (2004) argued that the activities of multinational companies in Nigeria are conducted by stakeholders and support parties, that work together to achieve the goal of sustainable development. While this is conceived to have a positive effect on development, scholars argue, sometimes, the reverse is the case (Oshewolo, 2010). Frynas et al. (2000) argued that despite the role Nigeria plays in the international community, it is seriously undermined by lingering poverty and conflict between leading (oil) MNCs such as ExxonMobil, Agip, Shell, Chevron, and Total FinaElf and the stakeholders (the communities). Sadly, trend affects the gains of development.

Others have also argued that CSR has a positive impact on development. Nwagbara and Kamara (2015) reiterated that, *"under the Memorandum of Understanding (MoU) signed by joint ventures (Shell, Agip, and Elf) and the government of Nigeria,*

*the participating MNCs have been championing local development projects so as to advance sustainable development and local capacity building in the Niger delta of Nigeria"* (p. 25). They stated further that, *"this is usually done through partnership and collaboration with the communities for establishment of local projects that can facilitate the development and acquisition of relevant skills necessary for community development"* (Nwagbara & Kamara, 2015, p. 25). Partnership Initiatives in the Niger Delta (PIND, 2012) added that *"Chevron and ExxonMobil are contributing to sustainable development via committing to CSR in this regard. Thus, projects such as Partnership Initiatives in the Niger Delta (PIND) that were initiated by Chevron to develop as well as empower communities in the Niger Delta in areas of sustainable economic development, peacebuilding, and capacity building parallels creative capitalism"* (p. 2). No doubt, CSR has a development strategy that has the potential of reducing poverty. The debate with contemporary scholars and the gap in the literature is on the significant impact of the projects on poverty reduction in host communities.

Omoniyi (2013) admitted that *"in Nigeria, despite the government's poverty eradication campaigns, national development plans and sessional papers, poverty is still a major challenge"* (p. 177). While he justifies the role of CSR in the process, emerging studies query the outcome and sustainability of their efforts (such as Reckmann, 2023). This situation calls for research concerns, upon which the research question and objective are premised. The question is:

*RQ1: To what extent has corporate social responsibility contributed significantly to poverty reduction programmes in emerging markets?*

The purpose of the study is, therefore, to examine CSR and poverty reduction programmes in the emerging market, with a focus on Lafarge Africa Plc, situated in Akamkpa Local Government Area of Cross River State. Specifically, the study seeks to examine the provision of educational support programmes by Lafarge Africa Plc and poverty reduction in Cross River State and assess the maintenance of rural roads by Lafarge Africa Plc and poverty reduction in the state.

The paper is structured in the following sections. Section 2 reviews relevant literature. Section 3 analyses the methodology that is used in conducting the study. Section 4 analyses the research data. Section 5 is the conclusion and recommendations.

## 2. LITERATURE REVIEW

### 2.1. Corporate social responsibility

According to Reckmann (2023), CSR is a form of self-regulation that reflects a business's accountability and commitment to contributing to the well-being of communities and society through various environmental and social measures. She added that organizations that practice CSR aim to improve their communities, the economy, or the environment. Companies can embrace CSR by being environmentally friendly and eco-conscious; promoting equality, diversity, and inclusion in the workplace; treating employees with respect;

giving back to the community, and ensuring business decisions are ethical (Reckmann, 2023). CSR is an international private business self-regulation. The definitions reviewed included the economic definition of “sacrificing profits”, a management definition of “beyond compliance”, institutionalist views of CSR as a “socio-political movement” and the law’s focus on directors’ duties. Carroll (1991) described CSR as a pyramid of responsibilities, namely, economic, legal, ethical, and philanthropic responsibilities.

According to Ogbemi (2020), CSR is the practice by which corporate organizations invest part of their profits to the development of their host communities for the benefits of those who bear the brunt of their operations. He adds that CSR involves providing social amenities, building schools, constructing roads, protecting the environment of the communities, town halls, cottage hospitals, and other projects towards improving the lives of the people of the host communities. Kolade (2005) submits that CSR is the activities carried out by organizations to leave society in a better state than that in which they found it. CSR decisions and actions of organizations should be driven by a desire to respond to the real needs of people and society. Adamolekun and Ekundayo (2007) say CSR is the commitment of a business to contribute to sustainable economic development by working with employees, their families, the local community, and society at large to improve the quality of life, in ways that are good for business and development. The World Business Council for Sustainable Development (WBCSD) defines CSR as “*the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life*” (WBCSD, 2000, p. 2). Ekwok and Ogri (2019), explained that “*CSR involves the dedication of corporations to enhance the general well-being of both the internal and external publics. In other words, besides catering for the welfare of members of the host community in which a company is located, CSR programmes also involve catering for the welfare of employees, who constitute the internal public of an organisation*” (p. 101).

United Nations Industrial Development Organization (UNIDO, 2022) maintained that CSR “*is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders*”. It is generally understood as being the way through which a company achieves a balance of economic, environmental, and social imperatives (“triple-bottom-line (TBL) approach”), while also dealing with the expectations of shareholders and stakeholders. In addition, UNIDO (2022) stressed that “*promoting the uptake of CSR amongst SMEs requires approaches that fit the respective needs and capacities of these businesses, and do not adversely affect their economic viability*”. UNIDO based its CSR programme on the TBL approach, which is a successful tool for small and medium enterprises (SMEs) in developing countries to assist them in meeting social and environmental standards without compromising their competitiveness. “*The TBL approach is used as a framework for measuring and reporting corporate performance against economic, social and*

*environmental performance*” (UNIDO, 2022). The aim is to “*align private enterprises to the goal of sustainable global development by providing them with a more comprehensive set of working objectives than just profit alone. The perspective taken is that for an organization to be sustainable, it must be financially secure, minimize (or ideally eliminate) its negative environmental impacts and act in conformity with societal expectations*” (UNIDO, 2022). CSR has evolved as a means of holding companies accountable for any of their actions that affect people, communities, and the environment. In achieving this, the company may invest some of its profit in promoting a positive social good. This may be through a range of activities, such as:

- employee volunteering;
- socially responsible investment;
- building infrastructure like roads, electricity, etc.;
- improvement of working standards and conditions;
- contributing to educational and social programmes;
- development of employee and community relations;
- environmental management, e.g., waste reduction, and sustainability.

The practice of CSR comes with a lot of benefits to the organization, society, and the environment. Some of the benefits are:

1. *Company/organization*: improved financial performance; lower operating costs; enhanced brand image and reputation; increased sales and customer loyalty; greater productivity and quality; more ability to attract and retain employees; reduced regulatory oversight; workforce diversity; and product safety and decreased liability.

2. *Society*: charitable contributions; employee volunteer programmes; corporate involvement in education; employment welfare programmes; and product safety and quality.

3. *Environment*: greater material recyclability; better product durability and functionality; greater use of renewable resources; integration of environmental management tools into business plans including life-cycle assessment and costing as well as environment management standards (Jason, 2022).

Akinbola (2005) identified “*seven benefits an organization can derive through corporate social responsibility. These are that it helps an organisation to attract and retain a responsible and innovative workforce; build a good reputation predicated on goodwill; increase brand equity; improve decision-making on critical issues; reduce long-term cost; improve financial performance and access to capital and manage risk more effectively. Several factors limit the activities of CSR in Nigeria*” (p. 6). Ogbemi (2020) identified one such as non-participation of benefiting communities in project design and implementation. He acknowledged that this affects the relationship between communities, stakeholders, and the organisations. This may also explain why people accuse organizations of poor treatment and concern, especially concerning their CSR activities (Ogbemi, 2020). This disconnect is a problem that queries the adequacy or otherwise of CSR activities in Nigeria (Adamolekun & Ogedengbe, 2020).

## 2.2. Poverty indexes in Nigeria and poverty alleviation

Poverty is a condition where an individual or household experiences a situation of lacking, little or no resources to acquire the necessities of life and lack economic opportunities. Ogunbiyi (2022) cited United Nations International Children's Emergency Fund (UNICEF) on the claim that "poverty to be one of the paramount factors responsible for the low level of education in Nigeria", noting that "one in every five of the world's out-of-school children is in Nigeria". He added that even though "primary education in Nigeria is free and compulsory, 61 percent of 6-11-year-olds attend school regularly while only 35.6 percent of children aged 36-59 months are enrolled in early childhood education". This trend has continued over the years and rural community dwellers are the most vulnerable, and it hinders human capital development in the country. This is buttressed by a research report by the World Bank Human Capital Index on Nigeria. The report shows that "Nigeria ranks 150 out of 157 countries in the year 2020. Income inequality and disparity in economic opportunities continue to be high and has consequently affected the government's efforts on poverty reduction. In 2020, high inflation took a toll on welfare at the household level thereby pushing additional 7 million people into poverty" (Ogunbiyi, 2022).

The poverty level in Nigeria is rising. Aderogba and Adegboye (2019) stated that "Nigeria is one of the fastest growing developing countries in the world with a high poverty level and worsening distribution of the income or wealth. That is, the distribution of income or wealth created by many, strictly shared into the pocket of the few" (p. 2432). Ogunbiyi (2022) revealed that most Nigerians live below the international poverty line is expected to rise by 12 million as the Nigerian labour market continues to be disrupted by the outbreak of the COVID-19 pandemic. He added that from 2021 to 2025, the newly unveiled plan of the federal government, the Medium Term National Development Plan (MTNDP) intends to achieve a broad-based GDP growth rate of 5 percent, and also generate 21 million full-time employment for Nigerians while also emphasising the plans to lift 100 million people out of poverty at the end of 10 years explaining that this would be achieved by increasing its investment size to N348.1trillion. Judging from previous policy measures which failed in Nigeria, one may be right to conclude that, MTNDP may be achieve the desired result. Ogunbiyi (2022) refers to the report of Bloomberg, one of the world's leading research organisations, noting that "Nigeria's rate of jobless force has more than quadrupled over the last five years as the economy has gone through two recessions thus casting a shadow over the efforts to implement job creation policies by the present administrations". Poverty must be seen and addressed as a serious social and economic challenge in Nigeria, that can destroy the knowledge economy and future development prospects, if not properly tackled.

Attempts to address poverty are known as poverty alleviation. Poverty alleviation otherwise referred to as poverty reduction or eradication is a set of measures that are intended to lift people out

of poverty. The aim is to improve the quality of life for those people currently living in poverty. The World Social Summit identified "poverty eradication as an ethical, social, political and economic imperative of mankind and called on governments to address the root causes of poverty, provide for basic needs for all and ensure that the poor have access to productive resources, including credit, education and training" (United Nations [UN], n.d.). The report added that "recognizing insufficient progress in the poverty reduction, the 24th special session of the General Assembly devoted to the review of the Copenhagen commitments, decided to set up targets to reduce the proportion of people living in extreme poverty by one half by 2015. This target has been endorsed by the Millennium Summit as Millennium Development Goal 1" (UN, n.d.).

The report of the World Summit further reiterated that "poverty eradication must be mainstreamed into the national policies and actions in accordance with the internationally agreed development goals forming part of the broad United Nations Development Agenda, forged at UN conferences and summits in the economic, social and related fields" (UN, n.d.). The second United Nations (UN) decade for the eradication of poverty (2008-2017), proclaimed by the General Assembly in December 2007 "aims at supporting such a broad framework for poverty eradication, emphasizing the need to strengthen the leadership role of the United Nations in promoting international cooperation for development, critical for the eradication of poverty" (UN, n.d.). The UN provided a social perspective on development, and this requires addressing poverty in all its dimensions. The perspective "promotes people-centered approach to poverty eradication advocating the empowerment of people living in poverty through their full participation in all aspects of political, economic and social life, especially in the design and implementation of policies that affect the poorest and most vulnerable groups of society. An integrated strategy towards poverty eradication necessitates implementing policies geared to more equitable distribution of wealth and income and social protection coverage" (UN, n.d.).

While admitting the significance of the social perspective, Ogunbiyi (2022) explained that "one of the most visible effects that poverty has, and one that perpetuates its existence, is its impact on education going by the fact that the rate at which poverty increases every day has prevented many individuals, most especially in the developing countries from receiving a proper education". He added that "education is critical to development as a quality educational system will empower the people with the required knowledge, skill, and information which enables them to know their duties towards the society, develop the capabilities to fight injustice, violence, corruption and other vices which will lead to poverty reduction".

## 2.3. Provision of educational facilities and access roads for poverty reduction in Nigeria

Poverty can be reduced in several ways. Education and access to road networks are key. According to Omoniyi (2013), "education is the key to increasing economic efficiency and social consistency, by

increasing the value and efficiency of the labour force and consequently raises the poor from poverty" (p. 178). He stressed that "educational provisions within any given country represent one of the main determinants of the composition and growth of that country's output and exports and constitute an important ingredient in a system's capacity to borrow foreign technology effectively" (Omoniyi, 2013, p. 178). Educational support programmes can be formal or informal. The outcome reduces the level of literacy and productivity of workers. Productivity can be enhanced in agricultural production through education. "Evidence suggests positive effects of education on productivity among farmers using modern technologies, but less impact, as might be expected, among those using traditional methods" (Omoniyi, 2013, p. 179).

In Thailand, farmers with four or more years of schooling were three times more likely to adopt fertilizer and other modern inputs than less educated farmers (Jamison & Moock, 1984). Similarly, in Nepal, the completion of at least seven years of schooling increased productivity in wheat by over a quarter, and in rice by 13% (Jamison & Moock, 1984). Education provides a foundation for poverty reduction. The sector is a significant means of escaping from poverty, and further supports national productivity and wealth creation (UNESCO, 2001). An increase in the educational level of the head of the household significantly reduces the chances of the household being poor (Qureshi & Arif, 2001). Education that targets marginalized rural populace supports poverty reduction and promotes the attainment of sustainable development.

According to Olabisi (2023), education plays a key role in poverty reduction. She added that the provision of adequate educational facilities will support teaching and learning. Ogunbiyi (2022) supported that claim when reiterated that "the government can reduce poverty through education by increasing the provision of ICT in schools located in the rural areas, encouraging periodic training to expose teachers to modern-day teaching methods, increasing teachers incentives in order to encourage the teaching profession, encourage the free education system especially in rural areas that are more prone to poverty and provide adequate teaching facilities in all educational institutions".

The importance of road networks to the economic activities of rural areas cannot be overstressed. Rural roads create conditions for better access of people to services and services to the villages. Such improvements reduce the perception of isolation and remoteness among the poor and the very poor. Rural roads are seen to have an important impact on poverty reduction, particularly in developing countries. Extant literature supports this position. In a study conducted by Asher and Novosad (2018) in India, the study explored the impact of new roads on the occupational choice of workers aged 21-60. It was found that new roads cause a 10.1% reduction of workers in agriculture and an 8% increase in workers in (non-agricultural) manual labour. The study found that the movement out of agriculture was found to be strongest for workers in households without land. This effect was found to

monotonically decrease with landholding size. 35% of workers who did not own land left the agricultural sector, compared to just 10% of households with more than 4 acres. Men are more likely to leave agricultural employment compared to women, particularly in the younger cohort (-9.6% for men compared to -3.8% for women). The study estimated that a new road on average creates 3.7 new jobs in a village. The study also reported a 34% growth for the retail sector as an occupational choice, as the result of a new road. A range of employment changes was demonstrated, from 1.6 jobs lost in livestock to 2.6 jobs gained in manufacturing, albeit these findings were shown to be statistically insignificant (Asher & Novosad, 2018). This means that road networks, facilitate access to external labour markets rather than stimulating the growth of jobs within the village firms.

Mahindra (2018) maintained that "rural roads contribute significantly by creating linkages, thus increasing the opportunities to access goods and services located in nearby villages or major towns/markets". This means that "through improved transportation services, rural roads can lead to improved access to market centers for the rural producers and ensure better availability of inputs and raw materials at reduced prices which can highly impact the income opportunities of the rural poor" (Mahindra, 2018). Access roads is an important infrastructure that supports economic development and reduces poverty in rural communities (Besant-Jones et al., 1994; Coulibaly et al., 2009). Rural roads provide rural producers access to the market to sell their produce or buy raw materials for enhancing production. This supports economic development and poverty reduction.

Aderogba and Adegboye (2019) noted that the Nigerian government pays lip service to the development of road infrastructure in the country. This is supported by the claim of scholars that the need for the government to invest more in infrastructure, most especially roads to explicitly pursue development regarding inclusive growth as well as poverty-mitigating policies in the whole economy (Ogunbiyi, 2022; Olabisi, 2023).

## 2.4. Theoretical framework

The study adopts the integrated development theory to explain the role of stakeholders; community, interest groups, government, international bodies, etc. in the development process. According to Lee et al. (2005, as cited in Anam, 2015), integrated development is both a goal and a methodological approach. The goal is to include the neglected masses of rural poor in the process of increasing the well-being of mankind. The approach for reaching this goal is the application of a bundle of well-balanced measures of economic and socio-political nature. Anam et al. (2017) explained that the integrated development model advocates for rural participation in the development of the areas through needs determination, decision making, and implementation. This implies that the situation of the rural poor can only be improved if they are integrated into the development process.

The integrated model is used when dealing with complex, interrelated development challenges and

their root causes, and deployed when appropriate. Importantly, this outcome treats integrated development as a possible means to an end and therefore is neither a goal nor necessarily the most appropriate approach in all cases. The core aim, rather, is for integrated approaches to be explored for effectiveness, routinely considered within decision-making, and systematically supported if they will add value and produce the most impact (Anam et al., 2017). The theory stresses the need for the development corporation among stakeholders. This is implied to stakeholders of CSR. It advocates for participation in the development effort. Sustainable approaches to poverty alleviation, especially in rural areas require recognizing the fact that local people themselves are the main implementors of development projects. If people participate passively in projects, they become inactive and will depend on external inputs. To avoid this situation, local decision-making in project planning and implementation is important. It is therefore important that companies consider stakeholders' interests and opinions in designing and implementing felt needs projects in the areas. It is a strong element of development cooperation and poverty alleviation.

## 2.5. Lafarge Africa Plc and corporate social responsibility practice in Cross River State

According to the company website<sup>1</sup>, Lafarge Africa Plc is a member of the Lafarge Holcim group, which is a merger between the two global cement manufacturing companies: Lafarge and Holcim. Lafarge is credited as one of the leading manufacturing companies dealing in cement and quality concrete solution production in Africa, especially in Nigeria. "The company has an operational base in four states in Nigeria. These include the Sagamu and Ewekoro plants in Ogun State, Ashaka plant in Gombe State, Mfamosing plant in Cross River State, and a terminal in Atlas Cement Company Limited in Rivers State. Lafarge Africa Plc is the producer of Elephant Cement, AshakaCem, UNICEM, and Elephant Supaset among others. The company has an annual production capacity of over ten million metric tons (10 MMT) of cement in Nigeria alone" (Lafarge Holcim, 2015, p. 13).

In Cross River State, South-South Nigeria, Lafarge has a production plant at Mfamosing, in Akamkpa Local Government Area. According to information on its webpage, the plant was established in 2002 following the acquisition of the assets of the defunct Calabar Cement Company (CalCemCo) and was renamed the United Company of Nigeria Limited (UNICEM). In 2009 a Greenfield cement manufacturing plant with an installation capacity of 2.5 million metric tons (MMT) was constructed in Mfamosing; and in 2016 a second plant was inaugurated bringing the total annual installation capacity of the Mfamosing plants I and II to 5 MMT (Lafarge Holcim, 2015, p. 11). The company claims that it actively embarks on CSR initiatives aimed at contributing to the development of the host communities in its operational areas. The company's CSR priority areas include health and safety, economic empowerment/employability skills,

shelter, education, roads, and infrastructural support. The target beneficiaries are members of the host communities in the company's operational areas.

According to Ekwok and Ogri (2019), as a social contract relationship, "the local community grant the firm the right to build facilities and carry out business activities in their locality. In return, they benefit from the tax base, economic and social contributions of the firm. In addition, the firm is expected to maintain environmentally friendly operations" (p. 107). They added, "their activities must not be considered to be harmful to the health of the people and the ecosystem. The firm is expected to create and maintain good rapport with key stakeholders in the community, who will in return provide the required conducive atmosphere for the firm's operation" (p. 107). Among several stakeholder groups, "the local community management should be taken more seriously by the firm as doing so is very crucial to the smooth operation of the firm. Anything short of that is tantamount to shooting oneself on the foot" (Ekwok & Ogri, 2019, p. 107). According to Freeman (2001), "when the firm mismanages its relationship with the local community, it is in the same position as a citizen who commits a crime. It has violated the implicit social contract with the community" (p. 43). Therefore, to maintain this social relationship and reduce the level of poverty, Lafarge provides support to the local community in various ways. This study examines the impact of the provision of educational support projects and maintenance of rural roads, as support systems by the company. Within the framework of the literature review, the study hypothesized as follows:

H1: The provision of educational support programmes by Lafarge Africa Plc does not significantly contribute to poverty reduction in Cross River State.

H2: The maintenance of rural roads by Lafarge Africa Plc does not significantly contribute to poverty reduction in Cross River State.

## 3. METHODOLOGY

### 3.1. Research design

The study adopts a survey research design. The method supported the need to obtain relevant data from a sample group, given the limitations of sampling the whole population. Data obtained from the sample group was used in generalising the finding, conclusions, and recommendations from the study.

### 3.2. Study area

The study area is Akamkpa local government area in Cross River State. Akamkpa Local Government Area is in the Central Senatorial District and was created in 1976. "It has a land mass of 4,300 square kilometres, and is bounded by Odukpani and Akpabuyo Local Government Areas to the west and south, Biase and Yakurr Local government Areas to the north west. Ikom and Etung Local government Areas to the north, and the Republic of Cameroon to the west. With the largest forest area in the state and a very fertile land, watered by many rivers, streams

<sup>1</sup> <https://www.lafarge.com.ng/>

and springs, the people are mostly agrarian" (Cross River State Government, 2023). The gazette also discloses that "there is also a vast tract of reserved forest and gmelina and other pulp wood plantations, as well as privately owned rubber, oil palm and cocoa plantations and other forest products that are essential for the industrial development of the entire state and country". (Cross River State Government, 2023). The local government is the host community of Lafarge Africa Plc. The company is the case frame for the study.

### 3.3. Data collection

Data are obtained from primary and secondary sources. The primary data were obtained using an unstructured interview and a questionnaire. The interview was used to elicit information from Lafarge staff, Mfamosing plant, village heads/community leaders, and youth leaders, while the questionnaire was employed to obtain information from members of the selected host community, Mfamosing, in Akamkpa Local Government Area. The 2006 National Population Census figure for Akamkpa LGA was 149,317 (Cross River State Government, 2023). The secondary data were obtained from extant literature and government official gazettes and national dailies.

### 3.4. Sample and sampling technique

The sample size for the study is 400 respondents. The sample was obtained from a random sampling technique. The community and the company were visited on different scheduled visits. In each visit, the questionnaire was administered to the targeted groups, staff of Lafarge, community leaders, and members, available at the time of the visit. Data obtained were analysed using independent t-test analysis to test the hypotheses. The results were discussed, with support from relevant literature.

## 4. RESULTS

A total of 400 copies of the questionnaire were distributed to the respondents across the communities in the local government area, out of which 375 copies were completed and returned. Data presentation, analysis, and discussion were carried out based on the information collected through questionnaires and interviews.

### 4.1. Demographic indices of respondents

The results in Table 1 below show that 195 (52%) of the total respondents were male while 180 (48%) were female. Similarly, the result shows that 118 (31.46%) were below 30 years old, 132 (35.20%) were between 31-40 years old, and 125 (33.22%) were between 41 years old and above. For educational level, the result shows that 25 representing (6.67%) only attained primary education, 140 (37.33%) attained secondary education, and 210 (56%) attained tertiary education. The result shows that the sample population of the study was literate.

**Table 1.** Demographic index of respondents

Variables	Characteristic	No. of respondents	Percentage (%)
Gender	Male	195	52
	Female	180	48
	Total	375	100
Age	Below 30	118	31.46
	31-40	132	35.20
	41 and above	125	33.33
	Total	375	100
Educational level	Primary	25	6.67
	Secondary	140	37.33
	Tertiary	210	56.00
	Total	375	100

Source: Authors' elaboration.

### 4.2. Test of hypotheses

In this section, each of the study hypotheses is re-stated in the null form. The result of the data analysis carried out to test it is presented. Each hypothesis was tested at a 0.05 level of significance.

#### 4.2.1. Testing hypothesis H1

The provision of educational support programmes by Lafarge Africa Plc is the independent variable while the dependent variable is *poverty reduction*. Independent t-test analysis was employed to test H1. The result of the analysis is presented in Table 2 below. The result in Table 2 reveals that the calculated t-value of 6.41 is higher than the critical t-value of 1.96 at a 0.05 level of significance with 373 degrees of freedom. With this result, the null hypothesis that stated that the provision of educational support programmes by Lafarge Africa Plc does not significantly contribute affect poverty reduction in Cross River State was rejected. This result, therefore, means that the provision of educational support programmes by Lafarge Africa Plc significantly contributes to poverty reduction in the area.

**Table 2.** Independent t-test analysis of the provision of educational support programmes by Lafarge Africa Plc and poverty reduction in Cross River State

Educational support	N	X	SD	t-value
High	207	17.15	1.99	
Low	168	15.74	2.24	6.41*
Total	375	16.52	2.37	

Note: \* Significant at 0.05 level, critical  $t = 1.96$ ,  $df = 373$ .  $N = 375$ . Source: Authors' elaboration.

#### 4.2.2. Testing hypothesis H2

In H2, the independent variable is *the maintenance of rural roads by Lafarge Africa Plc*, while the dependent variable is *poverty reduction*. Independent t-test analysis was employed to test this hypothesis. The result of the analysis is presented in Table 3 below. The result in Table 3 reveals that the calculated t-value of 4.21 is higher than the critical t-value of 1.96 at a 0.05 level of significance with 373 degrees of freedom. With this result, the null hypothesis that the maintenance of rural roads by Lafarge Africa Plc does not

significantly contribute to poverty reduction in Cross River State was rejected. This result, therefore, means that the maintenance of rural roads by Lafarge Africa Plc significantly contributes to poverty reduction in Cross River State.

**Table 3.** Independent t-test analysis of the maintenance of rural roads by Lafarge Africa Plc and poverty reduction in Cross River State (N = 375)

Maintenance of rural roads	N	X	SD	t-value
High	200	16.99	2.05	
Low	175	15.98	2.52	4.21*
Total	375	16.52	2.37	

Note: \* Significant at 0.05 level, critical  $t = 1.96$ ,  $df = 373$ .  $N = 375$ .  
Source: Authors' elaboration.

### 4.3. Discussion

The result obtained from testing *H1* established that the provision of educational support programmes by Lafarge Africa Plc significantly contributes to poverty reduction in Cross River State. Education is the foundation of any development process. The findings of the study support the earlier assertion by Omoniyi (2013). In other words, the provision of educational support programmes reduces the level of illiteracy among rural dwellers in the community. In a previous study in 2019, Ekwok and Ogri (2019) disclosed that *"the educational initiative for instance caters for such educational needs of pupils and students at the junior secondary school levels. Also, educational programmes like Lafarge Africa National Literacy Competition and Book on Wheels (BOW) initiative are geared toward boosting literacy in the society"* (p. 110). In response to the unstructured interview, staff of the organisation identified that youth empowerment programmes are executed as an educational support programme, under the company's technical apprenticeship/employability programme for young secondary leavers aimed at training young school leavers in various vocational skills. These skills empower them to start a sustainable future career, including training artisans in block production and alternative uses of cement bags.

Further responses reveal that Lafarge has been involved in the renovation of school blocks, provision of tables for both teachers and pupils, textbooks, laboratory equipment, and exercise books. In one of the villages known as Akansoko, the company has been involved in the construction and fencing of Akansoko community market, the complete renovation of a four-classroom block, provision of twelve tables and chairs as well as the supply of 100 desks to teachers and pupils of Government Primary School, Akansoko (Ekwok & Ogri, 2019). There are also scholarship programmes for indigenes of the host community. That has significantly enhanced educational development in the area. Clearly, as observed by Becker (2013), education provides a foundation for poverty reduction. Education supports self-reliance and productivity. An increase in the educational level of households significantly reduces the chances of the household being poor, according to Qureshi and Arif (2001).

In the second analysis, the result obtained shows that the maintenance of rural roads by Lafarge Africa Plc significantly contributes to poverty reduction in Cross River State. Roads in the study area are a means of economic activity. The area is agrarian, and farmers need to access the market for the sales of their market produce. The community heads disclosed the challenges they've had over the years in accessing the market and other urban areas due to bad roads. One of the respondents decried the state of Atimbo Akpabuyo road, which caused several accidents and disrupted economic activities in the area. He further commended the effort of Lafarge Africa Plc for maintaining the long-abandoned road. This, he commended has had a significant impact in boosting economic activities in the area. This effort is supported by Besant-Jones et al. (1994), and Coulibaly et al (2009). Rural roads provide rural producers access to the market to sell their produce or buy raw materials for enhancing production. This supports economic development and poverty reduction.

### 5. CONCLUSION

The study examined CSR and poverty reduction programmes in emerging market. It focused on the CSR activities of Lafarge Africa Plc located in Cross River State, Nigeria. It focused on the provision of educational support programmes and the maintenance of rural roads by the company. The results from data analysis show that the CSR programmes of the company significantly reduce the level of poverty in the host community. CSR is therefore seen as an instrument of social development and a tool for supporting the efforts of government in improving the socioeconomic well-being of the people, especially host communities. Therefore, for multinationals to foster genuine poverty education efforts, they must see the provision of qualitative education and road networks in their host communities as bedrocks to meaningful development strategies. However, researching on two indicators of socio-economic development, that is, the provision of quality education and road networks by Lafarge Africa Plc, limits the scope of the study and advances the need for further research. More indicators of social and economic development, like infrastructure, health care, small and medium-scale businesses, employment, and household income, will provide hypotheses for further research on multinational corporations. The results of the study will strengthen the empirical framework for multinationals in Nigeria and other developing countries to address the challenges of local communities by supporting infrastructural development. This will also support further research, leveraging the present gap for more findings. The study was further limited by time, finance, and access to the local communities. It is hoped that with more support from host communities more access will be granted to rural communities and research engagements sponsored to provide a means of evaluating the activities and development efforts of CSR and the government at large.

Given this importance, the study recommends:

1. Promoting access to quality education in Nigeria. Multinationals must see the provision of qualitative education as a priority. Education can create self-reliance, boost productivity, increase competition and innovation, create employment, and revitalise the economy.
2. Provision of more road networks in rural areas. The road network is a catalyst for economic activities in any country, especially developing countries like Nigeria. Road supports agricultural development and other business activities. Developing and maintaining accessible road networks must be given a top priority by multinationals as they seek to deliver on the mandate of supporting the development of host communities.
3. The need for expanded efforts by ensuring the inclusiveness of stakeholders in the initiation, design, and implementation of CSR projects in

the country. Poverty alleviation programmes in Nigeria must be defined by felt needs. This means that there must be consultation with the locals before defining, designing, and implementing poverty alleviation programmes.

4. Developing a bottom-top approach to development. Lafarge Africa Plc and other multinationals “*should adopt a more participatory approach in determining the kind of development project to embark on based on critical needs of the people rather than singlehandedly select and implement the projects. In other words, for such projects to be sustainable, they must be relevant to the critical needs or yearnings of the people*” (Ekwok & Ogri, 2019, pp. 115-116). To achieve this, the participation of relevant stakeholders and members of the communities would help to ascertain priority needs are rather than embarking on ‘what they think the people needs.

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