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PROMOTION OF AGRICULTURAL DEVELOPMENT IN NIGERIA: THE BUSINESS CASE FOR CORPORATE SOCIAL RESPONSIBILITY

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Corporate social responsibility (CSR) can be broadly defined as an obligation of a company’s management to take actions that contribute not only to the company’s profit but also to society well-being. Companies can improve the welfare of society in different ways – through donating to charities, supporting non-profit organisations, implementing environmental protection initiatives and so on. For the last two decades the popularity of CSR has been on the rise, which accounts for the growing interest of both practitioners and scholars in understanding this phenomenon. As a result, a number of CSR-related concepts have emerged, e.g. corporate citizenship, corporate philanthropy, and the relatively recent corporate shared value. The latter concept is based on the assumption that interests of organizations and communities within which they operate are intertwined and it is possible to create shared value. It means that helping to tackle societal issues, a company can benefit too by enhancing its competitive advantages, improving its reputation, and making profits. Thus, business organizations should seek creative ways of solving the problems of society, while remaining sustainable.

One of the most acute and pressing problems facing Nigeria today is the decline in the agricultural sector, and as a result a significant decrease in the contribution of agriculture to the Nigerian GDP and increase in prices of agricultural products, which are now being actively imported. Nigeria's poverty rate is on the rise, and one of UN's sustainable development goals “end hunger, achieve food security and improved nutrition and promote sustainable agriculture” by 2030 is relevant to some parts of Nigeria. Recognizing the urgency of tackling this socio-economic problem and the need to boost agricultural and rural development, some Nigerian companies implement CSR initiatives, which are mutually beneficial for rural communities and companies themselves. Such initiatives can be considered as shared value creation, because the involvement in solving social problems does not merely divert companies’ resources from profit-making activities, but rather contributes to their long-term sustainability.

Agricultural sector in Nigeria, which has a considerable potential for profitable business activities, is represented primarily by small farmers who heavily depend on weather conditions and lack knowledge of up-to-date agricultural technologies. Large companies can enter the agricultural sector not only for making profits but for helping rural communities through creating jobs and decreasing the price of food due to the increased agricultural output, thereby creating shared value. One of the companies that successfully contribute to agricultural development through shared value CSR practices, thus setting a model example for others, is Lafarge Africa plc, a large cement manufacturer. The company created a farming division, training hundreds of local farmers on sustainable farming technologies, increasing agricultural production output, and improving the livelihood of local communities.