Historicizing on Corporate Social Responsibility and the Rural Development Project in Nigeria

Kingdom E. Orji, PhD
Associate Professor, Department of History & Diplomatic Studies, Ignatius Ajuru University of Education
P.M.B 5047, Rumuolumeni, Port Harcourt, Rivers State, Nigeria

Dr. (Mrs.) Beatrice Awortu
Senior Lecturer, Department of History & Diplomatic Studies, Ignatius Ajuru University of Education
P.M.B 5047, Rumuolumeni, Port Harcourt, Rivers State, Nigeria

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Abstract

It is crystal clear that the quest to develop the rural settings has engaged the attention of various political administrations in Nigeria since independence. This assumes the guise of community, local or grassroots development. It is a truism that rural development wields the key to the holistic progress of any civilized and industrialized society in the 21st century. This is against the backdrop of the brazen fact that critical issues such as peace and security, capacity building, poverty alleviation formula, social reengineering, inter-alia revolve around a calibrated implementation of rural development policy(ies). What is worrisome is that Government efforts, through diverse programmes, leave much to be desired as they have been crippled by bureaucratic ineptitude and official corruption that has assumed the status of an albatross. The rural economy has suffered gross neglect even in the midst of natural endowments that have attracted the presence of multinational corporations. From the hindsight of history, most host communities have been marginalized with serious implication for peaceful co-existence, and conflict-laden relations. The main thrust of this paper is that the concept of corporate social responsibility should be adopted as a new approach in result-oriented rural development where the trans-national corporations and virtually all institutions engaged in the exploitation of host communities will be mandatorily involved in their socio-economic development as inalienable dividend of a democratic dispensation in the march towards nation-building.

Keywords: Corporate social responsibility, rural development, democracy, nation building.

1. Introduction

An x-ray of the current state of the Nigerian polity with particular reference to rural development reminds one of the mind boggling title of Chinua Achebe’s Things Fall Apart, with a chain reaction that “the centre cannot hold”. While we are forever grateful to Providence that our centre has not disintegrated and cannot dismember, it is incontestable that some critical centrifugal forces are working to emasculate its fibres, Alli (2007:60) describes the Nigerian State as one characterized by dependency and embroiled in economic crisis. While it is a statement of fact that the nation secured political independence from Britain in 1960, it is a horrifying reality that economically, it is not yet uhuru’. In a similar vein, Tamuno (2011:9) observes that in Nigeria’s current economic travails, we can hardly say Gradeamus Igitur which literally means ‘let us, therefore, rejoice or celebrate. This is loaned from Ancient Rome where it was customary to make such exclamation in occasional celebrations. With a life expectancy that hovers below fifty years and about 70% of the more than 150million living below poverty line (i.e. less than US$1 dollar a day), there is little to wonder that the economy is under strain coupled with the threat of insecurity.

The essence of good governance is to ensure that the basic needs of the citizenry are met. This draws inspiration from the social contract theory of Rousseau which delineates and differentiates between the legitimate roles of the state and the individual in governance. While the state should as a matter of obligation provide the basic means of livelihood to the citizenry, the individual is obliged to contribute his/her quota to the survival of the state in law-abiding and patriotic ventures, Mukherjee & Ramaswamy (2007:218) Sabine & Thorson, (1973:533). In this onerous task of the social contract there is much to suggest abysmal performance on the part of previous administrations, Abubakar (2011:107) notes that ‘in Nigeria, governments and the various regimes that come and go have been under intense criticism for the failure to properly and adequately carter for the welfare and well-being of the majority of the citizenry, in spite of the enormous
resources the country is endowed with,

In his analysis, Morgenstern (1996:148) notes that in the social contract as postulated by Rousseau, the individual is expected to surrender all his rights to the state through a process of alienation. Veritable rural development policy and its implementation to logical conclusion remains the sine qua non for durable peace and security. Where this socio-economic component is lacking, the dream for harmonious coexistence and material progress remains a mirage. There is the dire need for co-operative partnership between the government and private sector in a mutual understanding to tackle the teething challenges in the rural development projects through the unfettered application of the corporate social responsibility concept. The paper now focuses on the explication of some concepts.

2. Conceptual Clarifications

To historicize means to analyze social problems and allied issues from the prism of history. To a layman, history means the study of past events. Such an elementary definition is limited in scope because of its irrelevance to contemporary society. In its advanced form, history (from Greek, \( \textit{historie} \)) is a scientific inquiry into past human actions through the interpretation of evidence for the purpose of self development, Collingwood (1946). This definition unveils the major components such as the nature, method and purpose of history. The beauty of history is in its advantageous position of hindsight in reconciling the past with the present wit the sole purpose of planning well for the future. The bulk of our national throes lies in the fact that we have consigned our rich past to the rear. An investigation into our pre-colonial economy uncovers an enviable level of self-reliance where virtually every dweller was a labourer. The entrenchment of colonial rule ushered in a wave of disarticulation in the indigenous economy with its integration into the world capitalist economy. The advent of wage labour necessitated the evolution of white collar jobs and this meant that some rural dwellers who had their economic roots at the countryside had to abandon their age long tradition of farming, fishing, hunting, local manufacture, trade, etc for jobs in factories or interpreters and teaches in churches and schools respectively. Rural life gradually became stigmatized and this trend has dovetailed into the post colonial era. It is a well-known fact that Malaysians came to Nigeria in the early 1960s and borrowed palm seedling from Nigeria. Today they are one of the world’s largest producer of palm produce and even attempt processing fuel from it.

The concept of rural development is synonymous with grassroots provision of basic infrastructural facilities for the welfare of the citizenry. About 70% of Nigeria’s estimated population of more than 150 million persons, dwell in the rural areas. During the colonial era, some cities were developed and accorded befitting status for the cosy life of white administrators with some quarters designated as Government Reserved Areas (GRA’s). Yesufu (1996:246) while acknowledging the fact that the rural populace which comprises farmers and fishermen supply food through arduous traditional methods, observe that in spite of the obvious need and logic to keep the rural dwellers in the mainstream of national development, their lot has been one of benign neglect and the development effort has been concentrated in the main in the urban development the politicians get most of their votes and support from there, but only the crumbs of development fall their way. The concern for the wellbeing of suburb dwellers prompted the United Nations Organization to declare the 1970s as the decade for rural development, (Okoye, 2005:75).

Life in most rural areas of contemporary Nigeria is horrendously tallying with the observation of Eno cited in Tamuno (2009:7) which associates rural life with poverty, penury, hopelessness, half-clad children with protruding tummies and humpty—dumpsty heads revealing a high incidence of kwashiorkor and unemployed youths roaming the streets with no future in sight, widespread illiteracy and ignorance and vital absence of such basic facilities as hospitals, and clinics, electricity, potable drinking water, good roads, well ventilated houses, etc. there is no access to information-no newspapers, no television”.

The concept of development makes meaning only in a comparative sense as posited by Rodney (1972). Thus while using the availability of public utilities as an index, one can argue that the urban areas are more developed when compared to the scantiness of what is available in the suburbs, Adeyemo (2003:9) elaborates on the idea of development to include individual and collective well-being, a safe environment, freedom from want, opportunity for personal growth and enrichment and access to goods and services beyond the absolute minimum to sustain life... This definition captures the fundamental elements of the Basic Need Approach to development which spans a gamut of security, welfare, identity, freedom, health, education, employment, creative, physical environment, justice, social, participative, environmental, etc needs, Kalagbor (2004:15). Meaningful development must take adequate care of the total man covering every aspect of his physical, mental and moral well-being.

Corporate social responsibility is a synergized approach that calls for interface between the government and the private sector in the rural development project. Dangana (2012:1) posits that the concept of corporate social responsibility is a new mechanism by corporate organizations across the world through which they use a portion of their profit to invest...
in the development of the society, particularly their host communities, for the upliftment of the economic and social conditions of the people. The concept of CSR is principally to make contribution to the betterment of the society and make the organizations socially friendly with the communities for the former’s smooth operations.

Nigeria today has 774 local governments but does this proliferation adequately address the crisis of development in the rural areas? Any attempt by any administration, whether federal or state, to shortchange the focus on grossroot governance is playing to the gallery. There is the likelihood that most of our socio-economic challenges ranging from insecurity, electoral violence, the prevalence of city crimes, fraudulent financial practices, moral decadence, unemployment, kidnapping, insurgency to abject poverty, emanate from the abysmal neglect of rural development. Another fate that has beclouded rural development is the culture of abandoned projects either in the form of housing road construction, erection of cottage hospitals, etc. Historical insight reveals that previous administration have made one effort or the other in the area of grassroot development but we now assess their performance on a balance sheet.

3. Assessment of Rural Development Strides in Historical Perspective

It is instructive to note that the National Accelerated Food Production Programme was created by General Gowon immediately after the Nigerian Civil War in keeping with his post war vision of Reconciliation, Reconstruction and Rehabilitation. Prior to this period, Tamuno (2009:44), observed that the colonial administrators focused on rural development in the field of agriculture and the production of cash crops. The colonial administration also borrowed from the model of the Union of Soviet Socialist Republic under Stalin the rolling plans by embarking on the Ten Year Development plan and welfare for Nigeria 1946-1956. The Chinese under Mao Tseturing had also experimented the Five Year Plan after the 1949 Chinese Communist Revolution“.

In 1976, the then Head of State Gen. Olusegun Obasanjo commissioned the Operation Feed the Nation (OFN). With the inauguration of the Shehu Shagari civilian administration came the Green Revolution of 1980. Olisa & Obiuku (1992: ) note that the Third and Fourth National Development Plans that spanned 1975-1980 & 1981-1985 respectively left a footprint in Nigeria’s socio-economic history. International institutions like the World Bank, the International Labour Organisation (ILO) and the Food and Agricultural Organisation (FAO) support the rural development project with foreign aid.

From then on, emphasis was placed on integrated and co-ordinated rural development projects with a celebrated local government administration, whereas the River Basin development and the Integrated Rural Development Strategies were more or less agricultural in their initiatives, the Basic Needs and local government approaches were somewhat socio-political.

It is to the credit of the international financial assistance garnered that the Agricultural Development Project (ADP) which had a multiplier effect on food production was established since 1975 with offices dotting virtually every local government area and propelled by the following objectives namely the:

a. Promotion of agricultural intensive extension services involving the training of adequate number of extension staff.

b. Provision of necessary support facilities to extension agents such as transportation and working kits to permit regular visits by extension agents to farms and farmers.

c. Development of a package of improved farming techniques for transfer to farmers.

d. Procurement and provision of improved seedlings and other farm input including agro-chemical tools, integration pumps, fertilizers, etc for sale to farmers.

e. Establishment of an effective input distribution network through a series of farm service centres and development of rural infrastructures such as feeder roads and rural water supply via boreholes, tubewells, small earth dams, farmer training centres etc.

With time the ADP projects became a shadow of their avowed objectives as the “Nigerian factor” characterized by corruption crippled its lofty ideals. The Directorate of Food, Road and Rural Infrastructure (DFRRRI) was established in 1986 by the General Babangida junta to address the rural development question as enshrined in the following aims:

(i) To effectively promote a framework for grassroots social mobilization

(ii) To mount a virile programme of development monitoring and performance evaluation and

(iii) To undertake the construction of about 60,000 km of rural feeder roads.

Investigation reveals their DFRRII performed below expectation as only 29,773km of roads nation-wide was constructed as the scheme was blighted by bureaucratic bottlenecks, endemic corruption and gross abuse of office. This same ineptitude dealt a fatal blow to similar programmes aimed at grassroot development such as the Better Life for
Rural Women championed by Mrs. Maryam Babangida, the Late wife of General Babangida and the Family Support Programme (FSP) mounted by Maryam Abacha after the exit of the Babangida's administration.

An x-ray of all the effort of government at the empowerment of the rural economy unveils a hiatus and yawning gap between policy formulation and implementation. When it is realized that a big chunk of the tax payers hard earned money is committed to various rural development projects without concrete results the wary mind is agitated, Steady (1995) notes that social welfare institution can also be top-heavy administratively. Most Government rural development ventures, though admirable in their concept, are hurriedly packaged and poorly implemented without proper articulation and integration. Ekpeyong cited in Okaba (2005:52) observes that:

“the rural area was abandoned to stagnate in term of infrastructural facilities and turned into avenues for the production of cash crops and raw materials required for European industries abroad. This process impoverished the rural areas”.


It is to the credit of the President Olusegun Obasanjo administration that series of programmes were pursued to arrest youth unemployment and checkmate rural poverty, Magaji & Adamu (2011:698) posit that the Obasanjo government established the National Poverty Eradication Programme as early as 2006. NAPEP operated under for district schemes namely the Youth Empowerment Scheme (YES), the Rural Infrastructure Development Scheme (RIDS), the Social Welfare Services Scheme (SOWESS) and The National Resources Development and Conservation Scheme (NRDCS). NAPEP commenced full-scale activities in the 36 states of the federation including the deferral capital territory (FCT) while its presence was palpable in the seven hundred and seventy four local government areas as well. At its inception, the federal government released the sum of #6 billion to the programme which became instrumental in providing jobs for 5000 trained to acquire skills in rural telephone networks, tailoring and fashion design in one hundred and twenty five local government areas. Still in the pursuit of its specified objectives, NAPEP invested a substantial portion of the financial assistance received in the purchase of KEKE-NAPEP, a vehicle with three wheels that were found virtually every part of the federation.

NAPEP enjoyed sponsorship from different sources viz, The Poverty Eradication Fund (PEP) which is administered by the National Poverty Eradication Council in addition to contributions by state, local governments and the private sector. The World Bank, the United Nations Development Programme (UNDP), the European Union, and the Department for International Development, the Japanese International Cooperation Agency, and the German Technical Assistance are international organizations that have lent their support in one way or the other to ensure poverty reduction and youth empowerment with implication for rural development. In his second term, Olusegun Obasanjo introduced the National Economic Empowerment and Development Strategy (NEEDS). A corollary to this at the state lovely was the State Economic Empowerment and Development Strategy (SEEDS) under the supervision of state governments across the nation. There were, more or less programme towards grassroots development with four on youth empowerment. The relevance of NEEDs and SEEDS come to the fore when it is realized that the population of youths in Nigeria is about 50 million out of the estimated 150 million persons. As at 2007, these programmes were targeted towards creating about seven million jobs. Magaji & Adamu (2011) further observe that the youth empowerment project in Nigeria received a significant fillip in 2007 following the declaration of the “Plan of Action for Youth Empowerment” spanning 2007-2015 by the Common Wealth secretariat. Nigeria alongside 52 other member countries of the Common Wealth of nations signed the document. Generally the Common Wealth Youth Programme adopted a strategy whereby youths through various entrepreneurial skill acquisition programmes and micro-credit financing could become self-reliant.

4. **The Shortcomings Associated with the Previous Rural Development Programmes**

An inquiry into the performance index of previous rural development programmes in Nigeria reveals so many bottlenecks that have clogged the wheels of progress. Some of these range from policy somersaults, bureaucratic bottlenecks to the culture of abandonment of projects and endemic corruption. This assertion holds for the Operation Feed the Nation Programme, under the Obasanjo military administration, the Shehu Shagari Green Revolution Project, and the various gender related programs of wives of heads of state namely, the Better Life for Rural Women under the auspices of late Mariam Babangida and the Family Support Programs of Mrs. Mariam Abacha. Even the Directorate of Food, Road and Rural Infrastructure and the directorates of employment suffered similar fate. On the abysmal performance of various
poverty alleviation programmes Radda (2008:23) identifies the absence of valid mechanisms that will focus squarely on the rural poor, political bias, policy deviations, administrative lapses and the lack of continuity as mitigating factors. Some of the variables highlighted by Tamuno (2009:165) along this line include vagueness of policies, inconsistency of policies, poor implementation of programs and corruption while hinging the lackluster and non-desirable performance of rural development projects in Nigeria on corruption, Gbarabe (2009:61) submits that from available records, the World Bank has invested a whopping sum of not less than 8 billion into the economy since 1958 with nothing in terms of infrastructural facilities and human capacity development to justify it.

The National Directorate of Employment (NDE) could be classified as recording some success in its rural development initiatives. For example, in conjunction with the Nigeria Agricultural Co-operative and Rural Development Bank (NACRDB), NDE embarked on a training programme that earmarked three hundred thousand naira (#300,000.00) for each successful trainee. The Directorate also made giant strides in other fields. But irrespective of these achievements, Magaji Adamu (2011:696) observe that “NDES activities over the decades was said to be marred by insufficient funds to adequately finance those who received its skills’ acquisition training for them to be able to start their own businesses”. They further identify other mitigating factors such as over politicization of programmes, lack of accountability as borne out by the fact that:

NAPEP, the agency charged with the responsibility of coordinating and monitoring all poverty alleviation activities in the country was accused of involvement in a #400 million scam, with a staggering debt of #417 million through unpaid debts owed to it by Keke Operators and Riders Association of Nigeria.

Still about the same period it was murmured that about five thousand Kekes disappeared. In addition to all the aforementioned factors, Odo (2012:19) observes the prevalence of top bottom approach as the major bane of rural development programmes in Nigeria. The challenge in this is that more often than not, the alleviation measures are not pro-poor. The stakeholders in rural communities are hardly consulted with the aim of identifying their crucial needs. This was exactly the fate that befell DFRRI where most of the roads were abandoned. It is the people that will determine what ranks upper-most in their basic needs index. It is in light of obvious challenges responsible for the colossal failure of government rural development projects, that this paper recommends a complementary, not necessarily an exclusive, approach in the adoption of corporate social responsibility.

5. Corporate Social Responsibility as a Viable Tool for Rural Development in Nigeria

Already it has been noted under the explication of concepts that corporate social responsibility emanated from business organizations that partner with official administrations to play developmental roles in their host communities. This situation often arises where in most cases, the government is lagging behind whereas in industrialized polities, CSR’s only complement official dispositions. Very recently, the concept of local content provides that multinational corporations working in any given host community must ensure that the indigenes are engaged in junior staff recruitment, in addition to harnessing any raw materials that could be sourced from within the immediate environment.

The application of corporate social reasonability covers a under spectrum that spans human capacity building, employment opportunities, the provision of basic amenities and infrastructural facilities such as road construction, building of schools, provision of potable water, electricity, the award of scholarships to indigent students, construction of recreational facilities, provision of healthcare facilities at primary, secondary and tertiary levels, etc.

In his work, Dangana (2012:117) enumerates key institutions and organizations that have adopted CSR practices in Nigeria. Worthy of note is Shell Petroleum Development Company (SPDC) that donated a US $1 billion to the flood victim of 2012. SPDC also has a scholarship scheme for student in secondary school and tertiary institution in their host communities. It is on record that SPDC under its health- in- motion programme since 2008 provides medicare for her host-communities at Ebubu, Nchia, Ogale, Agbonchia, Onne, Eteo and Akpajo in Rivers State and provide medical assistance in about twenty seven hospitals in Niger Delta. On the whole, over 9,200 individuals received medical attention with the following breakdown:

1,226 patients received dental extractions, 1210 pairs of glasses were distributed, 1939 person were screened for cancer while 61 surgeries were conducted with lots more (Daily Trust Newspaper of Tuesday, August 7, 2012). SPDC is committed to the development of its host communities. Other multinational corporations, the Total Fina (ELF), Exxon Mobil Unlimited, Nigeria Agip Oil Company and their subsidiaries are involved in CSR related projects. Some government parastatals like the Kaduna Refinery and Petrochemical Company also embark on CSR related projects as it is on record that they (i.e the Kaduna Refinery on 18th October, 2012 doled out sixty thousand books to Rido community, its host. Similarly Paterson Zuchonis (PZ) Cussons Plc, has embarked an viable CSR projects namely the donation of a borehole
to Oworo Community in Felele area of Lokoja, the construction of a health centre in Isanlu, Kogi State commissioned on 20th April, 2011 donation of a generator with a generate house at Hay Banki and Kawo all in Kaduna metropolis on October 20, 2009 and same to Bundu Ama, a waterside settlement in Port Harcourt on 4th February, 2010 and lots more.

The telecommunication industry is not left out as MTN Foundation donated relief materials worth millions of naira to victims of the 2012 flood disaster in various parts of the country. It has also provided scholarship worth #200,000 each to blind students in different Universities, Polytechnics and College of Education spanning the six geo political zones of the country. The Daily Trust Newspaper of Wednesday 5th September, 2012 revealed that MTN foundation denoted sixty well equipped security patrol vans with the state of the art communication gadgets to eleven state governments of Akwa-Ibom, Anambra, Bauchi, Delta, Imo, Kano, Katsina, Ogun, Oyo, Plateau, Taraba and FCT Abuja. Some CSR feats have been accomplished, other organizations like The First Bank, Zenith Bank, Union bank, Diamond Bank etc, the Nigeria Liquefied Natural Gas Company, Dangote Group of Companies, Cadbury Nigeria Plc, Unilever Plc, Samsung West Africa, Inter-alia.

For CSR projects to succeed, there is the dire need to adopt the bottom-top approach which will necessitate feeling the social-economic pulse of the host communities. CRS must be pro-poor and people oriented. There must be grassroot consultation to determine where and which type of project must be provided. More so CSR projects must be geared towards self-reliance. This tally with the suggestion proffered by Usman (2012:45) that self employment is a key factor to the elimination of rural poverty with the implication for national development.

Finally, the three tiers of government should play a complementary role by enacting enabling legislations which mandate all multinational corporation and allied companies to earmark at least 5% of their profits for the development of their host communities. This is in the spirit of public private partnership. As much as possible, CSR projects must be void of the typical 'Nigerian factor' that has militated against government sponsored rural development projects. When it is realized that the major cause of rural urban migration is centered around economic survival leading to much pressure on city public utilities, increased rate of unemployment, violent crimes and other forms of social vices, the strategic role of CSR becomes palpable, Adebayo & Raheem (2012:77). It is an incontestable fact that from the hindsight of history, rural development forms the pivots on which sustainable socio-economic development revolves anchored on the instrumentality of CSR in the spirit of public-private partnership.

6. Conclusion

This paper historicizes on the role of corporate social responsibility in the rural or grassroot development of the Nigerian polity. With a staggering population of more than 150 million and with about 70% of this figure living below US$1 a day in the country side the argument for rural development be overemphasized. An investigation into previous official responses, demonstrate, that some seeming laudable projects aimed at rural development had been embarked upon but from the hindsight of history, these projects had been obstructed by the “Nigeria factor” that manifests in corruption bureaucratic lapses that translate into ineptitude and abandonment syndrome as borne out by the vicissitudes of The Operation Feed the Nation, Green Revolution, The Peoples Bank, Better Life, The Directorate for Food, Road and Rural Infrastructure, Directorate for Employment, Women Family Support Programme, and the National Poverty Eradication Programmes. It is in the light of these bottlenecks confronting these erstwhile programmes that this paper recommends the corporate social responsibility approach which is synonymous with public private partnership. In recent times, the private sector has impacted on the Nigeria economy through various channels such as assisting flood victims, erection of school buildings, award of scholarships, inter-alia. CSR projects must aim at impacting directly on the lives of the rural dwellers. It has been suggested that a minimum of 5% of the profits of multilateral corporations and allied companies be reserved, under legislation, for sustainable rural development in Nigeria.

References


