

The Role of Corporate Organisations in Community Development; A Case of Two Rural Banks' Corporate Social Responsibility, Ghana

Yalley Josephine Kwame¹, Avoada Cynthia², Mr. Ogoe Francis³

¹Nkrumah University of Science and Technology, Kumasi, Ghana.

²Department of Education, Catholic University College of Ghana, Fiapre

³University Practice Senior High School, University of Cape Coast, Ghana

Abstract

Corporate social responsibility (CSR) is a globally acclaimed 21st -century business virtue by which corporate organisations participate in community development. This case study investigates two rural banks' CSRs and how they complement the local government in community development. The study rural banks' CSRs were found to foster a win-win relationship, creating a thriving business environment, while contributing to community development. The study's banks' CSR philosophy was driven by the desire for legitimacy, maintaining a business presence, promoting equity while responding to community needs. The case study banks' CSRs drive, which complemented the local government to improve the livelihood, education, health and social amenities, was responsive to the needs of the rural communities. However, a deeper community involvement and collaboration, and more attention to livelihood interventions were required to maximise local relevance in community development.

Keywords: rural banks, corporate social responsibility, community development; local government, rural development

1.0 Introduction

Ghana's 1988 Local Government Act, Act 46, decentralised governance and development across a 3-tier national, regional and district governance structure (Ahwoi, 1992). The District Assemblies were established as the pillars for grassroots participation and the vehicles for delivering socioeconomic development at the district level. The DAs coordinates and harmonise the activities of the various local agencies including the Municipal Education Office (MEO), the Municipal Health Office (MHO), the Municipal Agriculture Office (MAO), and any other development programmes promoted by all ministries, departments, public corporations and private sector in the district in line with development plans for the local government (Ahwoi, 2017).

The District Assemblies (DAs) have been further decentralised across Zonal Councils [made up of clusters of communities], Electoral Areas [made up of smaller clusters of communities] and the Unit Committees at the local community level. The District Assemblies, the Zonal Councils and the Unit Committees are enjoined to collaborate with the traditional chieftaincy, religious organisations, NGOs, donor agencies, and corporate organisation to promote community development (Ahwoi, 2017; Amoako-Mensah, 2019).

The District Assemblies' role in community development in Ghana has been challenged by low funding due to inadequate internally generated funding (IGF) through property rate, market tolls, fines and royalties due to a poor property addressing system, lower than expected economic activity in the local communities and inefficient revenue collection systems. Low financing is, therefore, affecting the execution of their core mandate of developing an efficient human resources base, providing social amenities, promoting sustainable agricultural and small and medium scale enterprises (SMSs) to improve household income and quality of

life (ANMA, 2018). Therefore, the complementing role of the private sector in Ghana's local government system in promoting community development has become a clarion call. The private sector is also responding positively to this call through their CSRs. As a voluntary, moral, ethical and social community service, how do the private sector's CSRs align and complement local governments in promoting community development and how are they relevant in addressing local needs? This study, using the case of two rural banks, their host rural communities and local district, contributes to applied knowledge on private sector, community and local government collaboration in community development.

1.1 Local and Community Development

According to Marujo (2021), narrowing the twin concepts of local and community development exclusively on top-down economic and policy issues produces exclusion and marginalisation within society. Marujo thus expanded the conceptualisation of the twin concepts to encompass peace, health, livelihood, culture and social welfare, as well as a bottom-up dialogue-based approach to increase local ownership and local relevance in development towards meeting the Sustainable Development Goals (SDGs) at the local level. Mattarita-Cascante, Lee, and Nam (2020) argue that there is a thin line between community development and local development that produces specific and distinctive outcomes. However, the common factors blurring this distinction are community participation, collaboration, capacity building, and local empowerment. In their participatory study among small fishing communities in the Philippines, Watts, Pajaro, Raquino, and Añabieza (2021) argued that indigenous or local input in governance and livelihood intervention programmes contribute directly to community common good. In a similar study in India, Bhaskar (2021) found that community and traditional institutions' participation improved public health management. Also, in studying Colorado's agriculture-dependent communities in the USA, Harding (2020) and Gubbay and McKendry (2021) identified that a social capital-driven network of participation, collaboration and partnerships, natural capital support in a growing environmental and local livelihood concern and cultural capital grounded on local organisations in shared agricultural history were crucial to building community capacity and resilience to withstand the effect of drought on agriculture livelihoods. Government, private sector and community collaboration is pertinent to community development, especially in low-income rural communities.

1.1 CSR Practices

A growing arena through which the private sector directly responds to the call to community development has been through their corporate social responsibilities (CSR), to which this study contributes knowledge. CSR has evolved since 1953 as a vital tool for business sustainability and a critical strategy for corporate organisations to impact directly on the communities they operate in. There is a raging debate on the concept and the implementation of CSR (Loftus & Purcell, 2006) The World Bank Group (2010) defines CSR as the commitment of businesses to contribute to sustainable economic and social development by working with employees, their families and local communities to improve their lives in ways that are good for the business environment and development of its participants.

CSR as a community development strategy varies according to the size of corporations, whether small or large, local, national or multinational including its ownership and governance structures, and the political environment (Moan, 2010). CSR also takes different forms and approaches based on the corporation's business structure, ideologies, interests, objectives, the quest for legitimacy, competitive advantage, turnover and the catchment area in which the organisation operates (Carroll, 1999). Organisations' CSR also varies according to substantive content, such as economic, legal, ethical, and discretionary powers (Carroll, 1999). Additionally, different companies give varying emphasis to the different waves of CSR practices, including community development, socially responsible products and processes and socially responsible employee relations (Moan, 2010). Also, the approaches deployed to identify responsibilities and evaluate practices, in line with business ethical principles or value, shape the nature of organisations' CSR (Clarkson, 1995). CSR practices also influence by organisations' advertisements to reach out to more customers to maximise returns (Strategic Corporate Social Responsibility, 2013). It is also deployed as a tool for the redistribution of economic returns to bridge the inequality gap towards community development. As observed by Burrows (2000), CSR is a corporate organisation obligation to the community to extend the fruits of benefits to

shareholders and their community. Some studies also saw CSR as the legal responsibility of corporate bodies to address the socioeconomic concerns of the local people in their areas of operation (Bec, Moyle, & McLennan, 2016).

This study, therefore, operationalises CSR as equity and the social-humanistic principle of businesses in integrating the social concerns of the local people into their core business strategies, while complementing government in community development (Cacioppe, Forster, & Fox, 2008). CSR practices of corporate organisations have been fairly well-documented in empirical studies. The key practices include environmental sustainability efforts, philanthropy, services to communities for non-profit purposes, ethical and inclusive labour practices of treating employees fairly, employing local people, and involvement in volunteerism (Ayangbah, 2017).

Corporate organisations or businesses undertake CSR projects to sustain themselves in business and to address the socioeconomic problems facing the society at large to advance the course of education, health, culture and livelihoods. CSR practices of some organisations focus on providing equal employment opportunities and economic empowerment for the most socioeconomically marginalised, like rural communities, women, the disabled and children. The philosophy governing CSR practices is also driven by business enterprises upholding labour rights and human rights and engaging with any other relevant ethical issues (Buhmann, 2016).

The economic principle of CSR practices emphasises the efficiency of business enterprises in producing goods or providing services without any violation of social or environmental values (Crane, Matten, & Spence, 2019). Corporate institutions' CSRs focusing on livelihood, health, environmental and energy issues in the communities are growing globally as they are central to creating sustainable business environment CSR practice (Crane et al., 2019). Corporate social responsibility practices in recent times have been an alternative development approach complementing local government development agenda towards addressing the socioeconomic needs of people in both developed and developing economies (Strategic Corporate Social Responsibility, 2013). Kim, Brodhag, and Mebratu (2014) indicated that, over the past three decades, CSR practices have been a conduit to sustainable values and voluntary approaches to development. Studies by Decker (2004) and Mensah (2016) show the growing acceptance by financial service providers that they have a responsibility for sustainable development, as manifested by financial institutions' more recent adoption of corporate social responsibility programmes aimed at community development and responsible environmental management. A fourth CSR practice, which is necessary, is voluntarism. This quantifies according to the number of hours contributed by persons loaned to or a given lease time for public service work, aimed at encouraging individual involvement. Lastly, social investment is a critical CSR role that rural banks should practise. These include activities that consider rural community people relative to their investment decisions. A conscious attempt by banks to focus on proactively promoting community or public interest through credits with affordable rates and flexible payment schedules goes a long way to encourage rural businesses and ensure community participation in business ventures.

1.2 Rural Banks in Ghana

Rural banks in Ghana have provided financial inclusion and literacy to the hardest to reach and the most financially illiterate people, the rural communities, the majority of whom engage in subsistence farming and sole proprietorship table-top businesses (Adjei, Anlimachie, & Ativi, 2020; Amoako-Mensah, Anlimachie, Adu, & Elorm, 2019; Anlimachie & Avoada, 2020). The rural banks, therefore, play a crucial role in rural development in Ghana, serving about 50% of the Ghanaian population, which is rural. Rural banks in Ghana, unlike the larger commercial banks in urban communities, are community-owned, hence they have adequate geo-cultural and economic ethnographic lenses of the communities they operate in and are better positioned than the commercial banks to implement proactive services and strategies that are in tune with local needs (Ayangbah, 2017). Rural banks in Ghana are run by the local communities with supervision by the central bank (Bank of Ghana) through the Association of Rural Banks (Apex Bank). According to the Bank of Ghana (2018), rural banks are tasked to:

1. mobilise savings in the rural communities to provide credit to rural microenterprises, agro-based firms and cottage industries.

2. promote financial inclusion and literacy and monetise the rural communities.
3. promote growth and development of microenterprises in the rural communities to facilitate rural industrialisation; and
4. to promote any CRS to drive rural development.

Literature on CSR of banks in Ghana is growing (Ayangbah, 2017, Mohd-Sofian & Muhamad, 2019). In studying corporate social responsibilities practices among commercial banks in Ghana, Oteng and Abayie (2017) found that CSR practices have become synonymous with community development and creating sustainable business opportunities. This resonates with Rangan, Chase, and Karim's (2012) argument that measuring a corporation's success by its economic value creation was fundamentally flawed, and that businesses should also be evaluated by their social and environmental impacts on communities, as a company's CSR practices ultimately reflect its values and its relationship to the society it inhabits and upon which it depends.

Maimunah (2009) examined the role of CSR in community development from the rationality of the community's social, environmental and economic development. The study found that the organisations conform to regulation and voluntarily take initiatives to improve the wellbeing of their employees and their families as well as for the local community at large. Corporate social responsibility by banks complements local government agencies to improve the socioeconomic conditions of the beneficiary communities (Bank of Ghana [BoG], 2019). According to the Bank of Ghana (2019) report, the CSR of rural banks plays a role in increasing access to productive capital for rural people for investment into human capital development and training, women's economic empowerment through small scale businesses and reduction of rural poverty.

Empirical studies have found that the CSRs of rural banks in Ghana have had little impact due to the lack of local relevance, low community participation and poor marketing and proper targeting (Ayangbah, 2017; Mohd-Sofian & Muhamad, 2019). Adjei, Anlimachie, and Ativi (2020) found that Ghanaian rural farmers, the majority of who are women, are not able to access bank credit due to the lack of ownership of land and other immovable property as collateral security, an indication that rural banks have not done enough through their CRS strategies to hook rural women in financial inclusion.

1.3 Research Problem

CRS is becoming a popular strategy of corporate organisations in partnering with local government in community development. In the case of rural banks in Ghana, CSR is increasingly becoming a conduit by which financial institutions give back to communities they operate in and to arouse public confidence in banking to drive financial inclusion for sustainable rural development. Many studies (Ayangbah, 2017; Mohd-Sofian & Muhamad, 2019) have investigated the CSR practices of businesses, but there is inadequate focus on how CRS practices of rural banks can better complement the District Assemblies in promoting rural/community development. This study investigates the CSRs of two rural banks in the Sunyani Municipality of Ghana and situates them in Ghana's decentralised development approach. The study contributes to knowledge on how CSR strategies can best complement the local government in promoting community development. The study was guided by the following research questions:

1. How do rural banks' CSRs complement local government in community development in Ghana?
2. What philosophy drives rural banks' CSRs in Ghana?
3. What best CSR practices and development strategies are relevant to the development needs of rural communities in Ghana?

2.0 Methodology

2.1 Theoretical Framework

The study was scaffolded by the legitimacy theory (LT) and the socio-political cost theory (SPCT) According to Murthy and Abeysekera (2008), the legitimacy theory is a system-oriented approach that considers the corporate organisation as a part of a wider social system. Legitimacy theory posits that organisations continually seek to ensure that they operate within the bounds and norms of their respective

societies. Organisations carve out legitimacy within their community of operation by contributing to and participating in activities important to the local communities they operate in (Deegan, Rankin, & Tobin, 2002). Thus, corporate organisations voluntarily cede some of their resources to the local communities in exchange for a bond, trust and legitimacy to build a brand that sustains their business while responding to community expectations (ADB, 2019; Cormier & Gordon, 2001). Therefore, LT mimics the social contract between the corporate organisation and their host communities, serving as tools of legitimation, philanthropy and social disclosure to rally all stakeholders to support and trust organisations' legitimate business operations (Ihlen et al., 2014; Zheng, Luo, & Maksimov, 2015). The social contract is used to represent the myriad of expectations society has about how an organisation should conduct its operations since its survival will be threatened if society perceives that an organisation is acting in breach of the unwritten social contract (Deegan et al., 2002).

In contrast, the socio-political cost theory argues that corporations consciously accept certain social costs in their quest for economic survival through social disclosures and other income-reducing accounting methods designed to protect managerial interests (Watts & Zimmerman, 1990). The theory, otherwise called the political cost hypothesis or positive accounting cost, explains that social costs are borne by emerging corporations to respond to pressures from politicians and civil society groups on social disclosures or social responsibility programmes. Alternatively, companies incur huge costs in the political process of their communities to forestall the impact of external pressure on their operations (Milne, 2002).

2.1 Research Design and Methods

Methodologically, the study was framed from the social constructivism perspective that community development needs transcend and socialise all community stakeholders. Hence it must be socially constructed through community dialogue to inform relevant strategies that address community needs (Bryman, 2012). Therefore a social construction and social interaction within or between social groups produce objective knowledge to drive social change (Burrell & Morgan, 1992). The study, therefore, used a case study design with a participatory action research strategy to reach out to the participants and their setting to jointly construct knowledge through critical community meeting discussion, interviews, field observation and document analysis. This design sought to elicit an in-depth view of participants' lived experiences and the researchers' objective interpretation of participants' views.

Ten local stakeholders, including four (4) bank officials (two from each bank), two officials from the local government (District Assembly), and then four (4) community members participated in interviews. The pseudonyms NsoMger and BadMger were used for the participating bank managers of the two rural banks. Also, NsoOpr and BadOpr were used for the operation managers of the two banks. The participating local government officials, including the District Chief Executive, the political head of the district and an Assembly member, were presented in this study as DCE and GovAPP. The participating beneficiary communities' participants were represented in this study as NsoBen1, NsoBen2, BadBen1 and BadBen2.

The semi-structured interviews were conducted individually with the participants to elicit in-depth descriptions and explanations based on participants' life experiences regarding the operation of the banks and their relationship with the local communities. The interviews were conducted in the local Akan language, audio-recorded and simultaneously translated and transcribed for thematic and descriptive coding. Each interview lasted for some 45 minutes. The semi-structured interview format is deemed more appropriate in situations where the researcher requires in-depth knowledge about the social phenomena but wants a certain level of control over the interview process. Field notes were also taken to supplement the interview data.

Additionally, some 100 community members were invited through an open invitation to join the ten interviewees in a community meeting to discuss the role of local stakeholders in community development in one of the two rural communities chosen as the site for this study. The community meeting provided a critical platform to elicit introspections, renew commitment and how best stakeholders could collaborate to promote community development. The community meeting was, therefore, used to instigate the participatory action research (McTaggart, Nixon, & Kemmis, 2017).

The participants were selected by triangulating the purposive sampling, simple random and clustering sampling techniques. Pseudonyms were used to represent participants in this study. Likewise, the community member participants at the community meeting were represented as community members. Also, qualitative documents data on the study rural bank and the local government were from policy documents and reports and websites. The document data were analysed using a summative write-up. The data collection lasted for three months. Inductive analysis of qualitative data, utilising manual, descriptive and theming coding, was adopted to allow key themes to emerge from the qualitative data. The key themes thus merged to elaborate or sensitise concepts emerged to explain the findings (Bryman, 2012; Creswell, 2021; Creswell & Clark, 2011).

3.0 Results and Discussions

3.1 Local Government-Community Collaboration in Community Development

The Sunyani municipality's tropical environment is rich in natural resources, including arable land, forest, water and mineral resources. Also, the aesthetic and historic features of the municipality, together with its cultural diversity and physical environment, have vast tourism potential (Ghana Statistical Service, 2014). However, the study research community's district geo-cultural context is embedded with some contextual challenges that need to be navigated to advance sustainable community development. First, the tropical climate fosters diseases like malaria and diarrhoea, which, together with the harsh weather condition, diminishes rural agriculture productivity. Economic activity, including agriculture [the dominant economic activity] in the municipality was less technologically driven, hence productivity was, therefore, low leading to high household poverty, especially among the farmers (Ghana Statistical Service, 2014). Our field observation found poor infrastructure in the municipality. The municipality documents analysis (see Tables 2 and 3) also revealed low education outcomes and rural-urban inequality in socioeconomic development. Therefore, the municipality's context suggests the need for local government and the private sector to focus their development drive and CSRs to improving livelihood, health, social amenities, equity and rural development issues.

The Sunyani Municipal Assembly's (the local government) development strategies and funding sources as collated from the relevant district documents (as presented in Figure 2 and Tables 1- 3) were underpinned by strong inter-agency collaboration, collaboration with the local communities, religious organisations, NGOs donor agencies, and the private sector. The analysis of the district documents further showed that the Sunyani Municipal Assembly's policy approaches ride on decentralisation, community participation and local resources mobilisation towards sustainable community development. Community participation, including CSRs, was thus an important strategy to the local government of the study research community.

3.2 The Study's Banks' Corporate Social Responsibility Strategies

This section narrows down on the case of the study's two rural banks' CSRs in community development. The section draws on data from document analysis, interviews and field note to analyse the study's banks' CSR and its impact and responsiveness. The summative write-up of the study's rural banks' CSR elicited from document sources, as summarised in Figure 2 below, included support to schools' infrastructure development, drilling of boreholes to supply good drinking water for the rural communities lacking potable water, and the extension of electricity to communities which were not on the national grid. Others concluded granting scholarships to brilliant but needy students, and the provision of educational materials like computers and books and stationery to schools in these low-income rural communities. The banks' documents also point to the fact that they were supporting the livelihood activities of the rural communities by giving farmers flexible loans in the form of agricultural implements, like hiring ploughs, harrows and other machinery, providing them with fertilisers and improved seeds to improve productivity. The banks' CSR programmes also encompassed Women's Empowerment Programme (NWEPP) aimed at improving income, knowledge, health and nutritional wellbeing of rural women and their families. Eliciting deeper expatiations of the banks' CRS strategies, the managers of the two banks explain for example that:

We found that, social-culturally, women in this area play a crucial role in maintaining families although they are the least educated group and the most marginalised when it comes to ownership of land and decision-making concerning the use of family land. which

is crucial to the agrarian rural communities we operate in. Due to the high out-migration of the men to the cities and the adjoining mining areas, women in this area have become the main breadwinners of their families. So, we adopted the Women's Empowerment Programme (NWEPP) to strategically empower rural women in the areas of information, health, nutrition and livelihood to better position them to cater for their families. (NsoMger)

The bank manager of Baduman rural bank adds:

As part of our measures to economically empower rural women, we have assisted working women with capital and agriculture inputs. Over 18,000 women have so far benefited from our women's livelihood support scheme since 1998. We have grouped our rural women into cooperative groups, six members each. We regularly take them through best practices in managing small to medium scale agri-business and merchandising, after which the bank grants them loans and business advice and extension support to ensure they succeed. The women are also taken through measures to ensure that they are healthy with a particular focus on HIV/AIDS and nutrition with the view of achieving higher productivity. (BadMger).

Another bank official explains that the bank has a deliberate strategy of helping to alleviate poverty in its catchment area by,

targeting rural poor women who on their own have no collateral security to access loans from the bank with flexible credit facilities to support their economic activity. (NsoOpr).

Another bank official observed that women were an important target to their operation because 'women form about 61% of their shareholders and constitute the majority of the population the districts [they] operate in' (NsoMger).

Additionally, the banks

...provide credit facilities to help the rural farmers and petty traders to overcome production bottlenecks and creating access to market. We have also supported with transportation of agricultural produce from the remote communities to the markets by grading the feeder (red dirt) roads. (BadMger)

Another CSR initiative of the *Nsoatreman* rural bank identified from the bank's document was the Hunger Project. Shedding more light on this project, the bank's Operational Officer explained that:

The Hunger Project is organised in partnership with an international NGO that aims at improving sanitation. The schemes provide the public and households with toilets. We have constructed a lot of toilets through this project as part of our corporate social responsibility. There is evidence of improvement in sanitation in our local communities based on what we have already done. (NsoOpr)

Participating local government officials commented on the banks' CSRs in the water and sanitation sector. The DCE confirmed that:

the bank's assistance has complemented the local government in the provision of water and sanitation. Bauman Rural Bank has provided 12 borehole standpipes over the past two years in some rural communities in my district. This has contributed to solving the acute water problem in these communities, while improving the sanitation of these communities. (DCE)

The banks' CSRs are also geared to environmental sustainability. A participating bank official explained:

We have embarked on several environmental and sanitation campaigns including organising communal labour for clean-up exercise, in addition to the provision of waste bins. These campaigns are done regularly to ensure a clean environment to reduce the high incidence of malaria which accounted for the high hospital attendant in the local communities.

The manager of Baduman Rural Bank also mentioned the “Sanitation for All Project” as one of the environmental campaigns aimed at improving sanitation in areas of operation. The manager explained:

the bank provides local communities with mosquito nets and insecticides to fight mosquitoes and the causes of malaria in the area ...we engage in constant consultations with the local communities' leaders to educate the local people on bushfire prevention and sustainable farming practices to reduce environmental degradation for sustainable rural livelihood. (BadMger)

The study of rural banks' CSRs also extended to supporting the provision of rural electrification. According to the GovAPP, banks supported the local government with the Badu community electrification project as part of the Self-Helped Electrification Project (SHEP). The manager intimated that. ‘... Baduman Rural Bank came in to assist the communities by making provisions for the low voltage poles ...’ (BadMger).

From the above data, study rural banks' CSRs and credit products focus on livelihood, education, electrification and water and sanitation which, are crucial to the low-income rural communities' social and economic activities. The banks' CSRs and products also sought to target the vulnerable rural women with the view that improving the livelihood of these women will translate to improve the socioeconomic status of the rural families since women play a fundamental role in family sustainability, in addition to constituting the majority of the banks' shareholders as well as the population in the banks' catchment area.

Analysing the study rural banks' CSRs from the legitimacy theory (LT) lens, the banks CSR approaches are geared towards the social, economic, health and environmental wellbeing of their local community aimed at lifting the low-income rural folks from poverty and underdevelopment while using that as a means to establishing a better presence in and relationship with the local communities to sustain their business presence. Situating the Banks's CSR interventions in social political cost theory (Watts & Zimmerman, 1990), the banks' CSRs, therefore, aligned with and complemented the local government community development drive. This suggests that the study's rural banks have ceded some of their economic returns to the community level forces or powers but did so rationally to maintain business privileges and become locally competitive. By complementing the role of the local government in community development by accepting the social costs associated with the provision of social amenities, the banks were able to inscribe their business presence and legitimacy in the minds of the local people to facilitate their long-term business interests. Through this social ethical role, the banks were able to ride on local support for a thriving business environment.

3.2 The Impact of the Banks' Corporate Social Responsibilities

The responsiveness and the impact of the study's rural banks' CSRs have elicited from the participating community members, the local government officials, and the researchers' reflective field observation. The beneficiaries of the banks' CSRs and researchers' field observation identified visible imprints of the study's banks' CSRs and their impact on the beneficiary rural communities' socioeconomic lives. The participating community members noted that interventions such as the banks' educational development fund (NsoBen2) and the women's empowerment programme (NsoBen1) have been powerful tools of empowering the beneficiaries' rural communities with information, knowledge, skills and capital, contributing to the improvement in their socioeconomic status.

The participating community members and the local government officials also observed that the banks play an important role in complementing the local government effort in the provision of some social amenities to the local communities. They mentioned the provision of water and sanitation facilities which they said have contributed to ending the long years of having to drink untreated water from streams and queuing at a public toilet in the mornings to attend to nature calls. A community participant observed that:

The Baduman Rural Bank's gesture of providing us with borehole standpipe water has been a blessing to our community. It has saved our women and children time and the daily discomfort of trekking long distances to fetch water from the stream, while also reducing the high incidences of diarrhoea that used to be common in our community. (BadBen1)

Commenting on the responsiveness of the banks' SCR practices, the beneficiary communities' participants observed that:

We [community members] are also able to access credit facilities to improve our socioeconomic situation better than before the advent of these banks in our community. (NsoBen1)

Another beneficiary community participant added:

The CSR practices of the bank are responsive to our developmental needs, and they have contributed to improving our standard of living in the areas of health, education and income. (NsoBen2)

However, another community participant opined that: 'when it comes to giving us more flexible and cheaper loans to support our livelihoods, maybe, they [Baduman rural bank] can do better, I think'. [BadBen2] In commenting on the impact of the banks' CSRs, the local government officials affirmed the immense contribution of the two rural banks to education and provision of social amenities in the Municipality. They opined that:

The Nsoatreman Rural Bank scholarship scheme programme for brilliant but needy students has helped to bring educational support to students, who would have dropped out of school due to their families' low-income status. (DCE)

The bank's flexible education financing support credit programme dubbed: *Adesua Ahoboa*, [translated literally as preparation towards the child's education] has helped to alleviate the financial problem of many households in terms of education financing. (Assembly member1)

Therefore, the ensuing data suggest that the banks' CSR practices and products appeared to be responsive to the needs of the beneficiary rural communities, contributing to an improvement in their livelihood, education infrastructure and health needs. However, the impact of the banks' CSR interventions and products would have been maximised if they were focused more on livelihood activities of the beneficiary communities. The findings resonate with other studies (Bhaskar, 2021; Gubbay & McKendry, 2021; Watts et al, 2021) that found that community development drive that focused on livelihood, health and social welfare issues among low-income agrarian communities yielded better community development outcomes. From the researchers' reflexive observation and interaction with the local rural communities in the bank's catchment area, it was obvious that notwithstanding their low socioeconomic status, the rural communities exhibited rich history, cultural assets, communal spirit, ethnographic imagination, and knowledge that the banks can tap into to improve the relevance, the responsiveness and the sustainability of their CRSs and products.

3.3 Philosophy Underpinning the Banks' Corporate Social Responsibilities

Commenting on the banks' motivation for engaging the CRS, the bank managers explained:

...we are not so immoral to exploit our clients by denying them their right to the benefits that accrue from our business operation. As we benefit from them so should our presence be to the local communities. (NsoMger)

Our reason for promoting health, sanitation and environmental campaigns in the local communities' hinge on our business philosophy that health workers and the environment

make a thriving and resourceful business. The health of our customers is important to their products, which also impact their doing business with us. (BadMger)

The Operation Managers of the study's rural banks also say: '...we see our business as a win-win relationship with our customers and their community... our customers' survival is paramount to us'(BadMger). 'Bauman rural bank makes ethics a part of its mission statement to avoid any practice that can cause harm to the environment, employees, customer and the entire community' (BadOpr). Another official also posited:

We are law-abiding ...our activities and records are always open to the public ... we are socially sensitive and responsible ...we change our policies in response to public criticism to serve them better. (NsoOpr)

From the above data, the philosophy driving the banks' CSRs is to maintain a fair, equitable and ethical relationship with the local communities they engage in business with, while promoting community development. They see their CSRs as an ethical community responsibility, a social safety net and a means of sharing the benefit accrued from their business operation. Above all, the banks believed that CSRs help to improve the health, wellbeing and productivity of their customers to continually do business with them. Therefore, from the legitimacy theory (LT) lens the banks saw their CRSs as both an unwritten social contract and a means to cement their legitimacy as also argued by Deegan, Rankin, and Tobin (2002). From the socio-political cost theory lens, the banks' CRS philosophy was driven by the quest for social disclosures and being socially responsible to ward off of public or political pressure that could undermine their business operations, the corroborating argument of Watts and Zimmerman (1990).

3.4 Community Participation in the Local Development

The extent to which the study's local government and the study's rural banks involved the local people in the choice, formulation and implementation of development projects was elicited via the community meeting discussion. A participant at the community opined:

When it comes to infrastructure projects, they (the rural banks and the local government) involve us in the choice and sometimes the sites of those projects. But on most of the other projects, we only get to hear of them during the implementation stage...we (the indigenous) are endowed with rich experiences which we can offer to improve the relevance of those programmes if we are deeply involved. (Community member)

According to the participating local government and the banks officials' views elicited at the community meeting, they fairly involved the local communities in their community development derive and agreed with the community participants of the need to deepen community involvement.

The impact of the study's local government community development strategies and the study's banks' CSR interventions would have been more responsive and relevant if they deeply involved the local communities in the conception, choice, design and implementation of such interventions. This finding corroborates Bhaskar, (2021), Gubbay and McKendry, (2021) and Watts et al.'s (2021) finding that a ground-up approach to community development facilitated a deeper community involvement, collaboration, dialogue and shared commitment and vision to drive the success of livelihood, health and social development of low-income communities.

4.0 Conclusion

The key conclusion emerging from the analysis of the study's rural banks' CSRs is as follows:

The study of rural banks' CSR approaches was found to align with the local government in promoting community development. The study's rural banks' CSRs complemented the local government in promoting rural livelihood, health and social services and aimed at uplifting the low-income rural folk from poverty while serving as a means for establishing a better relationship with the local communities to sustain their business presence. The study of rural banks' CSR strategies, therefore, facilitated the maintenance of the

existing power structure and its allocation of values and resources aimed at rallying support from the local power brokers to ensure their business sustainability in the local communities.

The banks' CSR practices focusing on livelihood, education, health and sanitation, social amenities and environmental improvement were found to be responsive to the needs of the low-income rural agrarian communities, complementing the role of local government in improving the standard of living of the rural folk. The study's banks' CSR interventions became more beneficial, impactful, responsive and relevant when they were geared more towards livelihood empowerment and courting a deeper community involvement.

The study's rural banks' CSRs philosophy sought to advance a fair, equitable and ethical win-win relationship with the local communities they do business with by distributing the benefit accrued from their business operation. The banks' CSRs were also hinged on the philosophy that a healthy physical and social environment, as well as body and minds, make a thriving business. Therefore, investment in the local communities and people was critical to their business success.

The conclusion drawn from this study is that the private sector's CSRs have become a complement to local governments in community development in Ghana. The case study rural banks' CSRs driven by equity, ethical responsibility, legitimacy and economic imperatives were found to be responsive in addressing local development. However, deeper community participation and increased focus on livelihood interventions were required to make the CSR interventions more relevant to local development needs. The study, therefore, recommends that the case study rural banks' CSRs, and by extension all rural banks in Ghana and other jurisdictions with similar contexts, must adequately involve the local communities in the conceptualisation, the designing and the implementation of the CSR programmes to maximise local relevance in business, livelihood, social and rural sustainability outcomes. Community needs assessment and engagement must be deepened, extended, and sustain in the CSRs processes, while better collaboration is forged with the local government.

List of Figures and Tables

Figure 1 Ghana's Local government structure

Figure 1: Document analysis of the Study Banks' Corporate Social Responsibility interventions

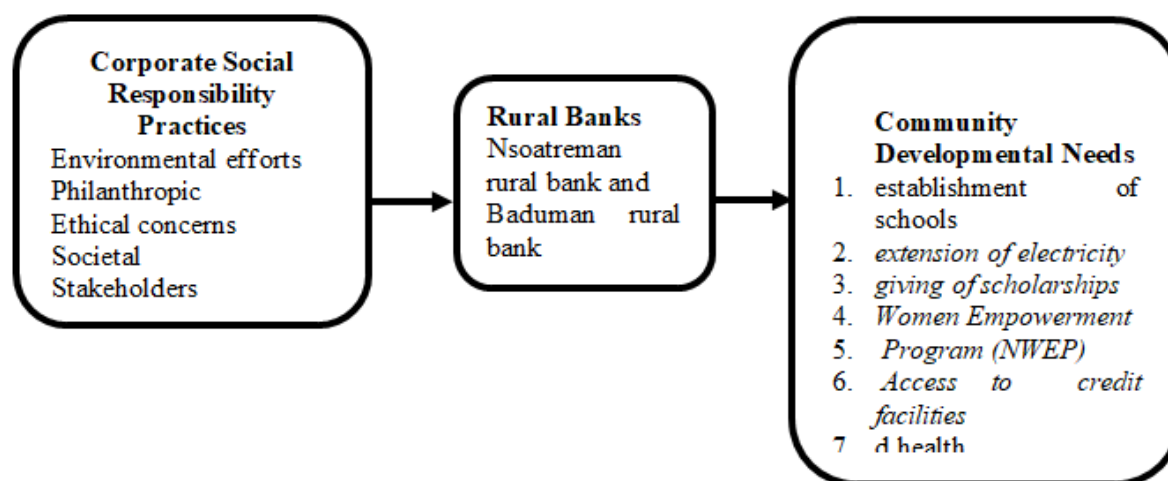


Table 1 Funding Community Development, Sunyani Municipality, Ghana

Funding sources	Percentage
The District Assembly Common Fund (DACF)	38.0
Government of Ghana sources	30.0
Internally Generated Fund (IGF), Private & Donor support and others	32.0

Sunyani Municipal Assembly Composite Budget 2018

Table 2 The Functions and policy Strategies, Asunafo North Municipal Assembly, Ghana

Core Functions	policy objectives & strategies
<ul style="list-style-type: none"> - Exercise political and administrative authority in the district, provide guidance, give direction to, and supervise the administrative authorities in the Municipality. - Performs deliberative, legislative and executive functions - Ensure the preparation of development plans and annual and medium-term budgets of the district related to its development plans. - Formulate and execute plans, programmes and strategies for the effective mobilization of the resources necessary for the overall development of the Municipality - Promote and support productive activity and social development in the Municipality and remove any obstacles to initiative and development - Initiate programmes for the development of basic infrastructure and provide municipal works and services in the district - Responsible for the development, improvement and management of human settlements and the environment - Collaborate with the corporations and local communities to promote local development - Responsible, in cooperation with the appropriate national and local security agencies, for the maintenance of security and public safety in the Municipality - Ensure ready access to Courts for the promotion of justice. - Initiate, sponsor or carry out studies that are necessary for the performance of a function conferred by Act 936 or by any other enactment. - Guide, encourage and support sub-Municipal local government bodies, public agencies and local communities to discharge their roles in the execution of approved development plans - Promote or encourage other persons or bodies to undertake projects under approved development plans - Monitor the execution of projects under approved development plans and assess and evaluate their impact on the people's development, the local, Municipal, and national economy 	<ul style="list-style-type: none"> - Enhance access and the quality of educational infrastructure and IMs in school - Improve ICT infrastructure - Develop adequate skilled human resource base and sustainable natural resources management - Expand sustainable, equitable and accessible social services including healthcare, electricity, telecommunication to promote economic development and skill learning - Promote a sustainable, spatially integrated, balanced and orderly development to empower the local people to better support children development - Re-orient agriculture as an economic tool by increasing access to extension services and promoting the use of improving seeds and method to increased agricultural productivity and household incomes. - Improve the efficiency and competitiveness of Small-Medium Scale Enterprises, especially agro-based industries to improve agricultural value chain - Expand access and promote effective coordination to social & child protection and welfare services to vulnerable children and increase child protection and family welfare systems at all levels with a partnership with NGOs, the schools and the communities - Expand the School Feeding Programme to increase school attendance and retention - Promote full participation of persons with disabilities in society and ensure that they enjoy all the benefits of Ghanaian citizenship - Eliminate the worst forms of child labour with a partnership with the NGOs, the schools and the communities - Improve access & coverage of potable water in rural & urban communities to a reduced water-related disease - Improve local participation, revenue mobilization and accountability

Source: Municipal document analysis and community meeting discussion

Table 3 Rural-urban Inequality in Development

Yalley Josephine Kwame et./al The Role of Corporate Organisations in Community Development; A Case of Two Rural Banks' Corporate Social Responsibility, Ghana

Urban	Rural
Age-appropriate enrolment due to proximity/to and the availability to school, and better transportation	Late school enrolment due to long travelling distance and inaccessibility to school occasioned by the inequitable distribution of schools and poor transportation network
Urban schools appear better staffed with quality and experienced teachers	Rural schools in the Municipality have more non-professionally trained and less experienced teachers. The rural remote schools are hard to staff with experienced professionally trained teachers.
Higher teacher retention rates in the urban communities promote continuity of school culture	High teachers' turnover in rural remote schools limits the forging of enduring collaborative school cultures
Urban parents are better able to support education and learning due to comparatively better socio-economic status	Rural families are less able to support education due to high poverty rates and low educational attainment.
Urban investment into livelihood, education and health is higher than rural areas	Rural income for investment is low due to c low incomes and high dependency burdens.
Urban schools are comparatively better equipped as urban populations are more able to exert political pressure and demand their rights to education and better able to contribute financially to support school infrastructure development due to their relatively better income level compared to the rural population	Most rural school are poorly equipped with infrastructure, ICT, and IMs. Family financial support to school infrastructure improvement in school is comparatively low due to low-income levels. High rural dependency ratio compared to the urban areas diminishes rural investment in education
The urban population have relatively better access to improved housing conditions. This attract and retain teachers in school.	Rural areas are usually characterized by poor housing with poor water and sanitation facilities. Rural housing are mostly mishit structures built with mud. The poor rural housing demotivates teachers from working in rural communities in the Municipalities. Most rural teachers tend to live outside the school host community. Rather they commute to school from nearby populated towns with relatively better access to social amenities. This contributes to teacher lateness and absenteeism, and high teacher turnover in the rural communities.
Urban areas have better access to social amenities and services like electricity, water, waste management, roads, ICT, banking among others.	Remoteness contributes to poor access to social amenities and absence essential services like banking, internet in most of the rural communities in the Municipality
Urban communities have relatively more diversified employment options. although low that cut across services, industry, and commerce sectors.	Rural employment, and thus sources of income in the Municipality is limited to mainly agriculture (80%). This contributes to rural youth-outmigration. Also, rural children have highest risk of child-labour. Family labour accounts for 54% of agricultural activity in the Municipality.
Comparatively better learning outcomes	Low learning outcomes

Source *Municipal document analysis, community meeting discussion and field notes, and researcher field notes*

References

1. Adjei, V, Anlimachie, M.A., & Ativi, E. (2020). Understanding the Nexus between Climate Change, the Shift in Land Use toward Cashew Production and Rural Food Security; The Experiences of

- Farmers in the Transition Zone of Ghana. *Journal of Atmospheric Science Research*, 65, 65881289.
2. Agricultural Development Bank-ADB (2019). ADB Annual Report 2018. ADB Annual Reports. doi:10.22617/fls190058
 3. Afful, C. F., Hejkrlik, J., & Doucha, T. (2015). Rural banking in Ghana and its impact on rural farmers: A case study of the Birim South District, Ghana. *Asian Social Science*, 11(25), <https://doi.org/10.5539/ass.v11n25p101>
 4. Ahwoi, K. (2017). *Local government & decentralisation in Ghana*. Winmat Publishers Limited
 5. Alhassan, E. A., Hoedoafia, M. A., & Braimah, I. (2016). The effects of microcredit on profitability and the challenges of women-owned SMEs: Evidence from northern Ghana. *Institutions*, 3(1), 29. Doi: [10.5296/jebi.v3i1.9525](https://doi.org/10.5296/jebi.v3i1.9525).
 6. Amoako-Mensah, T., Anlimachie, A. M., Adu, B. S., & Elorm, E. A. (2019). Out-migration and the double jeopardy of rurality in Ghana. An integrated approach to rural development. *European Journal of Geography*, 10(1), 50-67.
 7. Anlimachie, M. A. (2019). Enacting relevant basic education to bridge the rural-urban inequality in Ghana; The prospects and approaches for investigating rural educational realities. *International Journal of Humanities and Social Sciences*, 11(1), 42-58.
 8. Anlimachie, M. A., & Avoada, C. (2020). Socio-economic impact of closing the rural-urban gap in pre-tertiary education in Ghana: Context and strategies. *International Journal of Educational Development*, 77(102236), 1-12. <https://doi.org/10.1016/j.ijedudev.2020.102236>.
 9. Arbiol, J., M, Gura, E. M., Jan, P. R., & Cece, L. (2020). Hope of the future: Indigenous children perspectives about education. *International Journal of Humanities and Social Sciences*, 12(3), 1-12. <https://doi.org/10.26803/ijhss.12.3.1>.
 10. Asamoah, L. A., & Adu, G. (2016). An empirical analysis of the determinants of interest rates in Ghana. *Journal of African Business*, 17(3), 377-396. doi:10.1080/15228916.2016.1207493.
 11. Awo, J.P. & Akotey, J.O. (2019). The financial performance of rural banks in Ghana: the generalized method of moments approach. *World Journal of Entrepreneurship, Management and Sustainable Development*, 15, 2-18.
 12. Ayangbah, F. (2017). A comparative analysis of corporate social responsibility practices in the banking industry: The case of Ghana and China. *Journal of Economics, Management and Trade*, 20(1), 1–14. doi:10.9734/jemt/2017/33399
 13. Baden, F. D. (2010). CSR: An opportunity for SMEs. In C. Louche, S.O. Idowu, & W
 14. Leal Filho (Eds.), *Innovative CSR: From Risk Management to Value Creation*, pp. 84–101. doi:10.9774/leaf.978-1-907643-26-2_6.
 15. Batinge, B. K., & Jenkins, H. (2018). Assessing the factors militating against microfinance in alleviating chronic poverty and food insecurity in rural northern Ghana. *Springer Proceedings in Business and Economics*. in N.Ozatac & K. K. Gökmenoglu (Eds.), *Emerging Trends in Banking and Finance*, pp. 181-198. Springer. doi:10.1007/978-3-030-01784-2_11.
 16. Bhaskar K. K. (2021). Role of traditional institutions in Covid-19 management: A case study of Dorbar Shnong in Meghalaya, India. *Local Development & Society*. doi: [10.1080/26883597.2021.1960183](https://doi.org/10.1080/26883597.2021.1960183).
 17. Bec, A., Moyle, B. D., & McLennan, C. J. (2016). Drilling into community perceptions of coal seam gas in Roma, Australia. *The Extractive Industries and Society*, 3(3), 716–726. doi:10.1016/j.exis.2015.12.007.
 18. BOG, Bank of Ghana. (2017). *Payment systems oversight annual report*. Bank of Ghana Reports.
 19. BOG, Bank of Ghana. (2018). List of licensed rural banks. Retrieved from <https://www.bog.gov.gh/supervision-a-regulation/register-of-licensed-institutions/rural-banks>.
 20. Buhmann, K. (2015). Public regulators and CSR: the “social licence to operate” in recent united nations instruments on business and human rights and the juridification of CSR. *Journal of Business Ethics*, 136(4), 699–714. doi:10.1007/s10551-015-2869-9.
 21. Burrows, B. (2000). The Planetary Bargain: Corporate Social Responsibility Comes of Age. *Long Range Planning*, 33(4), 602–605. doi:10.1016/s0024-6301(00)00059-5.

22. Bryman, A. (2012). *Social Research Methods. 4th ed.* Oxford: Oxford University Press.
23. Burrell, G., & Morgan, . (1992). *Sociological Paradigms and Organisational Analysis. Part I – In Search of a Framework.* Burlington, MA: Ashgate.
24. Cacioppe, R., Forster, N., & Fox, M. (2007). A survey of managers' perceptions of corporate ethics and social responsibility and actions that may affect companies' success. *Journal of Business Ethics*, 82(3), 681–700. doi:10.1007/s10551-007-9586-y.
25. Carroll, A. B. (1999). Corporate Social Responsibility. *Business & Society*, 38(3), 268–295. doi:10.1177/000765039903800303.
26. Chapple, W., & Moon, J. (2005). Corporate Social Responsibility (CSR) in Asia. *Business & Society*, 44(4), 415–441. doi:10.1177/0007650305281658.
27. Clarkson, M. E. (1995). A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance. *Academy of Management Review*, 20(1), 92–117. doi:10.5465/amr.1995.9503271994.
28. Cormier, D., & Gordon, I. M. (2001). An examination of social and environmental reporting strategies. *Accounting, Auditing & Accountability Journal*, 14(5), 587–617. doi:10.1108/eum0000000006264.
29. Crane, A., Matten, D., & Spence, L. J. (Eds.). (2019). Corporate social responsibility: In a global context. *Corporate Social Responsibility*, 3–26. doi:10.4324/9780429294273-2.
30. Creswell, JW 2021, *Educational Research: Planing, Conducting, and Evaluating Quantitative and Qualitative Research*, Sixth edn, Pearson Education Limited, United Kingdom.
31. Creswell, JW & Plano Clark, VL 2011, *Designing and conducting mixed methods research*, 2nd edn, SAGE Publications, Los Angeles.
32. Decker, S. O. (2004). Corporate social responsibility and structural change in financial services. *Managerial Auditing Journal*, 19(6), 712–728. doi:10.1108/02686900410543840
33. Deegan, C., Rankin, M., & Tobin, J. (2002). An examination of the corporate social and environmental disclosures of BHP from 1983-1997. *Accounting, Auditing & Accountability Journal*, 15(3), 312–343. doi:10.1108/09513570210435861
34. Ghana Statistical Service- GSS. (2014). *2010 Population and Housing Census. District Analytical Report, Sunyani Municipality.*GSS, Ghana
35. Gubbay, N., & McKendry, C. (2021). Spiraling-up through drought responses: Building community capacity in Colorado's farming-dependent counties. *Community Development*, 1-29.
36. Harding, R. (2020). *Rural Democracy: Elections and Development in Africa.* Oxford University Press. doi:10.1093/oso/9780198851073.003.0002.
37. Ihlen, Ø., & Roper, J. (2011). Corporate reports on sustainability and sustainable development: “We Have Arrived.” *Sustainable Development*, 22(1), 42–51. doi:10.1002/sd.524.
38. Islam, T. (2016). *Microcredit and Poverty Alleviation.* doi:10.4324/9781315595184
39. Ismail, M. (2009). Corporate social responsibility and its role in community development: An international perspective. *Journal of International social research*, 2(9).
40. Kim, Y., Brodhag, C., & Mebratu, D. (2014). Corporate social responsibility driven innovation. *Innovation: The European Journal of Social Science Research*, 27(2), 175–196. doi:10.1080/13511610.2014.915191
41. Luvalo, L. M. (2014). The role of higher education in social transformation and rural development. *Mediterranean Journal of Social Sciences*, 5(23). doi:10.5901/mjss.2014.v5n23p1206.
42. Loftus, J. A., & Purcell, J. A. (2006). Corporate Social Responsibility–Concepts, approaches to regulation and public sector application of the GRI. *Financial Reporting, Regulation and Governance*, 5(1), 1-36.
43. Maon, F., Lindgreen, A., & Swaen, V. (2010). Organizational Stages and Cultural Phases: A Critical Review and a Consolidative Model of Corporate Social Responsibility Development. *International Journal of Management Reviews*, 12(1), 20–38. doi:10.1111/j.1468-2370.2009.00278.x.
44. Marujo, H.A. (2021). Enhancing a culture of peace: the prominence of local community engagements and the role of Public Hearings on quality of life. *Local Development & Society*. doi: [10.1080/26883597.2021.1960184](https://doi.org/10.1080/26883597.2021.1960184).

46. Mattarita-Cascante, D., Lee, J.H., & Nam, J. W. (2020). What elements should be present in any community development initiative? Distinguishing community development from local development. *Local Development & Society*, 1(2), 95-115doi: [10.1080/26883597.2020.1829986](https://doi.org/10.1080/26883597.2020.1829986).
47. McTaggart, R, Nixon, R & Kemmis, S (2017).Critical Participatory Action Research', in LL Rowell et al (eds), *The Palgrave International Handbook of Action Research*, Palgrave Macmillan US, New York, pp. 21-35.
48. Mensah, S., & Abor, J. Y. (2014). Agency Conflict and Bank Interest Spreads in Ghana. *African Development Review*, 26(4), 549–560. doi:10.1111/1467-8268.12111.
49. Milne, M. J. (2002). Positive accounting theory, political costs and social disclosure analyses: A critical look. *Critical Perspectives on Accounting*, 13(3), 369–395. doi:10.1006/cpac.2001.0509.
50. Mohd-Sofian, F. N. R., & Muhamad, R. (2019). Corporate social responsibility practices in Islamic banks. *Strategic Corporate Social Responsibility in Malaysia*, 121–139. doi:10.4324/9780429057182-8.
51. Murthy, V., & Abeysekera, I. (2008). Corporate social reporting practices of top Indian software firms. *Australasian Accounting, Business and Finance Journal*, 2(1), 36–59. doi:10.14453/aabfj.v2i1.4
52. Nsiah, R. R. (2014). An Examination of the credit management practices of rural banks: A case study of Asokore rural bank limited. *Electronic Journal*. doi:10.2139/ssrn.2494259.
53. Sibhatu, K. T., & Qaim, M. (2017). Rural food security, subsistence agriculture, and seasonality. *PLOS ONE*, 12(10), e0186406. doi:10.1371/journal.pone.0186406
54. Srivastava, J., & Baag, P. K. (2020). Positive Accounting Theory and Agency Costs: A Critical Perspective. *AIMS International Journal of Management*, 14(2), 101. doi:10.26573/2020.14.2.3.
55. Strategic Corporate Social Responsibility. (2013). *Encyclopedia of Corporate Social Responsibility*, 2336–2336. doi:10.1007/978-3-642-28036-8_101507.
56. Watts, P.D., Pajaro, M.G., Raquino, M.R., & Añabieza, J.M. (2021). Philippine fisherfolk: Sustainable community development action research and reflexive education. *Local Development & Society*. doi: [10.1080/26883597.2021.1952847](https://doi.org/10.1080/26883597.2021.1952847)
57. Watts, R. L., & Zimmerman, J. L. (1990). Positive accounting theory: a ten year perspective. *Accounting review*, 131-156.
58. Wirth, H., Kulczycka, J., Hausner, J., & Koński, M. (2016). Corporate Social Responsibility: Communication about social and environmental disclosure by large and small copper mining companies. *Resources Policy*, 49, 53–60. doi:10.1016/j.resourpol.2016.04.007.
59. Wood, D. J. (1991). Corporate Social Performance Revisited. *The Academy of Management Review*, 16(4), 691. doi:10.2307/25897.
60. Zheng, Q., Luo, Y., & Maksimov, V. (2015). Achieving legitimacy through corporate social responsibility: The case of emerging economy firms. *Journal of World Business*, 50(3), 389–403. doi:10.1016/j.jwb.2014.05.00