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"Reconcile land system changes with planetary health"

Does government support promote business social responsibility? evidence from youth-led agri-food processing enterprises in Ghana

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Abstract

Small businesses play a vital role in the socio-economic development of local communities. Due to their strong local embeddedness, many small business owners perceive contributing to the well-being of the community as a core responsibility. This study examines the determinants of participation in business social responsibility (BSR) and whether such engagement is associated with improved business performance among micro-enterprises. Using survey data from 244 youth-run agri-food processing enterprises in Ghana, complemented by ten key informant interviews, we employ multivariate probit (MVP) models to identify the factors that influence BSR participation. We also apply multivalued inverse probability weighting regression adjustment (MIPWRA) to estimate the causal impact of BSR on business performance. The results show that 56.97% of enterprises engage in BSR at a low level, 27.46% at a medium level and 15.57% at a high level. Common BSR practices include charitable donations (69.67%), local hiring (60.66%) and participation in community projects (43.85%). The MVP analysis shows that owner education, BSR awareness, business association membership and government support significantly influence BSR engagement. We also find a positive relationship between BSR participation and business performance. This study adds to the growing literature on small business social responsibility by demonstrating that socially responsible practices are not only value-driven but can also improve business outcomes. It highlights the reciprocal relationship between micro-enterprises and their communities and provides practical insights for policymakers, development agencies and small business support programmes. It highlights the reciprocal relationship between micro-enterprises and their communities, offering practical insights for policy, development agencies, and small business support programs.

Keywords: Business social responsibility (BSR), food processing, Ghana, micro and small enterprises (MSEs), youth entrepreneurship

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