

LLM/MA IN: International Commercial and Business Law

STUDENT'S NAME: Princess Ifunanya Chidi

SUPERVISORS'S NAME: Dr. Onyeka Osuji

DISSERTATION TITLE

---The Need For the Integration of Corporate Social Responsibility (CSR) in Corporate Governance- A case study of Nigeria

- i. Is CSR sufficiently integrated in Corporate Governance in Nigeria?
- ii. How can CSR be integrated in Corporate Governance in Nigeria Effectively? -----  
-----

-----  
-----

COMMENTS: (PLEASE WRITE BELOW YOUR COMMENTS)

MARK:

SIGNATURE:

DATE:

UNIVERSITY OF ESSEX

SCHOOL OF LAW

LLM/MA in (International Commercial and Business Law)

2018-2019

Supervisor: Dr. Onyeka Osuji

DISSERTATION

(The Need For the Integration of Corporate Social Responsibility (CSR) in Corporate Governance- A case study of Nigeria

- i. Is CSR sufficiently integrated in Corporate Governance in Nigeria?
- ii. How can CSR be integrated in Corporate Governance in Nigeria Effectively?)

Name: Princess Ifunanya Chidi  
Registration Number (optional): 1806419  
Number of Words: 19672  
Date Submitted: 11 September 2019

## **Abstract.**

Corporate Social Responsibility indicates the developmental and receptive schemes endorsed by firms and corporations in their business management and governance. In the long run, it has been acknowledged in countries like Nigeria, that the practice of CSR in Corporate Governance is driven by Multinational Companies (MNCs). While this is affirmative, researches show that the extensive integration of CSR leads to the increase in longstanding orientation, an increase in social and environmental dynamism, an increase in corporations' significance etc. This article examines the integration of CSR in Nigerian corporate practices; with brief comparative analyses with various jurisdictions, and discussions on reforms of CSR practice in the Nigerian corporate context.

**Keywords: Corporate Social Responsibility; Corporate Governance; Integration; Nigeria.**

## **Methodology.**

This research thesis involves the discussion and the in-depth analyses of '*The need for integrating Corporate Social Responsibility (CSR) in Corporate Governance (CG)- A case study of Nigeria*' It would be tackled with the utilization of Academic literature, Journals/Articles, Statutes and Case-laws, Books, Law reports, etc. This thesis would comprise of five chapters, and they are as follows;

The first chapter is the introductory part of this article, which will consist of the background context- what prompted this research thesis, it would comprise of the two main research issues in this article, with peripheral discussions, analyses and a general overview.

The second chapter mainly focuses on theoretical analysis. This chapter would closely examine the literature, would provide relevant definitions, discuss relevant academic debates and identify relevant theoretical approaches to the question of ‘can/should CSR be integrated into Corporate Governance?’ This would be done through the use of academic debates and commentaries, with a bit of empirical analyses to buttress the stated points.

The third chapter would evaluate the existing laws and practice in the Nigerian context and any other jurisdiction. In this vein, the question ‘Is CSR sufficiently integrated in Corporate Governance in Nigeria ?’ would be analysed and discussed using empirical analyses and factual scenarios. It would also inculcate arguments and submissions from different bodies, as to the extent of whether or not the CSR is sufficiently integrated into the Nigerian corporate governance system.

In considering the existing laws and practices, the fourth chapter would mainly adopt a comparative approach in the CSR practice and integration. This would compare Nigeria with a few other jurisdictions, like the United Kingdom, United states, China, Philippines, etc. This would also include proposed reforms from various ideas.

The concluding chapter would review the overall discussions from each previous chapter and give concluding comments and remarks from academic scholars, legal luminaries, institutional bodies, etc on the **Need for the integration of CSR into Corporate governance in the Nigerian context.**

## **1.Introduction.**

The objective of this chapter is to postulate the background, research issue and problems.

Furthermore, it will outline the research objectives, including the outline of the framework of this thesis.

### ***1.1 Background Context.***

Corporate social responsibility acquired prominence amidst academics and critical philosophers, so as to deliberate on the enhancement of wealth maximization for Corporations, as well as socio-cultural development.<sup>1</sup> Pursuant to Crosbie and Knight, the existing stance of Stakeholders and Government is on how to make Corporations become more zealot in the consignment of social and environmental evolution.<sup>2</sup>

A number of research indicate that the idea and practice of CSR is socio-culturally formulated.<sup>3</sup> Regardless of this, research on the administration of CSR in Corporate governance in Africa (Nigeria) is relatively rare, and to an extent, established on a developing-developed world prototype.<sup>4</sup>

The fixate on Nigeria is envisioned by the failure of its attempt to affiliate with the few nations of the world- all of which are emerging economies, that have strongly mandated CSR through legislation.<sup>5</sup> Nigeria is considered one of the most black populous countries in the world, with its influence both within the sub Saharan Africa and the global economy.<sup>6</sup>

---

<sup>1</sup> Nikolay A. Dentchev, 'Corporate Social Performance as a Business Strategy' Journal of Business Ethics [2011]. Vol.4 No.55, pp 395-410.

<sup>2</sup> Liz Crosbie, Ken Knight, 'Strategy for sustainable Business; Environmental opportunity and strategic choice' Journal of Business Strategy Maidenhead, McGraw-Hill [1999]

<sup>3</sup> Kenneth Amaeshi, Chris Ogbecchie, Bongo Adi, Olufemi, Amao, 'Corporate Social Responsibility in Nigeria: Western Mimicry or Indigenous Influences?' ICCSR Research Paper Series [2006] The university of Northampton, pp 4, 17, 25.

<sup>4</sup> Terence Jackson, 'Management and Change in Africa' [2004] Routledge, p2

<sup>5</sup> Cosmas Uchechukwu Anyakudo, 'CSR in Nigeria: An exploration of the efficacy of legal regulation' [2016] 6

<sup>6</sup> Ibid

Notwithstanding, it is widely acknowledged that the persistent political controversies within the Country, are not unconnected to the social and environmental interests that sprawl in the heart of the CSR debate.<sup>7</sup> Crisis of poverty amongst plenty environmental negligence and bureau-political corruption, incriminate, specifically both the conduct of the Nigerian Government and those multinational oil companies.<sup>8</sup>

## ***1.2 Main Research Problem/Issues and Questions.***

Affirmatively, the concept of CSR can make an effective contribution to the development of a society and businesses in conjunction with good corporate governance. However, in the Nigerian context, there have been concerns as to the need for integrating proper CSR to CG. Reason being, perhaps, CSR and CG are treated differently in law and practice- for instance, in the Anglo-American corporate sector, ardent attention has been paid to the profit maximization for the interest of shareholders, at the jeopardy of stakeholders. To this effect, the United Kingdom incorporated s172 of the Company Act 2006, for the interest of wider stakeholders. Notwithstanding, this provision is yet to be practiced in full-effect, as arguments and debates have emerged from several commentaries.

Furthermore, the absence of CSR has caused issues on some segments of the society. An example is in the Niger-Delta region of Nigeria, whereby multinational ventures are expected to offer welfare programmes and social services, in line with their CSR initiatives. Although the MNC (in Niger-Delta region of Nigeria Oil Multinational Corporations), are presently committed to funding development programmes by providing education, scholarship, and infrastructural improvements. This development initiative is however, scrutinised by the host

---

<sup>7</sup> The Shell vs Ogoni saga is a well-documented case study in CSR literature

<sup>8</sup> Ibid, no.3

of communities, because it is considered that sufficient attention is not tilted towards tackling matters that have been accepted to be resolved by these multinational companies.<sup>9</sup>

The general expectations of the people of the Niger-delta region is pursuing employment for the youths, decrease in environmental damage to their farmlands (livelihoods), and the economic and social development of the entire region. To the host communities, these expectations have not been met, which has resulted in a conflicting relationship with the MNCs.<sup>10</sup> In the Niger-delta region, the main cause of animosity between oil companies and host communities, is also connected to the fact that the chosen approach to remedy the problem which has been provided by some basic infrastructural facilities for the communities, does not seem to tackle the major issues confronting the region. Hence, what is being observed is the oversight of the role of CSR in improving the living standards of the people and sustain the livelihoods of the communities.<sup>11</sup>

### ***Research Problem I.***

#### ***Is CSR sufficiently integrated in Corporate Governance in Nigeria?***

This section of the article will discuss the extent of CSR practice and integration. This would be using case studies, statutory provisions, etc. It will also, outline academic commentaries and debates.

There have been debates as to whether, developing countries, commonly marred by weak institutions like Nigeria, have thus far integrated CSR for the facilitation of good corporate governance. Due to studies conducted in the financial and telecommunications industries, it is

---

<sup>9</sup> Michael Blowfield, Jędrzej George Fynas, 'Setting New agendas: Critical perspective on CSR in the developing world' [2005] 499-513

<sup>10</sup> Rebecca Enuoh, Sunday Eneh, 'CSR in the Niger-Delta of Nigeria: In whose interest?' [2015] Journal of Management and Sustainability, Vol 5, No.3, 74

<sup>11</sup> Gabriel Eweje, 'The role of MNEs in community development initiatives in developing countries: CSR at work in Nigeria and South Africa' [2006] Business and Society Journal, 15

submitted, that the Nigeria masses perceived these corporations as capitalists for acquiring huge profits from arid economy without recompensing the society.<sup>12</sup>

To apply the approach of CSR discourse in Nigeria, it is necessary to present an analysis of the corporate law structure. Hence, various legislations that influence corporate activity are diagnosed and evaluated. For instance, the efforts of the Civil Society Organisations (CSOs) that help shape the CSR practice in Nigeria is noted. In addition, a discrete interrogation of other influences and stakeholder interests that support the evolution of contemporary CSR practices in Corporate governance is discussed.

Jamali postulates that, while CSR research has initiated its focus beyond large corporations in developed countries to CSR practices in developing countries (Nigeria), very little has been accomplished with regards to small enterprises in developing country contexts.<sup>13</sup> Likewise, Azmat and Samantunge recognised that, despite the crucial role of Small to medium Enterprises (SMEs) in creating employment, enhancing economic growth and assuaging poverty, predominantly, sufficient scholarly attention has not been received.<sup>14</sup> This context was partly explained by Jamali *et al*, who observed that, while small businesses ‘have long been recognised as important economic players in the developed world, their contributions are only starting to gain due regard/appreciation in developing countries.’<sup>15</sup>

## ***Research Problem 2.***

### ***How can CSR be integrated with Corporate Governance in Nigeria effectively?***

---

<sup>12</sup> Aliyu Baba Usman, Noor Afza Binti Amran, ‘CSR practice and Corporate financial performance: Evidence from Nigerian Companies’ *Social Responsibility Journal* [2015] Vol.11 No.4, 752

<sup>13</sup> Kenneth Amaeshi, Emmanuel Adegbite, Chris Ogbechie, Uwafiokun Idemudia, Konan Kan, Seny Anderson, Mabumba Issa, Obianuju Aniekwe, ‘CSR in SMEs: A shift from philanthropy to institutional works?’ [2015] *Journal of Business Ethics*, 6

<sup>14</sup> Fara Azmat, Ramanie Samarantunge, ‘Responsible entrepreneurship in developing countries: Understanding the realities and complexities’ [2009] *Journal of Business ethics*, 438

<sup>15</sup> Dima Jamali, Mona Zanhour, Tamar Keshisian, ‘Peculiar strengths and relational attributes of SMEs in the Context of CSR’ [2009] *Journal of Business Ethics*, 355



This section of this thesis, would critically and thoroughly examine the possible measures in effectively integrating CSR model in the Nigerian Corporate governance system. By doing so, recommendations from legal luminaries and academic commentaries, would come to play, in terms of emulating other jurisdictions and possible procedures that could be embarked upon, by Nigerian corporations.

In the ambience of the corporate world in Nigeria and beyond, CSR in conjunction with public relations and perception management are quite essential tools in concocting the required social backing from all stakeholders.<sup>16</sup> In this context, corporate governance goes beyond laws and regulations, and adherence to them to adopt how organisations manage their relationships with their various stakeholders, the manner of determining and implementing social responsibility programmes, and how information is publicised, both within and outside the organisation.<sup>17</sup>

It is posited by scholarly and legal luminaries, that there is a necessity to revamp the role and purpose of the Corporations under Nigerian company law and governance framework, so as to make MNCs more susceptible to matters raised in CSR publication and to make them more responsive to control.<sup>18</sup> A headway in this order, would be to align Nigerian Corporate law and Governance framework in close connection with the preeminent model in the European Union, the social stakeholder inclusive model of Corporate governance.<sup>19</sup> Although it is acknowledged that the EU model has evolved over time, through various legislative paths, including employment legislation, social security and central planning in the development of

---

<sup>16</sup> Lai Oso, Bello Semiu, 'The concept and Practice of Corporate Governance in Nigeria: The need for Public Relations and Effective corporate communication' [2012] 11.

<sup>17</sup> Mehrnaz Ashrafi, Michelle Adams, Tony Walker, 'How CSR can be integrated into corporate sustainability; a theoretical review of their relationships' [2018] International Journal of sustainable development and world Ecology, 4

<sup>18</sup> Olufemi Amao, 'CSR, Multinational Corporations and the Law in Nigeria: Controlling Multinationals in Host States' [2008] Journal of African Law. Vol.52, No.1, 111

<sup>19</sup> Ibid

the corporation as a social player, this section submits that some key elements of Nigerian corporate governance could be modified as a stepping stone, in an attempt to overhaul the purpose of corporation, in line with social model.<sup>20</sup>

## **2. Can/Should Corporate Social Responsibility be Integrated Into Corporate Governance? An Analytical Approach.**

Prevailing research on CSR illustrates the growing sense of disharmony surrounding the business of doing good.<sup>21</sup> Pivotal to these concerns is that, CSR risks becoming a simplistic and external part of corporate approach. Rather than revamping the existing corporate discourse, it is debated that CSR and relevant concepts are limited to ‘emancipatory rhetoric... defined by narrow business interests and serve to curtail interests of eternal stakeholders.’<sup>22</sup> The centrepiece of this criticism on CSR, is the board of Directors, as this group construes and implements corporate strategy, and serves to secure the interests of the key beneficiaries. Thus, it is contended that the breach in research knowledge prevails, relating to CSR and its enactment through CG systems.

The topic of CSR has fascinated an increasing attention from researchers across various disciplines. In addition to the economic appraisals, both researchers and professionals acknowledge the value of additional standards of corporate success.<sup>23</sup> Corporations are ‘no longer expected to be mere contributors to the global economy, but rather to reconcile and skilfully balance multiple bottom lines and manage the interests of multiple stakeholders.’<sup>24</sup>

In spite of the growing exploration interest on this subject matter of CSR, organisational

---

<sup>20</sup> Ibid

<sup>21</sup> Peter Dobers, Delyse Springette, ‘CSR: Discourse, narratives and communications’ [2010] CSR and Environmental management, 63

<sup>22</sup> Bobby Banerjee, ‘CSR: The good, bad and the ugly’ [2008] Critical Sociology, p 52

<sup>23</sup> Archie B. Carroll, ‘Ethical changes for business in the new millennium: CSR and models of management morality’ [2000] Business Ethics Quarterly, 32-34

<sup>24</sup> Dima Jamali, ‘A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice’ [2008] Journal of Business and Ethics, 213

performance in this sphere is still found to be inadequate. One of the possible explanations for this gap, can be discovered in the insufficient abilities of major decision makers and board of Directors in particular- who drive the Companies' CSR accomplishments.<sup>25</sup> Abreast with the basic CSR notion, board of Directors are mutually accountable to a wide range of stakeholder groups. In effect, there is a crucial need for the evaluation of the relationship between board diversification attributes and roles and CSR pursued.

Contemporarily, corporate missteps have accentuated the role of good governance, accountability and ethics, altering the deliberation towards the fields of CG and ethical facets of the economic conduct.<sup>26</sup> Supplementary to the increment in the role of CG, social and environmental impacts of the business conducts are becoming more essential for various stakeholders and the general public.<sup>27</sup> Consequently, espousing the changes in these spheres can be linked with granting organisations to engage in proactive legal, social, environmental and prominence risk management; expanded organisational effectiveness and improved stakeholder management.

The good corporate governance has been accorded with good responsibility, increased accountability that goes beyond the need of the shareholders, and acknowledges the needs of various stakeholder groups.<sup>28</sup> Although the spotlight is principally established on maximizing the shareholder value, further facets of corporate performance in addition to financial outcomes are becoming more frequently used. Practical evidence proposed the trend towards

---

<sup>25</sup> David A. Carter, Betty J. Simkins, W. Gary Simpson, 'Corporate governance, board diversity, and firm value' [2003] *Financial Review*, 33

<sup>26</sup> Anup Agrawal, Sahiba Chadha, 'Corporate governance and accounting scandals' [2005] *Journal of Law and Economics*, 371

<sup>27</sup> *Ibid*

<sup>28</sup> *Ibid*, 24

the addition of longer-term social, environmental and economic effects in addition to the short-term financial focus amongst modern organisations.<sup>29</sup>

Several scholars have argued that continuous governance is not discretionary. It is posited that continuous governance is a key anticipation from governments, markets and the society at large.<sup>30</sup> Enhancing public confidence and establishing trust, requires organisations to seek open, transparent and fair proceedings.<sup>31</sup> Global Reporting Initiative (GRI) has materialised as an innovation in the governance reform and disclosure.<sup>32</sup> Sturdy environmental governance practice can be correlated with financial performance through their higher earnings, business opportunity and competitive dominance.<sup>33</sup>

Coordinated with the role of accountability and governance in the aforementioned discussion, the importance of CG and CSR are implied. Ethics, transparency, fairness and accountability are bolstered through CG practices. The outcomes should not only pursue the interest of the shareholders, but also recognise the interest of the various stakeholders groups.<sup>34</sup> Hence, legal, ethical and collective needs of the society need to be encompassed in strategic considerations. The issue of CSR has fascinated an increasing number of the academic community, and the generic consensus supports the need to align CSR with CG.<sup>35</sup>

---

<sup>29</sup> Punit Arora, Ravi Dharwardka, 'Corporate governance and Corporate social responsibility: The moderating roles of attainment discrepancy and organisation slack' [2011] *Corporate governance: An international review*, 19. 136

<sup>30</sup> Mohammed Zaif Z. Alshareef, Kamaljeet Sandhu, 'Integration of CSR into Corporate Governance: A case study of Saudi company' [2015] *European Journal of Accounting Auditing and Finance Research*, Vol.3, No.5, 2.

<sup>31</sup> Ibid

<sup>32</sup> Ans Kolk, 'Sustainability, Accountability and Corporate governance: Exploring multinationals' practices' [2008] *Business Strategy*, 1

<sup>33</sup> Bryan W. Husted, 'Governance Choices for Corporate social responsibility: to contribute, collaborate or internalise? Long range planning' [2003] 485

<sup>34</sup> Edward R. Freeman, 'Strategic Management:A stakeholder approach' [2010] Cambridge University Press

<sup>35</sup> Ibid

What precisely these developments in the CSR ‘movement’ mean, of course, remains susceptible to debate: While some see it as management trend, others perceive it as a structure of ‘soft regulation’ that places new requirements on corporations, whilst others present it as a way for corporate actors to assist in social and economic development.<sup>36</sup> Nevertheless, given the present enthusiasm in CSR, it is worth analysing the concept of CSR and its importance to CG.

This chapter seeks to examine the interface between CG and CSR. Including the debates on the integration of CSR in CG. It is posited in instances that the adoption of CSR policies is after-all, commonly portrayed as voluntary- a matter of business going the extra mile beyond what is required of the law. As Chris Tuppen, social and environmental programmes manager at British Telecom, proposed in the Company’s first social report, ‘The key issue is really what Companies are going to do beyond mere compliance with the law.’<sup>37</sup>

## **2.1. Corporate Governance and Corporate Social Responsibility: Definitions, Integrating CSR Incentives.**

### ***2.1.1. Definitions of CSR and CG.***

The term ‘corporate governance’, according to Farinha, is relatively contemporary, both in the public and academic debates. According to the Cadbury Report, Corporate Governance is the system by which Companies are directed and controlled.<sup>38</sup> Furthermore, Cadbury acknowledged that a structure of good Corporate governance obliges boards of Directors to be ‘free to drive their companies forward’, but exert that freedom within a framework of efficient accountability.<sup>39</sup>

---

<sup>36</sup> Andrew Crane, Abigail McWilliams, Dirk Matten, Jeremy Moon, Donald Siegel ‘The Oxford Handbook of CSR’ (OUP 2008), 5

<sup>37</sup> 1999; and see S. Perrin, ‘Show how much you care’ [1999] Accountancy, 44-5

<sup>38</sup> Eduardo G. Manuel, ‘Corporate Governance; Case Studies’ [2007] Working Paper Series, 2

<sup>39</sup> Ibid

In another instance, CG in broader terms, describes the procedures, policies, customs, laws and establishments that direct the institution, businesses and corporations in the way they act, conduct and control their operations. It aims to achieve the goal of the institution and manages the relationship among the stakeholders including the board of Directors and the shareholders.<sup>40</sup> In addition, it deals with the accountability of the individuals through a system which diminishes the principal-agent problem in an organisation.<sup>41</sup>

CSR on the other hand, means something, but not the same thing to everybody. To some, it imparts the idea of legal responsibility or liability; to others, it means social responsible behaviour in the ethical perspective; to some others, the meaning conveyed, is that of 'responsible for' in a casual approach; many simply relate with a charitable constitution; many of those who espouse it most vigorously, see it as a mere synonym for legitimacy in the context of belonging or being authentic or appropriate; a few others, see a sort of fiduciary duty, imposing higher standards on conducts of businessmen rather than on citizens at large.<sup>42</sup>

CSR has become a successful notion for Companies, so as to ensure their scope for long-term value and obtain competitive advantages. It is observed as an effective means in order to alleviate the new type of risk that has emerged, which is known as the social risk.<sup>43</sup> The elevated interest in the CSR frequency, emanates from studies that recommend guidelines for developing CSR frameworks.<sup>44</sup>

---

<sup>40</sup> Humera Khan, 'A literature Review of Corporate Governance' [2011] International conference on E-business, Management and Economics, 1

<sup>41</sup> Ibid

<sup>42</sup> Adaeze Okoye, 'Theorising CSR as an Essentially Contested Concept: Is a definition necessary?' [2009] Journal of Business Ethics, 614

<sup>43</sup> Beth Kytle, John Ruggie, 'CSR and the risk management: A model for multinationals' [2005] CSR Initiative working paper No. 10, 12

<sup>44</sup> Nigel Jollands, 'How to aggregate sustainable development indicators: a proposed framework and its implication', International Journal of Agricultural resources, Governance and Ecology' [2006] Vol. 5 pp 20

A recent development in Corporate Governance is the integration of CSR precedent in executive compensation- that is, combining executive compensation to social and environmental performance (e.g. employee satisfaction, compliance with ethical doctrines in developing countries).<sup>45</sup> Practitioners frequently refer to this incentive provision as ‘CSR contracting’ or ‘pay for social and environmental performance’ ( as opposed to the traditional ‘pay for financial performance.’ Although this incentive provision has become progressively rampant, little is recognised about this new incident and how it affects firm-level outcomes.<sup>46</sup>

### ***2.1.2. Corporate Governance and the Call For CSR Incentives.***

This section, would be theoretically exploring how CSR contracting affects outcomes. From a theoretical perspective, it is debated that CSR contracting aids direct managers’ attention to stakeholders that are less important but financially material to the Company in the long run, thereby embellishing CG.<sup>47</sup>

In this section, corporate practice is followed, alongside the definition CSR contracting, as the integration of CSR criteria in executive compensation, i.e, the connecting of executive compensation to social and environmental performance (e.g, CO2 emission reductions, employee satisfaction goals, conformity with ethical standards in developing countries.)<sup>48</sup> CSR comprises of any corporate initiative concerning the firm’s stakeholders, that is, ‘any group or individual, who can affect or is affected by the achievement of an organisation’s purpose’<sup>49</sup>- such as employees, customers, the environment, and the community at large- and thus, is not limited to altruistic initiatives.

---

<sup>45</sup> Caroline Flammer, Bryan Hong, Dylan Minor, ‘Corporate Governance and the Rise of Integrating CSR Criteria in Executive Compensation: Effectiveness and Implications for Firm Outcomes’ [2018] 2

<sup>46</sup> Ibid

<sup>47</sup> Ibid

<sup>48</sup> Ibid

<sup>49</sup> Edward Freeman, ‘Strategic management: A Stakeholder approach’ [1984] Pitman: Boston, MA,

It is established that while some observers regard conceptual challenges of a corporations the essence for CSR, contemporarily, they are more seen as part of a general theoretical debate over corporate structure that is not directly connected to the CSR movement.<sup>50</sup> Several academics developed these theories during the 1990s and 2000s, to introduce new corporate regulations that extend beyond CSR and connect with enforceable and solid legal rules. This scholastic entity, often entitled ‘Progressive Corporate Law’, rebuffs the voluntary nature of CSR with its fixate on self-regulatory ethics, and proposes far more understandable, mandatory adjustments in the fundamental legal structure of corporations.<sup>51</sup>

The concept of CSR, has taken a different turn in general. In various ways, it was obvious from the outset that the CSR movement neither intended to challenge the market structure in which it was planted, nor aimed to scrutinise the fictional corporate body that was introduced in the early twentieth century. CSR was not hinged on administering the New Deal welfare state or introducing equitable policy amendments, inspired by distributive justice philosophies.<sup>52</sup> Rather, it was about working with businesses, within the extant political and economic atmosphere, in order to make Companies and Corporations adopt ethical principles and guidelines, inculcate stakeholder matters, and more accurately, internalise the cost that is externalised onto the environment and the society.<sup>53</sup>

---

<sup>50</sup> Judd F. Sneirson, ‘Doing well by Doing Good: Leveraging Due care for better, More Socially Responsible decision making’ [2007] *Corporate Governance Law Review*, 348

<sup>51</sup> Kellye Testy, ‘Capitalism and Freedom- For whom? Feminist Legal theory and Progressive Corporate law’ [2004] 87

<sup>52</sup> Ruth Aguilera, Cynthia Williams, John Colney, Deborah E. Rupp, ‘Corporate governance and Corporate Social responsibility: A comparative analyses of the UK and the US’ [2006] *Corporate Governance; An international review*, 87

<sup>53</sup> *The New Corporate Accountability: Corporate Social Responsibility and the Law* 9-237



An enormous literature contends that stakeholders can be imperative for bolstering a Company's competitiveness and indelible growth. For instance, by treating their employees appropriately, Companies can enhance innovative productivity, employee commitment, and basically improve the performance of the firm.<sup>54</sup> Complementarily, companies' conceptions concerning communities and the natural environment have been seen to affect financial performance.<sup>55</sup> Particularly, by improving their environmental footprints, firms can benefit from a better prominence and neater work environment, augmenting the satisfaction of consumers and employees.<sup>56</sup> Contrarily, eco-harmful conduct can hurt a company's prerequisite, if, for example, the firm lacks social license to function, there is imposition of scrupulous government regulation, or the firm is aimed by a boycott.<sup>57</sup> Hence, a large number of literature reckons that CSR enhances competitiveness of the firm and longevity creation.

On the other hand, while managers may recognise the applicability of CSR for longevity creation, they may be unenthusiastic to address all demands of stakeholders. Firstly, the interest of stakeholders are discordant and may clash with each other. For instance, customers may have short-term claims about pricing, while local communities have long-term claims about the firm's social obligation. In this instance, the interests of the 'customer' stakeholder slam into the interest of 'community' stakeholder.<sup>58</sup> In effect, managers ought to balance these colliding interests, (in terms of apportioning financial, intellectual and other resources) and may give priorities to some stakeholders over others.

---

<sup>54</sup> Caroline Flammer, Aleksandra Kacperczyk, 'The impact of stakeholder orientation on innovation: evidence from a natural experiment' [2016] *Management science*,

<sup>55</sup> Caroline Flammer, 'CSR and the Shareholder reaction: the environmental awareness of investors' [2013] *Academy of Management journal*,

<sup>56</sup> *Ibid*

<sup>57</sup> *Harvard Business School Review*, 'The best-performing CEOs in the world' [2015] *Harvard Business Review*, 51

<sup>58</sup> *Ibid*, No. 44

Secondly, is an enormous literature in psychology and economics of individuals' intertemporal decision-making.<sup>59</sup> This literature detects that individuals are so-called 'hyperbolic discounters', that is, individuals have a superfluous preference for the present, laying preference to short-term over long-term benefits, even if the latter are extensively higher.<sup>60</sup> For executives, this preference for short-term outcomes is fortified by short-term pressures- such as career matters,<sup>61</sup> the provision of short-term executive compensation,<sup>62</sup> and pressures to meet or beat accountants' quarterly earnings expectation- which leads to managers to favour finances that pay off in the short-run at the expense of long-term investments.<sup>63</sup> In this disposition, perhaps, the most salient evidence is provided by Graham *et al*, who discover that 78% of the surveyed executives would forfeit projects, with positive net present value (NPV), if the adoption resulted in the firm missing quarterly earnings expectations.<sup>64</sup> Subsequently, managers are likely to pay attention to those stakeholder claims and demands that aid in meeting managers' short-term earnings target.

All things considered, the above discussions suggest that managers have an inclination to give priority to pertinent stakeholders that contribute to short-term performance,<sup>65</sup> as opposed to stakeholders that may be less pertinent but financially significant to the firm in the long run.

---

<sup>59</sup> Ibid

<sup>60</sup> Ibid

<sup>61</sup> Robert Gibbons, Kevin Murphy, 'Optimal incentive contracts in the presence of career concerns; theory and evidence' [1992] *Journal of political Economy*, 470

<sup>62</sup> Jeremy Stein, 'Efficient capital markets, inefficient firms: a model of myopic corporate behaviour'[1989] *Quarterly Journal of economics*, 668

<sup>63</sup> Caroline Flammer, Pratima Bansal, 'Does long-term orientation create value? Evidence from a regression discontinuity' [2017] *Strategic Management Journal*, 1830

<sup>64</sup> John Graham, Campbell Harvey, Shivaram Rajopai, 'The economic implication of corporate finance reporting' [2005] *Journal of accounting and economics*, 3

<sup>65</sup> Ronald Mitchell, Bradley Agle, Donna wood, 'Toward a theory of stakeholder identification and salience; defining the principle of who and what really counts' [1997] *Academy of management review*, 860

To shift managers' attention towards stakeholders that subsidize to long-term value creation, board of Directors need to provide suitable inducements to their managers. In this light, a comparatively recent corporate governance practice is the integration of CSR yardstick in executive compensation- i.e, linking executive compensation to social and environmental performance.<sup>66</sup> However, whether or not the adoption of CSR criteria in executive compensation serves as an efficient governance tool- that is, a tool that prompts corporate conducts and contributes to value creation, is far from evident. Undoubtedly, the existing literature submits that some governance techniques are inefficient, as they are short of substance and are barely emblematic.<sup>67</sup> Furthermore, CSR-based compensation, may only depict a very little fraction of the entire compensation a manager receives, and thus, be too insufficient to efficiently create managerial incentives.

## **2.2. Theoretical Analyses of CSR in Legal Perspective**

The voluntary adoption of CSR by MNCs might seem rather antithetical in a situation where multinationals have been recognised for some time, as in many ways more formidable than nation states, with consequent connotations for the practicability of effective governmental control over their practices.<sup>68</sup> Questions have emerged, as to why businesses would voluntarily commit itself to measures beyond the requirements of the law (CG)? Pragmatically, interpreting CSR as voluntarily is a little inaccurate. The adoption of CSR policies by business has taken place in a very distinct context. If CSR is self-governance by business, it is however self-governance that has earned a very solid push from external social

---

<sup>66</sup> Ibid

<sup>67</sup> Edward Zajac, James Westphal, 'Accounting for the explanation of CEO compensation; Substance and symbolism' [1995] Administrative Science Quarterly, 285

<sup>68</sup> Doreen McBarnet, 'The new corporate accountability: CSR Beyond Law, Through Law, For Law' [2007] Cambridge University Press, 3

and market forces. From the onset, 'voluntary' CSR has been socially and economically driven.<sup>69</sup>

### ***2.2.1. CSR Beyond The Law***

Discussions of business adoption of CSR suggest it as the product of external drivers; the role of civil society, specifically activist non-governmental organisations (NGOs) focused on the business activities, the expedition of campaigns against business as a result of new technology (the internet), alongside the trends in business itself, like; redistributing and branding, making it more vulnerable to CSR criticism.<sup>70</sup> To this effect, we may include the effects of Enron and the related scandals, the feedback of business to new opportunities, the role of the CSR industry itself, and the strategic use of a philosophy which could fuse new CSR requirements and traditional business interests in the 'business case' for CSR.<sup>71</sup> CSR surfaces as the output of new level of social accountability for business which is, nonetheless, viewed by many as insufficient without the development of further legal accountability as well.

### ***2.2.2. Recent Pressures, New Exposures: Civil society, the new technology and the trends in business.***

In the McKinsey research of business executives, only 8% thought Companies were propelled to uphold social or environmental causes out of genuine interest.<sup>72</sup> Business was absolutely, at least, initially, more reactive than proactive in the development of modern CSR movement.<sup>73</sup>

---

<sup>69</sup> Ibid

<sup>70</sup> Ibid, No. 30, 5

<sup>71</sup> For more details on these arguments, see McBarnet, 'Human rights and the new accountability' in Thomas Campbell, Seumas Miller (eds), 'Human rights and Moral responsibilities and Corporate and Public sector Organisations (Dordrecht : Kluwer 2004), pp 63-80

<sup>72</sup> McKinsey Report 2006

<sup>73</sup> Ibid

One of the leaders in the ratification of explicit CSR policies, codes and reports was Shell, its ‘transformation’ having become a typical business school case study,<sup>74</sup> and it was very much acknowledging major PR deadlocks, resulting from both environmental and human rights issues, particularly in Nigeria.<sup>75</sup>

NGOs played a vital role in the pressure and publicity that prompted Shell’s ‘transformation’. The development of the CSR movement, generally has to be viewed in the ambience of improvement of a highly active and activist society, which has placed significant pressure on business via campaigns, boycotts, publicity and pressures from both, for more clarity and more socially responsible policies and practices. Coordinated protests by civil society is nothing out of the ordinary (for instance, witness the nineteenth century campaigns against slavery), but one of the twists of the current era of deregulation of business (in terms of state control) has been the concurrent inflation of restraints imposed by civil society.<sup>76</sup> Non-governmental activity on a global scale has now become a crucial part of the treatise of globalisation and is consistently identified- by governments, commentators and business itself, as one of the key ‘drivers’ of the contemporary movement of CSR.<sup>77</sup>

The classic case of the of Nike is a new level of social accountability that goes beyond the requirement of CG and the law. Nike like several other MNCs, has its shoes and clothing produced in cheap labour countries by independent suppliers. Some of its Vietnamese, Indonesian and Chinese suppliers were exposed as using child labour, demanding employees to work long hours, even beyond the high legal minimum of countries in question, less than

---

<sup>74</sup> Philip Mirvis, ‘Transformation at Shell’ [2000] *Business and Society Review*, 63-84

<sup>75</sup> Geoffrey Chandler, ‘Oil Companies and Human rights’ [1998] *Business Ethics: A European Review*, 69-72

<sup>76</sup> Ibid

<sup>77</sup> The European Union, for example, acknowledged the importance of social and market pressures, noting that civil society must be recognised as playing a significant role in this new business governance; COM (2002) 347, p.5

even the low statutory minimum wage, and in some areas in environments where carcinogens in the air were above the licensed level.<sup>78</sup>

In addition, the Nike incident has become a symbol of what can fail if companies stick to a narrow idea of corporate responsibility- demonstrations, revolts, ‘shoe-ins’ where Nike trainers are publicly disposed, rejection of sponsorship, weeks of anti-Nike cartoons in the media, and loss in profits, which Nike itself ascribed to its affiliation with child labour.<sup>79</sup>

The Nike incident exhibits another issue of trends in business practice, like, Outsourcing and branding. Nike was particularly susceptible to such detrimental publicity because of the relevance to its business of the Nike brand. In its insistence on branding however, it can be seen to have spawned its own infliction. The obvious reason for the fame of the brand is an easy target for criticism, in what Klien stamps as ‘bad boomerang’.<sup>80</sup> Simultaneously, the trend and outsourcing and subcontracting means companies have less inevitable direct control over the conditions under which their products are manufactured. Though this can be despairingly viewed as an advantage when no legal accountability or responsibility is involved, it becomes a cause of exposure when the new social accountability is brought into light.

When the brand becomes very crucial, the argument goes, so does the reputation. Companies cannot afford to risk their reputation coming under threat. According to exploration Company Aon, the top 2000 private- and public sector organisations regard tarnish of their reputation as their greatest risk.<sup>81</sup>

---

<sup>78</sup> In November 1997, an employee leaked a report by the Company’s auditors exposing conditions in Vietnamese factories supplying it (The Guardian, 13 June 1998)

<sup>79</sup> Ibid

<sup>80</sup> Naomi Klien, ‘No logo’ [2000] Flaming: London, p 345

<sup>81</sup> Aon Insurance Group, 2000, reportedly in Sustainability, ‘The changing landscape of liability (London, 2004) , p. 17

### ***2.2.3 The CSR Industry and Ethical Scandals.***

The evolution of a whole new CSR industry is another factor, which should be included in the list of ‘drivers’. There are Companies publicising the publication reports- ‘with up to 150 reports released each month, how can you ensure that your report is read by the people who matter?’<sup>82</sup> Huge accounting firms now include CSR consultancy, as well as green and socially responsible analysts.<sup>83</sup> There are CSR specialist law firms, and there are also firms organising CSR conferences and publishing CSR newsletters and magazines.

All of these businesses have an absolute interest in selling CSR, with the outcome that CSR has itself become a business and a market element. Furthermore, Corporations themselves are establishing whole administrations of CSR managers who also have an absolute interest in, and often a practical devotion for upholding the CSR momentum.

Certainly, there have been some contradictions in relation to the CSR industry. Arthur Anderson worked in 1999 with the London Business School on the analysis on reputation management, as regards CSR and ethics. In the process, it advertised its services of its own ‘ethics and responsible business practice consulting group’, submitting that, with reputation as an ‘increasingly valuable corporate asset’, companies needed ‘robust programmes for guiding employee behaviour’ and showing concern that ‘adoption of programmes to manage business ethics risk is by no means evident in all large companies.’<sup>84</sup> Two years later, with its own collapse, after its involvement with Enron, that suggestion may have seemed somewhat insincere.

---

<sup>82</sup> Advertisement in ‘Ethical Corporation’ (June 2005, p.17) for subscriptions Reportalert.info

<sup>83</sup> Ibid

<sup>84</sup> Arthur Anderson, ‘Ethical concerns and reputation risk management’ [1999] London Business School, p 7

The collapse of Enron itself, and other business scandal of the early 2000s which were based on accounting scandals- Worldcom in the US, HIH in Australia, Parmalat in Italy- have also generated interests about the ethical aspects of CSR and brought CSR and ethical risk more immensely onto the CG agenda.<sup>85</sup>

#### ***2.2.4 Voluntary CSR and the Business Case***

The notion of ‘CSR drivers’ in CG has become something of triteness, referred to as a ‘taken-for-granted’ background to all the groups involved in CSR. The determinants are authentic enough, but to what extent is the impact, and how imminent and continuous the impact is, could do with more compelling factual research.

The view of ‘bottom of the pyramid’ business has fascinated awareness as to the fact that even the purchasing power of the very impoverished of world, sums up in the collection of a relevant market, and new markets are being discovered in meeting needs in developing countries, while concurrently doing lucrative business.<sup>86</sup> Vodafone’s provision of mobile phone services in Sub-Saharan Africa- which as well administered social contract has expedited entrepreneurship in area lacking sufficient communication- is a good example. In essence, if CSR can be seen as a way of making money, it can also be seen as a way of saving it.

The consolidation of reactively acknowledging social pressures, protecting the brand from reputational dangers, and ardently seizing cost-saving approach and market opportunities is usually packaged as the business case for CSR. CSR is basically seen as in harmony with the customary pursuit of profit rather than in rivalry with it.<sup>87</sup> Market opportunities and cost-

---

<sup>85</sup> Ibid

<sup>86</sup> Ibid

<sup>87</sup> Thuy Linh Mai, ‘CSR; The Harmony of Business, Sustainable Development and Profitability’[2018] Marketing Management, 3



savings, make avenues for short term profit, while CSR activity without explicit and prompt financial reward can be seen as brand enhancement, favourable to long-term shareholder value.<sup>88</sup> Conferred in this manner, CSR is perfectly rational for business and corporate activity.

### ***2.2.5 Is CSR Contrary to the Law?***

The business case has been a very effective way of selling CSR. Precisely, it accurately eludes the critiques that it is simply not appropriate for management to adopt CSR policies, placing the interests of other stakeholders before those of shareholders, with any social welfares coming from economic development and investment- the notion classically reckoned by Friedman as ‘[t]he social responsibility of a business, is to make profit.’<sup>89</sup> Managers are made aware that it is the owner’s money spent. Particularly criticising corporate philanthropy, critics have asked whom the company belongs to.

‘Corporate philanthropy is charity with other people’s money... When Robin Hood stole from the rich to the poor, he was stealing, he was still a bandit- and less of one, arguably than the vicariously charitable CEO, who is spending money taken ... from people who have placed him in apposition of trust to safeguard their property.’<sup>90</sup>

Criticising CSR by attacking corporate philanthropy, could be seen as something of a mishit both because the extent to which philanthropy detracts from profits, is likely to be overstated- and because CSR is regardless about how companies make profit, rather than about how they

---

<sup>88</sup> Ibid

<sup>89</sup> Milton Friedman, ‘The social responsibility of business is to increase its profits’ [1970] The new York times magazine, 4

<sup>90</sup> The Economist, 22 January 2005, CSR, p 8.

give them away. But similar arguments are made as well, in relation to crux CSR issues like environmental issues, supply chain standards and other 'selfless sacrifice for stakeholders.'<sup>91</sup>

This position has been certainly endorsed by critics of CSR legally, particularly in the context of Anglo-American company law,<sup>92</sup> with the CSR seen as efficiently constituting breach of managerial duty. The legal role of managers is observed as one of stewardship for the owners of the Company. Their legal duty is to focus on profit maximization for shareholders, strained only by the need to abide by other legal regulations, imposing specific duties on them.<sup>93</sup> In this context, CSR can be perceived not so much as management proudly going beyond legal obligation, but in effect, as management going beyond its legal functions.

This is nevertheless, an understatement of the law. While the rules of statutory company law in several jurisdictions, might seem to support this position,<sup>94</sup> the effective meaning of law depends on how those rules are elucidated in practice, and elucidation over the years has in fact been more complicated and profound. As CSR has generated in significance, and critics have openly raised legally based objections to it, so have legal advocates emerged to draw attention to this and to undoubtedly argue the issue that company law, far from prohibiting CSR, can be seen as consenting, and perhaps, requiring CSR practices.

Parkinson, upheld a strong view on this issue, illustrating from generic analysis that while profit maximization may be an obligation of the management, Courts have in practice, gravitated to leave a good deal of discretion to management, in terms of how they achieve that goal, and far from reiterating on short-term profit maximization, have welcomed the rationale of attention to wider components as a means of enhancing long-term shareholder

---

<sup>91</sup> Ibid, p 9

<sup>92</sup> The stakeholder approach taken in Germany, for example, raises different issues

<sup>93</sup> Ibid

<sup>94</sup> John Parkinson, 'The legal context of corporate social responsibility' [1994] Business Ethics : A European Review 3, 1

value.<sup>95</sup> Furthermore, he posits that even the *Ford Motor Company* case,<sup>96</sup> which he describes as a 'rare example of a successful challenge' to management- though it is one that is frequently indicated by those who see as an expanded CSR as contrary to the law- need not have been lost. Parkinson, elucidates that the case might have been won by management, if the same facts had been presented (as they reasonably could have been) as instigated, rather than by long-term shareholder interests.<sup>97</sup>

This approach may certainly, be embellished in subsequent cases by the growing extra-legal awareness and enhancement of CSR, judicial change frequently being influenced by changing public theory.<sup>98</sup> It has been debated by Mitchell, that the inference in the 1980s and 1990s in the United States, that the legal obligation of management was to maximise shareholder profit- 'in its extreme version short-term shareholder profit'- can be associated more to the market culture of the time than to legal development, though he sees the legal institution as having tended to assent it; 'the trend in corporate law is to accept it as the basic norm.'<sup>99</sup>

The business case- a highly pragmatic approach in the CSR movement, employed by NGOs to entice companies and businesses to endorse CSR policies, within business to justify their endorsement, and by Lawyers to justify a broader, rather than a narrower legal interpretation of corporate responsibility.<sup>100</sup> It makes provision for the means of adopting a new model of CSR that is concurrently the traditional model.<sup>101</sup> CSR is in the interest of the shareholders. As shell elucidates in its first social report: 'principles or profits, does there have to be a

---

<sup>95</sup> Ibid

<sup>96</sup> *Dodge v. Ford Motor Company Case*, 170 NW 668 [1919]

<sup>97</sup> Ibid.

<sup>98</sup> Ibid

<sup>99</sup> Lawrence Mitchell, 'Roles and incentives; the core problems of CSR' [2005] *Ethical Corporation*, 16

<sup>100</sup> Paul Hohnen, 'CSR: An implementation Guide for Business' [2007] *International Institute for sustainable development*, 9

<sup>101</sup> Ibid

choice?’<sup>102</sup> CSR is presented as a matter of principles for profits, meeting the requirements and opportunities of a new market and a new context. The connotation is that the voluntary adoption of CSR, within the context of social and market drivers, is a dependable way of exploiting the market for social positivity.

### **3. Is CSR Sufficiently Integrated in Corporate Governance in Nigeria?**

It is presumed that firms are products of socio-economic environment, which prompts their CSR activities. Many scholars have interrogated the originality of the model of CSR practiced in Nigeria. With the enactment of various international treaties, Nigeria has assumed the responsibility of implementing and enacting doctrines of such mechanisms, domestically.<sup>103</sup>

#### **3.1. Characteristic of the Nigerian Corporate Governance Structure.**

The annulment of slave trade and the formal establishment of the British Authority over its Nigerian colony observed a brisk growth, both in the internal and external trade in the 19<sup>th</sup> century in Nigeria.<sup>104</sup> The early Companies in Nigeria were British based. By virtue of colonial statutes ratified between 1876 and 1922, the law pertinent to Companies in Nigeria at that time was the ‘common law, the doctrine of equity and the statutes of general application of England on the first day of January 1900’, subject to any subsequent relevant statute.<sup>105</sup> The implication of this approach was that the Common law theories, such as the

---

<sup>102</sup> The Shell Report, 1998

<sup>103</sup> Arzizeh Tapang, Basse E. Basse, ‘Effect of Corporate Social responsibility performance on Stakeholder’s perception of Telecommunication Companies in Nigeria (A case study of Mtn, Globacom and Etisalat’ [2017] Journal of Business and Management, 40

<sup>104</sup> J. Ola Orojo, ‘Company law and practice in Nigeria’ [1993] 3<sup>rd</sup> ed, Lagos, Nigeria: Mbeyi & Associates Nigeria Ltd, 18

<sup>105</sup> Ibid , no 3, 9

theory of the separate and independent legal personality of Companies, as articulated in *Salmon v. Salmon*<sup>106</sup>, was received into Nigerian Company law, and has since remained part of the law.<sup>107</sup>

Nevertheless, with the consistent growth of trade, the colonialist felt it was necessary to declare laws to enhance business activities locally. The first Company law in Nigeria was the Companies Ordinance 1912, which was a local enactment of the (consolidation) Act 1908 of England; and even the present company law of Nigeria- (Companies and Allied Matters Act 1990- CAMA), is largely shaped on the U.K Company Act 1948.<sup>108</sup>

Despite the fact that the Nigerian Company Law was shaped after the UK, it has been widely elucidated and applied from the perspective of the U.S. contractarian model. While in the U.K, there has been an apparent shift in focus of the aim of the company to ‘enlightened shareholder value’, and the requirement that companies report on the impact of their operations on other stakeholders, like; employees, suppliers, communities and the environment,<sup>109</sup> and concluded in the recent company law Reform Bill,<sup>110</sup> which is in the process of being taken through parliament. The Nigerian legal structure, has not headed same direction. It typically mirrors the shareholder supremacy and shareholder maximization goal<sup>111</sup> trait of the U.S contractarian school.<sup>112</sup> Hence, companies are perceived as private actors, to be solely administered in the interest of the shareholders. This notion has been

---

<sup>106</sup> [1897] AC 22

<sup>107</sup> Ibid, no 97

<sup>108</sup> Abel Guobadia, ‘Protecting minority and Public Interests in Nigeria Company Law: The Corporate Affairs Commission as Corporation Ombudsman’ [2000] International Company Law Annual, Vol. 1, 81

<sup>109</sup> Cynthia Williams, John Conely, ‘An Emerging third way? The erosion of the Anglo-American shareholder value construct’ [2002] 38 Cornell International Law Journal, 493

<sup>110</sup> The Bill is attempting to enshrine some principles of CSR into legislation

<sup>111</sup> Under the Companies and Allied Matters Act- the principal legislation on companies in Nigeria, the shareholders are recognised solely as the members of the company- (See section 79 Companies and Allied Matters Act, 1990)

<sup>112</sup> Lynch Fannon, ‘Working with two kind of capitalism: Corporate governance and Employee Stake holding: U.S and E.U perspectives’ [2003] Oxford-Portland Oregon: Hart publishing

followed by Nigerian Courts , which have ruled consistently in favour of the supremacy of shareholders.<sup>113</sup>

This position has also been mirrored in the analysis of the relationship between the Company and the stakeholders. Essentially, this interpretation of the Company, for instance separates the relationship of employees in companies from employees in the public service in Nigeria. Although the termination of employment of public servants are statutorily guaranteed so that the relationship cannot be terminated, except on specific premises provided by statute;<sup>114</sup> that of companies' employees are not guaranteed. A company could terminate the employment of its employees at will for no reason after due notice is given, which is one month by statute and three months by contract.<sup>115</sup> It is generally posited that this creates some real disputes in adopting and implementing some western ideas of CSR (i.e responsible employee relations) in Nigeria, and further subjects lauding of CSR as a regulated global practice.<sup>116</sup> Given the contractarian orientation of the Nigerian Corporate Governance framework, it proposed that; 'CSR activities in Nigeria would not be framed from a stakeholder perspective (or socialist model). In that regard, little emphasis would be placed on such CSR waves as employee relations or consumer protection.'<sup>117</sup>

### **3.2. General Insights on the Issues of CSR in MNCs**

In developing communities, local communities have depicted the ability to sabotage MNCs local business operations, and as the Nigerian events and circumstances demonstrate,

---

<sup>113</sup> Kotoye v. Saraki (1994) 7 NWLR

<sup>114</sup> Olaniyan v. University of Lagos [1985] 2 NWLR (part 9) p.599. See also, Modele O. Oguniji, 'Nigerian labour and Employment law in perspective' [1991] Lagos, Nigeria Folio Publishers Ltd, 194-208

<sup>115</sup> The Courts in Nigeria have consistently affirmed this position. See for examples, the cases of Ansambe v. B.O.N [2005] 8 NWLR (pt.928) p.650, Lake chad v. Mohammed (2005] 8 NWLR

<sup>116</sup> Ibid, no 3, 12

<sup>117</sup> Ibid

communities' conduct, could be controlled neither by the Corporation nor the state.<sup>118</sup> In this light, the management of these local encounters and linked social, ethical and development issues, while seeking the social licence to function, has emerged as part of the MNC's CSR agenda in the domestic context.<sup>119</sup>

As the studies by Waddock and Graves illustrate, social performance is both an incentive and a consequence of high financial performance.<sup>120</sup> In as much as the positive effect of social performance is in accordance with reputation, the latter is originated from complicated interaction relationship of various social groups, organisation and individuals.<sup>121</sup> According to Branco and Rodriguez, an attempt by the company or firm to be able to identify and act according to stakeholder matters, is an implication that there is a need to consider the predominant social norms and predominant views of responsibility, all of which have an ethical measure.<sup>122</sup> In addition, the engagement in CSR for calculated reasons, may in many cases have ethical and moral incentives, as well as leading to social benefits.<sup>123</sup>

In Nigeria, CSR practices are most renowned in the oil and gas sector and among MNCs.<sup>124</sup> The primary instruments of CSR utilised by MNCs include corporate codes of conduct, voluntary social reporting and community development projects. The areas covered by CSR initiatives of MNCs include; bribery and corruption, environmental matters, human rights, employees' welfare, publication of information, labour issues, transparency and consumer

---

<sup>118</sup> Alexis Rwabizambuga, 'Corporate Social Responsibilities in the Nigerian Oil Sector: The case of Royal Dutch Shell' [2008] 14

<sup>119</sup> Ibid

<sup>120</sup> Sandra Waddock, Samuel B. Graves, 'The corporate social performance- financial performance link' [1997] Strategic Management Journal, 23

<sup>121</sup> Moldaschl, Manfred; Fischer, Dirk, 'Beyond the management view: A resource-centered socio-economic perspective' [2004] Management Revenue, vol. 15, issue 1

<sup>122</sup> Manuel Castelo Branco, Lucia Lima Rodriguez, 'Corporate Social Responsibility and resource based perspectives' [2006] Journal of Business Ethics, 112

<sup>123</sup> Ibid

<sup>124</sup> Uwafiokun Idemudia, Uwem E. Ite, 'Corporate-community relations in Nigeria's Oil industry: Challenges and imperatives' [2006] 194 at 195

protection.<sup>125</sup> Most, if not all of these areas are customarily administered by positive law. It thus appears in some way inappropriate when CSR is conveniently interpreted as going beyond the prerequisite of the law.<sup>126</sup> Hence, the question is, why has CSR become so crucial for the operation of MNCs in Nigeria and why is the law at the rear end? According to a Statoil report, a Norwegian MNC in Nigeria: 'Because of past and present experiences with petroleum activity in the Niger Delta, with widespread environmental destruction and little or no economic development, the population is deeply suspicious towards oil companies. Because of this, Statoil has to prove itself when it comes to corporate social responsibility in Nigeria.'<sup>127</sup>

A precise glance at the domestic forum (in Nigeria), would divulge that the gaps within the domestic law, lauded by the dearth of an enforceable international structures for regulating MNCs, have further augmented the relevance of CSR. The diplomatic use of CSR is also true for other MNCs functioning in Nigeria. Nonetheless, commentators have been indicating contemporarily that the adoption of CSR as a blueprint in Nigeria has failed to eliminate the suspicion and strife that exist between MNCs and other stakeholders.<sup>128</sup>

### ***3.2.1. Oil Companies Interest in CSR in Niger Delta.***

MNCs world-wide are constantly becoming interested in CSR. There is a spiralling need for companies to offer community development initiative to host communities where the oil companies execute their operations. The failure of government to provide sufficient infrastructures to the community, have put corporations, particularly the MNCs that operate

---

<sup>125</sup> For example, Shell Nigeria Annual Report 2006 'People and the environment' available at [http://www.shell.com/home/content/nigeria/news\\_and\\_library/publications/annual\\_reports\\_archive.html](http://www.shell.com/home/content/nigeria/news_and_library/publications/annual_reports_archive.html)

<sup>126</sup> Neil Cunningham, Robert Kagan, Dorothy Thornton, 'Social licence and environmental protection: why business go beyond compliance' [2004] 29/2 Law & Social Inquiry, 307 at 308

<sup>127</sup> Stella Amadi, Mekonnen Germiso, Asle Henriksen, 'Statoil in Nigeria: Transparency and Local Content' Report no 1/2006 [2006, Framtiden, Ivare hender} 19

<sup>128</sup> Ibid, no 18. 194



in oil communities under tension.<sup>129</sup> The existence of oil exploration in Niger Delta, has affected the traditional sustenance of the communities, which causes the employments of residents. The pollution of the waters and the fertile land are damaged by the oil spill and gas seethes. It is argued that oil companies should take note of the social, ethical and environmental prospects of their operations.<sup>130</sup> The principle of the CSR notion, assumes that business has a duty in the host community beside its accountability to the shareholders of the Corporation. Evidently, for business to grow, they must execute their function in ways that boost significance, instead of deviating from the social and economic infrastructure of the host communities.

CSR is recognised as a way a corporation can integrate the social and environmental issues into the operations and relations with the public. Thus, it is relevant that business must contribute to society in a way that is socially responsible.<sup>131</sup> CSR has a spontaneous responsibility to business community to ensure sustainability of the social environment. Hence, a corporation must create a positive environment for its operation to persist. It is evident that businesses engage in social venture to achieve competitive recognition against rival with less social development to decrease cost and maximize their market share.<sup>132</sup> CSR is crucial in aiding multinational organisation acquire social licence to operate in societies.<sup>133</sup> It demands broad policies and practices to drive social development in a legally and ethically procedure to enhance the society. Although there are challenges to welcome the cumbersome

---

<sup>129</sup> Usman Olanrewaju, 'CSR of corporations to host communities' [2014] Business Day Newspaper

<sup>130</sup> Ibid

<sup>131</sup> Benjamin James Inyang, 'Defining the role engagement of small and medium enterprises (SMEs) in CSR' [2013] International business research, 130

<sup>132</sup> George Frynas, 'The false development promise of CSR: Evidence multinational oil companies' [2005] International Affairs, 586

<sup>133</sup> Paul Hohen, Jason Potts, 'CSR: An implementation guide for business' [2007] International Institute for Sustainable development

task of social responsibility in oil communities, but this is to an extent, an advantage for the survival of oil communities.

The CSR oil companies is entrenched against the belief of profit of multinational oil business.<sup>134</sup> The keen interest of oil companies to commence community development is based on the idea that operations at the level of the market corporations should be at liberty to act solely on the grounds of profitability, without regard to national or local repercussion.<sup>135</sup> Maximizing profit is observed to be the sole reason that companies exist and expenditures are repelled, when found to be beyond what is expected.<sup>136</sup> Although CSR is a means of giving back to the community, the use of humanitarianism has become the basis of enforcing community development in oil companies. Shell as one of the multinational companies has combined its CSR investment with its business purpose to improve the unfavourable environment. It is observed that a company survival and the level of business, somewhat depends on the improvement of the communities.<sup>137</sup> The improvement of lives in the region, have made companies such as; ExxonMobil, Shell and Total invest in millions of dollars social projects for communities.<sup>138</sup>

It is acknowledged that these companies have contributed to the growth of the Nigerian economy and to the communities the corporations execute their operations.<sup>139</sup> For example, the development of education, scholarship, agriculture, health etc, are several areas that transnational corporations have displayed CSR.

---

<sup>134</sup> Godwin Uyi Ojo, 'Community perception and oil companies CSR initiative in the Niger Delta' [2012] *Studies in Sociology of Science*, 19

<sup>135</sup> *Ibid*

<sup>136</sup> Nick Ashton-jones, 'The human ecosystems of the Niger Delta' [1998] Ibadan: Kraftbooks

<sup>137</sup> *Ibid*, no. 25

<sup>138</sup> Shell Petroleum Development Company. [2007].Shell annual report 2006. SPCE Nigeria Limited

<sup>139</sup> Olaniyan Raman Abubakri, Gift Ogodo, Florence Iyadunni Adedowole, 'Public relations, CSR and oil communities in Niger Delta region, Nigeria' [2014] *New media and mass communication*,

Abubakri *et al.* surmise that effective CSR has the potential of ensuring that corporations embrace community relations.<sup>140</sup> Hence, there is need for feasible community relation by transnational corporations as part of their CSR, in order to enhance social and developmental programmes. Furthermore, the interest of oil corporations in Niger Delta in CSR, has been a controversial approach with the host community for peace endurance. Although amnesty is a partial means of maintaining peace between the corporation and the oil community, CSR if adequately implemented, can be a key solution to a win-win relations in the entire region.<sup>141</sup> It is thus crucial that the interest of the MNC, likewise the host communities, be at a meeting point. In essence, this cannot be achieved without the MNCs recognising that the host communities have a stake in their operations and thus, are entitled to sufficient attention and due awareness.

### ***3.2.2. Ardent Recognition of Host Communities as Stakeholders in the Niger Delta.***

The aspect of this analysis is akin to the stakeholder approach by Freeman. He surmises that the stakeholders ought to contribute to the course of the Company, in which they hold the stake.<sup>142</sup> Those groups who have a stake in the company include; customers, shareholders, suppliers, employees and the local community.<sup>143</sup> Considering the bunch of stakeholders, the Company is challenged on where the attention should be focused. Although there have been debates regarding this subject-matter, it could be implied that various firms encounter various challenges in this context.

---

<sup>140</sup> Ibid

<sup>141</sup> Ibid

<sup>142</sup> Edward Freeman, 'The stakeholder approach revisited' [2004] *Zeitschrift für Wirtschaft- und Unternehmensethik*, 229

<sup>143</sup> Elisabeth Garriga, Domènec Melé, 'CSR theories: Mapping the theory' [2004] *Business Ethics*, 52

The position in the Niger-Delta has placed the host communities at the leading edge of the affairs of the oil Companies.<sup>144</sup> The Oil industry in Nigeria has come under excessive pressure from its stakeholders to behave responsibly and to engage adequately with stakeholders through communication and practices.<sup>145</sup> It is posited that local Communities as known stakeholders cannot be ignored. The relevance of stakeholder management in CSR practice does not require emphasis, as the situation of constant conflicts and disagreements between the MNC and the host communities, bolster the fact that the MNC cannot function in isolation.<sup>146</sup> No matter the array of groups and individuals that assert to have a stake in the affairs of the oil companies, the local communities, seem to precisely affect and influence their operations.<sup>147</sup> Based on this premise, it is generally posited that ‘internally shared values’, ‘institutional frameworks’ and ‘stakeholder interactions’ form the three key components in grasping the uniqueness of human network (or community) for achieving stakeholder engagement.<sup>148</sup>

### **3.3 CSR Policy and Practice in the Nigerian Context.**

There is no enunciated national policy on CSR in Nigeria. This is despite the disposition of government to publicly support turmoil of jarring pressure groups that continuously advocate for corporate resilience of social needs. However, implications of government policy direction can be accumulated from various sources. For instance, official disclosure of the Department of Research and Statistics of the National Assembly,<sup>149</sup> has published an article

---

<sup>144</sup> V.T. Jike, ‘Oil companies and Host Communities: A Probable Scenario of Reciprocal Empowerment’ [2010] J Hum Ecol, 135

<sup>145</sup> O. Egbon, Uwafiokun Idemudia, Kenneth Amaeshi, ‘Shell Nigeria’s Global Memorandum of Understanding and Corporate-community accountability relations; A critical appraisal’

<sup>146</sup> Ibid

<sup>147</sup> Nnadozie Izidor, ‘Methods of Community Engagement between Oil multinational companies and Communities in the Nigerian Niger-Delta Region: A Critical Analysis of Eni SPA, Total SA and RD Shell’ [2016] Doctor of philosophy at the University of Lancashire, 59

<sup>148</sup> Ibid

<sup>149</sup> Issues in National Assembly, Vol.1 [2015] is a disclosure of the Department of Research and Statistics an official organ of the federal legislature of Nigeria

upholding CSR in its quarterly disclosure, called '*Issues in National Policy*'.<sup>150</sup> Although the disclosure is not contemplative of the thoughts of its contributors, the fact that the disclosure ought to 'assist legislators in their Law Making' by 'Undertaking research into topical issues affecting the nation or other issues required for legislative purpose', is evocative of its purpose- to direct and prompt legislators in policy matters.<sup>151</sup> CSR approach gives direction on 'who does what?' and 'why it should be done that way'.<sup>152</sup> The influence that corporations can employ are often excessive.<sup>153</sup> If CSR is left to the benevolence of firms, there will be unpredictability in its implementation. Furthermore, those who implement CSR activities, may have egotistic aims. The mediation of government in CSR by legislating it, would, thus, aim at generating the sense of 'doing of the right thing for the right reason.'<sup>154</sup> In other words, 'the hand of the government' and not the 'invisible hand' nor the 'hand of management' will be enough to harmonise the deliberation of both business and society.<sup>155</sup>

It is thus debated that state agencies can impact CSR practice through receptive public procurement policies. This is because of the considerable value of the purchase of intermittent items in the annual budget of developing countries. Nevertheless, Public Procurement Act 2007, which enumerates that all Federal Government processes, does not state anything concerning compulsory procurement from domestic policies.<sup>156</sup> It is postulated that developing countries can influence CSR practices in both an effective and considerable

---

<sup>150</sup> See U.M. Mari, 'CSR; Why legislation and regulation' [2015] *Issues in National Policy*, Vol.1 , 55

<sup>151</sup> Salisu Abubakar Maiksuwa in the 'Preface', *Issues in National Policy*. [2015]

<sup>152</sup> Ibid

<sup>153</sup> Shell was accused of using the government of Nigeria against Nigerians during a military standoff with protesters in the Niger-Delta

<sup>154</sup> Ibid

<sup>155</sup> Kathryn M. Bartol, David Clarke Martin, 'Series in Management Identified the 'invisible hand', 'hand of government' and the 'hand of management' as major influences of CSR' [1994] McGraw-Hill

<sup>156</sup> Section 4, Public Procurement Act 2007 for the objectives of the Bureau of Public Procurement established under section 3 of the Act.

way, by executing imperative provisions and rules that constrain corporate activities in ways that advocate social justice and national development.

The International Oil Companies (IOCs) present an exclusive case because of their eminence in Nigeria. The state-owned corporations like the NNPC and quasi-independent organisations like the Nigerian Stock Exchange (NSE) can lead the way. Fascinatingly, the NSE was voted CSR corporation in 2015.<sup>157</sup>

The government's administrations and action about corporate governance and social responsibility issues divulge their CSR strategy. The policy of government may be analysed, for example through the switch in position by the Corporate Affairs Commission (CAC), following the mitigation of the constraint on 'not-for-profit' companies and incorporated trusts from devoting in for-profit public and private companies announced in 2015.<sup>158</sup> The CAC has been promoting corporations to adopt best practice in corporate governance by establishing the CAC Annual Corporate Citizens Award.<sup>159</sup>

### ***3.3.1. International Courts and their Influences in Corporate Liability Cases.***

Subsequent to the execution of some civil rights activists, famously known as the 'Ogoni Nine' by the Nigerian government in 1995, the predicament of the people of the Niger-Delta region gained much reputation. The activities sought to feature internationally, the effect of furtive corporate activity in the Southern part of Nigeria, which led to great environmental

---

<sup>157</sup> Cynthia Okoroafor, 'Despite Recent Setbacks in Nigeria's Stock Exchange, NSE Receives Award' [2015] <http://venturesafrica.com/despite-recent-setbacks-in-nigerias-stock-exchange-market-nse-recvies-award/> accessed 2 September 2019.

<sup>158</sup> Ibid

<sup>159</sup> The annual award is to companies in any sector of the economy. The award criteria include assessment of 'environmental performance', 'corporate social responsibility', and 'management of stakeholder relations', See <http://new.cac.gov.ng/home/cac-annual-corporate-citizens-award/> accessed 2 September 2018

degeneration amongst other destructions and economic losses for the local communities.<sup>160</sup> In 2003 and 2012 respectively, the African Commission in *Social and Economic Rights Action Centre (SERAC) and Another v. Nigeria*,<sup>161</sup> and ECOWAS Community Court of Justice in *Social and Economic Rights Advocacy Project (SERAP) v. Federal Republic of Nigeria and the Attorney-General of Nigeria*<sup>162</sup> -in suits brought by non-governmental organisations (NGOs)- made what was then acknowledged as milestone decisions in respect of actions brought on behalf of natives of the Niger Delta.

Upon the contemporary declaration, Shell has agreed on a compensation of \$84 million to selected individuals who have been affected, and for association projects in the Niger Delta.<sup>163</sup> Following these incidents, it is argued that the connected incentive to be acquired from these cases and others that may follow, with current international law jurisprudence being discussed, to make business more susceptible to environmental and social issues, that will impact, not only the decisions of corporations, but of governments as well, in pursuing administrative regimes, that will meet the standard of efficiency in its duty to protect the environment and maintain human rights will be enormous.<sup>164</sup>

### ***3.3.2. Laws Are Not Enough.***

It is posited by Anyakudo, that laws are a crucial threshold for amending the awful standards of environmental degeneration caused by Companies in the extractive industry.<sup>165</sup> To lay this

---

<sup>160</sup> Okhumode H. Yakubu, 'Addressing Environmental Health problems in Ogoni land through implementation of United nations Environment program Recommendations Environmental Management Strategies' [2017] Department of public health services, 8

<sup>161</sup> Communication 155/96, *Social and Economic Rights Action Centre and the Centre for Economic and Social Rights v. Nigeria* (2001) AHRLR 60

<sup>162</sup> *SERAP v. Federal Republic of Nigeria and another* ECOWAS Court of Justice General List No. ECW/CCJ/APP/08/09 [2012]

<sup>163</sup> See Shell agrees \$84m deal over Niger Delta oil spill. BBC 5 January 2015. <http://www.bbc.co.uk/news/world-30699787> Assessed 2nd September 2019

<sup>164</sup> Ibid

<sup>165</sup> Ibid,

point in perspective is to consider what would be the probable scenario if laws were non-existent.

In *SERAP v. Attorney General of Nigeria*, the ECOWAS Court of Justice rebuffed the argument of the Nigerian government that corporations can manage any eventualities that may affect the environment, stating that, ‘a vital resource of such importance to all mankind, such as the environment, cannot be left to the mere discretion of oil companies and possible agreements on compensation that may establish with the people affected by the devastating effects of the this polluting industry.’<sup>166</sup>

From the decision of the Court, it can be inferred that perhaps, there is an attempt at implementing a CSR principle on the grounds that a synergetic relationship exists between the state, corporations and local community in which oil exploitation companies function. This decision may be the conventional ‘one little step’ for CSR that may lead to a ‘giant leap’ in the further evolution of international law jurisprudence on this course.<sup>167</sup> In a region haunted by extensive corruption and political intrusion in judicial proceedings, it can be barely considered a fabrication to characterise this judgment as innovative for lacking precedent. Darbney Marshall has observed the willingness of Judges to proclaim new boundaries in Jurisprudence. He postulates, ‘once admit a principle into jurisprudence, and Lawyers and Judges will fearlessly follow it to its logical conclusions, however inconvenient or absurd they may prove to be. This is strikingly illustrated in the history of the judge-declared portion of the law.’<sup>168</sup> CSR in developing economies like Nigeria, may be one aspect in which judicial advocacy may be required. Nonetheless, lack of sufficient formal

---

<sup>166</sup> Ibid, 44

<sup>167</sup> Ibid

<sup>168</sup> T. Darbney Marshall, ‘What Law is’ [1893] 27 American Law Review, 540. This is a rather generalised and optimistic view that Judges are creative in developing jurisprudential thought in developing countries.



expertise and information on the issue may prove attenuating in view of the fact that CSR is not taught or delineated in the tertiary academic institutions in Nigeria.<sup>169</sup> Hence, the quality of benchers may mirror the quality of educational system from which they are trained.

### ***3.3.2. Disputes of CSR in Nigeria.***

At the positions of law and practice, CSR has not gained adequate attention. As already observed, there is no comprehensible government policy on CSR; its practice is also not organised, with weakened institutional arbitrations by organisations, and no structural legislation.

With reference of the judicial role, in interpreting state administration and institutional framework based in law, it is important that they are independent to serving the democratic procedures. In Nigeria, approaching the judicial system, should not be for the exclusivity of the affluent, and when accessed, the ability of the Court, needs to guarantee fair hearing and unburdened distribution of justice. Judicial processes are particularly sluggish. Thus, the recent automation of judicial administration has been applauded as competent of hastening the process of case administration.<sup>170</sup> Judicial reform will be exceptionally important in the scenery of the conception of non-judicial but clamorous pressure groups demanding liability beyond national Courts, as in the case of SERAP.<sup>171</sup>

The failure of transition of CSR legislation reveals lack of political will in making legislative provisions for CSR in Nigeria. The first major attempt aimed at introducing legal delegation

---

<sup>169</sup> Justin M. Odinioha Gabriel, Wadike George, 'Social Responsibility Performance of Educational Institutions of Higher Learning in Nigeria' [2013] International Journal of Asian Social Science, 555

<sup>170</sup> James Cabral, Abhijeet Chavan, Thomas Clarke, John Greacen, Bonnie Rose Hough, Linda Rexer, Jane Ribadeneyra, Richard Zora Havard, 'Using Technology to Enhance Access to Justice' [2012] 26 Harvard of Law & Technology, 24

<sup>171</sup> IBID

of CSR via the Corporate Social Responsibility Bills in 2008 and 2012 failed.<sup>172</sup> Another attempt was through the CSR (Special provision, etc.) Bill 2015.<sup>173</sup> It was read for the second time on 15 December 2015 and transmitted to the House of Representatives Committees on Commerce and Justice for further legislative contribution.<sup>174</sup> These preceding Bills reached the committee stage on each occasion but did not complete the process required for passage into law. This challenge here is the failure of lawmakers to propose a Bill that is proficient for general approval.

The passage of the Petroleum Industry Bill 2010,<sup>175</sup> has faced a lot of impediments also, establishing the nature of legislative reform in relation to corporate activity in the Nigerian Oil and Gas sector.<sup>176</sup> In accordance to the UN Environment website, Ogoni land ought to be a safeguarded natural territory.<sup>177</sup> Achievement of CSR legislation in Nigeria will, thus require fundamental reforms. Petroleum Industry Bill acquired acknowledgement in Nigeria, among potential foreign investors in the oil and gas industry, since it was first projected in 2007.<sup>178</sup> The relevance of the Bill is in its reform of clarity of matters, constitution of a new legal framework, with the creation of new enforcement agencies.<sup>179</sup> Some bickering followed the presentation of the Petroleum Industry Bill for the first time in 2012.

### ***3.3.3. Indigenous Corporations, SMEs and the CSR Practice.***

---

<sup>172</sup> The Bill sponsored by Uche Chukwumerije, 'An act for establishment for CSR Commission' and presented in 2008.

<sup>173</sup> Votes and Proceedings of the House of Representative, of 8 December 2015, 660

<sup>174</sup> Votes and Proceedings of the House of Representative, 15 December 2015, 717

<sup>175</sup> Petroleum Industry Bill 2010

<sup>176</sup> Ibid,

<sup>177</sup> The UN Environment claims that the area comprising Ogoni land is the third largest ecosystem in the world. <http://www.unep.org/disastersandconflicts/disastersandconflicts/where-we-work/nigeria/what-we-do/about-ogoniland> Assessed 3 September 2019

<sup>178</sup> Ibid

<sup>179</sup> Ibid

For the SMEs and Companies, there is no logical CSR policy. Hence, presently, there is no regulated policy as regards the challenge which empirical analysts, theorists and corporate executives in developing countries encounter in the explanation and the development of an endemic CSR theoretical construct into application.<sup>180</sup> Government and organisations lauding the adoption of principles and customs should not encourage principles, which are mere mimicry of western standards.<sup>181</sup> The purpose of standard organisations, particularly those ones of international reputation and importance, should be to subsidise programmes for economic growth and sustainable development of ratifying states.

Small Companies are not controlled the way larger Companies are. In 2003, the Bankers' Committee's Subcommittee on Corporate Governance, promulgated code of CG for Banks and other Financial institutions in Nigeria to its member Banks.<sup>182</sup> Securities and Exchange Commission (SEC), issued its first code of Corporate Governance for Public Companies 2003 subsequently.<sup>183</sup> In 2011, the Financial Reporting Council of Nigeria was set up by law<sup>184</sup> to 'protect investors and other stakeholders' interest'<sup>185</sup> and 'ensure accuracy and reliability of financial reports and corporate disclosures, pursuant to various laws and regulations currently in existence.'<sup>186</sup>

SEC published its amended code of Corporate Governance for public companies in 2011, which in its aggregate, is anticipated to 'ensure the highest standards of transparency, accountability and good corporate governance, without unduly inhibiting price and

---

<sup>180</sup> See for a discussion on the search for new identities resulting from the formation of new states in Asia and Africa: Clifford Geertz (ed), 'The integrative Revolution: Primordial Sentiments and Civil Politics in the New States' in *Old Societies and New States: The quest for modernity in Asia and Africa* (University of Chicago 1963)

<sup>181</sup> Ibid no 3

<sup>182</sup> Mohammed Suleh-Yusuf, 'Corporate Governance in Nigeria: The need for a prescriptive approach' [2017] *Journal of Business and Management*, 18

<sup>183</sup> Ibid

<sup>184</sup> Financial Reporting Council of Nigeria Act 2011

<sup>185</sup> Section 11(a)

<sup>186</sup> Section 11(d)

innovation.<sup>187</sup> The relevance of the code, encompasses all public Companies, including those who intend to raise funds and whether it is listed or not.<sup>188</sup> In essence, these laws were proposed to establishing good corporate governance in Nigeria.

In implementing their operations, Companies are admonished by virtue of the provisions of part D to envisage the interest of other stakeholders other than shareholders, predominantly, in bolstering their objectives. In accordance with Rule 37, stakeholders ‘include directors, employees, creditors, customers, depositors, distributors, regulatory authorities and host communities.’<sup>189</sup> In addition, rule 28.3, requires the annual newsgathering on ‘nature and extent of its social, ethical, safety, health and environmental policies and practices-’<sup>190</sup> all matters are pivotal to CSR.

In the quest of expediting the objective of improved CG, there were several amendments made to the Code of Corporate Governance for Public Companies (2003) in 2014.<sup>191</sup> New rules decreed conformity with the provisions of the code and dictated financial and non-financial sanctions for non-conformity.<sup>192</sup> The new rule 1.3(a) provides that; ‘The code is expected to facilitate sound corporate practices and behaviour. It should be seen as a dynamic document defining minimum standards of corporate governance expected particularly of public companies with listed securities.’<sup>193</sup> The amendments also cover conformity with the

---

<sup>187</sup> Introduction to the Code of Governance for Public Companies 2003 (as amended)

<sup>188</sup> See Part A, Rule 1.1(a)(b) and (c)

<sup>189</sup> Rule 37 Code of Corporate Governance for Public Companies [2003]

<sup>190</sup> Rule 28.3 Code of Corporate Governance for public Companies [2003]

<sup>191</sup> Junaidu Bello Marshal, ‘Corporate Governance Practice: An overview of the Nigerian Evolution of Corporate Governance Codes in Nigeria’ [2015] International Journal of Business and Law Research, 54

<sup>192</sup> Ibid

<sup>193</sup> Rule 1.3(a) Code of Corporate Governance for public Companies [2003]

provisions of the code which ‘shall be mandatory.’<sup>194</sup> Non-conformity to the new rules will intrigue attached financial and non-financial penalties.<sup>195</sup>

The prior review of the attempts at inculcating good corporate and social responsibility measures in Nigeria, concedes the presence of fundamental laws. Nevertheless, these laws are lacking in implementation, scope of institutional techniques, and slow reform events being employed to boost them.

#### **4. How Can CSR be integrated with Corporate Governance in Nigeria Effectively?**

It is evident that Nigeria has been keen on legislating CSR in the past decade, so as to delineate the law and practice.<sup>196</sup> This evolution is attributable in part to the volatility of the Chief Security Officers (CSOs), that have proposed for a more sturdy CSR framework for IOCs in the oil and gas sector over the last few decades.<sup>197</sup>

Furthermore, in the legal ambience, some national and international Court Judgments with consequences capable of influencing the development of CSR are eminent. Regardless of what can be considered apparent benefits for CSR in Nigeria, there persists some challenges in legislating and integrating CSR.

##### **4.1. CSR and Nigeria’s Development Scheme.**

---

<sup>194</sup> Rule 1.39g) of the Standing Orders of the House of Representatives of Nigeria [2015]

<sup>195</sup> The penalty for violating the Rules is ‘N500,000 at the first instance and a further sum of N5,000 for every day the violation persists and any other sanction as the Commission may deem fit in the circumstance.’

<sup>196</sup> The Nigerian Extractive Industry Transparency Initiative Act 2007 became law on 28 May 2007, the Financial Reporting Council of Nigeria Act 2011 became law on 3 June 2011 repealing the Nigerian Accounting Standards Board Act 2003 which was much restricted in scope regarding reporting requirements regarding requirements of public companies

<sup>197</sup> Ibid

Taking into account the history of corporations and practice and CSR in Nigeria, there have been criticisms on the legitimate management of CSR agendas, as the affliction of the Niger-Delta persists.<sup>198</sup> To a lesser extent, this critique is accurate for the Country where non-oil Corporations operate. The purported prerogative with which IOCs operate in Niger-Delta has subsidized to the turbulence for legislation to regulate CSR practices in Nigeria.<sup>199</sup> This task is not devoid of implicit challenges including lack of research, human capital issues, and disorganised business-society desegregating strategies.<sup>200</sup> The relevance of CSR to a developing country like Nigeria, is crucial because CSR policies generate empirical goals.<sup>201</sup>

#### ***4.1.2. Socio-cultural Matters of Nigeria's Evolution***

Corporations frequently talk of a 'permissive environment'. This environment must be in the background of a society and its norms.<sup>202</sup> Research has evidently shown that CSR is influenced by the socio-cultural norms of Nigeria.<sup>203</sup> Acknowledging the distinctive socio-economic and corporate history of Nigeria, for example, the approach of a 'permissive environment' in China, Germany or the U.S, will be dissimilar, according to the context of socio-cultural norms.<sup>204</sup> One of the most emblematic traits on Nigeria is the prevalence of corruption and tribalism.<sup>205</sup> The Federal Character Commission established under the constitution to ensure obedience to the 'federal character' of Nigeria, observes this issue.<sup>206</sup>

---

<sup>198</sup> Lukman Raimi, 'Reinventing CSR: Understanding Its Meaning And Theories For Effective Application In the Industry' Edited by David Crowther and Shahla Shefi (Emerald Publishing Limited 2018) 155

<sup>199</sup> Ibid

<sup>200</sup> Ibid,

<sup>201</sup> For a discussion on CSR and its developmental impact in the Niger Delta see: Oko Ndu and B.A. Agbonifoh, 'Corporate Social Responsibility in Nigeria: A study of petroleum industry in the Niger Delta Area' [2014] International Review of Social Science and Humanities, Vol6, No. 2, 214- 238, 234

<sup>202</sup> David Kinley, Justine Nolan and Natalie Zerial, 'The politics of CSR: Reflections on the United Nations Human Rights Norms for corporations' [2007] Lawbook Co. 31

<sup>203</sup> Ibid, No. 3,

<sup>204</sup> Ibid,

<sup>205</sup> Section 14 (3)of the Constitution of the Federal Republic of Nigeria 1999 (as amended) recognises the diversity of Nigerian tribes and provides for fair representation from the other major tribes.

<sup>206</sup> Section 153(1)(c ) of the Constitution of the Federal Republic of Nigeria 1999 (as amended)

Jing and Graham have submitted that several tribal relationships modelled by public officials, tend to enhance corruption in Nigeria.<sup>207</sup> An effective CSR policy or law should positively make an impact on the society. Nigeria being a country of various languages and rooted tribal bias, CSR can be a tool for Corporations to create partnerships with the local communities in which they function.<sup>208</sup> Divergent cultures, social and environmental needs, can be consigned through a CSR initiatives that support CSOs in campaigns, can assist in resolving profuse social problems in healthcare, SME- small business sustainability, for solar energy, scientific research, education, etc.<sup>209</sup>

The unequivocal utilization of funds to community projects will conceive a further bond between business and such communities. This is endorsed in developing countries, where national preferences may divert taxes away from social projects. In Nigeria, the Niger-Delta people have consistently debated that they should be given more revenues of crude oil, with which they are naturally enriched. This supposedly influenced the Federal Allocation and Derivation and Derivation Policy of Nigeria.<sup>210</sup> However, Omotosho captured the public notion meticulously, when he ascertained that ‘the federal government controls a disproportionate amount of the sub-federal governments.’<sup>211</sup> The oil producing regions continue to incite that the developmental profile of their communities is extensively distinct from that of the federal territory and its areas of influence.

There is no CSR Social Impact Index data for Nigeria. It has been perceived by Frynas that ‘Shell Petroleum Development Company of Nigeria (SPDC), built three town halls in one

---

<sup>207</sup> Runtian Jing, John L. Graham, ‘Values versus Regulations: How Culture plays its role’ [2007] *Journal of Business Ethics*, 3

<sup>208</sup> This is the one of the stated objectives of the Philippines Corporate Social Responsibility Act 2011.

<sup>209</sup> *Ibid*, No.3, 241

<sup>210</sup> Femi Omotosho, ‘Nigerian Fiscal Federalism and Revenue Allocation Formula for sustainable Development in Niger delta’ [2010] 5 *The Social Sciences*, 246

<sup>211</sup> *Ibid*, 249

Niger-Delta Community as three community Chiefs wanted to benefit personally from the contracts for their construction.’<sup>212</sup>

This would be advantageous in the measurement of the effectiveness of CSR projects in impoverished communities. It will be additionally beneficial in having a coordinated approach to taking account and outlining CSR projects to determine the effect in host communities.<sup>213</sup> The growing urbanisation of towns, which are now cities in Nigeria, demands for moderation through planning and effective policies. CSR by the government will edict the situation of industrial regions outside populations and provide stringent administration of pollution management policies.<sup>214</sup> In all steps taken by corporations or government, inputs from CSO organisations should be desired with wide deliberations set in motion.

#### ***4.1.3. The Economy, Developmental Directives and Strategies.***

The Nigerian economy is considered the largest in Africa, with oil and gas, communication, financial sector, oil and gas as the major contributors to the GDP. In discovering the economic crisis to the failure of corporate administrators to apply efficient ethical considerations to their operations, it is believed that the Nigerian large Corporations cannot elude scrutiny.

Evidently, it is important to consider the impact of legislating CSR in Nigeria to the economy. This is a consideration for not only Corporations, but government and society. Corporations assess the effectiveness of legislation by hint to the impact on the ‘permissive

---

<sup>212</sup> Ibid, No. 24, 81

<sup>213</sup> Ibid

<sup>214</sup> Uwafiokun Idemudia, ‘Corporate Social Responsibility and developing countries: moving the critical CSR research agenda in Africa forward’ [2011] Progress in Development Studies, 4



environment' desired for the conduct of the Business.<sup>215</sup> On the other hand, the government observes the decorum of its legislation by the enthusiasm, with which there are compliance and social conformity with existing laws and policies. The public in their analysis, will assess the value of such laws to accomplishing what is generally seen as legitimate and unprejudiced in the context of the society in which the laws and the environment are applicable.<sup>216</sup> The value of public opinion to both Corporations and government is extremely crucial. In view of these speculations, CSR should be conformed to have transformational impact on the lives of the citizens. Policies in this concern, ought to be of long-term impact and should not be easily subject to change.<sup>217</sup> Corporations that contribute to the society through CSR, can be granted tax exemptions in proportionate to the value of their contributions.

#### ***4.1.4. Developmental Directives- Sustainable Developmental Goals (SDGs) Strategies.***

In connection with the lack of research and information on business-society engagements, it is established that no nation-wide business-society strategy, which inculcates the developmental directives or aspirations, can be labelled. Although CSR is being grasped by most organisations in Nigeria, it however remains grossly inconsistent and uncoordinated. The application of existing laws, such as the Tertiary Education Trust Fund Act 2011, which spells out the monthly tax of 10% of corporate profit, may constrain corporations from accepting further taxation.<sup>218</sup> Corporations will benefit from the involvement of developmental initiatives with stakeholders who provide valuable benefits to them.<sup>219</sup> Food

---

<sup>215</sup> Ibid no 3, 242

<sup>216</sup> Emmanuel Adegbite, 'Good Corporate governance in Nigeria: antecedents, propositions and peculiarities' [2015] International Business Review, 322

<sup>217</sup> Ibid

<sup>218</sup> Prof. Suleiman Elias Bogoro, 'Tetfund and the Development of Tertiary Education in Nigeria: Strategies, Performance and Challenges' [2017] Tertiary Education Trust Fund, 19

<sup>219</sup> Ibid

processing companies in the agricultural sector can extend their CSR projects to farmers and transitional processors.<sup>220</sup> Other important sectors of Nigerian economy that may be beneficial are the financial, mining and telecommunications industry. Educational sector can benefit from stakeholder development initiatives from corporations in every sector of the economy; CSR can be very efficient in the sustenance of teaching, learning and research in Nigerian schools at all levels and types. Although some exist, there seem to be very minimal instances to point at, when taking into consideration educational CSR projects in Nigeria.

It is not astonishing that debates on CSR wrings fundamental questions about Nigeria's development. The reason is not implausible; there is a complicated connection between the wealth of the country and the role of IOCs that exploit the Country's ample crude oil supply.<sup>221</sup>

Accordingly, CSR is connected with social justice developmental expectations of the people, and the government being the legitimate authority to maintain the developmental beliefs of the people, and also being the legitimate authority to uphold the development agenda, should shuffle in enunciating its business-society position.

Government commitment to enforcement of strategies aimed at the attainment of the SDGs, should be made public and consistently fortified.<sup>222</sup>

#### ***4.1.5. Political Stability and Development.***

---

<sup>220</sup> Jamila Muktar, Bahaman Saleh Mohammed, Rabi Saminu Jibril, Sabo Mohammed [2016] Research Journal of Finance and Accounting, Vol. 7, No, 13, 30

<sup>221</sup> Ibid

<sup>222</sup> Nigeria has adopted a slogan for its SDG program, 'leave no one behind' and has informative website about its implementation. [www.sdgs.gov.ng](http://www.sdgs.gov.ng)

The economic policies and laws of countries, are invariably a rumination of their alignments. It is established that there are innumerable changes of political beliefs that play at various times in the history of a country, though existing laws reflect certain political inclination of those at the wheel of political power.

The recent exposure of company registration and activity information, labelled the ‘Panama Papers’ has led to mixed reactions in jurisdictions, around the world.<sup>223</sup> The memorable practice by affluent individuals, who use Shell companies in order to avoid tax, by corporate registering entities in ‘tax havens’ to store funds offshore, has been exposed by the panama disclosure.<sup>224</sup>

#### **4.2. The Proposal of Mandatory Legislation of CSR.**

The successful administration and implantation of extant rules, customs and legislations, such as the Nigeria Extractive Industry Transparency Initiative Act (2007), can enhance the passing of a CSR legislation.<sup>225</sup> This is because the impact and essential approval, and accepting such laws can be created.<sup>226</sup> The NEITI act was emanated from Nigeria’s consent to the voluntary global organisation Extractive Industry Transparency Initiative (EITI), which has been sanctioned by the United Nations.<sup>227</sup> The fixate of the NEITI as published has been on what oil companies operating in Nigeria, have as obligation to the country, out of their joint enterprise.<sup>228</sup> Nevertheless, minimal attention has been paid to the more crucial issue of the internal administration of the wealth accounted for. The plunder of the former Head of state, Abacha, which was laid as several billions of dollars, supposedly were extorted from

---

<sup>223</sup> The ‘Panama Papers’ refers to the 2’6TB of information released by the International Consortium of investigative journalists on 9 May 2016 <https://panamapapers.icij.org/> assessed 6 September 2019

<sup>224</sup> Ibid

<sup>225</sup> Joan Amenesi Egwuonwu, ‘CSR and Environmental sustainability in Niger-Delta: A case study of Chevron Nigerian Limited’ [2014] 37

<sup>226</sup> Ibid

<sup>227</sup> UN Genera assembly adopted unanimous a resolution supporting EITI in 2008

<sup>228</sup> Ibid

revenues and accruals from this one entity.<sup>229</sup> The mandatory prerequisite of promulgating payments to government by oil companies and the actual receipts by the government as provided by the NEITI Act, should subsidise to a more plausible audit of the implementation of Nigeria's Oil revenue.<sup>230</sup>

It can be proposed that the punitive provision of the NEITI Act and other such administrative regimes of the environment or employee rights alone are inadequate to stem from the spate of corporate social impunity in Nigeria. The passing of Whistleblowing Bill will integrate the effectiveness of the extant laws against corruption. In 2008, The Whistle Blower Protection Bill<sup>231</sup>, was not passed into law. It has been re-established recently as the Whistle Blower Protection Bill 2015, but has not been passed into law, but has been adopted as a policy by the government. This is notwithstanding the protection granted in Freedom of Information (FOI) cases by section 27(2)(b) by the Freedom of Information Act 2011, that protects 'any public officer who discloses to any person any information which he reasonably believes to show- (a) a violation of any law, rule or regulation; (b) mismanagement, waste of funds, fraud and, abuse of authority; or (c) a substantial and specific danger to public health or safety, notwithstanding that such information was leaked in compatibility with the provisions of this Act.'<sup>232</sup> Likewise, Nigeria is obligated to 'protect the informants and witnesses in corruption and related offences, including protection of their identities' as a signatory to the African corruption Convention.<sup>233</sup> In Nigeria, consideration should be given to acquisition processes. For instance, a country like Ghana, that has adequately integrated whistleblowing

---

<sup>229</sup> Committee on the International Relations House of Representatives, 'Nigeria's Struggle with Corruption: Hearing before the Subcommittee on Africa, Global Human Rights and International Operations' [2006] No. 109-172, 42

<sup>230</sup> Ibid

<sup>231</sup> The Whistle Blower Protection Bill Act 2008 (SB.233) Senate, National Assembly, Nigeria. <http://nass.gov.ng/document/download/904accessed> 6 September 2019

<sup>232</sup> Section 27(2)(b) of the Freedom of Information Act 2011, Laws of the Federation of Nigeria.

<sup>233</sup> Article 5, Paragraph 4 of the African Union Convention on Preventing and Combating Corruption

laws- (Ghana's whistle Blowers Act 2006), in order to give a major backing to workers or employees, who disclose illegal or fraudulent activities.<sup>234</sup> A whistle blowing law if enacted, will provide protection to those who risk criticism for disclosing any unwholesome practices for their employers. The acquisition process of an economy in which a large proportion of fiscal allocation is spent on intermittent disbursement, should not be lightly regarded.

#### ***4.2.1. In What Way Should the law be Enacted?***

The frequency of Bills in the Nigerian parliament suggests the mandating of CSR issues of when, and not if. It is important to acknowledge the extant framework to analyse the possible perspective of the Nigerian economy upon the legislation of CSR.

Some determinants will affect global markets and by addendum, CSR policy-making in the future have been predicted. According to Euromonitor international: 'Despite the uncertainties facing the global economy, more aged, more city focused, more cautious and more polarised between the rich and the poor- the climate will change, food prices will rise, and economic power will shift from West to East.'<sup>235</sup>

In their report, the following trends were analysed as being imperative factors in the future growth of consumer markets: the looming class in developing markets, global climate in a more connected world.<sup>236</sup> Thus, any proposed CSR reform, should not generate limitations on the right of expression, in order not to deter innovation and entrepreneurship.<sup>237</sup>

---

<sup>234</sup> Benjamin Mordezi, 'Whistleblowing in Ghana: A Conceptual Analysis' [2015] International Journal in Commerce, IT and Social Sciences, Vol.2 , Issue 4, 3

<sup>235</sup> Euromonitor International a private market research company based in London which in 2005, predicted some global trends, which they considered to be 'inevitable' in the 'next five years'

<sup>236</sup> These trends may still be relevant for the foreseeable future and in any event over the next further five years. See <http://blog.euromonitor.com/2012/11/10-global-macro-trends-for-the-next-five-yeras.htm#sthash.c.O8HvTC.pduf> Accessed 7 September 2019

<sup>237</sup> There is a compelling case for harmonisation of business of business's social responsibility programmes with government's development or social welfare program.

### ***Suitable Legislation.***

Any CSR legislation should take into consideration the socio-cultural, economic and political environment by observing that the suitability of any legislation is driven in the context of jurisdiction in which it will be applicable. For instance, an effective CSR prototype for Nigeria, should not deter foreign corporations to the indigenous labour force.<sup>238</sup> In order to create local competency, enhancing the education and investment in science and innovation, should also receive due consideration.<sup>239</sup> In essence, a CSR law will need to achieve a balance between the social needs of Nigeria and the interest of large foreign companies in particular.<sup>240</sup> A composite CSR meta-regulatory approach, may be more appropriate to the needs of Nigeria. The proposal of a composite or (meta-regulatory CSR approach) is hinged on balancing the main aim of corporations generally, with the wider issues of the inclusiveness of stakeholders, and environmental sustainability. The purpose is to examine the existing regulatory atmosphere to accomplish economic regulation.

### ***The advantage of Legal criterion.***

The idea of legal criterion provides in law a valid ‘assurance’ and ‘predictability’ in legal proceedings. Nigeria can draw from the comparative research on the Indian and Mauritian approaches to create an endemic framework.<sup>241</sup> This decision of Courts must be integrated in its provisions to ensure that the new law is not contradictory to existing binding Judgements.

### ***4.2.2. The need for Enforcement Procedures?***

The prerequisite of wide consultation is a necessity to ensure achieving rational facts and premise for any proposed CSR legislation. The addition of responsibility of disclosure of

---

<sup>238</sup> The Nigeria Oil and Gas Industry Act 2010.

<sup>239</sup> Ismail Radwan, Giulia Pellegrini, ‘Knowledge, Productivity, and Innovation in Nigeria’ [2010] The World Bank, 9

<sup>240</sup> Ibid

<sup>241</sup> Ibid, 255

reporting standard issues by the Financial Reporting Council of Nigeria is a welcome development.<sup>242</sup> Although it will provide access information about corporations, it will not provide information about the challenges corporations encounter in the course of conformity.

Most spectators of corporations have considered their attitudes to be ignorant and entirely inconsistent. Corporations must be inferred by corporate sanction to dialogue earnestly with their communities and produce admissible reports. The era of the production of sound bites on websites as evidence of complying with social responsibility should be terminated.<sup>243</sup> This will ensure that corporate reports are suitable and relatable to their communities.

### ***Regularity of Corporate Responsibility.***

Where ‘responsibilities’ have been established, it is advantageous to ‘concretise’ them through legislation, so as to ensure higher regulatory efficiency. It is opined that the ‘comply and explain’ approaches of most international organisations, and the endorsed self-regulatory position of corporations, have generated only limited benefits to the society.<sup>244</sup>

Principles should not be arbitrary for acceptable corporate behaviour but also of remedies in the case of examples, where laws are breached.<sup>245</sup> Where remedies are imposed in law, the society can develop legitimate expectations of restorative actions, regarding to breaches made by corporations.<sup>246</sup> Through legislation, immense regulatory principles can be achieved.

Recurrent reports can also be published, which will specify the degree to which a company

---

<sup>242</sup> See Section 24(a) Financial Reporting Council of Nigeria Act 2011

<sup>243</sup> *ibid*

<sup>244</sup> *Ibid*, 256

<sup>245</sup> Dr. Jennifer Zerk, ‘Corporate liability for gross human rights abuses: Towards a fairer and more effective system of domestic law remedies’ [2012] 56

<sup>246</sup> *Ibid*

meets required standards.<sup>247</sup> The use of CSR Impact Assessment Reports and the like, can be made public documents for the use of engrossed researchers.<sup>248</sup>

To ensure appropriate regularity of CSR, the regulatory organisations assigned with compliance auditing should be funded accordingly. For instance, foreign investment into Nigeria is not thoroughly examined to ensure that corporate social performance requirements are considered and social responsible mechanisms are utilised in the administration of corporate proposals.<sup>249</sup> Furthermore, any appraisals and ratios compiling compliance in Nigeria, should be mindful of the local circumstances, so as to gain integrity for relevance.<sup>250</sup>

### ***Flexibility.***

The issue of flexibility of principles across various corporations as regards CSR, remains pertinent. Various industries encounter various issues. The methods of corporations differ in circumstances. Some are essential consumers of raw materials as in extractive industries, and others are essential users of labour, like the agricultural production companies, whilst others operate in series of valuable businesses in several countries, like the clothes making industry.<sup>251</sup> Obligations of CSR may differ from region to region; where one may be greatly involved with environmental matters, the other may be involved in labour or health.<sup>252</sup> Thus, CSR principles must be flexible to each corporation's requirements. The creation of legislation to tackle the general CSR matters, enables corporations to develop conformity

---

<sup>247</sup> Giannarakis Grigoris, 'The challenges of Corporate Social Responsibility Assessment Methodologies' [2016] International Journal of Economic and Business Legislation and Business Administration, Vol 5, Issue, 1, 43

<sup>248</sup> Ibid

<sup>249</sup> In Angola, the Bases for Private Investment Law 2003 require foreign investors to obtain government approvals, especially where oil concessions are required. Investors in diamond oil sectors are required to provide social infrastructure for the local communities in which they operate.

<sup>250</sup> Leena Koni Hoffmann, Raj Navanit Patel 'Collective Action on Corruption in Nigeria: A social Norms Approach to connecting society and institutions.' [2017] Chatham House Report, 19

<sup>251</sup> Ash Amin, David Bradley, Jeremy Howells, John Tomaney and Chris Gentle, 'Regional Incentives and the Quality of Mobile Investment in the Less Favoured Regions of the EC' [1994] Progress in planning Vol. 41, 47

<sup>252</sup> Ibid, 48



systems through internally devised models. It is submitted by Visser and Kymal that there is a need to evaluate and map the requirements of a particular firm in order to produce a company-specific and objective-oriented CSR model.<sup>253</sup> This concept can also be inferred to countries that seek to legislate the CSR.

#### ***4.2.3. Appraisals- Analyses and Reform.***

In the regulation of CSR, sufficient assessment yardstick should be recognised. There is no evaluation institution with exhaustive industry by industry principle.<sup>254</sup> The utilisation of grading institutions has not been extensively adopted in Nigeria. There is very limited identification and utilization of prevalent standards, such as Fair Trade and the formulation of local opportunities which is absent.<sup>255</sup> It is generally believed that until principles are formulated for regional corporations, there will be limited approval and utilization of some international principles.

#### ***Exploration.***

There is minimal perceptibility of outcomes of exploration into CSR. This perhaps, is due to the fact that the subject is more thoroughly entrenched as part of business management, rather than corporate law studies.<sup>256</sup> It is, nevertheless, crucial that the MNCs and large firms, invest in exploration to acknowledge their stakeholders.<sup>257</sup> Exploration in this aspect will aid

---

<sup>253</sup> See Wayne Visser and Chad Kymal, 'Creating Integrated Value: Beyond CSR and CSV to CIV' [2014] Available at <https://ssrn.com/abstract=2522987> accessed 8 September 2019

<sup>254</sup> Ibid, 257

<sup>255</sup> Dr Dahida Deewua Phillip, 'Public Policy Making and Implementation in Nigeria: Connecting the Nexus', [2013] Public Policy and Administration Research, Vol.3 No.6, 58

<sup>256</sup> Elifneh, Yohannes Workeferahu, 'Adoption of CSR in least developed countries-comparative case studies research in Ethiopian Brewery Sector' [2017] 66

<sup>257</sup> Ibid

corporations appreciate their environment and how to interconnect with it. The evaluation of corporation influence, branding and product eligibility would be uncertain, without taking into consideration the effect of public perception and its effect on the corporation's products and services. From all indications, the public perception of a corporation's social value affects consumer choice.<sup>258</sup>

Exploration projects should not be focused on assimilating corporate objectives and social receptivity of corporations only. Again, Corporation should not centre on the promotion of research and development activities that guarantee financial returns.<sup>259</sup> Although future investment in products is important for the growth of firms in a competitive atmosphere, the investment of social projects like, green economy, should not be bypassed. Corporations that invest in analysing environmental maintenance and understanding competitive product lines may obtain a desirable balance between long term fraudulent and socially responsible schemes.<sup>260</sup>

GlaxoSmithKline – one of the world's largest pharmaceutical firms- recently announced its leisure of its intellectual property rights to benefit about 85 developing countries most of which are in Africa, as part of its CSR.<sup>261</sup> The announcements is in connection with the production of general antiretroviral drugs for the treatment of HIV/AIDS treatment in impoverished countries.<sup>262</sup>

---

<sup>258</sup> Ibid

<sup>259</sup> Ibrahim Oluwafemi Kehinde Akosile, 'Rethinking Innovation: The Knowledge Spill Over Strategic Entrepreneurship in Micro and Small Firms in Nigeria.' [2017] Salford Business School, 17

<sup>260</sup> Ibid

<sup>261</sup> This issue came up for discussion at the 3<sup>rd</sup> India Africa Forum Summit that held in New Delhi between 26-29 October 2015. See MK Venu, 'India Must Resist US Pressure on Generic Drugs, African Leaders to tell Modi' [2015] <http://thewire.in/2015/10/26/india-must-resist-us-pressure-on-generic-drugs-african-leaders-to-tell-modi-14015/> last accessed 9 September 2019, See also Julia Kowelle, 'GlaxoSmithKline to Lower Drug Prices in Poorer' The Guardian (31 March 2016)

<sup>262</sup> HIV is the acronym for Human Immune Virus, which later leads to Acquired Immune Deficiency Syndrome (AIDS) if Untreated.

Recent research should thus, fixate on ecological issues which seem to be receiving surplus attention from time. It may be that very limited areas in which corporate responsibility will not be left unlegislated is the environment from which all financial activities should be considered essential to CSR.<sup>263</sup> Nigeria's policies and potential legislation, should ensure sufficient research in grasping the modern MNC and industrial invents. With regards to exploration in CSR in Nigeria, the work for the National Office for Technology Acquisition Promotion (NOTAP) Act 1994 and National Board for Technology Incubation (NBTI) can be imperative to lucrative proposal legislation of CSR.<sup>264</sup>

What is certain for the expected future is the advanced proliferation of large business and globalisation. With this, a tremendous challenge to regulation should be anticipated, with the development in the influence of capitalism. The strength of an argument against legislating on, or regulating CSR by a third-party entity, can only be diminished, when a case is made in the interest of the business.<sup>265</sup> On this basis, the premise of this course is that, legislation (in Nigeria) does not necessarily lead to restriction of business. It can be beneficial for business. The laws must involve any complexities whatsoever and should be summarized in a single statute for easy reference and legislative refinement. The legal framework must grasp already approved principles against forced labour, cultural and economic rights, etc.

As regards corporate law history and its objectives being sought through CSR programmes, proposals and freedom exists for the endorsement of CSR in developing countries, like Nigeria.<sup>266</sup> The examination of the socio-legal structure of the practice of CSR in Nigeria,

---

<sup>263</sup> Ibid No. 59

<sup>264</sup> Nelson Abila, 'CSR in Nigeria: a review of multinational activities' [2009] 10

<sup>265</sup> Radu Mares, 'Defining The limits of Corporate Responsibilities Against the Concept of Legal Positive Obligations' [2008] *The Geo. Wash. Int'l Law Review*, Vol. 40, 1192

<sup>266</sup> Wayne Visser, 'CSR in Developing countries' [2009] 491

imposes that certain standards will be required for the excellent efficiency of any proposed legislation in relation to mandating CSR.<sup>267</sup>

### ***Is a Composite Solution Required?***

As a developing country, there are distinct socio-political and fiscal realities to be taken into account when answering the question of the benefits of legislating CSR in Nigeria.

Irrespective of the obvious critiques of legislating CSR majorly the prospective department of potential foreign investors and restricting, it is debated that the benefits dominate any anticipated disadvantages.<sup>268</sup>

In the context of foreign investors, it will be unheard-of that such investors are no susceptible to public criticism of their conducts and activities in their home states.<sup>269</sup> Although they may not be statutorily regulated by legislation, corporations are always more reactive to public criticism in the modern world, than to the often political and slow spiralling regulatory machinery of developing countries.<sup>270</sup>

Graeme Auld et al., have evaluated CSR in terms of a ‘win-win’ and ‘win-lose’ concept, as they illustrated; ‘In win-win situations, solutions are available internally, where improvements in practice are also profitable. In win-lose cases, however, immediately available internal solutions are unprofitable or otherwise harmful to the firm’s survival or success in the market place.’<sup>271</sup>

---

<sup>267</sup> Ibid

<sup>268</sup> James Melik, ‘Does Africa Really benefit from foreign investment?’ Business Daily, BBC World Service (5 September 2012)

<sup>269</sup> Ibid

<sup>270</sup> Ibid

<sup>271</sup> Graeme Auld, Steven Bernstein, and Benjamin Cashore, ‘The new Corporate Social Responsibility’ [2008] 33 Annual Review, environ Resour. 413,415

It is apparent that achieving a win-win scenario in developing countries will be advantageous and should be immensely sought after; in a situation where corporations do not envisage any profit for their business, conformity with any scheme of regulatory method, will be inadequate.

### ***Contingency of the Evolution of International Corporate Law.***

The apparent recent union of jurisprudence and legislation on CSR, in addition to the intention of the various ‘codes’, ‘principles’ and ‘guidelines’ of multilateral institutions is evocative of a global union, towards a more factual social responsibility regulatory administration for CSR.<sup>272</sup> The general implementation of corporate criminal liability and criminal sanctions for corporate crimes, is emblematic of the huge approval of corporate liability in criminal law.<sup>273</sup> Corruption is world-wide paradox but it is specifically excessive in Nigeria. Corruption encompasses the giving and taking of bribes by corporate managers and their assistants who chase their business interests. Hence, the criminalisation of ‘grease and money’, and their plans of inordinate satisfaction to public sector officials in the policy of doing business should be pursued.<sup>274</sup> A compelling approach of fighting corruption is the reform of legal obligations, in relation to deterrent, analytical and prosecutorial aspects of criminal law.<sup>275</sup> Criminal law should integrate any other legislation that seeks to achieve the conduct of business in a principled manner.

Nigeria is a signatory and ratifying member of the United Nations convention against corruption.<sup>276</sup> On the multinational level, the Assembly of the African Union adopted the

---

<sup>272</sup> Ibid

<sup>273</sup> Dorothy Mmakgwale Farisani, ‘A Comparative Study of Corporate Criminal Liability- Advancing An Argument For the Reform of Corporate Criminal in South Africa by Introducing a new offence in Corporate Homicide’ [2014] 190

<sup>274</sup> Ibid, 261

<sup>275</sup> United Nations, ‘UN Guide for Anti-corruption Policies’ [2003] Global Programme Against Corruption, 27

<sup>276</sup> The Convention was adopted by the UN General Assembly on 31 October 2003. However, Nigeria signed it on the 9 December 2001 and ratified it on 24 October 2004.

Convention on Preventing and Combatting Corruption in 2003.<sup>277</sup> It is quite interesting that the AU convention makes reference to the admiration of the African Charter on Human Rights and Peoples' Rights 1981 as one of its principles.<sup>278</sup>

There are lots of provisions in Nigerian Law that forbids corrupt practices, which does not boycott corporate managers. Sections 8-10 of the Independent Corrupt Practices and Other Related Offences Commissions Act 2000<sup>279</sup> (ICPC Act) prohibits bribery by public officers in possible developments.<sup>280</sup> Regardless of the clause that bribery can occur in the public and private sector, no prosecution of the private sector bribery has been put to record in Nigeria.<sup>281</sup> Nevertheless, with the assemblage of international treaties aimed at cooperation among states in fighting corruption, very minimal success has been acknowledged in developing countries.<sup>282</sup> In South America, the Guatemalan President was deposed and charged, after he was deprived of immunity by the state parliament. However, in Nigeria, reporting provisions in laws, such as the NEITI Act may be yielding results demonstrated by the recent announcement that the Nigerian National Petroleum Commission (NNPC) declared for the first time in 15 years.<sup>283</sup> It has been stated by Transparency international that, 'the

---

<sup>277</sup> This Convention was adopted on 11 July 2003 and so predates the UN Convention against corruption by a few months. It came into force on 5 August 2006, having been ratified by the required member of states (15). As at 2013, 34 states of the 54 member states of AU had ratified the treaty.

<sup>278</sup> Article 3, African Union Convention on Preventing and Combating Corruption 2003.

<sup>279</sup> This Act came into force on 13 June 2000 upon receiving presidential assent. Although this law is primarily applicable to public officers its section 17 does not seem to discriminate on applicability to corporate managers or corporations.

<sup>280</sup> Ibid

<sup>281</sup> UNCAC Executive Summary on Nigeria, published 11 June 2014 and obtainable online.

<http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/Executivesummaries/V1403916e.pdf> last accessed 9 September 2019

<sup>282</sup> Stefan Sumah, 'Corruption, Causes and Consequences' [2017] Open access peer- reviewed chapter, 69

<sup>283</sup> Ejirofor Alike et al., 'For the first time in 15 years, NNPC reports monthly profit of N274m' This Day (Lagos, 8 July 2016) <http://www.thisdaylive.com/index.php/2016/07/08/for-the-first-time-in-15-years-nnpc-reports-monthly-profit-pf-n274m/> Last accessed 9 September 2019. N274m is about USD1m

larger the oil sector relative to a country's economy, the greater the potential for political corruption.<sup>284</sup>

Unfortunately, most prosecutions have been lacking plausibility and susceptible to the criticism being politically motivated.<sup>285</sup> Commentators argue that prosecution of a few, when most previous and incumbent public office holders should probably be interrogated and investigated, leads the public to discharge efforts in this regard as lacking plausibility.<sup>286</sup>

They further argue that executive judgment in prosecutions, make the process susceptible to abuse.<sup>287</sup> For instance, regarding the issue of money laundering, which was brought by the British Government, against Diepreye Peter Solomon Alamiyeseigha, this led to prosecution, but a grant of pardon by then Nigeria's President Goodluck Ebele Jonathan on 12 March 2013.<sup>288</sup>

In developed countries, strong commercial, strong legal organisations and more literate public force corporations, are to be observant and responsive to social matters.<sup>289</sup> As these elements increase in Nigeria, corporations may become more obliged. However, in view of the current situation of lack of competitiveness, underperforming legal organisations and mainly the unenlightened public, law and an effective regulatory structure remains the elementary alternative.<sup>290</sup>

### ***What The Law Should be of CSR in Nigeria.***

---

<sup>284</sup> Transparency International Global Corruption Report 2004. Transparency International was initiated by the UK Government after its unveiling in Johannesburg, South Africa in 2002 by British Prime Minister Tony Blair at the World Summit on Sustainable Development.

<sup>285</sup> See report on Nigeria titled 'Corruption on Trial?' The Record of Nigeria's Economic and Financial Crimes Commission' [2011] Human Rights Watch 47 available online <https://www.hrw.org/sites/default/files/nigeria0811WebPostR.pdf> accessed on 9 Sep. 19

<sup>286</sup> Pallavi Roy, 'Anti-corruption in Nigeria: A political settlements analysis' [2017] Anti-Corruption Evidence, 15

<sup>287</sup> Ibid

<sup>288</sup> Doyin Okupe, 'Nigeria Pardons Goodluck's ally, Alamiyeseigha' BBC News (13 March 2013)

<sup>289</sup> Ibid, No 51

<sup>290</sup> Ibid, 263

The deliberation of the extant legal framework has revealed the aspects of legislations that ought to be scrutinised when considering the making of legislation on CSR.

An alternative to the use of legislation in a less façade approach is by taking suggestion from the UK Companies Act 2006<sup>291</sup> - the notion in this aspect is that the legislation does not need to be regarded as the 'Corporate Social Responsibility' legislation. Furthermore, an integral legislation can also be adopted: The passing into law the Nigerian Financial Reporting Act<sup>292</sup> and the likely passage of the petroleum industry Bill, predict a future for mandatory CSR.

The instances of Philippines, India and Mauritius, propose a 'creep' towards legislation of CSR by more developing countries.<sup>293</sup> This enables each country to have the opportunity to habituate international principles. In the case of Nigeria, it can obtain a lot of social, political and economic profits. Advantages will also be obtained in environmental conservation and human capacity building.

It is obvious from the series of legislations endorsed by the Nigerian government that socially responsible corporate behaviour is their goal. This matter is, nevertheless, the 'teeth' of legislation and effective management and administration of regulatory provision.<sup>294</sup>

Corporate performance cannot be exhibited in a partial approach of the socio-cultural realities of a community.<sup>295</sup> Corporations ought to perceive CSR legislations as an opportunity rather than a peril to embarking on business. In Nigeria, there is a solid cultural adherence, a

---

<sup>291</sup> Section 172 of the UK Companies Act 2006

<sup>292</sup> The case of IBTC and the Reporting Council of Nigeria reinforces safeguards for investors, and responds to the wide social interest issue of enforcing good banking practices.

<sup>293</sup> Ibid

<sup>294</sup> Ibid

<sup>295</sup> Mitre Technical Report, 'Socio-cultural perspectives; A new intelligence paradigm' [2007] Centre For national Security programmes, 15



corporation that adopts the principles of the environment and the provision of social services for the host community will obtain the benefits of a protective and embracing society.<sup>296</sup>

The creation of laws approving CSR in some countries as in the case of India, Philippines and Nigeria, is most likely the outcome of severe domestic circumstances concerning ecological degradation and human rights abuse.<sup>297</sup> In these countries where soft law previously abided, hard law has taken its full course; Countries with effective administration of existing laws, should predict higher pressure for further regulatory operation. In the Indonesian context, judicial declaration was required to interpret cryptic regulatory provisions.<sup>298</sup>

This research proposes that lack of sufficient regulatory jurisdictions, such as should be consulted by legislation is to be condemned for the present situation, rather than the non-performance of extant regulatory jurisdictions. It is also posited that social and political effect of any regulatory regime is compulsory. It is crucial for the government to prescribe or approve a policy position with an evident strategic purpose.<sup>299</sup> A policy stance is relevant as state organs will be involved directly in the connection, administration, monitoring and the analyses of its execution.

Corporate sustainability can be promoted by the positive enactment of a socially responsible corporation and its product. Hence, a socially responsible firm can earn competitive merits because of its practices and build a positive influence for its products.<sup>300</sup>

Undoubtedly, in the study of CSR; the rapid movement and spiralling discourse frequently takes place in the discourse. Countries considering the role of the state in this subject-matter

---

<sup>296</sup> Ibid

<sup>297</sup> Corporate Accountability for Human Rights Abuses, 'A guide for victims and NGOs in Recourse Mechanisms' [2010] International Federation on Human Rights, 32

<sup>298</sup> Ibid, No 99

<sup>299</sup> Michael Hallsworth, Simon Parker, Jill Rutter, 'Policy making in the real world.' [2011] Institute for government, 21

<sup>300</sup> Ibid

must clash with, and take into account the pressing need to propose tenable concepts and solutions. Eluding this, may imply that circumstances will consign such proposals to vagueness and insignificance in retrospect. In view of this, some declarations are imminent of the social, political and technological progressions being accomplished globally.

## **5. Concluding Comments and Recommendations.**

This thesis has examined '*The need for the integration of CSR in Corporate governance- A case study of Nigeria*' On the general average, the thesis observed that there is an incorporation of CSR in activities of Nigerian corporations. Nevertheless, it is established that the CSR legislation in Nigerian Corporations, may be said, not to be sufficiently integrated. The prospects of legislating CSR in Nigeria, has been set by existing laws. On one hand, there is no need to clone the various laws that affect the corporations in culling social responsible commitment from them.

In relation to the sufficiency of the integration of CSR in the Nigerian Corporate governance, debates and arguments have subsisted amongst critics. Findings have emerged that practices such as the enactment of Bills, are similar, though not as thorough and comprehensive as that of developing countries.<sup>301</sup> It is evident that the legal regime on the practice of CSR is not yet effective, as the provisions are not adequate and there is need to steadily undergo several amendments, developments and reformation, until an ample outcome is achieved.<sup>302</sup> This notwithstanding, the current continuous protest by both local and international communities, for the need to enhance CSR's value, is becoming highly creative and tolerable to the general public. Hence, the success of the compliance will be highly driven by the positive attitudinal

---

<sup>301</sup> Chima Mordi, Iroye Samuel Opeyemi, Mordi Tonbra, Stella Ojo, 'Corporations Social Responsibility and the legal Regulation in Nigeria' [2012] Economic Insights, Trends and Challenges, 7

<sup>302</sup> Ibid

change of corporations to societal demands as opposed to the orthodox stance of maximum profit making at the detriment to the society.<sup>303</sup>

Furthermore, in the planning, constructing and administration of the CSR programmes and activities, there is a pertinent need to consider the needs of both parties for mutual gains. This will enable oil MNCs to obtain benefits at the peak from their CSR initiatives, be less exposed to community combats, and obtain validity within its host communities.<sup>304</sup>

The self-regulatory programmes that MNCs have used in Nigeria, have entirely alleviated the desire of the public to witness higher accountability of large corporations, especially those in the oil and gas sector.<sup>305</sup> The constant sustainability and practical value of the industry's CSR initiatives will remain supplementary to the devastation and frequent leakages of crude oil and daily oil and gas flaring.<sup>306</sup> Baughn et al. posit that there is a solid relationship between the prevalence and success of CSR and the existence of an enabling environment, which is the host country's economic, political and social contexts, and its institutional ability to stimulate and support CSR.<sup>307</sup>

Thus, the influences to regulate more rigorously on CSR will persist well into the current time period. International legislations and principles, will apparently continue to affect national policies towards mandatory CSR models, if not actively and effectively integrated. In this light, significant corporate missteps may enhance the legislation of CSR more quickly than anticipated. For example, large scale industrial hazards and corporate misjudgements,

---

<sup>303</sup> Ibid

<sup>304</sup> Joseph I. Uduji, Elda N. Okola-obasi, 'Multinational Oil Firms' CSR initiatives in Nigeria: the need for rural farmers in host communities' [2017] African Governance and development institute, 18

<sup>305</sup> Ahmed Musa, Yahaya Yusuf, Louise Mcardle and Gbemisola Banjoko, 'Corporate social responsibility in Nigeria's oil and Gas sector' [2013] International JOURNAL management and Benchmarking. VOL 3 No.2, 127

<sup>306</sup> Ibid

<sup>307</sup> Baughn C.c, Boodie, N.L.D and McIntosh J.C., 'Corporate social environmental responsibility in Asian countries and other geographical regions.' [2007] Corporate social Responsibility and Environmental management, Vol. 14 No. 4 , 200

have sometimes led to the endorsement of regulations and policies. The EU in response to the industrial accident in Seveso, Italy enacted the EU Seveso Directive (82/501/ec),<sup>308</sup> which aimed at creating a Europe wide policy to prohibit further large scale industrial mishaps, that can likely damage the environment and the people.

It is established that CSR is fundamentally a consensus engagement. It is voluntary but it does not entirely fall outside the ambit of law, where the use of obligatory means is implied.<sup>309</sup> The business council acknowledged that, ‘development council will not be sustainable without business being integrated into the plan. However, good governance, economic incentives and appropriate and robust legal and institutional framework are conditions essential for business to play a meaningful role.’<sup>310</sup> The Nigerian Government, thus, should partner with corporations, while ensuring applicable rules and regulations are complied with.

---

<sup>308</sup> This law was replaced in 1996 by EU Seveso II Directive (96/82/EC) and 2012 with EU Seveso III Directive (2012/18/EC) which gave citizens the right to access regarding this legislation

<sup>309</sup> Adaeze Okoye, ‘Exploring the relationship between Corporate Social Responsibility, law and development in an African context.’ [2012] International Journal of Law and Management,

<sup>310</sup> Out-law.com. Legal news and guidance from pinset masosns, culled from <http://www.out-law.com/page=8221.j> Last accessed 9 September 2019

## **BIBLIOGRAPHY.**

### Books.

Jackson T. Management and Change in Africa. (1<sup>st</sup> Edition, Routledge 2004)

Crane A, McWilliams A, Dirk M, Moon J, Siegel D, The Oxford Handbook of CSR (Oxford University Press, 2008).

Fannon L, Working with two kind of capitalism: Corporate governance and Employee Stake holding: U.S and E.U perspectives (Oxford-Portland Oregon: Hart publishing 2003).

J. Ola Orojo, 'Company law and practice in Nigeria' [1993] 3<sup>rd</sup> ed, Lagos, Nigeria: Mbeyi & Associates Nigeria

### Cases/Statues.

Salmon v Salmon [1897] AC 22

SERAP v. Federal Republic of Nigeria and another ECOWAS Court of Justice General List No. ECW/CCJ/APP/08/09 [2012]

Dodge v. Ford Motor Company Case, 170 NW 668 [1919]

Kotoye v. Saraki (1994) 7 NWLR

Olaniyan v. University of Lagos [1985]

Ansambe v. B.O.N [2005] 8 NWLR

Lake chad v. Mohammed (2005) 8 NWLR

Social and Economic Rights Action Centre and the Centre for Economic and Social Rights v. Nigeria (2001) AHRLR 60

Corporate Social Responsibility Bills 2008

Corporate Social Responsibility Bills 2012

Petroleum Industry Bill 2010

Financial Reporting Council of Nigeria Act 2011

Code of Corporate Governance for Public Companies [2003]

Standing Orders of the House of Representatives of Nigeria [2015]

The Nigerian Extractive Industry Transparency Initiative Act 2007

Constitution of the Federal Republic of Nigeria 1999

Philippines Corporate Social Responsibility Act 2011

The Whistle Blower Protection Bill Act 2008

Freedom of Information Act 2011

African Union Convention on Preventing and Combating Corruption

The Nigeria Oil and Gas Industry Act 2010.

Related Offences Commissions Act 2000

UK Companies Act 2006

EU Seveso II Directive (96/82/EC)

EU Seveso III Directive (2012/18/EC)

Companies and Allied Matters Act, 1990)

Public Procurement Act 2007

Private Investment Law 2003

Transparency International Global Corruption Report 2004

Ghana's whistle Blowers Act 2006

African Charter on Human Rights and Peoples' Rights 1981

### Sites.

Nigeria has adopted a slogan for its SDG program, 'leave no one behind' and has informative website about its implementation. [www.sdgs.gov.ng](http://www.sdgs.gov.ng)

The 'Panama Papers' refers to the 2'6TB of information released by the International Consortium of investigative journalists on 9 May 2016 <https://panamapapers.icij.org/>

The Whistle Blower Protection Bill Act 2008 (SB.233) Senate, National Assembly, Nigeria. <http://nass.gov.ng/document/download/904accessed>

These trends may still be relevant for the foreseeable future and in any event over the next further five years. See <http://blog.euromonitor.com/2012/11/10-global-macro-trends-for-the-next-five-yeras.htm#sthash.c.O8HvTC.pduf>

See Wayne Visser and Chad Kymal, 'Creating Integrated Value: Beyond CSR and CSV to CIV' [2014] Available at <https://ssrn.com/abstract=2522987>

This issue came up for discussion at the 3<sup>rd</sup> India Africa Forum Summit that held in New Delhi between 26-29 October 2015. See MK Venu, 'India Must Resist US Pressure on Generic Drugs, African Leaders to tell Modi' [2015] <http://thewire.in/2015/10/26/india-must-resist-us-pressure-on-generic-drugs-african-leaders-to-tell-modi-14015/>

UNCAC Executive Summary on Nigeria, published 11 June 2014 and obtainable online. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1403916e.pdf>

Ejiofor Alike et al., 'For the first time in 15 years, NNPC reports monthly profit of N274m' This Day (Lagos, 8 July 2016) <http://www.thisdaylive.com/index.php/2016/07/08/for-the-first-time-in-15-years-nnpc-reports-monthly-profit-pf-n274m/>

See report on Nigeria titled 'Corruption on Trial?' The Record of Nigeria's Economic and Financial Crimes Commission' [2011] Human Rights Watch 47 available online <https://www.hrw.org/sites/default/files/nigeria0811WebPostR.pdf>

For example, Shell Nigeria Annual Report 2006 'People and the environment' available at [http://www.shell.com/home/content/nigeria/news\\_and\\_library/publications/annual\\_reports\\_archive.html](http://www.shell.com/home/content/nigeria/news_and_library/publications/annual_reports_archive.html)

Cynthia Okoroafor, 'Despite Recent Setbacks in Nigeria's Stock Exchange, NSE Receives Award' [2015] <http://venturesafrica.com/despite-recent-setbacks-in-nigerias-stock-exchange-market-nse-receives-award/>

The annual award is to companies in any sector of the economy. The award criteria include assessment of 'environmental performance', 'corporate social responsibility', and 'management of stakeholder relations', See <http://new.cac.gov.ng/home/cac-annual-corporate-citizens-award/>

See Shell agrees \$84m deal over Niger Delta oil spill. BBC 5 January 2015. <http://www.bbc.co.uk/news/world-30699787>

The UN Environment claims that the area comprising Ogoni land is the third largest ecosystem in the world. <http://www.unep.org/disastersandconflicts/disastersandconflicts/where-we-work/nigeria/what-we-do/about-ogoniland>

## Journals/Articles.

Nikolay A. Dentchev, 'Corporate Social Performance as a Business Strategy' Journal of Business Ethics [2011]. Vol.4 No.55

Liz Crosbie, Ken Knight, 'Strategy for sustainable Business; Environmental opportunity and strategic choice' Journal of Business Strategy Maidenhead, McGraw-Hill [1999]

Kenneth Amaeshi, Chris Ogbechie, Bongo Adi, Olufemi, Amao, 'Corporate Social Responsibility in Nigeria: Western Mimicry or Indigenous Influences?' ICCSR Research Paper Series [2006]

Terence Jackson, 'Management and Change in Africa' [2004] Routledge

Cosmas Uchechukwu Anyakudo, 'CSR in Nigeria: An exploration of the efficacy of legal regulation' [2016]

Michael Blowfield, Jędrzej George Fynas, 'Setting New agendas: Critical perspective on CSR in the developing world' [2005]

Rebecca Enuoh, Sunday Eneh, 'CSR in the Niger-Delta of Nigeria: In whose interest?' [2015] Journal of Management and Sustainability, Vol 5, No.3

Gabriel Eweje, 'The role of MNEs in community development initiatives in developing countries: CSR at work in Nigeria and South Africa' [2006] Business and Society Journal,

Aliyu Baba Usman, Noor Afza Binti Amran, 'CSR practice and Corporate financial performance: Evidence from Nigerian Companies' Social Responsibility Journal [2015] Vol.11 No.4

Kenneth Amaeshi, Emmanuel Adegbite, Chris Ogbechie, Uwafiokun Idemudia, Konan Kan, Seny Anderson, Mabumba Issa, Obianuju Aniekwe, 'CSR in SMEs: A shift from philanthropy to institutional works?' [2015] Journal of Business Ethics

Fara Azmat, Ramanie Samaratunge, 'Responsible entrepreneurship in developing countries: Understanding the realities and complexities' [2009] Journal of Business ethics,

Dima Jamali, Mona Zanhour, Tamar Keshisian, 'Peculiar strengths and relational attributes of SMEs in the Context of CSR' [2009] Journal of Business Ethics

Lai Oso, Bello Semiu, 'The concept and Practice of Corporate Governance in Nigeria: The need for Public Relations and Effective corporate communication' [2012]

Mehrnaz Ashrafi, Michelle Adams, Tony Walker, 'How CSR can be integrated into corporate sustainability; a theoretical review of their relationships' [2018] International Journal of sustainable development and world Ecology

Olufemi Amao, 'CSR, Multinational Corporations and the Law in Nigeria: Controlling Multinationals in Host States' [2008] Journal of African Law. Vol.52, No.1,

Peter Dobers, Delyse Springette, 'CSR: Discourse, narratives and communications' [2010] CSR and Environmental management,



Bobby Banerjee, 'CSR: The good, bad and the ugly' [2008] Critical Sociology

Archie B. Carroll, 'Ethical changes for business in the new millennium: CSR and models of management morality' [2000] Business Ethics Quarterly

Dima Jamali, 'A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice' [2008] Journal of Business and Ethics

David A. Carter, Betty J. Simkins, W. Gary Simpson, 'Corporate governance, board diversity, and firm value' [2003] Financial Review

Anup Agrawal, Sahiba Chadha, 'Corporate governance and accounting scandals' [2005] Journal of Law and Economics

Adaeze Okoye, 'Exploring the relationship between Corporate Social Responsibility, law and development in an African context.' [2012] International Journal of Law and Management

Baughn C.c, Boodie, N.L.D and McIntosh J.C., 'Corporate social environmental responsibility in Asian countries and other geographical regions.' [2007] Corporate social Responsibility and Environmental management, Vol. 14 No. 4

Ahmed Musa, Yahaya Yusuf, Louise Mcardle and Gbemisola Banjoko, 'Corporate social responsibility in Nigeria's oil and Gas sector' [2013] International JOURNAL management and Benchmarking. VOL 3 No.2

Joseph I. Uduji, Elda N. Okola-obasi, 'Multinational Oil Firms' CSR initiatives in Nigeria: the need for rural farmers in host communities' [2017] African Governance and development institute

Chima Mordi, Iroye Samuel Opeyemi, Mordi Tonbra, Stella Ojo, 'Corporations Social Responsibility and the legal Regulation in Nigeria' [2012] Economic Insights, Trends and Challenges

Michael Hallsworth, Simon parker, Jill Rutter, 'Policy making in the real world.' [2011] Institute for government

Corporate Accountability for Human Rights Abuses, 'A guide for victims and NGOs in Recourse Mechanisms' [2010] International Federation on Human Rights

Mitre Technical Report, 'Socio-cultural perspectives; A new intelligence paradigm' [2007] Centre For national Security programmes

Doyin Okupe, 'Nigeria Pardons Goodluck's ally, Alamiyeseigha' BBC News (13 March 2013)

Pallavi Roy, 'Anti-corruption in Nigeria: A political settlements analysis' [2017] Anti-Corruption Evidence,

United Nations, 'UN Guide for Anti-corruption Policies' [2003] Global Programme Against Corruption

Dorothy Mmakgwale Farisani, 'A Comparative Study of Corporate Criminal Liability- Advancing An Argument For the Reform of Corporate Criminal in South Africa by Introducing a new offence in Corporate Homicide' [2014]

Graeme Auld, Steven Bernstein, and Benjamin Cashore, 'The new Corporate Social Responsibility' [2008] 33 Annual Review, environ Resour

James Melik, 'Does Africa Really benefit from foreign investment?' Business Daily, BBC World Service (5 September 2012)

Radu Mares, 'Defining The limits of Corporate Responsibilities Against the Concept of Legal Positive Obligations' [2008] The Geo. Wash. Int'l Law Review, Vol. 40,

Wayne Visser, 'CSR in Developing countries' [2009]

Ibrahim Oluwafemi Kehinde Akosile, 'Rethinking Innovation: The Knowledge Spill Over Strategic Entrepreneurship in Micro and Small Firms in Nigeria.' [2017] Salford Business School,

Elifneh, Yohannes Workeferahu, 'Adoption of CSR in least developed countries- comparative case studies research in Ethiopian Brewery Sector' [2017]

Dr Dahida Deewua Phillip, 'Public Policy Making and Implementation in Nigeria: Connecting the Nexus', [2013] Public Policy and Administration Research, Vol.3 No.6,

Giannarakis Grigoris, 'The challenges of Corporate Social Responsibility Assessment Methodologies' [2016] International Journal of Economic and Business Legislation and Business Administration, Vol 5, Issue, 1

Dr. Jennifer Zerk, 'Corporate liability for gross human rights abuses: Towards a fairer and more effective system of domestic law remedies' [2012]

Ismail Radwan, Giulia Pellegrini, 'Knowledge, Productivity, and Innovation in Nigeria' [2010] The World Bank,

Benjamin Mordezi, 'Whistleblowing in Ghana: A Conceptual Analysis' [2015] International Journal in Commerce, IT and Social Sciences, Vol.2 , Issue 4

Committee on the International Relations House of Representatives, 'Nigeria's Struggle with Corruption: Hearing before the Subcommittee on Africa, Global Human Rights and International Operations' [2006]

Joan Amenesi Egwuonwu, 'CSR and Environmental sustainability in Niger-Delta: A case study of Chevron Nigerian Limited' [2014]

Jamila Muktar, Bahaman Saleh Mohammed, Rabi Saminu Jibril, Sabo Mohammed [2016] Research Journal of Finance and Accounting, Vol. 7, No, 13

Prof. Suleiman Elias Bogoro, 'Tetfund and the Development of Tertiary Education in Nigeria: Strategies, Performance and Challenges' [2017] Tertiary Education Trust Fund

Emmanuel Adegbite, 'Good Corporate governance in Nigeria: antecedents, propositions and peculiarities' [2015] International Business Review

Uwafiokun Idemudia, 'Corporate Social Responsibility and developing countries: moving the critical CSR research agenda in Africa forward' [2011] Progress in Development Studies

Femi Omotosho, 'Nigerian Fiscal Federalism and Revenue Allocation Formula for sustainable Development in Niger delta' [2010] 5 The Social Sciences

Runtian Ging, John L. Graham, 'Values versus Regulations: How Culture plays its role' [2007] Journal of Business Ethics,

