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A Conceptual Analysis of the Impact of Corporate Social Responsibility in Nigeria

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Abstract- In the course of their productions, companies across the world contribute towards the development of their host communities. The inhabitants of such environments benefits through poverty alleviation aids, educational scholarships, infrastructures in form of schools, roads, etc. Industries do these as part of their Corporate Social Responsibility (CSR). It is against this background that this paper conceptually analyses the impact of CSR in Nigeria, tracing its legal state and presented the achievements and setbacks. The paper utilizes documentary analyses to arrive at conclusion that CSR is ideologically neutral, realistic and humane. As such, all business undertakings are highly encouraged to be serious about it especially in Third World or developing countries like Nigeria. The paper went further to recommend that companies should do more especially in improving their services and provisions of social services. Government should in this regard establish a more formidable and inclusive legal framework specifically for the regulation of CSR activities in the country, and this should spell out clearly the role of companies, communities and the government itself.

Keywords: Companies, Corporate Social Responsibility, Community, Development

I. INTRODUCTION

Companies across the world make their productions in an environment belonging to a set of people. Productions may be beneficial and may also be detrimental to environments. The inhabitants of an environment where company is operating are expected to benefit from the productions of such companies, directly or indirectly. Benefits here are mostly social, but may take political, economic, religious or educational forms. The concept of corporate social responsibility ensures that companies in the process of their production benefitted the community of operation.

Corporate Social Responsibility (CSR) is the concept that a business needs to be concerned with more than just profit. Protecting the environment is one aspect of CSR, another is making an effort to address social problems such as poverty and hunger [2]. Communities themselves expect more of such, which is why they embrace investments by investors. Key figures in particular communities who have some sorts of influence do influence the citing of industries with reasons directly or related to corporate social responsibility. No matter how developed a community may look like, companies have something to offer to it. This may take the form of scholarship schemes, enlightenment campaigns, sensitizations, provision of infrastructures like pipe-borne water, health care centres, schools, electricity, viewing centres, parks and markets. It may be in simultaneous with government projects, rehabilitations, reconstructions, renovations, etc.

Corporate Social Responsibility has impacted in various communities across the world. Such impacts closer ties between corporations and community, helping communities get talents, role in transfer of technology, helps protect environment, aid to alleviate poverty in communities, assist in data gathering, etc. For many corporation leaders, it is difficult to know where their responsibilities begin and end in relation to building infrastructure, creating economic opportunities, and access to core services such as health, education and poverty alleviation. Experience has made one thing certain that sustainable CSR solutions at community, provincial and national levels are based on partnerships between government, civil society and businesses [12].

II. CONCEPTUAL FRAMEWORK

Corporate Social Responsibility (CSR) means different things to different writers and thinkers. It is an evolving concept that attracts the attention of investors, communities, writers and people in general. However, the concept has been in existence since the beginning of mankind as observed by Ref [10]. More so, the application of the concept has been in existence since time immemorial. Corporate here refers to the registered “big” business organizations operating nationally and/or internationally. For example, Shell Petroleum Development Company (SPDC), First Bank of Nigeria Public limited company (Plc), Mobile Telecommunications Network (MTN) Nigeria, Nigerian Breweries Plc, Dangote Group, United Africa Company (UAC) of Nigeria Plc, are some of the established big businesses in Nigeria. As a business operating in Nigeria, the ultimate interest is to make sure that at all times, the corporation’s Naira (NGN) sales are far more than its Naira (NGN) costs. A corporate organization can also mean a not-for-profit one operating nationally and/or internationally. Examples include the Nigerian National Petroleum Corporation (NNPC), Central Bank of Nigeria, Amnesty International, United Nations, Jimmy Conter Cultural Foundation (JCCF), Ogbakor Ikwerre Convention, Afenifere, Arewa Consultative Forum, Ohaneze Ndigbo etc. Another key word in CSR is Social. In this context, social refers to the society or the general public. Lastly is the word Responsibility. This refers to those actions which society expects from the business or corporate organizations and such actions are capable of adding value to the society. Putting these together, CSR simply refers to those public actions which society expects from “big” business/corporate organizations such that society is protected from the activities of the corporate organizations thereby establishing a cordial relationship between society and business. From the standpoint of the society, such public actions are expected to ensure that no harm is inflicted upon society arising from the activities of the corporate organizations [16].

Corporate social responsibility (CSR) is also known as corporate citizenship, corporate philanthropy, corporate giving, corporate community involvement, community relations, community affairs, community development, corporate responsibility, global citizenship, and corporate social marketing. Corporate social responsibility has stepped boldly and unabashedly into the limelight in the 21st century, with many firms professing an undying love for CSR [4]. Ref [11] sees present day dominant conception of corporate social responsibility to imply that companies voluntarily integrate social and environmental concern in their relations and interactions with stakeholders. It is also seen to be the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as at the local community and society at large.

III. LEGAL REGULATION OF CSR IN NIGERIA

Specifically, there is no precise CSR law in Nigerian legislation. Although a Bill was sponsored by Senator Uche Chukwumerije (Abia North) since 2007 titled “A Bill for an Act to Provide for the Establishment of Corporate Social Responsibility Commission”, it is yet to become a reality [7]. However, it can be argued that there are several Nigerian legislations that incorporate within their provisions certain expectations that directly or indirectly regulate the observance or practices of CSR. For instance, the Federal Environmental Protection Agency (FEPA) decree no. 52 of 1992 established in recognition of the potential dangers which institutional activities pose to the environment and society as a whole. The agency is charged with the responsibility of monitoring industrial actions which contribute to environmental degradation. The agency is also granted authority for setting up minimum environmental protection standards or laws for corporate activities contributing to environmental pollution [8].

Section 279 (4) Companies and Allied Matters Act 1990, points out that “the director of a company is to have regard in the performance of his functions includes the interests of the company’s employees in general as well as the interests of its members”. Note that companies in Nigeria are not in any way precluded from carrying out social responsibilities towards the environment, what they will be expected to do is to ensure that such intended social friendly policies are embedded in their Article and Memorandum of Association. In order to reinforce responsible behaviour, various laws have been put in place for the protection of the environment. These laws stipulate criminal sanctions for non-compliance as opposed to voluntary adherence. Examples of these laws include: a) National Environmental Standards and Regulations Enforcement Agency (Establishment) Act 2007. This act provides for the standards of compliance with environmental protection. It also provides for offences and corresponding punishment as it relates to the environment [3].

IV. CSR PRACTICES IN NIGERIA

CSR expressions in Nigerian organisations are in the forms of Philanthropic, Economic Support and Compensatory strands. Firstly, the Philanthropic refers to a humanitarian and charitable service projected to the people by the corporate organisations, e.g. donations for community development and cultural celebrations. Secondly, the Economic Support. Corporate organisations help by providing social amenities like portable water, building and maintenance of schools, maintenance of parks, promotion of basic and primary health care scheme, etc. Thirdly, compensatory CSR strand. Organisations compensate the Nigerian government, communities and individuals for certain operational breaches that have occurred during the production process. Detailed examples of CSR claims by organisations are as follows:

1. UNITED BANK FOR AFRICA (UBA): UBA has a number of focus areas for its CSR agenda and constantly tries to focus on the basic needs of society, reaching as many people as possible through its CSR initiatives. The objective is to target all parts of the country with its CSR activities but UBA is presently using Lagos as a test area for its projects and initiatives. Regarding the internal CSR work the focus of the foundation is at present to gain commitment and understanding for the CSR initiatives. Some of the UBA CSR initiatives are presented as follows [1]
 - a. MICRO CREDITS - UBA has initiated micro credits to its customers. The Nigerian government has also introduced a micro credit finance programme but interest rates are still as high as 36 percent. The objective for UBA is therefore to give the opportunity for people to take a loan without interest or at least with very low interest rates.
 - b. SCHOLARSHIPS - UBA also runs a scholarship programme. The objective is for 108 pupils to be examined each year through scholarships. UBA finds it important that the pupils don’t feel like “second hand” students because of the scholarships. Therefore UBA has also introduced a grant that is being offered to the school in combination with the scholarship that makes the scholarship beneficial not only for the student but also for the school.
 - c. ENVIRONMENT - UBA also works intensively on waste management and environmental issues. For example, a project has been run with the purpose of installing refuse collection centres as well as offering training for people to become refuse collectors. The vision is to create an environmental movement where all companies, large and small, contribute with something in the work of improving the environment.

2. **DANGOTE GROUP:** Dangote Foundation is the CSR's arm of Dangote Group. The foundation engages in community development through support for humanitarian crises, donations, annual gifts, various projects to individuals and groups locally and internationally. Dangote's most recent donation include the 106 truckloads of foodstuffs and 2 Billion naira to Internally Displaced Persons at Borno State. Others include the 1 Billion Naira to Nigerian Universities including Bayero University Kano and Otuoke University, Bayelsa [20]; relief materials worth 50 Million Naira to Jos community [21]; hemodialysis machine valued 21 Million Naira to General Hospital, Lagos in 2010; construction of squash complex at University of Nigeria, Nsukka worth 117,500,000 Million naira in 2009; humanitarian support to victims of Jos and Bauchi crises in 2010 worth 33,248,910 naira; products donation of 100 million naira to victims of famine in Niger Republic in 2010, donation of 2 million dollars to victims of flood disaster at Pakistan in 2010, etc. [5]
3. **SHELL:** Shell is a member of the World Business Council for Sustainable Development (WBCSD). Shell has recognized the interrelatedness of the three dimensions of sustainable development – corporate financial responsibility, corporate environmental responsibility and corporate social responsibility. Shell has invested substantial amount in recent time in its scientific research and development, and the company has produced a standard declaration which adheres to the principles of sustainable development, as well as contributing to the building of hospitals, schools, awarding contract to indigenous companies and awarding of scholarships. In 2011, Shell donated N5.3 billion for community development in Niger Delta region [14]; construction of Ultramodern Subsurface Research Centre at University of Ibadan, construction of Centre of Excellence in Geosciences and Petroleum Engineering at University of Benin in 2012; Centre of Marine Hydrodynamic at the Rivers State University; support of Federal Ministry of Health with Ebola ambulances [19], trucks and three months fuel supply to the Ebola Emergency Operation Centres at Lagos and Port Harcourt in August, 2014; donation of multimillion naira dental and X-ray equipment to St. Kizito Clinic, Lagos, etc. [6].
4. **MTN NIGERIA:** Education intervention; Economic empowerment such as giving micro-credit, skill acquisition, employment creation, capacity building; Health intervention in malaria and AIDS treatment; bio-degradable recharge cards that do not damage the environment; Housing intervention; Mobile Telecommunication Network Foundation (MTNF) project in partnership with Integrated Dairy Farm Ltd for the Fulanis; MTNF Disability Support project (CDC), 'Disability and U' road show and seminar; MTNF skill acquisition project for people living with disabilities in partnership with the Friends of the Disabled; Sport sponsorship; popular TV Quiz- Who wants to be a millionaire?; Seamless roaming [17]. 100 high performing Blind Students received 200,000 naira annually throughout their studies in Nigerian Universities; Over 190 security vehicles donated to Police across the country from 2013 to 2016; Over 20,000 persons with disability benefitted from Disability Project Support from 2009 to 2016; assistance to Nigerians with chronic but ailment requiring immediate medical intervention and over 50 beneficiaries across the country have benefitted from 2009 to 2016 [13]. Airtel: Education support such as school furniture project in the Niger Delta; Health intervention such as breast cancer project and National Action Committee against Aids(NACA) support; monthly free short message service (SMS) and airtime bonus; sinking of boreholes in communities [17].

5. GLOBACOM: Sports sponsoring is the major CSR focus. Others are establishment of call centres for unemployed youths in partnership with National Poverty Eradication Programme (NAPEP); Partnership with Niger Delta Development Commission (NDDC) towards poverty eradication; Supports annual Nigerian Institute of Management competition for young managers ; sponsorship of Glo Naija sings and Glo heritage series- 'ojude-oba' and 'ofala' festivals [17].

V. NIGERIA'S COMMUNITY CHALLENGES THAT REQUIRE CSR

As a result of the existence of firms, many communities are suffering because of industrial emissions, oil explorations, among other threats. For instance, according to Ref [15] Niger Delta region in spite of its enormous wealth is worse compared to every other parts of the country. Data on social situation in the Niger Delta show that one (1) Medical Doctor of general practice attends to 82,000 persons and in some more remote areas it is one (1) to 132,000 person. This is contrary to the statistics in other parts where the ratio is 40,000 people per Doctor. Records have it that only 27 per cent of the residents of the Niger Delta area have access to safe sources of domestic water and 30 percent of households have access to electricity. These are below national average of 31.7 per cent and 38.6 per cent respectively. Less than 6 per cent of the population has access to telephone services regularly and over 70 per cent have never made use of telephone. The road network in this region is grossly inadequate. There is only one Federal Trunk B road that crossed Bayelsa State with one 1.5 kilometer tarred road. Records have it that poverty is wide spread. This is occasioned by the exceptionally high cost of living associated with the petro-economy expectations. In River State, the cost of living index is \$783 while the per capita income in Nigeria is \$280. This is in spite of the high rate of unemployment estimated at over 30 per cent [15]. It is noteworthy that present operations of the corporate organizations in Nigeria have become marred with several negative identities such as insensitivity, corruptions and segregation of the society [3].

VI. CONCLUSION AND RECOMMENDATION

CSR is ideologically neutral. It is simply realistic and humane. Businesses should have a human face by assisting in the provision of social needs and other necessary services required by the society, especially in Third World countries like Nigeria afflicted with failure of political leadership and inadequate creativity. Nigerian government has failed in the provision of legal framework within which companies can effectively meet their obligations or be made to do so. Nigerians also need to know more and better about this concept that can assist their economics, politics and sociology. This is a project the Nigerian media, academia and government cannot afford to continuously ignore. It is very clear that policy is on course but grossly inadequate in Nigeria when viewed from the colossal profits that companies accrued or amassed from the Nigerian economy. Hence it is suggested that companies should do more especially in improving their services and provision of social services. Government should in this regard establish a legal framework specifically for the regulation of CSR activities in the country, and this should spell out clearly the role of companies, communities and the government itself.

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