

Addressing the challenges of Corporate social responsibility in Sub-Saharan Africa: the importance of the legal approach

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Abstract

This research attempts to address the challenges of Corporate Social Responsibility (CSR) in Sub-Saharan Africa with the purpose of reviewing and assessing all laws relating to CSR. The purpose of the assessment of the laws is to determine whether these laws have made businesses responsible, based on the countries' provisions. CSR is a set of activities undertaken by businesses voluntary to fulfill specific responsibilities as the premises of profit-seeking behavior. These responsibilities imply a business inclusive approach to a variety of stakeholders: customers, clients, suppliers, employees or local communities. Typical actions include employee protection, environmental safety, philanthropic actions, etc. It can also include funding NGOs to worthy causes like Malaria/cancer prevention. The idea, when embarking on CSR, is for businesses to have some legitimacy in the society, simply because they are part of it. To achieve this legitimacy, businesses need to engage and interact with other stakeholders in the tripartite relationships: governments and local communities for CSR to have an impact. That relationship, expected to be created between business and society is done on a voluntary basis. This is how CSR has grown, ever since it was first theorized by its pioneers, in the West.

Despite its voluntary nature, CSR has evolved since the 1990s, as a result of many summits, under the hospices of the UN and international civil society organizations. A decade having seen the development of models, such as the Carroll's 1991 CSR Pyramid, in which the author describes how businesses should conduct their CSR. The same decade saw the moving of a string of multinationals from the West to Africa, in search of natural resources, during the corporate globalization. But their

involvement in voluntary CSR has brought some problems: (1) no dialogue with host communities, therefore no relationships, yet they are the primary stakeholders in Africa; (2) recurrent complaints from the local civil society organizations but more importantly, (3) human rights violations. The kind of problems described above remain an issue because they affect stakeholders. Hence the idea of building relationships with them, which is crucial for business legitimacy. The communities, regarded as these stakeholders are linked to the civil society whose voices have been vocal, worldwide. As for the human rights violations, cases involving child labor, illegal employment of migrants are notorious in Sub-Saharan Africa.

As a result, some governments in Africa such as Gabon and Nigeria regulated CSR, intended for businesses to conduct it differently. Besides issues raised above, both countries had in mind the development agenda, with CSR being as a vehicle to conduct it. According to many, it has the potential to contribute to the social transformation. After this background, the following chapters give a more granular understanding on how to address CSR challenges with laws.

Chapter 1 presents the background to the study of CSR and BHR. The purpose of the study is to review and assess all laws relating to CSR and their implications on business behavior. The research question is how or to what extent have the laws changed business conduct. Implementation of the existing laws is the novelty that this study aims to bring. To achieve it, a fieldwork study conducted in Gabon to get real life experiences with relevant participants is the significance of this study. The fieldwork offers some originality because the researcher could get the best out of the participants' responses while observing, interviewing, and interacting with them.

Chapter 2 discusses the two types of existing CSR in Africa. The voluntary and mandatory CSR with specific countries as illustrations. This chapter spells out the historical perspective of CSR, that started in the West as a voluntary with an influence in Sub-Saharan African, through the presence of MNCs. The chapter makes the difference between CSR in the North and South, their corporate

governance systems and its implications on CSR implementation. As the implementation also depends on the cohesion of main actors involved, a model explaining how it works under both systems is drawn. The aim being to know what works or what does not, highlight the challenges and suggested solutions.

Chapter 3 presents a case study of Gabon with Comilog as the selected business. The business has provided CSR funds in 2021 and 2022 in line with the laws and projects are acknowledged by the participants who are employees, communities and civil society even though the engagement still suffers between business and stakeholders due to little interaction, according to the evidence from the fieldwork.

Chapter 4 focuses on Nigeria, through desktop study. Shell is the business that was selected. It has funded CSR social projects during the 2010-2014 period in compliance with the laws covering CSR. While the PIA, one of the latest laws offers good prospects such as clarifying roles of each stakeholder, challenges are to offer grievance mechanisms when human rights are violated. Findings also highlight the strained relationships between stakeholders in the engagement, from the evidence obtained with the NGO and desktop study.

Chapter 5 provides a synthesis of previous chapters, answers the research questions and summarizes each chapter. The mandatory CSR has enabled businesses to conduct CSR projects on a regular basis. There is compliance of the provisions by businesses in Gabon and Nigeria. Challenges to overcome for proper implementation are law enforcement as stakeholders need to interact more often as stipulated in the national laws and recommended by their global partners. Law enforcement would lead to better management of funds, official government's legitimacy and less HR issues.

From the summary of the chapters, it can be argued that the mandatory CSR is the answer to the various problems CSR encounters in the Sub-Saharan Africa. The

current laws can address stakeholder's expectations, given the NAPs have been ineffective, under the voluntary approach. However, proper implementation of the mandatory CSR still suffers in Sub-Saharan Africa because the state intervention remains weak, according to what emerges in both countries. Key areas where state intervention is needed are the transparency and efficiency of CSR funds, the monitoring and evaluation. These would guarantee proper CSR implementation and therefore community inclusion, as stipulated in the mandatory CSR.