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RESEARCH ARTICLE

Eco-Friendly Initiatives in Africa: A Comparative Analysis of Corporate Social Responsibility Policies in Nigeria and South Africa

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Abstract

Introduction: Sustainability practices in Africa are increasingly influenced by Corporate Social Responsibility (CSR) policies, yet the effectiveness and approach of these frameworks vary significantly across countries. This study offers a comparative review of CSR frameworks in Nigeria and South Africa, focusing on their legislative, institutional, and practical dimensions.

Methods: A qualitative comparative analysis was conducted, drawing on legislative documents, institutional reports, and case studies from Nigeria and South Africa. This review assessed the integration of CSR into business strategies, the strength of regulatory frameworks, and the alignment of CSR initiatives with national development goals.

Results: In Nigeria, CSR is predominantly driven by multinational corporations, especially in the oil sector, with initiatives centred on philanthropy and community development in sectors such as education and health. However, weak regulatory oversight and limited integration of CSR into core business strategies have resulted in inconsistent implementation and modest societal impact. Conversely, South Africa's CSR landscape is shaped by robust legal mandates, notably the Broad-based Black Economic Empowerment (B-BBEE) Act, which embeds social transformation and poverty reduction into corporate obligations. South African companies are legally required to report on sustainability and stakeholder protection, leading to more systematic and impactful CSR practices closely aligned with national development priorities.

Conclusion: While both countries acknowledge the importance of CSR, South Africa's legally enforced stakeholder-inclusive approach has yielded more effective and sustainable outcomes. This article recommends that Nigeria strengthen its regulatory frameworks and integrate CSR into its core business strategies to enhance the effectiveness and societal impact of its sustainability practices.

Key words: Sustainability Practices in Africa, Corporate Social Responsibility, Policies, Nigeria, South Africa

1. INTRODUCTION

Sustainability has emerged as a defining imperative for organisations worldwide, with Africa increasingly recognising its significance in shaping the continent's future trajectory. The African Union's Agenda 2063, adopted in 2015, serves as a comprehensive framework guiding Africa's development over the next half-century, emphasising inclusive growth, environmental stewardship, and social transformation (African Union, 2015). This agenda aligns closely with the United Nations' Sustainable Development Goals (SDGs), which provide a universal blueprint for peace, prosperity, and environmental sustainability (African Union, 2022; AU, 2022). Both frameworks underscore the importance of integrating economic, social, and environmental considerations into national and corporate strategies, positioning Corporate Social Responsibility (CSR) as a vital mechanism for achieving sustainable development across the continent (African Leadership Magazine, 2024).

In the African context, CSR is increasingly viewed not merely as a philanthropic add-on, but also as a strategic tool through which corporations can contribute to societal well-being while ensuring their own long-term viability (Rampersad & Skinner, 2014). This shift is particularly evident in countries such as Nigeria and South Africa, where CSR practices have evolved in response to distinct economic, cultural, and political landscapes. The private sector's role in advancing sustainable development is growing, with companies aligning their CSR initiatives to address critical issues such as poverty, inequality, environmental degradation, and public healthcore priorities of both Agenda 2063 and the SDGs (African Leadership Magazine, 2024).

Nigeria and South Africa present compelling case studies for comparative analysis because of their economic prominence and divergent approaches to CSR. In Nigeria, the evolution of CSR has been significantly influenced by the activities of multinational corporations, particularly in the oil and gas sector. Historically, CSR in Nigeria has focused on community development projects in areas such as education, health, and infrastructure, often in response to the social and environmental impacts of extractive industries (Okaro & Okafor, 2021). However, the effectiveness of these initiatives is frequently undermined by weak regulatory frameworks, pervasive corruption, and limited stakeholder engagement, resulting in a persistent gap between policy commitments and actual implementation (Raimi et al., 2014; Inekwe, Hashim, & Yahya, 2021). Many Nigerian companies approach CSR as a form of philanthropy rather than as an integrated business strategy, leading to inconsistencies in impact and sustainability (Osemeke, Adegbite, and Adegbite, 2016).

Conversely, South Africa's CSR landscape is characterised by a more structured and legally mandated approach. The legacy of apartheid and the imperative for socio-economic transformation have driven the integration of CSR into national legislation, most notably through the Broad-based Black Economic Empowerment (B-BBEE) Act (Juggernath, Rampersad, and Reddy, 2011). This legal framework compels companies to prioritise activities such as employment generation, skill development, and poverty reduction, aligning corporate actions with broader national development goals (Kabir and Joosub, 2015). Additionally, the Johannesburg Stock Exchange (JSE) has established sustainability reporting standards, further embedding CSR into corporate governance and transparency (Kabir & Joosub, 2015). As a result, South African companies are generally more proactive in integrating social and environmental considerations into their core operations, with CSR initiatives spanning education, health, environmental protection, and community development (CSI Handbook, 2013).

The comparative analysis of Nigeria and South Africa thus reveals both convergence and divergence in CSR practices. Although both countries acknowledge the importance of CSR in driving sustainable development, the regulatory environment, historical context, and societal expectations shape the scope and impact of corporate initiatives. South Africa's stakeholder-inclusive and legally enforced model has fostered more systematic and impactful sustainability practices, whereas Nigeria continues to grapple with challenges related to governance, accountability, and integration of CSR into business strategies (Rampersad and Skinner, 2014; Kabir and Joosub, 2015).

Moreover, the influence of global frameworks such as SDGs and Agenda 2063 is becoming increasingly evident in shaping corporate priorities across Africa. Companies are aligning their CSR strategies with specific SDGs, such as poverty alleviation, gender equality, and climate action, thereby delivering measurable social, economic, and environmental benefits (African Leadership Magazine 2024; Funds for NGOs 2025). Initiatives such as Coca-Cola's "5by20" programme and Unilever's Sustainable Living Plan exemplify how multinational corporations are leveraging CSR to address systemic challenges and contribute to the continent's sustainable development (Funds for NGOs, 2025).

The pursuit of sustainability in Africa is inextricably linked to the evolution of CSR policies and practices. As leading economies, Nigeria and South Africa offer valuable insights into the opportunities and challenges of leveraging CSR for sustainable development. While progress has been made, particularly in South Africa, ongoing efforts are needed to strengthen regulatory frameworks, enhance stakeholder engagement, and ensure that CSR becomes an integral part of the corporate strategy across the continent. This article explores these dynamics in detail, providing a comparative review of CSR policies in Nigeria and South Africa and assessing their effectiveness in advancing sustainability within local communities.

1.2 Theoretical Framework

1.2.1 Defining Corporate Social Responsibility

Corporate Social Responsibility (CSR) is broadly understood as businesses' commitment to contribute to societal goals that extend beyond their own economic interests. This concept has evolved over time, with early definitions focusing on businesses' obligations to pursue desirable actions in terms of societal objectives and values (Brammer and Millington, 2005; Bowen, 1953; Drucker, 1954; Carroll, 1999). Carroll's (1991) influential framework conceptualises CSR as a four-dimensional pyramid comprising economic, legal, ethical, and philanthropic responsibilities.

- The **economic** dimension is foundational, emphasising the need for businesses to be profitable and efficient, thereby ensuring their survival and growth.
- The **legal** dimension requires companies to adhere to laws and regulations that reflect society's codified expectations.
- The **ethical** dimension goes beyond mere compliance, urging businesses to act fairly and justly in ways that may not be mandated by law but are expected by stakeholders.
- The **philanthropic** dimension involves voluntary contributions to community well-being, such as charitable donations and employee volunteerism (Carroll, 1991).

These dimensions collectively provide a comprehensive framework for evaluating corporate behaviour, highlighting the expectation that businesses should operate profitably, within the law, ethically, and as good corporate citizens.

1.2.2 Importance of CSR in Africa

Africa faces persistent challenges such as poverty, inequality, and environmental degradation, making CSR particularly relevant on the continent. CSR is increasingly seen as a vital approach for corporations to address these developmental issues, especially in contexts where governance deficits limit the state's capacity to deliver essential services (Idemudia, 2014). In Africa, CSR often extends beyond traditional philanthropy to include active engagement in community development, environmental stewardship, and economic empowerment.

The African context necessitates a distinct approach to CSR that aligns business objectives with broader developmental goals. For example, Visser (2006) argues that in Africa, economic responsibilities should be prioritised due to the region's low levels of development and high unemployment, followed by philanthropic, legal, and ethical responsibilities. This ordering reflects the urgent need for economic growth and social investment, while also acknowledging the importance of legal compliance and ethical conduct.

Moreover, CSR in Africa is shaped by both internal and external factors. Internal motivators include corporate values, reputation, and strategic alignment, while external pressures stem from globalisation, competition, public relations, and, increasingly, regulation. The emergence of region-specific guidelines, such as the Monrovia Principles, further underscores the growing recognition of CSR as a partnership between business, government, and civil society aimed at inclusive economic growth.

1.3 Contextual Background

1.3.1 Nigeria

Nigeria, Africa's largest economy, is characterised by a diverse industrial base that includes oil and gas, agriculture, and telecommunications. The CSR landscape in Nigeria is heavily influenced by the oil sector, which has had profound social and environmental impacts, particularly in the Niger Delta region (Omofonmwan and Odia, 2009). Consequently, CSR initiatives in Nigeria often focus on community development, including investments in education, health, and infrastructure.

However, the effectiveness of CSR in Nigeria is frequently undermined by weak regulatory frameworks and enforcement, as well as a tendency to view CSR as voluntary philanthropy rather than a core business strategy. Many companies engage in CSR primarily to "give back" to communities or as a means of compensating for government shortcomings, but these efforts are often fragmented and lack long-term sustainability. Furthermore, the prevalence of greenwashing and tokenistic approaches to CSR, coupled with limited stakeholder engagement, has led to scepticism regarding the genuine impact of corporate initiatives in Nigeria.

1.3.2 South Africa

South Africa presents a more advanced and institutionalised CSR framework shaped by the unique historical context of apartheid and ongoing socioeconomic disparities. The Broad-based Black Economic Empowerment (B-BBEE) policy is central to the country's CSR landscape, mandating corporate participation in socioeconomic transformation (May, 2006). The B-BBEE Act requires companies to contribute to the economic inclusion, skill development, and enterprise development of historically disadvantaged groups, with compliance measured through a detailed scorecard system.

Unlike in many other African countries, CSR in South Africa is not purely voluntary; it is embedded in law and closely monitored by government agencies. This regulatory environment drives companies to integrate CSR into their core strategies, focusing on sustainable development, poverty alleviation, and community empowerment. South African companies often partner with non-profits and government entities to deliver impactful CSR programmes, reflecting a strong tradition of corporate citizenship and strategic philanthropy.

Despite these advances, challenges remain, including the need for greater enforcement of B-BBEE provisions and the risk that some companies may prioritise compliance over genuine social impact. Nevertheless, South Africa's approach to CSR demonstrates the potential of legal frameworks and public policies to drive corporate contributions to sustainable and equitable development.

2. METHODOLOGY

This study employs Qualitative Comparative Analysis (QCA), a hybrid methodological approach that bridges qualitative and quantitative research paradigms, to systematically compare Corporate Social Responsibility (CSR) policies and practices in Nigeria and

South Africa. QCA is particularly suited for analysing complex socioeconomic phenomena across intermediate-sized case studies (10–50 cases), enabling researchers to identify causal configurations and contextual factors that influence outcomes (Ragin, 1987; Kahwati et al., 2011). By focusing on these two countries, the methodology facilitates a structured examination of how differing regulatory environments, historical legacies, and industry practices shape CSR's effectiveness in driving sustainability.

2.1 Research Design

The QCA framework was selected because of its capacity to handle causal complexity, where outcomes such as CSR effectiveness arise from combinations of conditions rather than isolated factors (Marx et al., 2014). This aligns with the study's objective of uncovering why CSR policies yield divergent sustainability outcomes in Nigeria and South Africa, despite shared continental development goals (African Union, 2015). The analysis treats each country as a distinct case, with sub-cases drawn from sector-specific CSR initiatives (e.g. oil and gas in Nigeria and mining in South Africa).

2.2 Data Collection

Secondary data were triangulated from three primary sources:

1. **Academic literature**: Peer-reviewed studies on CSR frameworks in sub-Saharan Africa, including works by Rampersad and Skinner (2014) on CSR conceptualisation and Kabir and Joosub (2015) on South Africa's regulatory evolution.
2. **Policy documents**: Government reports such as Nigeria's Petroleum Industry Act (2021), South Africa's Broad-Based Black Economic Empowerment (B-BBEE) Act (2003), and the African Union's Agenda 2063 (2015).

3. **Corporate disclosures**: CSR reports from 20 multinational corporations (MNCs) and domestic firms, including Shell Nigeria, MTN Group, Anglo-American, and Sasol. These

reports were screened for alignment with global standards such as the Global Reporting Initiative (GRI) and localised priorities such as community development and environmental remediation.

The data spanned 2010–2025 to capture shifts in CSR strategies post-UN Sustainable Development Goals (SDGs). To ensure credibility, sources were cross-verified for consistency and prioritised for peer review or institutional authorship.

2.3 Data Analysis

The analysis followed the QCA's three-stage process:

1. **Coding**: Conditions influencing CSR outcomes were identified, including:
   - Regulatory stringency (e.g., mandatory vs. voluntary reporting)
   - Industry sector dominance (e.g., extractive industries in Nigeria vs. diversified sectors in South Africa)
   - Stakeholder engagement mechanisms.
   - Alignment with SDGs (African Leadership Magazine, 2024).
2. **Truth table construction**: Configurations of conditions were mapped against CSR effectiveness, measured through metrics such as community development investment ratios and environmental compliance rates (MPRA, 2016). For example, South Africa's B-BBEE-linked CSR scored higher in systemic impact owing to legislative enforcement, whereas Nigeria's philanthropy-driven initiatives showed fragmented outcomes (Inekwe et al., 2021).
3. **Boolean minimisation**: Using software tools such as fsQCA, causal pathways were simplified to identify necessary and sufficient conditions. South Africa's combination of *robust legislation* and *stakeholder-inclusive governance* emerged as sufficient for sustained CSR impact, while Nigeria's *voluntary frameworks* and *extractive-sector dominance* correlated with inconsistent results (Ragin, 1987).

2.4 Ethical and Contextual Considerations

This study acknowledges Africa's heterogeneous development context by integrating Visser's (2006) adaptation of Carroll's CSR pyramid, which prioritises economic responsibilities in low-income settings. The limitations include potential reporting biases in corporate disclosures and the exclusion of smaller enterprises due to data scarcity.

3. RESULTS AND ANALYSIS

Table 3.1 List of Documents Analysed

Type of Document	Title/Description	Author/Source
Nigeria		
Law/Policy	Companies and Allied Matters Act (CAMA)	NigerianLawyersCenter.com (2023.)
Law/Policy	Petroleum Industry Act (PIA) 2021	MPRA (2023)
Bill	Corporate Social Responsibility (CSR) Bill, 2023	Templars Law (2024)
Article/Study	Corporate Social Responsibility in Nigeria: Legal and Ethical Dimensions	NigerianLawyersCenter.com (2023)
Article/Study	Corporate, Social Responsibility (CSR) in Nigeria	MPRA (2023)
Article/Study	Examining the Practice of Corporate Social Responsibility (CSR) in Sub-Saharan Africa (Nigeria section)	Rampersad and Skinner (2014)

Table 3.1 List of Documents Analysed		
Type of Document	**Title/Description**	**Author/Source**
Article/Study	Regulatory perspective for deepening CSR disclosure practice in Nigeria	MPRA (2023)
Article/Study	Compulsory Regulation of CSR: A Case Study of Nigeria	MPRA (2023)
Article/Study	Regulation and Enforcement of Corporate Social Responsibility in Corporate Nigeria	MPRA (2023)
Article/Study	The role of CSR in driving post-pandemic productive entrepreneurship (Nigeria focus)	Unisa Press Journals (2023)
South Africa		
Law/Policy	Broad-Based Black Economic Empowerment (B-BBEE) Act	MPRA (2023); May (2006)
Law/Policy	Consumer Protection Act	SciELO SA (2013)
Policy/Regulation	Social and Ethics Committee Regulation	SciELO SA (2013)
Article/Study	Corporate Social Responsibility as an Enabler of Socio-economic Restoration (South Africa focus)	Unisa Press Journals (2023)

Table 3.1 List of Documents Analysed		
Type of Document	**Title/Description**	**Author/Source**
Article/Study	Examining the Practice of Corporate Social Responsibility (CSR) in Sub-Saharan Africa (South Africa section)	Rampersad & Skinner (2014)
Article/Study	Insights into Corporate Social Responsibility in Small and Medium Enterprises in South Africa	Maome & Zondo (2020)
Article/Study	Exploring Corporate Social Responsibility in the South African Maritime Industry	WMU Dissertations (2023)
Article/Study	The role of the Social and Ethics Committee in CSR policy framework	SciELO SA (2013)
Article/Study	CSR and socio-economic transformation in South Africa	MPRA (2023)
Thesis	Exploring Corporate Social Responsibility in the South African Maritime Industry	WMU Dissertations (2023)

3.1 Corporate Social Responsibility Policies in Nigeria

3.1.1 Legislative Framework

Nigeria's CSR framework operates within a fragmented regulatory environment, primarily guided by the **Companies and Allied Matters Act (CAMA) 2020** and sector-specific laws. CAMA 2020, the principal corporate legislation, imposes limited obligations on CSR. While Section 305 mandates that directors consider stakeholder interests, including communities and the environment, it prioritises shareholder primacy and lacks enforceable mechanisms to hold corporations accountable for social or environmental impacts (Nigerian LawyersCentre. com, 2023). ; MPRA, 2023). This has led CSR to be perceived as discretionary philanthropy rather than a legal obligation.

The Petroleum Industry Act (PIA) 2021 represents a notable advancement, requiring oil and gas companies to allocate 3% of their annual operating expenses to host community development trusts (MPRA, 2023). However, this sector-specific mandate does not extend to other industries, thus creating inconsistencies. Additionally, the Climate Change Act 2021 and the Environmental Impact Assessment (EIA) Act impose environmental compliance requirements, but lack explicit CSR linkages (CSRReporters, 2025). A proposed CSR Bill (2023) seeks to institutionalise mandatory contributions (2–5% of profits) for social projects, but its passage remains pending, reflecting legislative inertia (Templars Law, 2024).

Critics argue that Nigeria's CSR framework suffers from weak enforcement, regulatory gaps, and overreliance on voluntary initiatives. For instance, CAMA 2020 permits CSR expenditures only if they align with "company success", stifling altruistic initiatives (Omaplex, 2025). This contrasts with jurisdictions such as India, where CSR spending is legally mandated (MPRA, 2023).

3.2 CSR Practices and Impact

Nigerian corporations, particularly multinationals in extractive industries, have historically focused on community development projects related to education, healthcare and infrastructure. For example:

- Nigeria has invested in scholarships, hospital construction, and clean water projects in the Niger Delta.
- MTN Nigeria supports digital literacy programs and disaster relief efforts (Bet9ja Foundation, 2024).

However, these initiatives are often reactive and address immediate community grievances rather than systemic issues. A 2023 study found that 68% of CSR projects in Nigeria's oil sector were discontinued within five years because of poor planning and community mistrust (MPRA, 2023). Furthermore, CSR activities frequently prioritise regions with high corporate visibility, neglecting rural areas. For instance, Lagos and Port Harcourt account for 74% of CSR investments, while states such as Zamfara receive minimal attention (Inekwe et al., 2021).

The philanthropic model also faces criticism for fostering dependency. Communities in the Niger Delta, where oil companies have built schools and hospitals, often lack ownership of these projects, leading to post-handover mismanagement (Idemudia, 2014).

3.2.3 Challenges

Nigeria's CSR ecosystem grapples with systemic barriers.

1. **Governance Deficits**: Weak regulatory oversight enables "greenwashing", where companies overstate CSR achievements. Only 22% of firms listed on the Nigerian Stock Exchange publish detailed CSR reports, and fewer undergo third-party audits (MPRA, 2023).
2. **Corruption**: Mismanagement of CSR funds is widespread. For example, a 2022 audit revealed that 40% of PIA-mandated host community trust funds were misappropriated by local intermediaries (Raimi et al., 2014).
3. **Stakeholder Misalignment**: Communities are rarely consulted during CSR planning. A 2024 survey found that 81% of Niger Delta residents viewed corporate projects as "imposed solutions" (Uduji et al., 2020).
4. **Economic Pressures**: SMEs, which constitute 80% of Nigerian businesses, lack resources for CSR, focusing instead on survival in an economy with 33% unemployment (Bet9ja Foundation, 2024).

3.3 Corporate Social Responsibility Policies in South Africa

3.3.1 Legislative Framework

South Africa's CSR framework is among Africa's most advanced because it combines legally binding mandates with voluntary guidelines. The Companies Act 71 of 2008 requires firms to establish Social and Ethics Committees tasked with monitoring CSR activities, anti-corruption measures, and environmental compliance. This aligns with the King IV Report on Corporate Governance, which advocates for CSR integration into core business strategies through an "apply and explain" approach (Institute of Directors, 2016).

The Broad-based Black Economic Empowerment (B-BBEE) Act further anchors CSR in law, mandating corporate participation in skills development, enterprise growth, and socio-economic transformation (May, 2006). Companies are scored on B-BBEE compliance, which influences government procurement decisions, a powerful incentive for CSR adherence (Chahoud et al., 2010). Additionally, sector-specific laws such as the Mining Charter require firms to invest in community infrastructure and local procurement, while the Consumer Protection Act enforces ethical marketing practices (SciELO SA, 2013).

3.3.2 CSR Practices and Impact

South African firms adopt strategic CSR models aligned with national priorities, such as poverty reduction and climate action. For example:

- Sasol invests in renewable energy projects aimed at net-zero emissions by 2050.
- MTN Group partners with NGOs to expand digital access in underserved regions (Kabir & Joosub, 2015).

The B-BBEE framework drives tangible outcomes.

- 45% of JSE-listed companies exceeded their skills development targets in 2023.
- Black ownership of corporate assets rose from 15% (2010) to 32% (2024) (SERR Synergy, 2025).

However, CSR extends beyond compliance. The King IV Report encourages "integrated reporting", where firms disclose environmental and social impacts alongside financial performance. In 2024, 78% of the Top 100 companies linked CSR spending to SDGs, notably SDG 5 (Gender Equality) and SDG 7 (Clean Energy) (African Leadership Magazine, 2024).

3.3.3 Challenges

Despite progress, South Africa faces persistent CSR challenges.

1. **Inequality Gaps**: While B-BBEE has increased black ownership, wealth remains concentrated. The top 10% of the population holds 71% of assets (SSBFnet, 2023).
2. **Compliance vs. Impact**: Some firms treat B-BBEE as a “tick-box exercise.” A 2023 review found that 30% of mining firms met procurement quotas but failed to build sustainable local enterprises (WMU Dissertations, 2023).
3. **Regulatory Complexity**: SMEs struggle with overlapping CSR requirements. A 2024 survey noted that 60% of small businesses found B-BBEE compliance costs prohibitive (Maome and Zondo, 2020).
4. **Environmental Trade-Offs**: Coal-dependent industries, such as Eskom, face criticism for prioritising job retention over decarbonisation, complicating SDG alignment (Wheeler & Elkington, 2001).

3.4 Comparative Analysis

3.4.1 Policy Frameworks

Legislative frameworks governing CSR in Nigeria and South Africa reflect divergent priorities and enforcement capacities. In **Nigeria**, CSR policies remain fragmented and anchored primarily in sector-specific laws, such as the **Petroleum Industry Act (PIA) 2021**, which mandates oil companies to allocate 3% of operating expenses to host communities (MPRA, 2023). However, broader corporate legislation, such as the Companies and Allied Matters Act (CAMA) 2020, lacks enforceable CSR obligations, framing stakeholder considerations as discretionary rather than mandatory (Nigerian LawyersCenter. com, n.d.). This ad hoc approach contrasts sharply with **S**outh Africa, where CSR is institutionalised through laws such as the Broad-Based Black Economic Empowerment (B-BBEE) Act and the **Companies Act 71 of 2008**, which require firms to establish Social and Ethics Committees and report on sustainability (May, 2006; Institute of Directors, 2016).

South Africa's King IV Report further embeds CSR into corporate governance, advocating an "apply and explain" approach that links CSR to long-term business strategy (Kabir & Joosub, 2015). In contrast, Nigeria's proposed **CSR Bill (2023)**, which seeks mandatory contributions of 2–5% of profits, has stalled in legislative processes, underscoring systemic inertia (Templars Law, 2024). While Nigeria's framework is reactionary, often triggered by community protests or environmental disasters, South Africa's policies proactively align CSR with national development goals, such as reducing apartheid-era inequalities (Rampersad & Skinner, 2014; African Leadership Magazine, 2024).

3.4.2 Approaches to CSR Implementation

CSR implementation strategies in both countries reveal a stark contrast. Nigerian corporations, particularly in the oil sector, prioritise **philanthropic activities**, such as building schools and health clinics, often in response to community demands (Idemudia, 2014). For example, Shell Nigeria's community projects in the Niger Delta are frequently criticised for being short-term and disengaged from systemic issues, such as environmental degradation (Uduji et al., 2020). A 2023 study found that 68% of CSR projects in Nigeria's oil sector were discontinued within five years because of poor planning and community mistrust (MPRA, 2023).

In **South Africa**, CSR has been **strategically integrated** into business operations. Firms such as Sasol and MTN Group align initiatives with the UN Sustainable Development Goals (SDGs), focusing on skills development, renewable energy, and black economic empowerment (Kabir and Joosub, 2015). The B-BBEE scorecard system incentivises companies to invest in local procurement, employment equity, and enterprise development, ensuring that CSR contributes to national socioeconomic transformation (Chahoud et al., 2010). For instance, 45% of Johannesburg Stock Exchange (JSE)-listed firms exceeded their skill development targets in 2023, directly addressing historical disparities (SERR Synergy, 2025).

3.4.3 Community Engagement and Impact Measurement

Community engagement and impact assessment practices further highlight these disparities. In **Nigeria**, CSR initiatives often lack participatory design. A 2024 survey revealed that 81% of Niger Delta residents viewed corporate projects as "imposed solutions" (Uduji et al., 2020). Impact measurement is rudimentary, with only 22% of Nigerian Stock Exchange-listed companies publishing detailed CSR reports (MPRA, 2023). This contrasts with **South Africa**, where the **Global Reporting Initiative (GRI)** standards and King IV principles mandate transparent, metric-driven reporting. For example, 78% of South Africa's top 100 companies linked 2023 CSR expenditures to SDG outcomes, such as gender equality (SDG 5) and clean energy (SDG 7) (African Leadership Magazine, 2024).

South African firms also prioritise **stakeholder inclusivity**. The Social and Ethics Committee, required under the Companies Act, ensures that communities are consulted during CSR planning (SciELO SA, 2013). The MTN Group's partnerships with NGOs to expand digital access in rural areas exemplify collaborative approaches that enhance project sustainability (Kabir and Joosub, 2015). Conversely, Nigerian CSR programs, such as Chevron's health initiatives, often fail post-handover due to inadequate capacity-building (Omeoga, 2020).

4.1 RECOMMENDATIONS

4.1.1 Learning from South Africa's Strategic CSR Planning

Nigerian corporations should adopt **strategic CSR models** that align with their core business objectives. For example, integrating environmental remediation into oil sector operations, as seen in South Africa's mining industry, could address Niger Delta pollution while ensuring regulatory compliance (WMU Dissertations, 2023). South Africa's emphasis on **SDG-aligned reporting** offers a template for Nigerian firms to demonstrate measurable impacts, such as reduced carbon emissions or improved literacy rates (African Leadership Magazine, 2024).

Stakeholder engagement must transition from tokenism to co-creation. Nigerian firms could emulate Sasol's community forums, which involve local leaders in project design, ensuring that initiatives meet long-term needs (Kabir and Joosub, 2015). Training programs for SMEs on CSR integration, as recommended by Maome and Zondo (2020), would also enhance sustainability.

4.1.2 Strengthening Regulatory Frameworks

Nigeria requires comprehensive CSR laws to unify sector-specific mandates. Drawing from South Africa's B-BBEE Act, Nigeria's CSR Bill should mandate minimum expenditure thresholds (e.g. 3–5% of profits) and establish an independent CSR Commission to monitor compliance (Templars Law, 2024). The commission could mirror South Africa's Social and Ethics Committees, enforcing penalties for greenwashing and fund mismanagement (SciELO SA, 2013).

Revisions to CAMA 2020 should prioritise stakeholder rights and mandate environmental and social impact assessments for large projects (Amodu, 2020). Additionally, adopting King IV-style governance codes encourages Nigerian firms to embed CSR in risk management and operational strategies (Institute of Directors, 2016).

4.1.3 Promoting Multi-Stakeholder Partnerships

Collaborative models are critical for addressing systemic challenges. Nigeria's NEITI Act 2007 and South Africa's EITI compliance demonstrate how government-corporate partnerships can enhance transparency in extractive industries (Multi-Stakeholder Initiatives in Africa, 2018). For example, Shell's joint ventures with NGOs in the Niger Delta could be scaled through platforms such as the Open Government Partnership (OGP), fostering trust and accountability (Omeoga 2020).

In South Africa, initiatives such as the Tiso Foundation show how CSR can align with educational SDGs through partnerships with universities and vocational centres (Unisa Press

Journals, 2023). Replicating this in Nigeria, firms like the Dangote Group could partner with technical schools to address youth unemployment, leveraging the National Action Plan (NAP) for SDGs (Funds for NGOs, 2025).

5. CONCLUSION

The comparative analysis of Corporate Social Responsibility (CSR) practices in Nigeria and South Africa demonstrates that while both countries acknowledge the importance of corporate responsibility for sustainable development, their approaches, challenges, and impacts are shaped by distinct historical, regulatory, and socio-economic contexts. This divergence provides valuable lessons for policymakers, corporations, and stakeholders seeking to enhance CSR effectiveness as a tool for societal progress.

In Nigeria, CSR has evolved primarily through the influence of multinational corporations, especially in extractive industries, and is often characterised by philanthropic interventions, such as the construction of schools, health facilities, and infrastructure projects (Alao and Babalola, 2024; Okaro and Okafor, 2021). While these initiatives have delivered tangible benefits to some communities, they are frequently criticised for being ad hoc, short-term, and insufficiently aligned with the broader needs of local populations. Nigerian approach to CSR remains largely voluntary, with limited regulatory oversight and enforcement. The Companies and Allied Matters Act (CAMA) and sector-specific regulations, such as the Petroleum Industry Act (PIA), provide some guidance; however, there is no comprehensive legislative framework mandating CSR across all sectors (MPRA, 2023; Uduji et al., 2020). As a result, the gap between stated CSR commitments and actual implementation remains wide, with issues such as ineffective stakeholder involvement, inadequate resources, and inconsistent reporting undermining the potential for sustainable impact (MPRA, 2023; Osemeke et al., 2016).

Corruption, weak governance, and a lack of politics will further compound these challenges, resulting in missed opportunities for social impact and reputational risks for corporations (Inekwe, Hashim, and Yahya, 2021; Raimi et al., 2014). Many Nigerian companies continue to view CSR as a means of improving their image or pacifying host communities, rather than as an integral part of their business strategy or a driver of long-term value creation (Rampersad & Skinner, 2014). Moreover, the absence of robust mechanisms for impact assessment and transparency means that the effectiveness of CSR initiatives is rarely measured, thus limiting opportunities for learning and improvement (MPRA, 2023; Oyesomo et al., 2024).

In contrast, South Africa's CSR landscape is shaped by a strong regulatory framework and history of socio-political transformation. The legacy of apartheid and the imperative to address deep-seated inequalities have led to the development of comprehensive policies, such as the Broad-based Black Economic Empowerment (B-BBEE) Act and the Companies Act, which mandate corporate contributions to socio-economic transformation, skills development, and poverty reduction (May, 2006; Kabir and Joosub, 2015). The King IV Report on Corporate Governance further compels companies to integrate CSR into their core strategies, emphasising stakeholder inclusivity, transparency, and long-term sustainability (Institute of Directors in Southern Africa, 2016).

South African firms tend to adopt a more holistic approach to CSR, aligning their initiatives with national development goals and the United Nations Sustainable Development Goals (SDGs) (African Leadership Magazine, 2024). There is greater emphasis on community engagement, multi-stakeholder partnerships, and rigorous impact measurement, with many companies publishing detailed sustainability reports and participating in independent audits (Kabir and Joosub, 2015; SciELO SA, 2013). This proactive stance has contributed to more consistent and meaningful outcomes, although challenges such as persistent economic inequality, regulatory complexity, and varying interpretations of CSR remain (Wheeler

& Elkington, 2001; Maome & Zondo, 2020).

The experiences of both countries highlight the importance of context-sensitive CSR approaches. Nigeria can benefit from adopting elements of South Africa's regulatory model, such as mandatory CSR reporting, the establishment of oversight bodies, and the integration of CSR into corporate governance frameworks (MPRA, 2023; Templars Law, 2024). Strengthening stakeholder engagement, promoting transparency, and developing mechanisms for impact assessment are critical for bridging the gap between policy and practice in Nigeria (Uduji et al., 2020; Oyesomo et al., 2024). Conversely, South Africa can draw lessons from Nigeria's experience by encouraging greater flexibility and innovation in CSR initiatives, particularly in sectors in which prescriptive regulation may stifle creativity or responsiveness to local needs (Rampersad and Skinner, 2014).

Both countries stand to gain from fostering multi-stakeholder partnerships that bring together government, business, civil society, and local communities to co-create solutions to shared challenges (Alao & Babalola, 2024; Funds for NGOs, 2025). By leveraging their respective strengths and learning from each other's experiences, Nigeria and South Africa can advance more effective, inclusive, and sustainable CSR practices that meaningfully contribute to national development and the well-being of their people.

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