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ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) AND NIGERIA'S DEVELOPMENT

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Abstract
Corporate Social Responsibility is one of the ways of achieving National development, especially in the host community. From a legal perspective, when a company becomes corporate and licensed, it becomes indebted to the state by citizenship and civil obligations; but what the law has not done is to openly stipulate, emphasize and implement the extent to which such registered company must go in the name of corporate social responsibility. The focus of this paper is to critically assess the contribution of Companies, in terms of corporate social responsibility to national development.

Keywords: Business; development; CSR; society

Introduction

In all countries of the world, the history, pace and tempo of development have assumed divergent patterns and structure. In these countries however, the roles of government and the governed in the journey towards development are clearly stipulated. In all cases, the need to industrialize has characterized the quest for development. Narrowed traces of industrialization would directly or indirectly point towards its platform of existence. Capitalism has since inception and by nature being known for exploitation and over-representation of self-interest. As Karl Marx predicted – historical class struggle has dragged societies into capitalism and man's real power has shifted to capital, which has become the real governing power of the society. Originally, corporations were associations of people chartered by the state, by the passage of power to private ownership and control of production, the position of basic services have increased the questions and concept of corporate social responsibility.

In Nigeria, the history of corporate social responsibility is traceable to the establishment of Oil and Gas multinational companies owned and operated mainly by Western powers. The motivation to engage in corporate social responsibility grew into diverse attempts and involvements. At present, Nigeria corporate social responsibility focuses on addressing the general socio-economic development of the Nigeria society, and in particular the development of the hosting community.

Over the years, the constant motion of change has determined the actual roles of the state and the entrepreneurs which have radically changed the basis on which private enterprises are expected to operate. The concept of corporate social responsibility is expected to connote a concept where by companies integrate social and environmental concerns in their business operation and in their interaction with all the stakeholders on a voluntary basis. But there exist a wide spread consensus among public and private institutions that the concept of corporate social responsibility (CSR) is based on a company attaining a balance between the interests of all its stake holders within its strategic planning and operations.

The question of whether these responsibilities should be voluntary or not has remained an issue that is subjected to endless debate .The resolving end is that there is a critical perspective on the generality of Corporate Social Responsibility (CSR); the hosting community harbors its own perspective on Corporate Social Responsibility, the generality or public have their expectations while the companies concerned also hold their views about what and how corporate social responsibilities should be assigned and implemented.

Based on the above introduction, the major concern of this paper is to assess the various Corporate Social Responsibilities project that is scattered all over the country and their impacts on National Development.

Conceptualizing Corporate Social Responsibility (CSR)

The growing concerns about the concept and essence of corporate Social Responsibility have won the attentions of various writers. Distance or location has failed to constitute a barrier to the universality of the concept of CSR. Corporate Social Responsibility in the developed countries still resembles the Corporate Social Responsibility in the under-developed counties. Arguably, the only variation is the magnitude of the effectiveness of its functions. This is largely to the extent that different organization have now framed different definitions of what best suits the description of their Corporate Social Responsibility. But the genuine unification of the concept of Corporate Social Responsibility provides an avenue in which commercial organizations show high level of social commitment and responsibility in their operations by way of returning (proportionately and indirectly) what they generate from the society. The original concept of corporate social responsibility is traceable to the work of Andrew Carnegie – the founder of US steel. According to Mallen Baker, (2007), Corporate Social Responsibility is about how companies manage the business processes. But no matter the beauty of the positive image businesses try to portray business managers know that Businesses are set up for profit purposes.

In the history of private ownership of businesses in Nigeria, marketing manager only adopt Corporate Social Responsibility strategies when there is a profit pressure from the board of directors. Yet in doing this, such marketing managers must not forget that a minimum of a hundred percent of the total cost of the corporate social responsibility must be returned in value to the organization as profit. By implication, managers are restrictive by the fear of their accountability and productivity. At the end of the day, what is therefore left for corporate social responsibility is merely regulated by the manager's choice and discretion of whether to involve in it or not.

In the business world, companies need to answer three basic questions (aspects) in their operations: (1) The nature of their impact on the society, (2) The value of their returns, and (3) The quality of their management. In most cases, virtually all private organizations devote the most of their attentions to the above last two aspects of their operations. But since one cannot separate the business from the society, the most minimal level of corporate social responsibilities is reluctantly embarked upon.

In another dimension, Davis, (1973) argued that employees' perception of the level of company's participation in corporate social responsibility is a special aspect of their perceptions, and that these CSR participation shapes the employee's subsequent attitude, commitment and behaviours towards their company. The prestige of belonging to the company that better the lots of the community increases the employees' job satisfaction, commitment, turnover, job performance and citizenship behaviour (Margoli and Wash, 2001).

From a legal perspective, when a company becomes corporate and licensed, it becomes indebted to the state by citizenship and civil obligations; but what the law has not done is to openly stipulate, emphasize and implement the extent to which such registered company must go in the name of corporate social responsibility. The fact that these companies are privately owned does not justify their outright negligence to corporate social responsibility. Such negligence to the entire socio-economic issues of the immediate community becomes discernible when the boundary of corporate social responsibility shifts from legal to moral. Why should the government of Nigeria be obligated to tar the roads that lead to a set of self – centered bottling companies? Some of these multinational companies even evade taxes and carryover their bills.

Until the emergence of the present administration and the consequent creation of the Ministry of the Niger Delta, indigenous community members did not conceptualize the use of arms in contending for their claims as illegal. The issue was a demonstration of the consequences of the gap that exists in the variation of the community's perception of CSR and the company's definition of Corporate Social Responsibility. In other words, a causal analysis of the historic crisis is connected with the failure of company's participation in CSR, which in most cases is a function of the negligence and lack of commitment in the participation of companies in Corporate Social Responsibility.

For instance, sometimes around the wake of this millennium, the Federal Government of Nigeria initiated the compulsory Education Trust Fund (ETF) for all, the multinational privately owned oil companies, in which 2% of these companies' profit is to be dedicated to tertiary education in Nigeria. It is a shame that prior to this mandate, these companies existed for years without any self-inspired initiative to organize such gestures. It becomes apparent that until there is such an existing stringent legal framework, companies would continue to hold on to their own definitions of CSR instead of what the concept should originally contain. Today, the impact of the Education Trust Fund (ETF) is deeply felt by various primary, secondary and tertiary institutions across the country.

Critical Appraisal of Corporate Social Responsibility (CSR)

The original concept of corporate social responsibility is traceable to the work of Andrew Carnegie – the founder of US steel. To him, two prerequisites are vital for capitalism to work satisfactorily. The first of these prerequisites is the 'charity principle', which he claimed consists of practice of assisting the less fortunate members of the society including the unemployed, the sick, the less privileged and the disabled. These less fortunate members of the society could be assisted directly or indirectly via establishments like settlement houses, churches and other community groups.

Unfortunately, capitalism is not charitable. Charity today is limited to the premises of morality; which most organizations ignore and despise without remorse. The ideal concept of corporate social responsibility requires a radically legalized motivation accompanied by strict and stringent sanctions for its defaulters.

The second prerequisite according to Carnegie is the 'stewardship principle'. By this, he means that wealthy individuals and organizations must see themselves as stewards and caretakers of their properties. They must hold their wealth 'in trust' for the rest of the society. Consequently, they can use it for any purpose society deems legitimate.

Unfortunately again, there is no morality in capitalism. In fact, contemporary business values contend that corporations must pursue their economic self interest, and that any attempt to misrepresent such interest is considered as a moral wrong. This incompatible contradiction is today regarded as the explanation for the failure of the ideal concept of corporate social responsibility.

The society can keep its expectations and principles of corporate social responsibility to itself; as private organizations cannot exist without the dedicated commitment to the holistic representation of the company's self and economic interest. Until a legal framework is enacted, academicians and managers alike propose the need to abandon the concept of the corporate social responsibility, largely consequent upon the obvious discrepancies in the contents of the concept.

The concept of rights and responsibilities are central portions of moral questions. Both concepts will only restrict the discourse to remain an essentially cultural and traditional exercise with merely little relevance to the expectant community. The complexity is magnified by the rebellious claims of marginalization by the community members. However, the resultant difficulty in the claim by the community members does not reconcile the problem of the conceptual discrepancies that exists between the community members and the organization. As a matter of fact, organizations believe that corporate social responsibility is not a right of the benefiting community; hence, they do not approach it as a matter of prioritized obligation.

The failure of the corporate social responsibility begins from the undue attribution of 'socially responsible' to the profit –oriented organization. A healthy corporate social responsibility is difficult if not impossible (Aguiler, 1998). Milton Friedman, (1970) (quoted in Marie – Louise Louw, 2006), said that "the only responsibility of business is to make profit". Rhetorically, what business of the corporation is it to define what is socially responsible? – That is not their expertise – that is not their expertise!

In 2005, Malcolm McIntosh (Professor in the University of Stellenbosch) was asked during a conversation at Delaire Wine Estate about how he convinces corporations to implement corporate social responsibility; he responded and said 'many may, and many may not'. This emphasizes the departure from the earlier claim of the absence of a legal framework on issues of corporate social responsibility.

The question therefore shifts to the effectiveness of the available laws and regulations, and then, in the cases of absence of legal framework, community members and government itself must not continue to expect that mere moral sermons will motivate corporations to engage in corporate social responsibility. Governments are supposed to keep corporate responsible on behave of the community. Professor McIntosh sated on March 17th, 2006 that 'if we (including corporations) implement all the regulations, we already have locally and globally, the world would be a radically different place". It is partially working in the Nigerian Education Trust Fund (ETF) program. Such measures are suitable for the numerous multi-national construction companies and banks, which closes their annual balance sheets in hundreds of billions of Naira. Adewunmi, (2008) submitted that the revenues of just five of the world's largest corporations are more than double the combined GDP of the poorest 100 countries in the world, yet each of these corporations have branches located in virtually all of these countries.

In a nutshell, the existing frame of existence of the corporate social responsibility requires a quick reformation. Quite a number of the patriotic and obedient companies who have taken it upon themselves to relentlessly embark in active participation of CSR have overtime recorded commendable and applaud-able achievements; but in the midst of these achievements by some companies, what is still lacking in the concept is that, CSR goes far beyond the discrepancies that exists in the definition of the concept by both the community (public) and the companies; it extends far into the inadequate and ineffective legal framework that will compel the nonchalant organizations about their positive, kind impacts on their immediate environment.

Theoretical Underpining

The contentions and agitations between business stakeholders and community members in issues of Corporate Social Responsibility (CSR) have led to the development of conflicting and yet contradicting theoretical explanations. Two of these theoretical contentions shall be considered: Stakeholders Theory of CSR and Stewardship Theory of CSR.

Stakeholders Theory of CSR

Rowey and Moldoveau, (2003) the proponents of this theory demonstrates their opinions on Corporate Social Responsibility by pinpointing the diversity of stakeholders' interest in engaging in Corporate Social Responsibility. According to them, there is no need to contend about the diversity of reasons why business stakeholders dare Corporate Social Responsibility. However, among this endless list is a domineering, broad and inclusive reason. Business managers selflessly participate in CSR with the overall intension of reducing poverty and indirectly affecting (positively) the lives of people.

Stakeholders' theorists contend that the essence and beauty of engaging in production is to celebrate the importance of produced goods to its consumers, and the decision to embark in any form of CSR is equally represented by the joy of fulfillment that stakeholders enjoy from economically and socially improving the lives of the people. Stakeholders will participate in CSR to ensure the wellbeing of the diverse groups of people that are engaged in an economic and social relationship with the firm.

Rowey and Moldoveau posited that organization's interest in assisting and involving in the socio-economic empowerment of the community is because such act has been calculated and predicted to benefit the organization in a long term which of course represents the true interest and motives of stakeholders, since their interests are not necessarily limited to short-term profit maximization.

Critics of the stakeholders' theory have emerged to condemn the positions of the stakeholders' theorists. They argued that the claim that organizations selflessly participate in CSR with an overall motive of reducing poverty is a form of unworthy and undeserved self-appraisal. Instead, organizations continue to accumulate huge self profit from the community members who happen to be their customers and in exchange, give back their losses to the community members. Every business has profit and losses and companies are not so 'philanthropical' and charitable to retain their losses for themselves and distribute their profits to the public in the name of CSR or so called poverty reduction.

Stewardship Theory of CSR

The stewardship theory imbibes more social and friendly approach in the explanations of the trends and concepts of CSR. Proposed by Schoorman and Donalson (1997), they suggest that management personnel and leadership (Managers, Directors, Chairmen, Presidents and Proprietors) adopts their social conscience and morality into the policy making process of the firm. These values and morals stretch beyond economic calculations and profit maximization strategies. Managers, if left on their own will indeed act as responsible stewards of the assets they control. The theory is an alternative view of Stakeholders' Theory, in which managers are assumed to act in the company's self interest.

Consequently, managers make organizational decisions in considerations of their own personal values and social morals which are together incorporated into the organizational policies which will turn out to favour the outsiders alike. When this is done, it goes a long way to open the gates for organizations and allow for great participation and commitment in Corporate Social Responsibility. This is largely because, managers are often very conscious of the organization's policies, knowing that that the success of the business lies in the practical applicability of what is contained in the policies of the organization.

Theorists further agree that managers and Top Level Managements alike only need a legal framework to register their participation in CSR. In the absence of this, community members must jettison their hopes of benefiting from the undefined CSR. By sociological interpretations, stewardship theorist assert that any organization that is lagging in CSR should/must replace its members or enforce the establishments of morally-driven policies in terms of the company's relations to the community.

Suggestions on How to Improve Corporate Social Responsibility (CSR)

A mere comparism of the existence of CSR between Africa and developed countries of the world would display the failure of the genuine concept in African countries and other 3rd world countries. One pertinent question that emerges from the comparism is that – why has CSR meant almost nothing in 3rd world countries? Bearing in mind its challenges, Corporate Social Responsibility is said to be grossly successful in countries like Britain, USA, Philippines etc (Niser, 2006), as against what is discernible in countries like Nigeria. The issue has nothing to do with the lie that big and multinational companies are absent in Nigeria. Instead, Nigeria has simply failed to embark on what it takes to guarantee a successful practice of Corporate Social Responsibility. Well, a comprehensive approach towards solving the problems would equivalently require a comprehensive cooperation of companies, Government and even the community members.

The complexities and difficulties that companies experiences in practicing CSR makes it difficult to come by; but this does not justify companies' negligence in participating in CSR. In the case of Nigerian companies, much of the reasons why CSR fails in Nigeria is traceable to the overall Nigeria's poor state of infrastructures, such as electricity, lack of good roads and lack of other facilities as well as persistent inflation which translate into high cost of doing business strongly discourages and even makes it tougher for companies to actively participate in Corporate Social Responsibility. Since production must happen, companies unfavourably have to provide alternative means to these amenities which are usually expensive to procure. At the end of the day, stakeholders find their businesses boring and non-profit generating. Nigerian Government must rise up to its responsibility of providing the basic amenities. Corporate Social Responsibility begins from there. We shouldn't tangible social responsibilities from these companies simply because the Government has provided them with bushy, virgin land. How can the Government confidently task private organizations on their non-involvement in Corporate Social Responsibilities without it performing its own responsibilities?

But on the contrary, 'irresponsible' companies should not hide behind the excuses that government defaults in the provision of basic facilities. The essence of Corporate Social Responsibilities itself lies in within the concept of providing these unavailable social amenities. China's success in massive and commendable reduction of poverty within the last decade is largely due to its effective Corporate Social Responsibility practices, which are translated into quality roads, housing, power and even water facilities. Business stakeholders should express their willingness in Corporate Social Responsibility by consciously establishing organizational policies that would promote Corporate Social Responsibility. It doesn't stop at merely establishing bills and policies, machineries (within the organization) that would ensure its execution and implementations must also accompany these policies.

In the midst of these organizational/governmental efforts, I am not aware of any section of related law that invites the community members to go violent about their claims. In cases of defaults by companies' participation in Corporate Social Responsibility, community members must be patient and allow the law to take its course. One thing community violence does is that it pushes the edges too far, and at the end of the day, damages that would further discourage participations in Corporate Social Responsibility are incurred.

In another dimension, one major reason why Corporate Social Responsibility is gradually fading away in Nigerian Business environment is due to the lack of effective legal frameworks that will prompt and compel companies' participation in CSR. Even if theoretically, sections and sub-sections of any obtainable law stipulate companies' degree of participation in CSR, why is it that the law is disregarded and today there is virtually nothing to show for it? The Education Trust Fund (ETF) experience is a suitable case study. Government should update the stringency of relative laws on Corporate Social Responsibility by/at the same time set up a commission that would specialize in nationally enforcing these laws. With these, the ugly and sad experiences on CSR over the years and the gradually fainting concept of Corporate Social Responsibility shall be revived in Nigeria.

Conclusion

Corporations are associations of people chartered by the state, by the passage of power to private ownership and control of production and position of basic services have increased the questions and concept of corporate social responsibility. Over the years, the actual roles of the state and the entrepreneurs have radically changed the basis on which private enterprises are expected to operate. The concept of Corporate Social Responsibility is expected to connote a concept whereby companies integrate social and environmental concerns in the business operations on voluntary basis.

But there exist a wide spread consensus among public and private institutions that the concept of corporate social responsibility (CSR) is based on a company attaining a balance between the interests of all its stakeholders within its strategic planning and operations. Different organization have now framed different definitions of what best suits the description of their Corporate Social Responsibility. But the genuine unification of the concept of Corporate Social Responsibility provides an avenue in which commercial organizations show high level of social commitment and responsibility in their operations by way of returning (proportionately and indirectly) what they generate from the society.

From a legal perspective, when a company becomes corporate and licensed, it becomes indebted to the state by citizenship and civil obligations; but what the law has not done is to openly stipulate, emphasize and implement the extent to which such registered company must go in the name of corporate social responsibility. The society can keep its expectations and principles of corporate social responsibility to itself; as private organizations cannot exist without the dedicated commitment to the holistic representation of the company's self and economic interest. Until a legal framework is enacted, academicians and managers alike propose the need to abandon the concept of the corporate social responsibility, largely consequent upon the obvious discrepancies in the contents of the concept.

Much of the reasons why CSR fails in Nigeria is traceable to the overall Nigeria's poor state of infrastructures. Electricity, lack of good roads and lack of other facilities as well as persistent inflation which translate into high cost of doing business strongly discourages and even makes it tougher for companies to actively participate in CSR. Since production must happen, companies unfavourably have to provide alternative means to these amenities which are usually expensive to procure.

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