CORPORATE SOCIAL RESPONSIBILITY IN NIGERIA: THE CHALLENGES OF IMPLEMENTATION

PEPPLE, SUNNY J. (Ph.D)
Department of Political Science,
Faculty of Social Sciences,
Ignatius Ajuru University of Education, P.M.B. 5047, Rumuolumeni
Port Harcourt, Rivers State, Nigeria.
E-mail: sunnypepple@yahoo.com
+2348033096204

ABSTRACT
Corporate social responsibility is a strategy adopted by business to accommodate increasing agitation by society for greater participation of business in the development of society. It has a long history which spans hundreds of years before its modern history. Its meaning is fuzzy and had generated controversy amongst scholars. Before the adoption of corporate social responsibility as a business strategy, business had concentrated on its employees, customers, shareholders etc to the detriment of other stakeholders especially society. With the adoption of corporate social responsibility it became all inclusive and no stakeholder is left behind. The practice of corporate social responsibility good as it is faces challenges. This paper examines the challenges which includes but not limited to entitlement mentality by host communities, lack of boundary for operation etc. It also proffered solutions to overcome the challenges. The solutions include the need for active state intervention in the practice of CSR through the establishment of efficient and transparent negotiation procedures and mechanism for dispute resolutions as well as threshold for participation. It concludes that because corporate social responsibility is a win-win situation for business and society, no effort should be spared removing impediments that hampers its implementation.

Keywords: stakeholders, shareholders, market forces, and economic freedom.

INTRODUCTION
The state owes its citizens the obligation of providing for their social and economic development but the shrinking resources of government coupled with the increasing demands from the citizens have rendered government impotent in meeting its obligations to the people. On the other hand corporate bodies have been growing with great influence and resources and this have placed a moral burden of assisting the government in the development of society on their shoulders especially in the developing countries. Corporate bodies before the emergence of Corporate Social Responsibility as a business strategy had concentrated their attention on their suppliers, stockholders, customers and employees to the detriment of other stakeholders but increased sensitivity to and awareness of environmental and ethical issues have also brought increased interest of people on the role of business in society and this has changed the attitude of business to societal demands. Today business is under internal and external pressure to engage in Corporate Social Responsibility in order to meet the ever increasing expectation by the
society on businesses (Clark and Hebb, 2004). An examination of the literature on the concept shows a discordant view on the true meaning attached to the concept by corporations and by society. While some see it as the implementation by companies of philanthropic ventures (Sheikh, 1996), others see it as an obligation ‘to take proper legal, moral-ethical, and philanthropic actions that will protect and improve the welfare of both society and business as a whole’ (Anderson, 1989; p 9). The host communities see it as their right. However, nobody sees the burden on business as an issue. No matter the perspective from which it is seen there is a general agreement that business should assist government in solving societal problems.

Business in response to the increased demand made on them by society have jettisoned the concentration on profit making motive as the only “business of business” to being concerned about the good of society by being “philanthropic”. They now work towards improving the quality of life of the people, host communities and environment as well as being socially responsible at great cost to them. They are constrained to adopt socially oriented programmes, honour other obligations rather than to respond only to the self interest of their stockholder. They optimize rather than maximize profit which enable them accommodate the social costs component in business achievements. This means that corporate bodies are assimilating the need to be co-partners with government in the development of society. This does not suggest the abandonment of the primary responsibility of business (which is to produce goods and services for society and thereby generate profit for its shareholders).

Business has in its own way being responsible to its responsibility. However, it seems that the more they concede to the request to be responsible the more the demands from the stakeholders. While some segments of the stakeholders are appreciative of the efforts of business others seem insatiable. In all of these no one is interested in the sustainability of business. Profitability is not measured in sustainability but in figures. In some cases the mere fact that a business organisation breaks even and remains in business attracts requests for CSR. For an organisation to be considered a “candidate” for CSR, the following questions should be considered. Is the business profitable? Is the profit sustainable? Unfortunately, these questions are never answered to the benefit of business. The fall of most businesses today cannot be totally divorced from the yielding of business to pressure from stakeholders to do “good” without considering their ability to do such good.

EVOLUTION OF CORPORATE SOCIAL RESPONSIBILITY

The concept of Corporate Social Responsibility (CSR) known variously as corporate citizens, corporate social opportunity, responsible business etc has been a controversial one that has attracted a lot of attention and difficult to pin down. It also overlaps with other such concepts as corporate citizenship, sustainable business and business ethics and is highly contextual not only in terms of its corporate environment but also in terms of its national environment (Fukukawa and Moon 2004). The concept of corporate social responsibility is not new, it has a long history spanning decades. As Henriques (2003) observed:

The history of corporate social responsibility is almost as long as that of companies. There has been a tradition of benevolent Capitalism in the United Kingdom for over 150 years … and the Victorian
Philanthropy could be said to be responsible for considerable portions of the urban landscape of older towns centre today. Commercial logging operation and laws to protect forests can both be traced back to almost 5000 years. King Hammurabi of ancient Mesopotamia in around 1700 BC is known to have introduced a code in which Builders, Inn keepers or Farmers were put to death if their negligence caused the death of others or major inconvenience to local citizen. Meanwhile, history has equally recorded the grumbling of ancient Roman Senators about the failure of businesses to contribute sufficient taxes to fund their military campaigns (Asongu 2007:8).

In Africa and Nigeria in particular, wealthy individuals do not turn away their eyes from the less privileged in society. Faith based organisations as well as other bodies in one way or the other provided succour to the needy and society at large. With the wave of industrialization, the impact of business on society and the environment increased so also the expectations of society from business in solving the problems that arose from it. Business in response to the antitrust movements demands for greater responsibility from corporations and government attempts to regulate them emphasised corporate responsibility and philanthropy to prove government regulation unnecessary (Jenkens, 2005 and Bendell, 2004). Corporate social responsibility is intended to accommodate the changes that have taken place in the social contract between business and society (Ghosh, 2003). As Wood (1991) observed “The basic idea of cooperate social responsibility is that business and society are interwoven rather than distinct entities. Therefore society has certain expectations for appropriate business behaviour and outcomes” (p702)

From the initial attempt at philanthropy in the form of donations to charity, Corporate Social Responsibility has evolved into a programme that is at the core of every business beyond what Howard Bowen (1953) had in mind when he wrote the first book on CSR titled Social Responsibilities of the Businessman. According to Rue and Byars (1992), what we refer to as ‘modern’ corporate social responsibility has passed through three historical phases.

The first Phase, which dominated until the 1930s, emphasized the belief that a business manager had but one objective – to maximize profit. The second phase which started from the 1930s to the 60s stressed that managers were responsible not only for maximizing profits but also for maintaining an equitable balance among the competing chains of customers, employees, suppliers, creditors, and the community. The third Phase, which is still dominant today, contends that managers and organizations should involve themselves in the solution of society’s major problems (p. 117).
Corporate social responsibility is still evolving and it will not be out of place to say we might have a fourth phase which will be a genuine attempt by business to assist society clean at least some of the mess it left behind in course of production and others not directing caused by it without prompting.

CORPORATE SOCIAL RESPONSIBILITY: A DISCOURSE

From the days of Bowen (1953) preliminary definition of CSR: “As the obligations of business to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (p, 145) Till today, the nature, scope and process of corporate social responsibility has not been determined. Various definitions abound ranging from ‘the implementation by companies of philanthropic ventures’ (see Blumberg, 1972, Sheikh 1996) to ‘obligation to take proper legal, moral-ethical, and philanthropic actions that will protect and improve the welfare of both society and business as a whole’ (Anderson 1989; 9). It has been a web of ambiguity. The ambiguity in CSR conception was aptly captured by Votaw (1972) when he opined that:

Corporate Social Responsibility means something, but not always the same thing to everybody. To some it conveys the idea of legal responsibility or liability; to others, it means socially responsible behaviour in the ethical sense; to still others, the meaning transmitted is that of ‘responsible for’ in a casual mode; many of those who embrace it mostly fervently see it as synonym for legitimacy in the context of belonging or being proper or valid; a few see a sort of fiduciary duty imposing higher standards of behaviour on businessmen than on citizens at large. (p: 25)

This ambiguity has led to the association of Corporate Social Responsibility with different meanings and definitions. In a general sense, it entails an organization going beyond what the laws say in terms of the relationship between society and business. It includes amongst other things ethical, legal issues, accountability etc. It is all encompassing. McComb (2002) sees it as “The way a company links itself with ethical values, transparency, employees’ relations, compliance with legal requirements and overall respect for the communities in which they operate beyond occasional community service action.” (p, 5)

Carroll (1979) argued that social responsibility of business should be all inclusive; encompassing the economic, legal, ethical and discretionary expectation that society has of organizations at a given point in time. Thinking in the same vein Maingnan et al (1999) defined CSR “as the degree to which firms assume economic, legal, ethical and discretionary responsibilities towards their stakeholders.” (p, 461) Lea (2002) added a new dimension by seeing corporate social responsibility as what any organisation apart from business can engage in. He defined it “as business and other organizations going beyond the legal obligations to manage the impact they have on the environment and society”. (p, 10) it is therefore not surprising that faith based organisations...
(FBO), community-based organisations (CBO) etc are contesting for space with business in the discharge of CSR.

Though there is no universally accepted definition of CSR due to its evolving nature, one definition which seem to have been widely accepted is that proffered by the World Business Council for Sustainable Development (WBCSD). It defines corporate social responsibility as “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 of the local community and society at large” (WBCSD, 1999; p 3).

The utility of this definition lies in the fact that it separates actions taken by an organization to enhance its profit and which in turn rubs on the society positively from that which has nothing directly to do with profit. It also highlights the fact that it is a process and not a one-time off thing. In practical term, it means that the fact that an organisation built a hall for a community does not mean that another hall cannot be built or more projects cannot be carried out for the same community if the need arises. The fundamental idea of corporate social responsibility is that business has obligations not only to its stockholders but also to both its primary and secondary stakeholders. As Luetkenhorst (2007) contended, the idea of corporate social responsibility is not only for corporations to transit from a state of mere compliance to a mode of engagement but from vain minimization to value creation which impacts society positively.

From the discussions so far, corporate social responsibility is seen from the content rather than process perspective. Corporate social responsibility has gone beyond what a business does to its host community, employees, customers etc (content). It entails what is expected, the process of generating the idea and how the obligation could be met (process). It is concerned not only with the analysis of the relationship between business and the society but also the obligation of each to the other as well as the means and tools of meeting the obligations (University of Miami, 2007).

THE PYRAMID OF CORPORATE SOCIAL RESPONSIBILITY

Carroll (1991) classified the responsibility of business to society (CSR) under 4 headings – Economic, Ethical, Legal, and Philanthropic. For him ‘the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organisation at a given point in time’

**Economic responsibility:** This is the basics of all the responsibilities. Business in the first place was established to produce goods and services for the society and through this make profit for the owners of the business. It is the super structure upon which every other structure is built. According to Carroll (1991), the economic components of corporate social responsibility include:

i. Business performing in a manner consistent with maximizing earnings per share.

ii. Being committed to being as profitable as possible.

iii. Maintaining a strong, competitive position.

vi. Maintaining a high level of operating efficiency.

v. Being consistently profitable. This is the bedrock of corporate social responsibility as maximizing earnings per share and being profitable is a sufficient and necessary step for a company to engage in corporate social responsibility.
Drucker (1973) alluding to the supremacy of economic necessity states that: the task of economic performance while by no means the only task to be discharged in society is a priority task because, all other social tasks – education, health, etc depend on the surplus of economic resources, that is, profits and other savings. (p, 40)

This position has been accepted by many scholars including Friedman (1970), who is of the opinion that, “There is one and only one social responsibility of business, that is, to use its resources and engage in activities designed to increase its profits.” (p 32) In the same vein, Drucker (1954) asserts that “the first responsibility of management to society is to operate at a profit and ensure growth of the enterprise on the ground that business is the wealth – creating and wealth – producing organ of society”. (p, 54) Sundaram & Inkpen (2004) also accepted the above position, for them, “Governing the corporation requires purposeful activity. All purposeful activities, in turn require goals. . . that goal is maximizing share-holders value. (p, 358)

Legal Responsibility: In pursuing its economic goals, corporations are expected to operate within the law. Legal responsibilities reflect a view of codified ethics in the sense that they embody basic notions of fair operation as established by law. Trice & Beyer (1984), identifies what society deems as important with respect to appropriate corporate behaviour as follows; (i) Corporation must not pursue its economic or other interests outside the framework of the law. It must meet the expectations of the government, people and law. In its provision of goods and services it must be done as prescribed by law. (p, 662). Business is not expected to short circuit legitimate process in the discharge of its responsibilities. The law and its contents must be followed at all times

Ethical Responsibilities: According to Carroll (1991), “ethical responsibilities are basically standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just or in keeping with the respect or protection of stakeholders’ moral rights”. (p,40) “Behaviour is unethical when decisions enable an individual or company to gain at the expense of other people or society as a whole” (Daft & Marac 2007: p, 138) Simply put, If an organization in the name of producing goods and services produces banned or harmful goods, no matter the importance of such goods to the people, society will not accept such behaviour. Business in the pursuit of its economic agenda is expected to act within society’s generally held belief on appropriate behaviour. These beliefs may or may not necessarily be codified. Some companies in Nigeria engage in unethical activities with their employees, the government and host communities. Goods are produced below recommended standard all in attempt to increase profit. The concerns of society in general and host communities in particular are pushed to the background all in attempt to make or increase profit margin.

Philanthropic Responsibility: Some scholars refer to the philanthropic responsibility of business as discretionary. This is purely a voluntary activity of business. It includes generous philanthropic contributions that offer no payback to the organisation and are not expected. The society expects business to be a good citizen, business on the other hand sees it as discretionary hence the need to be so. In the developed countries especially in Europe this philanthropic responsibility tends more often to be compulsory via the legal framework than discretionary (Crane and Matten, 2000).
Each of these responsibilities as conceived by Carroll (Economic, Ethical, Legal, and Philanthropic) stands on its own but it is only when they are taken together that they constitute a whole. Business cannot assume any of the responsibilities as the one and only responsibility for survival. In summarizing the issue Carroll (1991) argued that the total corporate social responsibility of business entails the simultaneous fulfilment of the firms’ economic, legal, ethical and philanthropic responsibilities. It is the responsibility of a firm to “strive to make profit, obey the law, be ethical and a good corporate citizen” (p. 42).

DIVERGENT VIEWS ON CORPORATE SOCIAL RESPONSIBILITY

There are two major divergent views on the need or otherwise of business engaging in Corporate Social Responsibility – from the familiar Friedman (1962) cliché of “There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game…” (P: 133) to a vastly more accommodating Stakeholder framework which sees the business of business as not only increasing profit but also taking care of other stakeholders (Dalton & Cosier 1991, and Mintzberg, 1983).

Critics have argued that Corporate Social Responsibility is a distraction for business from meeting its primary goal of profit making, an inefficient means of allocating scarce resources, and that business lacks the legitimacy and competency to take on any such responsibility outside its primary area of expertise (see Friedman, 1962; 1970; Henderson, 2001).

They further rivalled that the responsibilities of government and the private sectors are different and should be allowed to remain so. They contended that business should not waste their resources in providing social services which is the responsibility of government. It is their position that business should use their economic resources efficiently and maximize profits while government should take care of the social services for society. Market forces according to them are the only mechanism to allocate scarce resources (Levilt, 1958, Henderson, 2001). Corporations have no social responsibility beyond profit maximization for the benefits of shareholders within the law, this position concretised Jones and Nisbet (2011) position that any social activity that is not consistent with wealth creation should not be the business of business. Corporate social responsibility is certainly not a wealth creation venture but a wealth distribution one.

Henderson (2001) took it a step further when he argued that corporate social responsibility is harmful and its adoption threatens prosperity and reduces economic freedom by undermining market economy. Corporate social responsibility reduces governments’ motivation to fulfill their responsibilities to their citizens and potentially foster communities’ dependence on corporations for the provision of even what they can provide for themselves. In Nigeria, governments at all levels have abandoned their responsibility to the people. Today companies are looked up to by the people for the provision of water, roads, school, health centres etc. As an indigene of Nembe, in Bayelsa State declares:

Shell had done well for us, they have given us so many things – classroom, judges’ quarters, scholarship, micro credit, generators and speedboats. Without Shell, none of these facilities would have
come to Nembe. We enjoy these things because of Shell; they are our saviour (Tuodolo, 2009 p 11).

The communities have become reliant for their social services on company whose primary accountability is to their shareholders. On the other hand proponents sees the practice of Corporate Social Responsibility by organisations as been more profitable to the organisation than the society, Corporate Social Responsibility as a long term approach offers clear business benefits to the companies and positive contribution to the well-being of society. Investing in philanthropic activities may be the only way to improve the context of competitive advantage of a firm and usually creates greater social values than individuals or governments can. (Porter and Kramer, 2002 WBCSD 2001). Most organisations today are more popular with the people through their corporate social responsibility activities than through their products and services. This gives them competitive advantages over their contemporaries and more profit.

Scholars supporting business involvement in the development of society also argue that because “society grants legitimacy and power to business”, business “owes” all it has to society (Davis, 1973: 314). No business can progress without input from the society. The much taunted “production of goods and services” which is seen as the only business of business cannot take place in a void, the society provides the platform for it.. Corporate Social Responsibility does not really benefit society more than it does to business because it provides not just profit to stockholders but also act as a strategy to sustain a competitive advantage for business. (Martin; 2003; McWilliams and Siegel, 2001). Corporate Social Responsibility fosters positive social relationship both within and between organizations and communities and the benefit is enormous more to business than society.

Companies are better placed to manage risk and improve their reputation and public image by strengthening the ties between companies and the communities in which they operate through CSR (Hopkins, 2004; Sayer, 2005). According to Goddard (2005; “Corporate activity that benefits the community can increase levels of social participation and generate positive attitudes towards the public and private sectors. This social cohesion is a key enabling condition for stable politics and profitable business” (p, 435).

In the same vein, Clary & Snyder (1999) note that Corporate Social Responsibility allows for the creation and strengthening of social relations as well as the reduction of negative feelings associated with an alleged bad relationship between an organization and its community.

In summary the debate about CSR is not about the workability of Corporate Social Responsibility as the two sides of the divide agree that the adoption of Corporate Social Responsibility by business is beneficial to both business and society with business in most cases having greater benefit (Amalric & Hauser, 2005; Husted & Salazar, 2006).

FRAMEWORK OF ANALYSIS

Corporate social responsibility is gaining ground both as a business strategy and topical academic research interest. It is therefore necessary to fashion a theory, approach or method to properly understand the concept. The absence of a generally accepted definition of Corporate Social Responsibility also makes it impossible to have a single theory to explain the concept. Scholars have developed different theories and approaches for the understanding of the concept (Secchi, 2007; Garriga & Mele, 2004). Broadly
speaking there are two theories of CSR. They are the shareholders and stakeholders theories. The shareholder theory explains the rationale of the value maximization for shareholders. On the other hand, the stakeholder theory explains the rationale of firm’s governance in the interest of all firm’s stakeholders. The two are the different sides of the same coin. The two agree that business should pursue profit and assist society develop. The bone of contention had been how and when business should intervene in social and or environmental issues.

In the shareholders’ perspective are those who share the view of Friedman (1970) that the social responsibility of business is to maximize profit for the shareholders, within the rules of the game (fair competition, no deception or fraud, and so on). This view, implies that managers of an organisation are agents of the owners and are duty bound to act so as to maximise the interests of those owners, who made the Investment, in the first place (Amaeshi, 2003). This school of thought also sees business engagement in CSR as fraudulent, unethical and harmful to the foundation of a free society with a free enterprise and private property system. It is their position that social problems should be left for the state to address. As plausible as this perspective is, it left many questions unanswered. In the pursuit of profit what happens to negative impacts of production, can the taxes paid to government adequately compensate for the social consequences of production? What happens to other stakeholders who also make inputs into production apart from the shareholder? The group also fails to understand that each stakeholder group either takes some sort of risk with respect to the company, makes investment of some sort in it, or are tied through some sort of emotional, reputational or other means into the company’s performance.

Stakeholder Theory posits a model of the enterprise in which “all persons or groups with legitimate interests participating in an enterprise do so to obtain benefits, and there is no prima facie priority of one set of interests and benefits over another” (Donaldson & Preston, 1995: 68). The model rejects the idea that the enterprise exists to serve the interest of its owners alone, and that maximizing their wealth is the only reason for being in business. Rather, the model is based on the idea that the enterprise exists to serve the many stakeholders who have an interest in it or who in some way may be harmed by their actions or inactions. It situates its basic argument on the fact that whatever may be the aim of an organisation or business its managers and entrepreneurs must accommodate the legitimate interests of all the individuals and groups who can affect or be affected by their activities (Donaldson & Preston 1995; Freeman 1994). While the shareholder invest money, the employees invest physical strength, skills, ability etc, the consumers and customer create value addition, the community local infrastructure, such as sewers, roadways are what companies need to take off and because of this, the group that Philip,(2004) described as ‘stakeholders’ who are not ‘shareholders’ from whom the organization has voluntarily accepted benefit and to whom the organization has therefore incurred obligations of fairness should be well treated. The theory also appreciate the fact that every other stakeholder has the law to run to in the event of the unexpected while the shareholders lick their wounds alone but it is not enough to deny any group what is due them.

Despite the utility of this theory as a tool of analysis it did not indicate the basis of treating the stakeholders. For instance it did not identify which of the stakeholder interest has to come first. Those who affect or are affected cannot all be in the same category, some are likely to affect or be affected more than others. The theory did not provide the
mechanism to compensate them based on their contributions. For Barry (2002), the
consideration of many groups and a number of almost certainly competing purposes will
lead to politicization of the company and make business operate like a political system
which will not be in the interest of business. (Barry, 2000; Weiss, 2006).

CHALLENGES OF IMPLEMENTING CORPORATE SOCIAL RESPONSIBILITY

Business is constantly being accused of making huge profits; damaging the local
environments and exhibiting gross indifference to the plight of their host communities
and society at large have put them constantly under internal and external pressures to
fulfil broader social goals (Davies, 2003; Friedman et al 2001, Logsdon & Wood, 2002).
In accessing the performance of Corporate Social Responsibility a lot of emphasis has
been on comparing what corporations take from society against what they give without
considering whether they have the capacity to give more than what they gave. The huge
resources at the disposal of business, have given the wrong impression and has made
society see Business as having unlimited ability to use Corporate Social Responsibility as
a vehicle for development but reality on ground suggest otherwise. For business to carry
out the task of CSR efficiently both economic (including the general financial condition
of the firm, the health of the economy) and institutional factors (public and private
regulations, the presence of non-governmental and other independent organizations that
monitor corporate behaviour, institutionalized norms regarding appropriate corporate
behaviour, and organized dialogues among corporations and their stakeholders) must be
in place, (Campbell; 2007) these factors are missing. The attempt to push business to
attend to other issues even when attending to such other issues enhances the prospect of
profitability is suicidal due to the absence of two important planks – Economic and
Institutional factors. Business engagement in solving social problems increases social
overhead costs and these costs cannot be borne out of profit but out of capital which will
lead to fewer and poorer jobs and impaired standard of living. The economic environment
is not conducive for business. Double taxation, increased production cost, increased
stock, poor purchasing power etc makes business survival difficult. In spite of these
challenges the demand for business to engage in CSR is increasing. As a popular pun
says; “it is not enough for business to do well; it must also do good.” but in order to “do
good” a business must first “do well” (and indeed “do very well”) (Porter & Vander,

Corporate Social Responsibility as a voluntary activity constitutes a challenge to
its implementation. The non regulation makes it clumsy. There is no boundary as to what
can be asked from an organisation or a limit to what an organisation can give. Businesses
are left at the mercy of their host communities in particular and the society in general.
The efficiency of CSR is hampered by this open-ended approach. Businesses have folded
because of much demand on them by the society in the name of CSR. The present
situation does not allow business to plan; in most cases they are forced into signing
MOUs they know they can’t keep in other to have “peace”

Ambiguity in the meaning of CSR is another problem. Is CSR what an
organisation does to promote its business interest directly or what it does that may
promote its interest but was not intended originally? This is the ambiguity question. It is
even more difficult to understand when one realises that every act of a corporate body is
in the long run directly beneficial to the business. When an organisation builds a road
that leads to its business location as it is common with SHELL, is that CSR? To the company, it has constructed a road that is beneficial to the community and that is CSR because it is expected that members of the community will benefit from the use of the road but the community does not see it from that perspective. When a business concern builds a health facility for its workers and allows the community access to it at no cost, the community sees that as the ‘company clinic’ and in most cases demands a health center for the community. This “confusion” arises because while the communities believe that CSR is the additional responsibilities of businesses to local and wider communities (Simpson and Taylor, 2013) business believes it is any action carried out by business that impacts society positively no matter who gains more.

Another major challenge to the implementation of CSR is community entitlement mentality. Most communities believe that CSR in whatever form they conceive it is their entitlement as such the presence of business organisation in their communities especially multinational companies (MNC) is an opportunity to get all they want even if it is through extortion and blackmail. This sense of entitlement has led to communities demanding the possible and impossible from business. This has made it difficult for business especially multinational companies to satisfy most of its host communities through CSR. It is not uncommon to hear host communities say ‘they have not done anything for us’. This assertion in most cases is made against the facts available.

Another important challenge facing business in the implementation of CSR is funds. As pointed out by Campbell (2007), the financial capability of a firm determines its ability to carry out CSR. The reverse is the case in Nigeria where financial capability is not taken into consideration. It only requires the presence of the firm. The wrong notion being carried along is that every firm is financially capable to engage in CSR unless it closes shop. The demands of stakeholders on business are growing by the day while the resources to meet these demands are dwindling. It is no longer news that CSR projects have joined the list of abandoned projects in Nigeria. This is because most organisations agree to carryout projects they know are beyond their financial capacity in order to have the licence to operate.

CONCLUSION

There is no denying the fact that CSR is beneficial to both business and society though more beneficial to business. The little society gets goes a long way in assisting the development of society especially in developing countries where business has taken over the role of government in the provision of infrastructure. To consolidate the gains of CSR to society it is necessary that all grey areas in its implementation process be cleared. To this end this paper makes the following suggestions. There is need for active state intervention in the practice of CSR. It should not be a voluntary activity left to business to chose and pick. The state should establish efficient and transparent negotiation procedures and mechanism for dispute resolutions as well as threshold for participation. This will bring peace between business and host communities. The presence of the state will discourage business from reneging in whatever agreement is reached. The communities will not be “jumping” in intermittently to make new demands. Specific areas should be outlined for concentration by firms going into CSR to avoid duplication of efforts. Only firms with the required financial muscle should be allowed to engage in CSR. There should be a robust enlightenment programme to bring society in general and
host communities in particular on the same page with business. The rights and duties of each party should be spelt out. Communities should be made to understand that business is not to take over the responsibilities of government in the provision of infrastructures. Business must be made to understand that they owe society a duty to help her clean the mess left behind in the process of production. In conclusion CSR as conceived by the stakeholders theorists is for both business and society. It faces challenges that are not insurmountable. All hands must be on deck to overcome these challenges because it is a win-win situation for society and business.

REFERENCES

Flemmer, Riccada and AlmutSchling-Vacaflor (2015) Unfulfilled promises of the consultation approach; The limit to effective indigenous participation in Bolivia and Peru’s Extractive Industries. Third world quarterly 37(1),172-188


Goddard, T. (2005) corporate citizenship and community relations; contributing to the challenged of aid discourse, business and social review 110 (3), 269-296


