



# **CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE ECONOMIC GROWTH IN OJO, LAGOS STATE, NIGERIA**

**By**

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## **Abstract**

Corporate Social Responsibility (CSR) is a driving force for sustainable economic growth in the context of increasing global emphasis on ethical business practices and social accountability. CSR initiatives contribute not only to corporate profitability but also to broader societal wellbeing. Despite the growing recognition of the importance of CSR, many organizations in Ojo Lagos State, Nigeria struggles to effectively integrate social and environmental considerations into their economic strategies, leading to challenges in achieving truly sustainable growth. Through an explorative method, the study explores case studies and empirical data, the research evaluates the impact of CSR initiatives on economic development, social wellbeing, and environmental sustainability. The study examines various CSR strategies implemented by organizations across different sectors and assesses their impact on economic development, environmental sustainability, and social equity. Findings reveal the importance of embedding CSR into core business models to achieve long-term economic sustainability while addressing global challenges such as inequality and environmental degradation. This paper contributes to the ongoing discourse on aligning economic objectives with social values, offering actionable insights for policymakers, business leaders, and researchers committed to sustainable development.

**Keywords:** Corporate Social Responsibility (CSR), Sustainable Growth, Economic development, Social wellbeing, Environmental Sustainability.

## **Introduction**

Corporate social responsibility (CSR) is widely practiced by multinational companies in developed countries. It has emerged globally as a critical mechanism for corporations to contribute actively to societal goals. CSR involves the contributions made by corporations toward their immediate community, which can be done through various means such as providing water, road construction, and other beneficial activities. The concept and practices of CSR have become progressively entrenched and are currently gaining significant momentum from corporate managers, governments, and scholars. This is evidenced by the rising number of scholarly works on the theories and practical features of CSR and the expanding number of companies embracing CSR in their policies (D'Amato & Falivena, 2020; Majer, 2019).

Infrastructure development has mainly been the sole responsibility of the government (Awodele, Ogunsemi & Adeniyi, 2012; Opawole, 2016: 22). However, increasing global financial constraints have reinforced the calls for sustainable innovative means of financing infrastructure. Notable financing options are the Public-Private Partnership (PPP) variants (Helg, 2007). Private sector financing of infrastructural projects has existed for a long time in the form of philanthropy, patronage, sponsorship, and donations (Gokulsing, 2011; Helg, 2007). These gestures of the private sector have now been labelled Corporate Social Responsibility (CSR) and a wide range of the social and environmental needs of society, including infrastructural projects, have been delivered through CSR.

Nigeria, Africa's largest economy, faces significant developmental challenges, particularly in its economic hub, Lagos State, where the state government is actively seeking collaboration through Public Private Partnerships (PPPs) to address infrastructural gaps and promote a circular economy, the commitment of firms to CSR is not merely ethical but a practical necessity for continuous economic stability and social license to operate. Lagos State has often grapples with immense pressure on its existing infrastructure, including chronic traffic congestion, inadequate public utilities, and pervasive environmental issues like flooding and waste management. (Kolawole, 2025).

Despite the clear need for private sector intervention in infrastructure and environmental sustainability in Lagos, there remains a significant discrepancy between stated corporate

commitments and the actual long-term impact of CSR initiatives. The implementation of CSR in Nigeria is often hampered by the absence of a comprehensive legal framework, which allows practices to remain largely voluntary and inconsistent. Furthermore, a prevalent culture of "philanthropic" or "profit-driven CSR" limits its transformative potential, resulting in fragmented, short-lived projects that fail to address systemic challenges like massive infrastructure deficits and chronic environmental degradation. Therefore, a critical assessment is required to evaluate the extent and effectiveness of firms' contributions to core areas infrastructure development and environmental sustainability, as essential pillars for achieving sustainable economic growth in Lagos State.

However, the aim of this study is to assess the contributions of firms' CSR activities to infrastructure development and environmental sustainability in Lagos State, Nigeria, and their collective impact on sustainable economic growth. The specific objectives are to:

- i. Examine the nature and scope of firms' CSR initiatives targeted at physical infrastructure development in Lagos State, Nigeria.
- ii. Evaluate the effectiveness of firms' CSR initiatives towards environmental sustainability in Ojo, Lagos State, Nigeria.
- iii. Findings and results of firms' CSR in the areas of Ajangbadi/Alaba, Ojo, Lagos State, Nigeria.
- iv. Identify the key challenges and discrepancies hindering the effective implementation of CSR projects in Lagos State.
- v. Proffer actionable recommendations for firms and policymakers to enhance the strategic alignment of CSR with sustainable economic growth objectives.

## **Methodology and Theoretical Framework**

This study employs explorative method, it study explores case studies and empirical data, the research evaluates the impact of CSR initiatives on economic development, social wellbeing, and environmental sustainability. The study area covers Ajangbadi/Alab Ojo, Lagos State, Nigeria, targeting random companies operating within key sectors that have a direct impact on infrastructure and the environment, such as the construction, manufacturing, finance, and waste management industries.

Two diametrical schools of thought shape the theory and evolution of CSR. They are the ‘Stockholder theory’ and the ‘Stakeholder theory’. Both theories compete and continue to shape the evolution of CSR from corporate philanthropy to legal obligation. The Stockholder theory was popularized by the 1976 Nobel Laureate for Economics, Milton Friedman, who posited in his topical publication in New York Times in 1970, that ‘the business of business is businesses’. Thus, the Stockholder or classical theory is to the effect that business has no business in social responsibility, in that corporate involvement in philanthropy only distorts the market and robs shareholders of their wealth.

The Stakeholder theory is propelling the evolution of the legal status of CSR, from corporate philanthropy to legal obligation. Freeman proposed the stakeholder hypothesis in 1984. Managing an organization in accordance with one's principles and beliefs is the focus of this school of thought in corporate ethics and organizational management. It is to the effect that business owes its stakeholders a social responsibility beyond the production of goods and services and making profit. A company's stakeholders include employees, shareholders, consumers, and the communities and environment in which the company operates. The practice of CSR on the basis of stakeholder theory could be traced to such instances as the Quakers<sup>13</sup> in 17th and 18th centuries whose business philosophy was not primarily driven by profit maximization but by need to add value to the society at large, business was framed as part of society. It goes beyond shareholder supremacy and shareholder wealth maximization goal.

### **Concept of CSR**

There are a myriad of definitions of Corporate Social Responsibilities (CSR), each considered valuable in their own right and designed to fit the specific organization. The majority of definitions integrate the three dimensions to the concept, that is, economic, environmental and social dimensions. CSR had also been commonly described as “a demonstration of certain responsible behavior on the part of public and the private (government and business) sectors toward society and the environment”.

Carroll, (1991) define CSR as the voluntary actions undertaken by a company to operate in an economic, social, and environmentally sustainable manner. It moves beyond legal compliance to include ethical and philanthropic dimensions (Carroll, 1991). In the Nigerian

context, however, many indigenous organizations view CSR primarily as a business charity intended to address economic and social growth disputes, often limiting its scope.

Business for Social Responsibility (BSR), a leading Global Business partner, in a Forum held in 2006 defined CSR as achieving commercial success in ways that honors ethical values and respect people, communities, and the natural environment. For BSR, CSR also means addressing the legal, ethical, commercial and other expectations society has for business, and making decisions that fairly balance the claim of all key stakeholders. In its simplest terms, it is: “what you do”, “how you do it” “and when and what you say”. In this sense, CSR is viewed as a comprehensive set of policies, practices and programmes that are integrated into business operations, supply chain, and decision making processes throughout the company and wherever the company does businesses that are supported and rewarded by top management. (Adeyanju, 2012).

Also, the World Business Council on Sustainability Development, 1998 described CSR 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”. “CSR is the concept that an enterprise is responsible or accountable for its impact on all relevant shareholders” (European Union, 2006).

According to Macmillan (2005), “CSR is a term describing a company’s obligation to be accountable to all its stakeholders in all its operations and activities. Socially responsible companies will consider the full scope of their impact on communities and the environment when making decisions, balancing the need of stakeholders with their need to make a profit”. In emphasizing the ecological conceptualization of social responsibility, Buchholz (1991) noted that any good definition of social responsibility must contain if not all, most of the following; Responsibility that:

- i. goes beyond the production goods and services at a profit.
- ii. helps in solving important social problems those that the organization are responsible for creating.
- iii. makes corporations have greater constituency than stockholders alone
- iv. makes corporations have great impacts that goes beyond marketplace transactions, and

- v. makes corporations serve a wider range of human values that can be captured by a sole focus on value.

However, this concept has become central to the Sustainable Development Goals (SDGs), and it is characterized by long-term economic development that is environmentally sound and socially inclusive. For Lagos, this involves achieving SDGs like Goal 9 (Industry, Innovation, and Infrastructure) and Goal 12 (Responsible Consumption and Production).

### Study Area

The study area for the research is Ajangbadi/Alaba, Ojo, Lagos State in Southwestern Nigeria. Lagos State is the commercial centre of Nigeria (Eteng, Ojo & Olaniyi, 2018; Osho & Adishi, 2019). The State faces continual challenges of rapid population growth, urbanisation, and perpetual demand for infrastructure development. Moreover, Lagos State, the former federal capital of Nigeria, still hosts the headquarters of the vast majority of national and international organisations (Nwague & Oni, 2015). Figure 1. Map of Lagos State showing Ojo area with an insert of map of Nigeria.



Source: Lagos Bureau of Statistics (2022)

### Nature and Scope of CSR in Lagos State, Nigeria

CSR is said to be regulated when standards, implementation guidelines, and policies are established to allow companies and organizations to operate socially accountable and ethical manner by considering the impacts they have on society, the environment, and key stakeholders.

The nature and extent of CSR activities vary across various jurisdictions and primary concerns, such as disclosure requirements. It includes several distinct activities like business practices, sustainability of the environment, and social welfare. (Anupama & Himangshu, 2022). Meanwhile, differences exist in economic factors, legal systems, and cultural norms.

Historically, CSR in Nigeria was largely seen as occasional charitable donations. CSR programs in Nigeria commenced from the practices of multinational companies (MNCs) operating in the mining and exploration sectors of the Nigerian economy, especially in the oil sector. These MNCs identified the need to connect with indigenous communities and address social and environmental concerns arising from their actions. As a result, they began executing projects to give back to society beyond their profit-making accomplishments. The Several existing pieces of literature on CSR in Nigeria highlight that external social responsibility interventions primarily focus on education, health, and security. Many corporate managers viewed CSR as a means of “improving the well-welfare of the immediate community around their operational sites and participating in credible programs in the general society” but often treated it as mere philanthropy.

Due to widespread corruption and official dishonesty, oil theft, inequality, and poor administration, Nigeria experienced increased oil reserves that could not be translated into sustainable economic development, triggering the exploitation of oil resources without any possible effect on the political elites (Cheeseman, 2018). Thus, in Nigeria, few companies had considered strategies for their CSR interventions, and environmental responsibility remained neglected (Okaro & Okafor, 2021).

Today, CSR is increasingly viewed as an all-year-round responsibility integrated into core business strategy to manage non-financial risks, enhance brand image, and secure a "social license to operate". The nature of CSR in Lagos is often primarily driven by three core characteristics, as adapted from models like Carroll's (1991) Pyramid;

- a. **High Emphasis on Philanthropic and Economic Support:** Unlike in some developed economies where legal responsibilities are paramount, CSR in Nigeria, Lagos specifically, is historically rooted in philanthropy and economic support (Alao, 2023). Activities are often charitable in nature, aimed at making communities "feel good" about

the company's presence. This includes donation of funds, food distribution, and support for cultural practices (Mordi, Opeyemi, & Ojo, 2012). The economic support is the most practical expression of CSR in a developing environment, where companies step in to provide social amenities typically expected of the government, such as building and maintaining infrastructure (water, roads, schools) (Mordi, Opeyemi, & Ojo, 2012).

- b. **Strategic Tool for "License to Operate":** For firms, especially large Multi-National Corporations (MNCs) and those in the extractive sector, CSR is a strategic necessity. It serves as a tool for; reputation management which enhances brand image and public perception in a competitive and socially aware market (Nehemiah, 2025). Risk Mitigation which helps prevent social unrest, conflicts, or boycotts, ensuring operational continuity.
- c. **Alignment with Socio-Economic Development:** The CSR model in Lagos is highly contextual. It is defined by the need to tackle pervasive issues like youth unemployment, infrastructural deficits, and educational decay. Firms prioritize initiatives that are visible and address immediate, pressing community needs.

Other specific nature of CSR in Lagos is shaped by local challenges such as inadequate infrastructure, high youth unemployment, and environmental concerns. Companies' efforts are a direct response to these societal needs and a way to complement the Lagos State Government's development efforts. However, effective CSR initiatives often involve collaboration between companies, host communities, local government, and the state government to identify and execute felt needs, such as infrastructural projects. Thus, the nature of Corporate Social Responsibility (CSR) in Lagos State, has evolved from mere philanthropy to a strategic imperative for long-term business sustainability and community engagement. The scope of CSR is broad, encompassing various initiatives aimed at addressing the state's significant socio-economic and environmental challenges, often in collaboration with the government.

In essence, CSR in Lagos State is an integrated approach where businesses aim to meet their financial, social, and environmental responsibilities in alignment with the broader goals of societal development. However, the effectiveness and consistency of various firms to their CSR, will contribute to Sustainable development of such community.

## **Effectiveness of Firms' CSR Initiatives in Lagos State, Nigeria**

The effectiveness of Corporate Social Responsibility (CSR) initiatives implemented by firms operating in Lagos State, Nigeria, is widely recognized as a positive and significant factor influencing both corporate outcomes and community development (Alao, 2023; Lawal & Brimah, 2014). Studies consistently indicate that well-executed CSR programs are crucial drivers of brand value, consumer loyalty, and overall financial performance in the competitive Nigerian market (Kolawole, 2025; Nwagu, 2019). The positive impact of CSR in Lagos can be analyzed across several critical dimensions:

### **a. Enhanced Corporate Performance and Reputation**

Effective CSR integration moves beyond mere philanthropy to become a strategic tool that positively affects the bottom line. Research shows a positive correlation between CSR activities and profitability (Olujobi, 2015). For example, initiatives focusing on educational accountability or ethical responsibility have been linked to significant improvements in service delivery and innovation (Nehemiah, 2025). Furthermore, consistent and transparent CSR serves as a vital tool for reputation management, helping firms earn and maintain a crucial "license to operate" within the densely populated and socially conscious environment of Lagos (Mohammed, 2024).

### **b. Consumer Trust and Market Loyalty**

In Nigeria, consumer perception is heavily influenced by a company's commitment to social responsibility. Consumers often report that a firm's engagement in CSR significantly impacts their trust in the brand and their likelihood of making repeat purchases (Nehemiah, 2025). This loyalty, driven by visible social impact, translates into a sustainable competitive advantage for companies in the Lagos market (Okwuru, 2019).

### **c. Stakeholder and Employee Engagement**

CSR is effective when it fosters positive relationships with key stakeholders, including employees and local communities. Internally, a strong CSR culture can lead to enhanced employee engagement and a greater sense of organizational commitment, particularly within sectors like telecommunications (Okebiorun & Ige, 2024). Externally, initiatives that address pressing community needs (such as infrastructure and healthcare) build robust ties with local

governance and civil society groups, simplifying operations and reducing community friction (Alao, 2023).

### **Impact Assessment of CSR Activities in Lagos, Nigeria**

#### **a. Social Impact**

CSR operations in Lagos, Nigeria have a significant societal impact by contributing to community development, education, and healthcare. Nevertheless, the absence of comprehensive evaluation frameworks presents a difficulty in correctly quantifying these impacts. To conduct an effective impact assessment, it is necessary to use comprehensive approaches that can accurately measure the qualitative and quantitative advantages of corporate social responsibility (CSR) programmes on local communities (Odia & Imagbe, 2015).

#### **b. Environmental Impact**

Nigeria frequently overlooks environmental corporate social responsibility (CSR) practices despite the country's substantial environmental difficulties. Many companies, particularly those in the extractive industries, often neglect the importance of sustainable resource utilization, waste management, and conservation. The environmental deterioration in the Niger Delta region exemplifies the lack of successful implementation of efficient environmental corporate social responsibility (CSR) measures (Eweje, 2006).

#### **c. Economic Impact**

Corporate Social Responsibility (CSR) can improve economic outcomes by enhancing employee loyalty and performance and linking corporate initiatives with wider economic development objectives. Nevertheless, there is a lack of comprehensive documentation regarding Nigeria's economic effects of corporate social responsibility (CSR). Therefore, it is imperative to conduct further empirical studies to gain a deeper understanding of how CSR activities can enhance economic sustainability and foster growth (Senyigit & Shuaibu, 2017).

### **Research**

Focusing on Corporate Social Responsibility (CSR) in the context of the Alaba International Market and the surrounding Ajangbadi community in Ojo, Lagos, data collected

necessitated a Qualitative Research Design which gained in-depth understanding. The use of semi-structured interviews was employed for exploring the complex, often informal, nature of CSR practices among the large number of traders (SMEs) in the market and the perception of the immediate host community.

### **Data Collection**

Based on the primary data collection, Key Informant interviews was conducted with 6-8 strategic figures like (SMEs) traders, small business owners, and reputable individuals of a large organisation/ company in Alaba International Market , 8-10 residents and community leaders of Ajangbadi/Alaba axis. The analysis focused on extracting insights across four key thematic areas. This thematic structure allows for a direct comparison between the firms' stated/perceived practice and the community's experienced impact, highlighting the discrepancies in CSR implementation.

### **Findings and Results**

Findings were synthesized from interviews (primary data) and existing studies (secondary data) on similar contexts in Ajangbadi/Alaba Ojo, Lagos to construct the results. Common questions asked was their understanding of CSR, the CSR since five (5) years ago, how they have helped in the development of the society in which the operate their business, their challenges in carrying out their CSR. A business owner Mr. Davis Obinna state that;

My own knowledge of understanding of CRS, which is Cooperate Social Responsibility is seen as giving back annually to the community or society in which you operate your business, is it not compulsory because is more like an act of philanthropy. My company have existed in Alaba for six(6) years, and we have help sharing school bags to secondary school as our Cooperate Social Responsibility. My biggest challenge has been the dominant of community leaders in Carrying out our duties, this is because they often request for some amount of whatever we are distributing to the society. (Personal communication with Mr. Obinna, 16th Oct., 2025).

Mrs. Okechukwu, a manager in New Planet Hotel stated that,

Cooperate Social Responsibility is an annually duty of a firm or organisation to the community or society in which one operates one's business. Our organization as operated in this area for about twelve (12) years but, at a point in time, our organization wanted to carry out her CSR by providing good road in Ajangbadi, which will be beneficial to both the Company and the community, but,

unfortunately the community leaders demanded for some huge amount of money before the CSR could be carried out. This out rightly discourage our company from giving back to the community. (Personal communication with Mrs. Okechukwu, November 18, 2025)

Mr. Opkala, Mr. Balogun, Mr. Alao, Mrs. Adam and Mrs. Okenwa owners of Small Medium Enterprise (SMEs) respectively stated;

Cooperate Social Responsibility is seen as an act of Philanthropy to the community or society in which one operate one's business, it is more like a voluntary act of firms to the community. But some reasonable individuals who owned their businesses as often wanted to carry out CSR in their residential area but indigenous leader the community as often limit the their act of CSR. These indigenous community leaders often requested for huge amount of money that is enough to carry out these initiatives as their own pocket money before these initiative could be carried out. This is really a huge challenge on the part of the firms carrying out their CSR. (Personal communication with Mr. Opkala, Mr. Balogun, Mr. Alao, Mrs. Adam and Mrs. Okenwa , November 20, 2025)

Mr. & Mrs Adeleke, CEO of Leke's Plastic Industry opines that;

Cooperate Social Responsibility is an annually legal right that firms must carry out for the benefit of the community or society in which the firm operate its business. Our company as thrive for fifteen (15 years) and we have done our best in carrying out our CSR in providing more security in the community that our business thrive, we have carried out free medical check-ups for the young and olds in the community and construction of water boreholes but whenever we try to do more in reconstructing some bad road, the community leaders and Road tax-collector complains of making it difficult to make their living. (Personal communication with Mr. & Mrs. Adeleke, November 18, 2025)

Mr. Chuks, a resident in Ajangbadi axis stated that;

Some CSR projects exist often but the nature of CSR that takes place in this area does not align with the community's core needs (e.g., a borehole provided when a major road is impassable) or are poorly maintained and quickly break down. Job creation is rated as minimal (less than 15% of the market workforce is from Ajangbadi), and largely unskilled. (Personal communication with Mr. Chuks, November 18, 2025)

Base on information gathered, CSR is perceived as an informal, culturally embedded obligation by traders, while in a formal organization seen as an obligations which conflicts with the community's demand for formal, strategic development projects. A profound discrepancy exists between environmental self-compliance and actual environmental impact. The market's operational volume overwhelms existing infrastructure, leading to a direct degradation of the

Ajangbadi/Alaba community environment. However, the scope of CSR is insufficient to address the scale of community challenges. Projects are largely philanthropic gestures that lack sustained engagement and long-term maintenance mechanisms. Results reflect the expected discrepancies between the firms self-perceptions and the unavoidable challenges encountered from indigenous community leaders.

### **Challenges and Discrepancies hindering the effective implementation of CSR in Ojo, Lagos State.**

The effective implementation of Corporate Social Responsibility (CSR) in Lagos State is hindered by several challenges and discrepancies, primarily related to governance issues, limited resources, a lack of strategic integration, and weak regulatory frameworks.

#### **Challenges Hindering Implementation**

##### **a. Corruption and Lack of Transparency**

Corruption and governance concerns pose substantial obstacles to the successful implementation of CSR in Ojo, Lagos State. CSR programmes are frequently undermined by corruption within regulatory authorities and local governments. Corporations may partake in unethical behaviours, such as bribery, to bypass environmental and labour rules, resulting in a deficiency in the authentic application of corporate social responsibility (CSR). This corruption undermines public confidence and impedes the potential beneficial effects of CSR operations (Ekhator & Iyiola-Omisore, 2021; Makinde, 2023).

##### **b. Lack of Stakeholder Engagement**

Successful corporate social responsibility (CSR) necessitates the proactive involvement of stakeholders, a component that is frequently absent in Ajangbadi/Alaba Ojo, Lagos. Numerous firms undertake CSR programmes without conducting substantial consultation with the impacted communities, resulting in projects that fail to address the genuine needs or interests of the individuals. This disconnection leads to inefficient corporate social responsibility (CSR) initiatives and cultivates animosity among local populations. Maximizing stakeholder engagement is essential for ensuring that CSR initiatives are in line with community

requirements and effectively contribute to the attainment of sustainable development objectives (Abiodun, 2023; Makinde, 2023).

**c. Weak Regulatory and Enforcement Frameworks**

The regulatory enforcement in Nigeria is frequently inadequate, hence intensifying the disparity between policy and actual implementation. The current legislative frameworks, such as the guidelines on Corporate Social Responsibility (CSR) provided by the Nigerian Corporate Affairs Commission, do not have strong mechanisms in place to ensure compliance, resulting in limited accountability for firms. (Hassan, Abdullah & Mansor, 2024) This leniency in regulations enables firms to function with considerable autonomy, frequently leading to inconsistent and ineffective corporate social responsibility (CSR) activities. The situation of poor obligation of firms in Ajangbadi/Alaba Ojo, Lagos, where environmental degradation and community neglect continue to exist despite their corporate social responsibility promises, emphasizes the necessity for more robust regulatory supervision.

**d. Financial Constraints**

Many companies in Ajangbadi/Alaba Ojo, Lagos, especially small and medium enterprises (SMEs), operate with limited financial resources, making it difficult to allocate substantial budgets to long-term, impactful CSR initiatives.

**e. Lack of Awareness and Strategic Integration**

Many managers and business owners especially SMEs in Ojo, Lagos State do not perceive CSR as a key function of management or a core business strategy, often treating it as a peripheral, one-off charitable activity. Some has the mindset of Stockholders theory that, business has no business in social responsibility, in that corporate involvement in philanthropy only distorts the market and robs shareholders of their wealth.

**f. Labor Rights and Practices**

CSR in Ojo, Lagos sometimes overlooks labour rights and practices, which are not given enough attention in reporting. Prevalent issues, such as substandard working conditions, meagre wages, and insufficient health and safety protocols, are particularly common in the informal sector and

among subcontracted employees. Although labour laws exist, their enforcement is inadequate, and numerous corporations do not prioritize labour rights in their corporate social responsibility (CSR) policies. This carelessness is partially attributed to the absence of rigorous regulatory frameworks and the informal character of a significant portion of the Nigerian economy (Ekhaton & Iyiola-Omisore, 2021; Makinde, 2023)

#### **g. Profit Maximization Mindset**

A primary focus on profit maximization, particularly among some foreign-owned and even local firms, often sidelines social responsibility efforts which are viewed as contrary to the main business objective. This is based on the fact that greedy business owners have often time subscribe to the Stockholder theory which was popularized by the 1976 Nobel Laureate for Economics, Milton Friedman, who posited in his topical publication in New York Times in 1970, that ‘the business of business is businesses’. Thus, the theory is to the effect that business has no business in social responsibility, in that corporate involvement in philanthropy only distorts the market and robs shareholders of their wealth.

### **Discrepancies in CSR Practice**

#### **a. Gap Between Policy and Practice**

Although, in Lagos State, there are CSR regulations and guidelines put in place, there is frequently a notable disparity between the theoretical support for these policies and their actual implementation. Companies often encounter obstacles such as limited resources, lack of knowledge, and poor institutional support, which impede the successful implementation of CSR goals into tangible results. The lack of uniformity in CSR practice can be partially ascribed to the differing levels of commitment and capability among firms to include CSR in their fundamental strategies. Many organizations especially SMEs in Ajangbadi/Alaba axis in Ojo, Lagos State, perceive CSR as a humanitarian endeavor rather than a strategic method for achieving sustainable development. This leads to shallow and occasional actions instead of comprehensive and influential initiatives (Eweje, 2006, 2007).

#### **b. Focus on Philanthropy over Strategy**

The public's perception of Corporate Social Responsibility (CSR) in Ajangbadi/Alaba Ojo, Lagos is ambivalent. While certain individuals hold a favorable opinion of CSR operations, acknowledging the positive impact of business involvement in community development and social investment, others maintain a unconvinced stance regarding the genuineness and effectiveness of these endeavors. (Hassan, Abdullah & Mansor, 2024) This distrust is frequently driven by the discrepancy between the assertions made by firms regarding their achievements through Corporate Social Responsibility (CSR) and the tangible results that are actually witnessed in practice. For example, although firms may claim to make significant expenditures in local communities, the actual advantages received by the intended recipients are sometimes doubted because of the absence of clear information and thorough evaluation of the effects (Hamidu, Haron, & Amran, 2018; Osobajo, Ajide, & Otitoju, 2019).

#### **c. Misalignment of Efforts**

The actual results of corporate social responsibility (CSR) projects in Ojo, Lagos are diverse and frequently do not meet expectations. Although certain firms participate in significant corporate social responsibility (CSR) initiatives related to education, health, and security, the overall effect is not consistently positive, while some carryout unnecessary CSR that does not align with the communities' needs. The efficacy of these programmes is impeded by insufficient strategic planning, limited involvement of relevant stakeholders, and a dearth of enduring dedication. Furthermore, a significant number of corporate social responsibility (CSR) initiatives lack systematic monitoring or evaluation, which hinders the accurate assessment of their actual effect on the communities they aim to benefit (Idemudia, 2014; Isa & Muhammad, 2015).

#### **d. Inadequate Reporting and Accountability**

Majority of SMEs organizations in Ajangbadi/Alabi in Ojo, Lagos, choose to align with the Stockholder theory, which state that 'the business of business is businesses'. That is, the Stockholder or classical theory which holds to the effect that, business has no business in social responsibility, in that corporate involvement in philanthropy only distorts the market and robs shareholders of their wealth. Thus, many initiatives are either underreported or lack clear metrics for assessing impact. This deficit in transparency makes it difficult to build credibility and trust among stakeholders.

## **Conclusion and Recommendations**

The review of Corporate Social Responsibility (CSR) activities in Ajangbadi/Alaba Ojo, Lagos State exposes notable disparities between policy and execution, underscoring many crucial oversights, such as ecological deterioration and labour rights concerns. Although legislative frameworks are in place, their enforcement is ineffective, leading many firms to view CSR as just philanthropy rather than incorporating it into their fundamental business objectives.

In order to improve the implementation of Corporate Social Responsibility (CSR) in Lagos, Nigeria, it is imperative to strengthen the current regulatory frameworks. Policymakers should prioritize the development of comprehensive corporate social responsibility (CSR) legislation. This legislation should go beyond charity and encompass other important components of CSR, such as environmental sustainability and labour rights. Existing regulations should be broadened to address these areas. Implementing tax incentives and additional advantages for companies that exhibit robust corporate social responsibility (CSR) policies, might motivate a greater number of enterprises to embrace sustainable and socially conscious operations.

However, Implementing CSR requirements might continue to be a major obstacle in Ojo, Lagos, Nigeria. Thus, creating autonomous oversight organizations which will be responsible for conducting periodic audits and evaluations of corporations' corporate social responsibility (CSR) initiatives to guarantee adherence to regulations and openness, Imposing adequate penalties and sanctions on organizations that do not adhere to CSR guidelines can serve as deterrence against negligence and misconduct.

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