Book Review Symposium IV: Corporate Governance in Africa, (Routledge 2025) - Corporate Governance Convergence Debate: Myth or Reality? Toward a Contextually Grounded African Governance Model

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July 04, 2026

Corporate governance reform has remained a central concern in African economic and legal discourse, particularly in light of recurring corporate failures, banking crises, and persistent institutional weaknesses across many jurisdictions. A recurring feature of this discourse is the transplantation of governance models developed in advanced economies into African contexts with markedly different political, legal, and socio-economic conditions. In

Corporate Governance in Africa, **Victor Ediagbonya**, Senior Lecturer in Law at the University of Brighton, interrogates one of the most significant shortcomings of this approach: the limited recognition and protection of stakeholder interests within the Anglo-Saxon corporate governance model adopted in many sub-Saharan African countries.

The book proceeds from the premise that the relative success of the Anglo-Saxon model in developed economies is not inherent to the model itself but is largely contingent on the presence of functional institutions, including effective legal systems, credible regulatory enforcement, active markets for corporate control, and organised civil societies. In contrast, many African countries that have adopted UK-inspired corporate governance frameworks continue to grapple with weak institutions, systemic corruption, and regulatory inefficiency. Against this backdrop, the book advances a compelling case for rethinking corporate governance in Africa through institutional adaptation rather than formal replication, focusing particularly on the banking sector. This culminates in the proposal of an alternative framework, the Functional Stakeholder Model (FSM), designed to promote stakeholder recognition and protection in challenging institutional contexts.

The book is structured in three interconnected parts that move logically from conceptual foundations to empirical analysis and, ultimately, normative reform. The opening chapters provide a comprehensive grounding in corporate governance concepts, theories, and models, situating shareholder and stakeholder theories within broader institutional frameworks. Rather than presenting governance theories in abstraction, the author emphasises their dependence on institutional functionality, underscoring how governance mechanisms operate differently depending on the legal and regulatory environments in which they are embedded. This theoretical framing is particularly effective in setting the stage for the book’s later critique of governance transplantation in Africa.

The relationship between corporate governance and banking regulation is explored in detail, with the book emphasising the systemic importance of banks and the heightened risks posed by governance failures in the financial sector. By situating banks as institutions whose collapse carries significant social and economic consequences, the author convincingly argues that governance

frameworks in this sector must extend beyond narrow shareholder interests to encompass a wider range of stakeholders, including depositors, employees, regulators, and the broader public.

The second part of the book shifts focus to Africa-specific experiences, examining the determinants of effective corporate governance in the banking industry before turning to detailed case studies of Nigeria and South Africa. These jurisdictions are particularly instructive, given their economic prominence and formal commitment to robust corporate governance codes. The analysis demonstrates that despite the adoption of UK-style governance frameworks, persistent enforcement deficits and institutional weaknesses continue to undermine effective stakeholder protection. The discussion highlights how regulatory inefficiency, political interference, and weak accountability mechanisms constrain the practical operation of corporate governance rules, rendering formal compliance insufficient to achieve substantive governance outcomes.

One of the strengths of this section lies in its ability to connect doctrinal analysis with institutional realities. The book does not merely catalogue governance failures but situates them within broader structural challenges, including systemic corruption, power asymmetries, and fragile regulatory environments. In doing so, it reinforces the central argument that corporate governance reform in Africa cannot succeed without confronting the institutional contexts in which governance mechanisms operate.

The final part of the book represents its most original contribution. Drawing on insights developed throughout the earlier chapters, the author advances the case for a more efficient corporate governance framework tailored to African banking institutions. The Functional Stakeholder Model is presented as a context-sensitive alternative that integrates stakeholder and institutional theories, seeking to align governance structures with the realities of weak enforcement, limited regulatory capacity, and socio-political constraints. Unlike generic stakeholder models, the FSM is explicitly designed to function within imperfect institutional environments, prioritising stakeholder recognition and protection while acknowledging the limitations of existing regulatory systems.

The FSM is particularly notable for its normative ambition. It seeks not only to expand stakeholder recognition but also to reorient governance discourse in Africa away from formalistic compliance towards functional effectiveness. By foregrounding institutional functionality, the model challenges prevailing assumptions about governance convergence and offers a framework that is both theoretically grounded and practically motivated.

Nevertheless, the proposed Functional Stakeholder Model opens up valuable avenues for further scholarly engagement. While the conceptual foundations of the FSM are clearly and carefully articulated, its application in regulatory environments characterised by institutional constraints presents opportunities for future research and policy experimentation. Questions relating to enforcement dynamics, regulatory incentives, and institutional adaptation provide a fertile basis for extending the book's insights across diverse African contexts. In this respect, the focus on Nigeria and South Africa offers a strong foundation upon which further comparative analysis across other African jurisdictions may build.

The book also engages critically with Third World Approaches to International Law (TWAIL) and decolonial scholarship, recognising their contributions to challenging global power asymmetries while cautioning against an exclusive outward focus. The author argues persuasively that scholars concerned with Africa's development must also prioritise internal governance reforms and institutional strengthening at the national level. This inward-looking emphasis complements the book's broader argument that sustainable governance reform depends as much on domestic political will and institutional capacity as on resisting external economic domination.

The concluding chapter draws together the book's key arguments and offers a range of recommendations aimed at improving corporate governance and banking regulation in Africa. These recommendations span legal reform, institutional strengthening, and stakeholder engagement, reinforcing the book's central thesis that effective governance must be contextually grounded. By emphasising future research directions and policy implications, the conclusion positions the book as both a scholarly contribution and a practical resource for regulators and policymakers.

Overall, *Corporate Governance in Africa* is a timely and rigorous contribution to comparative corporate governance and financial regulation scholarship. Its institutional focus, sector-specific analysis, and normative ambition distinguish it from more abstract governance reform debates. The book's clear and well-structured writing enhances its accessibility, making it suitable not only for academics but also for regulators, practitioners, and policymakers engaged in governance reform in developing and emerging markets.

The Functional Stakeholder Model represents a significant and original contribution to contemporary corporate governance discourse in Africa. The book succeeds in reframing how corporate governance can be conceptualised and implemented in institutionally challenging contexts, offering a compelling alternative to governance transplantation narratives. By grounding its analysis in African regulatory realities, the book provides a strong foundation for ongoing scholarship and policy engagement. It is therefore strongly recommended to scholars of corporate governance, banking regulation, and African development, as well as practitioners and policymakers seeking context-sensitive approaches to governance reform.

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