Book Review Symposium I: Corporate Governance in Africa, (Routledge 2025) - Corporate Governance: Challenges and Prospects of Contextualised Models in Africa

By:

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Corporate Governance is a critical field of practice and academic study with literature in multi-disciplinary fields including law, business and management studies, accounting and auditing. There is an increased importance of corporate governance as a critical aspect for business because of the impact of business on global economies and the inclusion of business stakeholders in dialogue and action towards the achievement of sustainable development goals. This has become more evident in an interconnected globalised world with its diversity and tensions. Also relevant to the increased interest in this field is the

contested dominance of privatisation and neo-liberal ideology within global capitalism.[1]

This book is an excellent contribution to the analysis of corporate governance frameworks from emerging countries. It analyses a timely issue of corporate governance in the banking industry of two African countries, Nigeria and South Africa, with some of the largest economies based on gross domestic product (see the introduction). The banking sector in Africa is a sector of significant growth, although significantly concentrated. McKinsey insights points out that ‘performance in Africa’s banking system is driven by a diverse mix of markets, each with its own unique strategies and challenges.’ [2]

To understand the justification for the book, three key contextual backgrounds are important: Firstly, the critical banking failures and experiences, including the significant influence of the global financial crisis from 2007 to 2009 and its impact on emerging countries like Nigeria and South Africa, where the institutional environment offers inadequate protection. This global banking crisis and its aftermath provided a test case for dominant narratives of convergence within corporate governance. Deakin points to the role of the financial crisis in highlighting ‘the faultlines within corporate governance’.[3] Secondly, the acknowledgement of the post-colonial corporate governance frameworks, as legal transplants in Nigeria and South Africa, following the influential Anglo-Saxon corporate governance model, which originated from the UK and the US. Finally, an understanding of the challenging institutional environment for corporate governance within the influential African banking sector. Especially in the case study countries of Nigeria and South Africa.

There are several key contributions in this book, including a detailed coverage of corporate governance models, a coverage of corporate governance and banking regulation in the UK and a comparative analysis in Nigeria and in South Africa. There is also a detailed understanding of the context of corporate governance regulation in Nigeria and in the South African banking sectors, with a focus on deposit money banks (DMBs). Most importantly, the book introduces a definition of the cover governance model for African countries based on the case study, and this suggested model is a functional stakeholder model of corporate governance.

This takes place in a wider context for corporate governance that is torn between advocates for convergence around a ‘standard shareholder-oriented model- SSM’[4] and advocates of divergence. The analysis of the tensions between these two objectives continues to generate literature.[5] There are also divisions in underlying theories – shareholders, stakeholders, enlightened shareholder value - hybrid models. There are also unique questions faced by emerging countries with development and equity in the face of the wholesale adoption of privatisation and liberalisation, and its impact on the changing role of the state as regulator.[6]

South Africa has a significantly large banking sector when examined comparatively in Africa.[7] Therefore, the book’s focus on South Africa is timely and justified. In the analysis of South Africa, there is some acknowledgement of the impact of the King reports on corporate governance[8] and it’s push for the South African corporate government model to take a hybrid form, embedding stakeholder concerns, especially given the history of apartheid in South Africa. Chapter six explores some of the implications of the context and history, in terms of structures and institutions within the banking industry, as well as the corporate governance architecture. It highlights some gaps in the protection of stakeholders and their interests. It also points out the lack of a well-developed CSR plan. It also concludes that South Africa still largely adopts a comparable corporate governance framework to that practised in Nigeria, which can be traced back to the United Kingdom style of corporate governance. Although this allows for the findings and the model to be focused on Nigeria, this gives room for future studies focused on South Africa, which has a larger banking context and a distinctive corporate governance history as outlined in the book.

The Nigerian banking regulatory context is fully analysed in Chapter Five. The book contains an extensive analysis of the regulatory regimes responsible for corporate governance and the corporate governance codes and practices. It points out Nigeria’s unique history and population with its rich pre-colonial diversity and makes this link to context and the importance of a unique stakeholder approach. The book notes: “Before the British colonisation of Nigeria, the concept of corporate governance regulation was unfamiliar to the pre-colonial states, such as the Hausa Fulani Empire, Oyo Empire, Kanem Bornu Empire, the Igbo loose states, and the Benin Kingdom. The first companies that began operations in the region after the annexation of Lagos in 1862 were of

British extraction and registered in England."[9] The chapter highlights the challenging institutional context of Nigeria and its diverse stakeholders. In this context, that would include human capacity building, development challenges, infrastructure challenges, lack of financial inclusion, as well as issues around concentrated ownership, executive pay and board gender diversity. It also demonstrates the potential link between CSR and solutions to societal issues, where a framework for contributions to implementing obligations is required.

As a key contribution, chapter seven presents the functional stakeholder model of corporate governance for Africa and proposes a unique corporate governance model, which is neither fully shareholder nor stakeholder, but can be seen as a practical corporate governance model. In some sense, the functional stakeholder model is still a stakeholder model, but a contextualised stakeholder model. This is a major contribution because it attempts to respond to a barrier often faced by stakeholder models, are they transplant from theory to practice. It addresses the practical mechanisms that would create effective stakeholder engagement within corporate governance in this context. This is then applied to Nigeria and attempts to address the practical challenges faced in implementing effective corporate governance in the Nigerian banking sector. Therefore, the functional stakeholder model recommends practical steps which would involve examination of the board composition, including stakeholder directors, independent directors and gender representation. For stakeholders, directors – groups envisaged include employees and debtholders within a single tier system.

The model advocates stronger board representation enforcement powers, which would rest in the Attorney-General, as this could hold more effective promise because of the Attorney-General's existing criminal prosecution remit. The model also emphasises the role of CSR and proposes a financial CSR provision mandating a percentage of net profits tax following the Indian experience. Elsewhere, there is also a helpful study on the CSR and Tax link using the Mauritius example.[10] The argument there was that: "With the UN SDG goal 17 target, the partnerships between public sector institutions and private sector frameworks in the handling of social goals should involve consideration of traditional tools such as tax to set new goals aligned to CSR objectives. This is an approach …, where tax design could permit forms of business taxation which would represent both the extra cost of the negative

externalities of companies' impact on society as well as the progressive cost of the contribution of the business to societal objectives under the CSR umbrella. This has the potential to contribute to the development objectives within a framework."[11]

Finally, the book puts forward compelling arguments for a specialised court to avoid significant issues of backlog. Interestingly, there could also be room for alternative dispute resolution in this space. This is also an issue that could be explored in further research.

Overall, this is a unique book that forms the basis for a significant contribution to knowledge in these areas. The book allows for consideration of alternative models of corporate governance as well as practical models of stakeholder corporate governance. It contributes to the developments pushed by the African Union for a re-imagination of key concepts in context. for example, the African Union, Agenda 2063[12] which pushes for the 'Africa we want' inclusive policy. This acknowledges the need for things to be done differently in context in order to achieve the aims required and set for sustainable development.

Nevertheless, the book also covers the existing theories and the dominant corporate governance theories, models and debates, and so can provide good essential reading for undergraduate and postgraduate students, yet it also presents original research, which makes it essential reading for researchers. It also holds vital reading material which is of interest to regulators, auditors and practitioners.

There are further directions of research that could arise from reading the book, and that includes analysis of other African countries with smaller economies, analysis of corporate governance in other African sectors different to banking, and further focused studies applying the proposed CSR aspects to banking models in view of their sustained high profitability in Africa. The contextual model could be applied to other emerging countries beyond Africa.

I recommend this book as it contains a significant contribution to corporate governance regulation and practice in Africa and beyond.

Footnotes

[1] Carroll, Toby, 'Neoliberalism, Globalization, and Late Capitalism: Capital, Ideology, and Making the World Market', in Zak Cope, and Immanuel Ness (eds), The Oxford Handbook of Economic Imperialism (2022; online edn, Oxford Academic, 14 Feb. 2022),

[2] McKinsey report March 31, 2026, From potential to performance: A snapshot of African banking African banking: From potential to performance | McKinsey

[3] Deakin, S (2010) Corporate Governance and Financial Crisis in the long run Centre for Business Research, University of Cambridge Working Paper No. 417 Working papers - CBR publications - Cambridge Judge Business School p.2

[4] Hansmann, H., Kraakman, R. (2012). Reflections on the End of History for Corporate Law. In: Rasheed, A.A., Yoshikawa, T. (eds) The Convergence of Corporate Governance. Palgrave Macmillan, London.

[5] Gindis, David, et al. ‘Convergent and Divergent Trajectories of Corporate Governance’. Competition & Change, vol. 24, no. 5, Oct. 2020, pp. 399–407; Gordon, Jeffrey N. ‘Convergence, Diversity, and Divergence: The Two Axes of Corporate Law and Governance’. The Oxford Handbook of Corporate Law and Governance, Second Edition, edited by Jeffrey N. Gordon and Wolf-Georg Ringe, , Oxford University Press, 2025.

[6] World bank, World Development Report 1997 -The State in a changing world World development report 1997 : the state in a changing world

[7] Anyaogu, I (2026) ‘African banks outpace global peers on returns as revenues top $100 billion, McKinsey says’ Reuters March 31 “Despite the growth, revenues remain heavily concentrated. Egypt, Kenya, Morocco, Nigeria and South Africa account for around 70% of Africa's total banking revenues, with South Africa the largest market, generating about $26.4 billion in customer-driven revenues in 2024.” African banks outpace global peers on returns as revenues top $100 billion, McKinsey says | Reuters

[8] Latest is the King V report on corporate governance for south Africa Publications-King V - The Institute of Directors in South Africa NPC

[9] P.91

[10] Okoye. (2022). Corporate social responsibility (Csr) and taxation in africa: The battle for the ethics of tax and responsible governance. In Business and Sustainable Development in Africa (pp. 98–117)

[11] Ibid p.100

[12] Agenda 2063: The Africa We Want. | African Union

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