Book Review Symposium V: Corporate Governance in Africa, (Routledge 2025) - Towards Context-Responsive and Institutionally Grounded Reform

By:

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Victor Ediagbonya's *Corporate Governance in Africa* offers a thoughtful and carefully structured engagement with one of the most persistent challenges in African corporate governance: the continued prevalence of governance failures despite the widespread adoption of sophisticated legal and regulatory frameworks. Rather than attributing these failures solely to doctrinal gaps, the book invites a deeper examination of the institutional environments within which corporate governance operates, particularly in the banking sector.

At the core of the book is a sustained critique of the transplantation of Anglo-Saxon, shareholder-centric governance models into African jurisdictions characterised by weak enforcement mechanisms, underdeveloped markets, and systemic governance constraints. Through its focus on Nigeria and South Africa, the book demonstrates that the formal adoption of corporate governance codes and banking regulations has not translated into adequate protection of stakeholders or financial stability. This comparative approach is especially valuable, as it moves beyond abstract convergence narratives and foregrounds the lived regulatory realities of African banking systems.

One of the book's key strengths lies in its contextual sensitivity. Ediagbonya resists the tendency to treat corporate governance as a universally transferable model and instead situates governance reform within specific historical, political, and institutional settings. By doing so, the book aligns with Global South scholarship that challenges assumptions of institutional equivalence and emphasises the importance of legal, social, and economic context in determining regulatory effectiveness.

The book's engagement with corporate governance theory further strengthens its contribution. Examining shareholder primacy, enlightened shareholder value, agency theory, and stewardship theory, Ediagbonya illustrates the conceptual dominance of shareholder-oriented paradigms in both corporate law and banking regulation. Notably, the book demonstrates that even ostensibly inclusive frameworks, such as enlightened shareholder value, remain structurally oriented towards profit maximisation and offer limited protection to vulnerable stakeholders, including customers and employees, in fragile institutional environments.

In contrast, the book's reliance on institutional and stakeholder theories provides a more analytically robust foundation for understanding corporate governance in Africa. Foregrounding institutional voids, ineffective legal systems, weak supervisory capacity, and limited enforcement, the book convincingly explains why transplanted governance frameworks often fail in practice. This institutional lens enables the reader to appreciate corporate governance not merely as a set of legal rules, but as an interconnected system shaped by enforcement capacity, political economy, and regulatory culture.

A particularly notable contribution of the book is its sustained focus on the banking sector. Rather than treating corporate governance as a generic corporate law issue, Ediagbonya situates governance firmly within the architecture of banking regulation and financial stability. The discussion of prudential regulation, systemic risk, and public interest theory underscores the unique position of banks as institutions whose failure has far-reaching consequences for economies and societies. In this regard, the book presents a persuasive case for reconceptualising corporate governance as an integral component of financial regulation, rather than a peripheral compliance exercise.

The comparative chapters on Nigeria and South Africa provide detailed and insightful analyses of how shareholder-oriented governance frameworks continue to dominate banking regulation in both jurisdictions. Despite differences in regulatory sophistication and institutional history, the book demonstrates that both systems prioritise shareholder interests while offering limited, often symbolic, recognition of other stakeholders. The South African discussion is particularly instructive in showing how progressive governance language, including references to Ubuntu and stakeholder inclusivity, coexists with deeply entrenched shareholder dominance in practice.

The most original and forward-looking contribution of the book lies in its proposal of a Functional Stakeholder Model (FSM) of corporate governance for African banks. Rather than offering an abstract normative ideal, the FSM is presented as a context-responsive framework grounded in institutional and stakeholder realities. Its emphasis on enhanced stakeholder recognition, board reform, strengthened enforcement mechanisms, and regulatory responsiveness reflects a pragmatic attempt to rethink governance reform under conditions of institutional constraint.

Importantly, the FSM is best read as an invitation to dialogue rather than a rigid blueprint. While developed in the banking context, its core insights have broader relevance for corporate governance reform across other regulated sectors, including insurance, fintech, and state-owned enterprises. The model’s focus on enforcement capacity, institutional alignment, and stakeholder engagement opens valuable avenues for future research and policy experimentation, particularly in developing and emerging markets.

While the book's primary contribution lies in banking regulation, it also gestures towards broader debates on corporate accountability, development, and governance in the Global South. Future scholarship may build on this work by exploring how the FSM interacts with emerging ESG frameworks, sustainability regulation, and financial inclusion initiatives. These possibilities underscore the book's value as a foundation for ongoing scholarly and policy conversations.

Overall, *Corporate Governance in Africa* makes a significant and timely contribution to the scholarship on African corporate governance and banking law. Challenging the dominance of shareholder-centric models transplanted from other contexts and advancing a context-sensitive, institutionally grounded alternative, the book encourages a more realistic and responsive approach to governance reform. It will be of considerable interest to scholars, regulators, policymakers, and practitioners concerned with corporate governance, financial regulation, and development in Africa and other emerging economies.