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2010 volume 4



Balancing Sustainability and Growth in an Uncertain Economy

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THE NIGERIA SOCIAL ENTERPRISE REPORT 2010

Balancing Sustainability and Growth in an Uncertain Economy



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EDITORIAL



Business Call to Action

Two days before the launch of this report, world leaders, including Nigeria's president, would have met in New York September 20 – 22 once again to discuss progress on the Millennium Development Goals (MDGs) as the world counts down to 2015, barely five years down the road.

As always, poverty was in the limelight, couched in all manner of beautiful rhetoric and with the slogan: "We Can End Poverty". It is always so puzzling when poverty is represented by complex, criss-crossing multicoloured graphs in powerful PowerPoint presentations. The poverty I see around me is ugly, dirty, evil and real. It wears a human face. Poverty is one of the most powerful and graphic outcomes of unsustainable practices - in the economic, social and environmental spheres.

The meeting recognized Business as an integral and important partner in solving the enormous challenges facing the world; especially in developing nations like Nigeria where poverty's bite is deep and painful. "Business Call to Action" was one of the programmed segments of this important meeting.

We have gone past the inevitable question: "So what's government doing?... Businesses pay tax and they are not in the business of profit-making not development". There is a general consensus that all hands are needed to clean out the mess - economic, social and environmental. It has been amply demonstrated that governments, especially in our corner of the globe, lack the political commitment and will to usher in the much needed change.

Eyes are on the private sector... to lead by example... to show the way



Even before the recent scandals that rocked Nigeria's financial institutions; eyes have been on corporate Nigeria to show the way. The mass media, the proliferating social networks, the worldwide web have made it such that corporate organizations operate in what looks like a corporate shop window – something akin to Multichoice's "Big Brother House" where even the bathroom is open to public view. Even if you refuse to play, you are still under scrutiny from millions of eyes.

Eyes are on the private sector...

That is why we are focusing this edition on sustainability; especially corporate sustainability. The report problematizes sustainability especially within the context of a global economy that is unstable, uncertain, perplexing and confounding. How do corporations (and even governments, institutions, individuals) balance sustainability and growth in the present times? What are the best practices? The report presents a sumptuous feast of ideas, thought provoking articles, experiences, lessons learned from seasoned professionals and corporate CEOs. Our case studies section is still resplendent with refreshing stories from real people in the field and presents new angles and viewpoints. The topping on the icing is our 2010 research study that connects the issues, the brand and stakeholders.

We sincerely hope you will relish and enjoy this offering as much as we have enjoyed putting it all together.

Arit Oku
Editor



About the Social Enterprise Report and Awards (The SERAs)

A project of TruContact Limited in collaboration with the Nigerian Institute of Public Relations (NIPR), The SERAs are designed to promote growth, sustainable development and livelihoods in Nigeria by recognising and rewarding corporate organizations as well as individuals who have contributed to social transformation of Nigeria. The SERAs is endorsed by the Federal Inland Revenue Service (FIRS) and Standards Organisation of Nigeria (SON).

The theme for the 2010 SERAs is - "Balancing Sustainability and Growth in an Uncertain Economy." Like the previous editions, the 2010 SERAs draws attention to issues of corporate sustainability and the Millennium Development Goals (MDGs) of the United Nations and highlights the contributions of corporate organizations to achieving these.

The SERAs combines a two-pronged strategy of documentation (the Social Enterprise Reports) and a glamorous award ceremony which rivets public and media attention on the focus areas. This two-part initiative constitutes the SERAs.

The Social Enterprise Reports are a compendium of best practices, highlighting the innovative ways that corporate organizations continue to engage with the **people** and the **communities** where they do business. We believe that the future of public relations for any business lies in the ability to successfully bridge the divide between private enterprise and public interest.

THE PROCESS

Soon after the call for participation is released, all sectors of corporate Nigeria will focus on Corporate Social Responsibility (CSR) and sustainability. First will ensue a self-appraisal to audit own performance and thereafter, respective organizations will package and submit individual entries under designated categories.

Simultaneously, as this is going on, Nigerians will be called upon, on a national level, to nominate companies that they perceive to be role models in their corporate social responsibility operations and performance.

The organizers also monitor and verify claims made by participating organizations. The verification exercise involves visits to the cited project locations identified by short listed companies.

The final selections are done by a panel of judges, made up of eminent Nigerians, active and distinguished as professionals and with impeccable records. To further underscore the credibility of the process and eliminate questions bordering on conflict of interest, gate keeping organizations – the Nigerian Institute of public Relations (NIPR); Federal Inland Revenue Service (FIRS) and Standards Organizations of Nigeria - who are partners with TruContact on the SERA project form part of the overall process, including the selection process.



Corporate Social Responsibility 2.0 and Other Ideas

By Ken Egbas

“What threatens to swallow some organizations today is the intensifying pressure of public scrutiny and the complex and multifaceted force and pace of change as well as the ability or lack of it on the part of the public relations practitioners to mobilize and harness public opinion effectively”

Substantial progress has been made by the community of 'corporate social responsibility practitioners of Nigeria' since TruContact began what can be tagged one of Nigeria's most successful behavioral change campaigns ever waged. In the past four years, we have recorded great buy-ins into the CSR and sustainability mindset. Operatives of various communications departments now know more about CSR and sustainability issues. In some cases, even the top guys now understand better the business case too!

Mastery of any issue may indeed begin with knowing the definitions. But proper use of that knowledge, the type that ultimately leads to differentiation can only be powered through unusual innovation. The social dynamics of learning is such that before you think you have mastered one thing sufficiently, it may either change name or form. As we try to grapple with corporate social responsibility as we know it; which a renowned CSR thought leader terms - CSR 1.0, the world is gradually moving towards CSR 2.0 - corporate sustainability and responsibility. Thus one may say: “CSR is dead. Long live CSR!”

“76 percent of respondents believed that companies carry out CSR or philanthropic activities in order to get favorable publicity. Only a modest 24 percent believed that the companies are truly committed to the causes that they were supporting”

While CSR 1.0 which is more foundational spells out relationships that should normally exist between brands, organizations and community; the latter draws the road map for deepening stakeholder engagement and concretizing acceptance of organizations' products or ideas in the minds of the target publics.

Businesses have never been far removed from the society and related social, political and environmental expectations. However, what threatens to swallow some organizations today is the intensifying pressure of public scrutiny and the complex and multifaceted force and pace of change as well as the ability or lack of it on the part of the public relations practitioners to mobilize and harness public opinion effectively.

Yet, as the social contract evolves, the typical corporate response to sustainability is out of tune with

current realities and the expectations of stakeholders. The modern social contract brings in not just the direct stakeholders such as the consumers, regulators, shareholders and employees, but also the host communities where organizations do business, the media and even the not for profits.

Due to the complex nature of the interrelationships between different groups of stakeholders and their expectations, greater suspicion is brought to bear on social intervention programmes that organizations implement. It has become apparent that we have entered that era whereby any organization that votes against its own transparency, accessibility and accountability may be condemned not just to losing a few percentiles of profitability index, but also record huge losses in terms of the social and environmental index (which accounts for a big

part of the company's future profitability ratio) as well.

Corporate sustainability and responsibility provides proof that the higher the social and environmental indices, the higher the chances of a higher profitability index; as the latter tends to feed positively off the former.

Despite the increase in CSR activities and the attendant benefits for both organizations and communities, there is still a question mark in the minds of consumers as to the actual intent of organizations as they embark on their CSR drive.

A recent survey conducted by Hill and Knowlton in the United States showed that 76 percent of respondents believed that companies carry out CSR or philanthropic activities in order to get favorable publicity. Only a modest 24 percent believed that the companies are truly

committed to the causes that they were supporting.

In spite of the result of this research, it is also apt to say that that suspicion nearly always underlines the relationship between organizations and their host communities. This is what leads to the deeper questions of perception and reputation that further define the extent of the said relationship.

Reputation scholars offer three foundations for building reputation: (a) Economic Performance (b) Social responsiveness (c) Ability to deliver valuable outcomes to stakeholders. All three are reflective of the triple bottom line, and public relations is the single yarn that runs through all three.

In marketing eras gone by, the brand's core which includes design, products and processes determined its standing in the market place. But in the new era where sustainability is becoming a key factor, the perception-value determinant will be anchored on the essence of the organization or brand. This represents the value propositions, vision, mission, guiding philosophy, corporate governance and the feeling (either negative or positive) that the public come away with after interacting with the brand.

Sustainability ensures the continued viability of organizations, brands and communities. It suggests that strong brands and viable communities need not be mutually exclusive. It also points the way to

the future of public and private sector partnerships to help Nigeria and other developing countries meet the United Nations' MDG targets of eradicating disease, poverty, discrimination and ignorance.

Sustainable capitalism would help ensure a better spread of opportunities for people across social strata. Despite the recent economic downturn, capitalism is still king. According to Mohammed Yunus, businesses have continued to spread their tentacles to hitherto uncharted regions. But in spite of the stories of prosperity that abound, there is still that eerie gnaw of poverty and lack. We only need to look at the global income distribution to fully appreciate the extent to which things have dipped. Ninety-four percent of the world income goes to 40 percent of the people. While the remaining 60 percent must live on six percent of the income!

Today's young people who will be corporate leaders of the future are living on a planet whose existence is daily questioned. These young ones are more in tune with the coziness of our planet having grown up with the internet and the globalization of communications and culture. They are constantly reminded of the fragility of today's world. And more than ever before, they believe there has to be a balance in the use of the earth's natural resources.

Many years ago, it was easy to position corporate organizations and brands so far from community that the only thing that mattered and drove the relationships was the exchange of services or products for cash or profit. This holds true to date no doubt. The only difference is that in some cases, some smart and futuristic organizations and brands have moved away from being long-distance friends and acquaintances to become close family and relatives of community.

That way, there is a sharing of joy and hope and a few times of sadness. The space between brands and community has shrunk to the extent that organizations and brands have become the community, and the community has become part of the brand. This has given birth to a new kind of loyalty, advocacy and enthusiasm which further powers profitability and mutually beneficial relationships.

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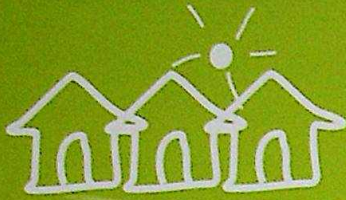
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Towards More Sustainable CSR Practice in Nigeria

By Dotun Atilade

The increasing interest in sustainability and corporate social responsibility (CSR) issues is an important trend in society. It requires a new way of thinking about internal and external operations of companies in particular.

CSR can be described as the overall relationship of the corporation with all of its stakeholders. Elements of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental responsibility, human rights and financial performance. It is about producing and delivering socially and environmentally responsible products and services in an environmentally and socially responsible manner [1].

The above paragraph presents the standard objectives and contents of the CSR concept as established by practitioners and academics in the West. A frank and clear review of the practice of CSR in Nigeria especially in the local indigenous companies is the basis for this call:



for a rethinking of CSR practice in Nigeria. The result of a research titled, *Corporate Social Responsibility (CSR) in Nigeria: Western Mimicry or Indigenous Practice* [2] provides the argument for the advocacy that this paper aims to achieve.

According to the publication, CSR practice in Nigerian companies reflects the local realities. Thus, in a developing country context like Nigeria, CSR is conceptualized from a philanthropic perspective - a way of 'giving back' to the society. Almost all the people interviewed described CSR along the lines of philanthropy and altruism. Some of these definitions include:



Definitions

“(CSR is) the corporate act of giving back to the immediate and wider community in which organizations carry out their business in a manner that is meaningful and valuable and relevant to that community” (*CEO of a consulting firm*)

“CSR is a way of saying 'thank you' to the environment in which they (sic) operate and a way of also showing a sense of belonging to the society at large” (Senior Executive of a bank)

Another example from the publication that highlights the thought pattern or mindset in the Nigerian context is the following statement culled from the website of a bank:

“At Zenith, Corporate Social Responsibility is not just a buzzword; it is a way of life. To emphasize this belief, Zenith Bank set up Zenith Philanthropy, a full functional department responsible for identifying areas, sectors and causes deserving of philanthropic aid”.

The publication inferred that the conception of CSR as philanthropy may not be unconnected to the traditional and socio-cultural heritage of the indigenous firm. For different regions of Nigeria,

the traditional, family or kinship pattern of production characteristic of agrarian mode of livelihood - the household economy has been the governing order of business organization which is still reflected in the structure of most indigenous firms [3].

From the foregoing it is clear that what is practised at present is basically philanthropy, and the question that immediately comes to mind is, what are we missing by practicing CSR from the perspective of Philanthropy?

Going back to the West-led definitions: “CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis [4]. Another definition states - “... actions that appear to further some social good beyond the interests of the firm and that which is required by law [5].

The definitions submit that CSR can be voluntary or regulated by law. This shows a marked difference between the operating structures and environments; for instance, regulatory functions such as the

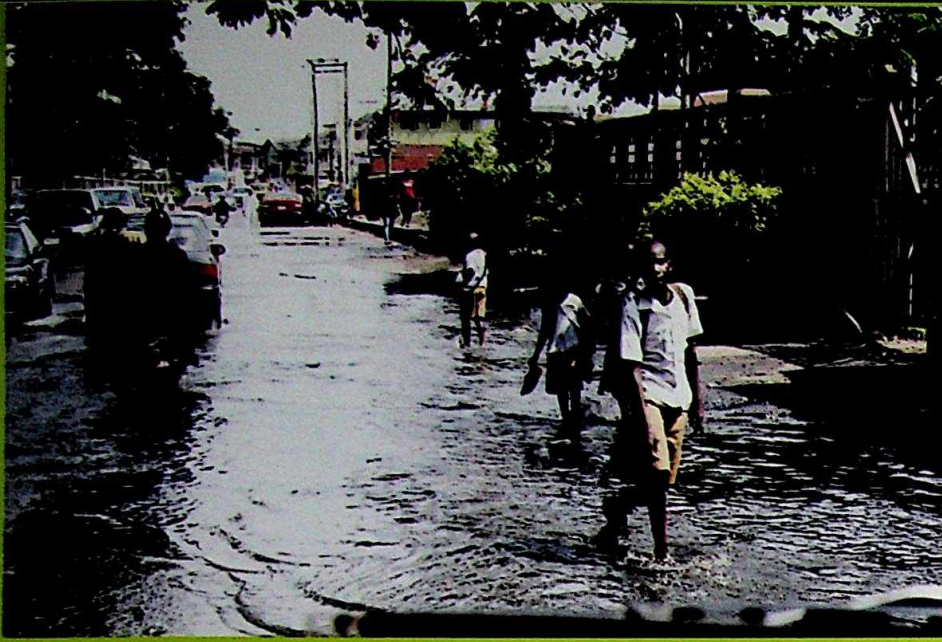
compulsory nature of CSR reporting in some Western countries are not presently part of the Nigerian system.

Content Issues

The question that comes to mind in any comparative analysis of CSR practice in the Western nations and in Nigeria is the issue of content. The basic components of CSR in the West include investment in community outreach, employee relations, creation and maintenance of employment, environmental responsibility, human rights and financial performance.

The components of CSR as enumerated above reinforce fundamental human rights as contained in the Charter of the United Nations and Statute of the International Court of Justice signed on 26th June 1945 in San Francisco [6] and as such it is in the best interest of all regardless of colour, race or nationality.

Having identified the benefits of the Western paradigm of CSR and its purpose in advancing sustainable business and public relations; and its capacity to deepen development and create economic stability, it is now important to begin to show the weaknesses inherent in the way



Achieving sustainability does not involve a simple checklist of activities, but an alignment of social, environmental and financial goals. It means that an organization is just not just concerned with a shopping list of CSR activities but has an eye on impact and quality

Nigerian brands interpret CSR. This is also a good point to begin to rethink and retool for strengthening the practice of CSR for both practitioners and academics alike.

Benchmarking the Nigeria brand of CSR using the AA1000 reporting standard, CSR as presently conceptualized lacks content and capacity to satisfy the requirements set by the Institute for Social and Ethical Accountability (ISEA) for whom CSR must of necessity take into cognizance the important principles of Materiality, Responsiveness and Completeness [7]. This is a model that could be applied in Nigeria. It aims to assist an organisation in the definition of goals and targets, the measurement of progress made against these targets, the auditing and reporting of performance and in the establishment of feedback mechanisms.

It will also be appropriate to relate with the sole basis or reason why businesses ought to embrace standard CSR practice. The sole reason as contained in a research report titled *Doing Good; Business and the Sustainability Challenge*

by A.T Kearney is to achieve sustainability.

Sustainability in this context is defined as those policies and processes which enhance the financial, environmental, societal, human and other resources on which the company involved depends for its long-term health, sustainable policies and processes, and aligning them so that goals in one area are not compromised in favour of those in another [7]. Obviously the practical implementation and interpretation of these principles will vary from industry to industry and across geographic boundaries and job functions.

The first thing to emphasize here is the importance of learning how to “work smart, not hard”. Achieving sustainability does not involve a simple checklist of activities, but an alignment of social, environmental and financial goals. It means that an organization is just not concerned with a shopping list of CSR activities but has an eye on impact and quality.

Corporate Values

It is also important for companies to ground their CSR activities on what they know as sound and right and acting based on what is fair and just. Distilling these corporate values into the entire organisational fabric is an essential first. As Bjorn Stigson, President of the World Business Council for Sustainable Development, says, “If you don't know your magnetic north, then the compass is useless.” A good sustainable CSR policy needs to know when to say “no” to campaigners [8].

Also very fundamental to the thinking around sustainable CSR practice is the ability of companies to know accurately how their activities affect those around them. Such analyses should include all aspects of the triple bottom line - environmental, social and financial impact. Too often companies forget the last, but as Jane Nelson, Director of the CSR Initiative at Harvard's Kennedy School of Government points out, “the greatest business contribution to society is creating wealth” [9].

Taking account of social and environmental issues can lead to extensive innovation that cuts cost in the long run. At its best, it can open the way to new market opportunities and prepare the company to manage risks

Good CSR performance comes from concentrating on what an organisation does best. Sometimes, immediate (often financial) demands might inevitably push an organization into areas not thoroughly understood. Ask not just what your company can do for sustainable CSR; ask what sustainable CSR can do for your company. Sustainable CSR need not be a burdensome imposition from outside. Taking account of social and environmental issues can lead to extensive innovation that cuts cost in the long run. At its best, it can open the way to new market opportunities and prepare the company to manage risks in these areas.

Ivo Menzinger, Group Head of Sustainability and Emerging Risk Management at Swiss Re, says firms "need to approach CSR Sustainability from a business angle ... there are environmental and social trends that will be relevant" [10].

The need for leadership- and boardlevel support is essential. Sustainable CSR will not just happen. Success in these areas requires that somebody be responsible for driving sustainability issues. Moreover, wherever that responsibility is placed in the corporate structure, environmental and social priorities must have unequivocal support from the Board, CEO and other senior management.

Roland Waardenburg, Director of Corporate Social Responsibility at Ahold, notes that without such back-up from his CEO, "I wouldn't do my job, because it wouldn't make sense any more" [10].

Monitoring and reporting are also ingredients necessary to achieve sustainable CSR. Measurement of communication objectives is very important, although finding information and metrics is not easy. Existing reporting guidelines are not definitive solutions, but they do provide a place to start.

Sustainable CSR will not thrive as an add-on. Sustainability programmes need to be integrated into corporate structures and processes. Such change can be hard to manage, but is a key element of getting this right.

Companies ought to be interested in the development of sustainable CSR programmes in terms of building content and capacity for the practice amongst academics and practitioners. This means that a successful company will frequently cooperate with a range of stakeholders. It also means engaging in public debates about the appropriate content and limits of corporate social and environmental policies. This may not always be comfortable but it will contribute both to the success of business and of the sustainability agenda.

Dotun Atilade is the Editor Gap Bridge CSR Review

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Enhancing CSR through Social Entrepreneurship

By Ismail Oamagebe

The history of employing entrepreneurial concepts in business is a long one and the key theme of this concept has always been innovation (Schumpeter, 1951; Drucker, 1985). Entrepreneurs are highly innovative and critical thinkers; driven by the motivation to create change in business. A social entrepreneur is one who possesses the qualities of an entrepreneur and utilizes them in providing impactful solutions to social problems (See Ashoka, 2010). Although a 'social enterprise' seems surrounded by a definitional ambiguity (Ridley-Duff, Bull and Seanor, 2008), a social enterprise can be defined as 'any organization that ranks social impact on par with, or above, profit concerns' (Business and Society, 2006: 1).

The concept of social entrepreneurship appears relatively new. This is not the case with the practice where various initiatives which employ entrepreneurial principles to solve social problems have been in existence. According to Professor Greg Dees (Business

and Society, 2006:1), often referred to as the father of social entrepreneurship as an academic subject,

Business schools still view social entrepreneurship as a practice, not a discipline; it is the same difficulty that entrepreneurship was faced with when it began. There is not enough academic research out there right now; there needs to be more in order to advance the credibility of social entrepreneurship as an academic field.

There are three key perspectives of social entrepreneurship (Alvord, David Brown and Letts, 2002). The first focuses on combining a commercial enterprise with social impact. This perspective involves entrepreneurs using business skills and knowledge to create enterprises with the aim of achieving social goals while being commercially viable (Emerson and Twersky, 1996).

For instance, NGOs/not-for-profits sometimes create commercial affiliates to achieve social goals. Corporate

organizations designed for-profit may contribute some of their profits towards realizing and enhancing social causes. The key thing is that these initiatives are dependent on resources derived from successful commercial activities to realize their social goals.

Innovation

The second view emphasizes the employment of innovation to drive social impact. This perspective focuses on innovation and social arrangements aimed at solving social problems. Here the attention is less on economic viability by ordinary business criteria (see Dees, 1998b; Alvord, David Brown and Letts, 2002) but more on creating innovative initiatives, building new social arrangements, and mobilizing resources to rectify social problems.

A third perspective of social entrepreneurship sees it as a catalyst to social transformation. Here, social entrepreneurship is employed

Grameen Bank has demonstrated that poor borrowers can be good credit risks, by providing loans to women without 'traditional collateral' and recording high repayment rates.

not just to solve the immediate problems, but also designed to help create long-term social benefits and systemic change.

Social entrepreneurs in this tradition need to understand not only immediate problems but also the larger social system and its interdependencies, so that the introduction of new paradigms at critical leverage points can lead to cascades of mutually-reinforcing changes that create and sustain transformed social arrangements.

Sustainable social transformations include both the innovations for social impacts and the concern for ongoing streams of resources that characterize the other two perspectives on social entrepreneurship – and they also lead to major shifts in the social context within which the original problem is embedded and sustained (Alvord, David Brown and Letts, 2002: 5).

No doubt every perspective has its benefits. However, the third perspective (which represents initiatives designed not just to solve immediate social problems, but go beyond those initial changes to create social transformation within the social economic contexts of poor and marginalized people) seems to have recorded the most remarkable successes.

Some notable instances include: The Grameen Bank, which was established in 1976 by

Muhammed Yunus, a Bangladeshi economics professor and his colleagues. Grameen Bank has demonstrated that poor borrowers can be good credit risks, by providing loans to women without 'traditional collateral' and recording high repayment rates.

“The Grameen Bank forms small groups of five people to provide mutual, morally binding group guarantees in lieu of the collateral” (Alvord, David Brown and Letts, 2002: 6). A second example is the Bangladesh Rural Advancement Committee, established in 1972 by Fazel Abed, a Bangladeshi corporate executive, just after the Independence War.

The initiative has been strongly involved in tackling the menace of poverty over the past 30 years in Bangladesh. Another key initiative is the Green Belt Movement established in 1977 to encourage tree planting in Nairobi by Wangari Maathai and the National Council of Women in Kenya. The Movement has planted over 20 million trees and has sustained the 'Green Belt' trees through the mobilization of small groups of poor community members in both rural and urban settings.

Nigerian Entrepreneurs

In Nigeria, there are examples of social entrepreneurs such as Durojaiye Isaac who started the DMT Mobile Toilets in Lagos in 1999. The focus of this

organization is on improving environmental health in Nigeria. Its activities involve producing, hiring out; the maintenance of portable toilets, promoting sanitation as well as creating job opportunities for hundreds of local youths.

Joachim Ezeji is another accomplished social entrepreneur. Founder of Rural Africa Water Development Project (RAWDP) in year 2000. His project has been committed to providing and improving access to potable water to millions in remote parts of Nigeria (Osalar, 2009).

It appears however, that the foregoing social enterprises cannot be placed in the same category as the likes of Grameen Bank. It is unclear why this is so, but some have argued that one of the key reasons for the unavailability of 'true' social enterprises is the absence of genuine social mindset in most Nigerians.

What seems vivid however is the growing CSR agenda in the country and the opportunity businesses can cash in on to integrate social entrepreneurship into their varied CSR activities. This can simply be described as corporate social entrepreneurship (CSE).

CSE

CSE is “a process aimed at enabling businesses to develop



more advanced and powerful forms of corporate social responsibility" (Austen and Reficco, 2009: 1)¹. There is evidence (both theoretical and empirical) of the evolutionary trend in CSR (See Carroll 2006; Votaw, 1972). Although historically, the concern for business ethics and social dimensions of business activity has long been in existence, the debate on CSR dates back to the second half of the 20th century. After the seminal work of Bowen (1953) entitled *Social*

Responsibilities of the Businessman, the terminology - social responsibility of business has changed to CSR. Also, the field has experienced a significant growth reflected in the proliferation of theories, approaches and terminologies. Terminologies used to describe phenomena related to CSR include society and business, stakeholder management, corporate sustainability, corporate social investment, as well as corporate citizenship. The

most recent of these is arguably CSE.

Some of the fundamental elements that drive the process of CSE include: creating an enabling environment, fostering corporate social intrapreneurs, amplifying corporate purpose and values, generating double value, building strategic alliances (Austen and Reficco, 2009). This paper will focus on three of these elements.

Firstly, moving from the old CSR approach to the CSE approach requires a cultivation of both an entrepreneurial mind-set and an entrepreneurial environment. As with all CSR activity, true success can only be achieved if driven from the top. To attain the desired change through CSE, top management staff must not just be involved, but also lead the change.

To demonstrate a clear commitment to delivering social value, a motivating CSR vision accompanied by changes in the company's structures and processes should be put in place. This helps to create an entrepreneurial culture that enhances cross-functional teams with relevant knowledge and experience to create social value within the companies.

Secondly, The CSE process involves cross-functional teams who are change agents or simply called Intrapreneurs. Corporate and social Intrapreneurs as described by Austin, Leonard et al. (2005) are internal champions of business social integration



who are powerful communicators with a good understanding of the objective of corporate transformation. They are innovators imbued with the burning entrepreneurial spirit to create new initiatives and sometimes disruptive changes. And because they have the capability to organize, coordinate and mobilize, they are effective team players and can inspire team members towards achieving the desired objectives. The objectives are usually tailored to suit the economic and social realities within the company.

Integrated Approach

So, for CSE to thrive, the role of these change agents should not be separated from that of regular managers. Unlike the regular start-ups where intrapreneurs (be it corporate or social) are change agents while managers are responsible for managing and implementing the initiatives (Thompson, Alvy, and Lees 2000),

CSE allows for an integration of both roles. To enable CSR move to a better and much advanced form, corporations require an integrated entrepreneurial approach.

A progressive CSR agenda such as the CSE requires the right organizational values. The company's vision and mission statements should reflect social values and the corporate social Intrapreneurs have to ensure these values are implemented in terms of action, not just words!

The CSE process ensures that the organization goes beyond abiding by the laws of the land and being simply responsive to stakeholders' needs to employing ethical principles as well as solving social problems innovatively. A good example of not living the values an organization projects to external stakeholders is British Petroleum (BP).

While BP cannot be described as a company with a CSE process in place, it succeeded in demonstrating that CSR was at the heart of its core business. Part of the ways BP was able to create that perception was with the marketing campaign entitled '*Beyond Petroleum*' which showed a carefully designed plan spread over years. The company talked about alternative energy source and other issues related to sustainability

Following the 2010 oil spill at the Gulf of Mexico, the actions taken by BP showed that this carefully constructed marketing plan was meant for external stakeholders only – there was little evidence if any, to show internal commitment. As Aman Singh Das (2010: 1) rightly said: 'a successful company's business model and strategy must encompass corporate

responsibility in all forms—internal and external¹. CSE requires CSR to include innovative social value and intrapreneurs to drive the process.

For CSE process to be effective, some key elements must be in place: creating an enabling environment, fostering corporate social intrapreneurs, amplifying corporate purpose and values, generating double value, and building strategic alliances. And the process of CSE, aimed at facilitating CSR at a faster pace requires that an organization should fulfill what Carroll (1991) refers to as the Pyramid of CSR as the basic foundation. Here the company has to satisfy all its responsibilities - the four dimensions that constitute CSR – economic, legal; ethical and philanthropic (although the latter has evolved to higher forms as stated).

Once the CSE elements are in place, well managed, and properly coordinated, the result is a company that has a qualitative CSR with a triple bottom line or double-value (for those who believe that the environment should not be separated from the social aspect) for all stakeholders. The ultimate goal of CSE is to ensure that this value (both economic and social) are integrated, not separated.

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Building Socially Responsible Business through Corporate Governance: “Movement without Motion?”

By Phil Osagie

CSR Bandwagon

The corporate world is on a bandwagon. It is growing and gaining speed and everyone seems to be jumping on board. What do we call this rolling and sometimes rickety phenomenon? It is known as “Corporate Social Responsibility”. In the increasingly conscience-focused marketplaces of the 21st century, the demand for more ethical business processes and actions (known as *ethicism*) is increasing.

Simultaneously, pressure is applied on industry to improve business ethics through new public initiatives.

Some critics believe that some classes of companies implement CSR programmes in order to distract the public from ethical questions posed by their core operations. They argue that some corporations start CSR programmes for the commercial benefit they enjoy through enhancing their reputation in the eyes of their publics or with

government. Such critics suggest that corporations which exist solely to maximize profits are unable to advance the interests of society as a whole. Shell has a much-publicized CSR policy but this did not prevent the 2004 scandal concerning its misreporting of oil reserves, which seriously damaged its reputation.

It is instructive, debatable, but refreshing that leaders today are concerned about increasing the impact of Corporate Social Responsibility programmes in Nigeria, a subject that is more applauded than applied more talk, less walk. Corporations spend millions on assuring the public that they are helping the environment and/or acting as ethical citizens. Yet pundits say that the impact of such programmes is yet to be experienced by the majority of the populace. It takes some effort to see things from a

perspective other than ones' own, but it is necessary when the desire to “make a difference” is genuine, so that implementers can increase the social, economic, and political impact of these programmes.

Corporate Governance

Corporate Governance is what can build socially responsible businesses. Corporate governance is generally understood as a cooperative relationship between Government, the private sector and civil society. There is a misconception that corporate governance is mainly of concern to the private sector and corporate institutions.

It is a truism that the signals and examples set by Government is perhaps a key factor in determining whether corporate governance is an inherent component of the core of the organisation, or it is just another slogan, lip service or corporate jargon.



...is all the talk about corporate governance mostly talk and little action and much movement without motion; rather like a rocking chair that keeps in motion but goes nowhere?

In examining the subject of building socially responsible businesses, one central question emerges; is all the talk about corporate governance mostly talk and little action and much movement without motion; rather like a rocking chair that keeps in motion but goes nowhere? The conceptual context of the subject, by its very definition and principles, immediately throws up some moral questions about application and enforcement in both the private and public sectors in Nigeria and indeed most of Africa.

Corporate Governance is a code of conduct which defines the way to divide the power and responsibility of management and decision making among stakeholders in business activities. Undoubtedly, the goal of corporate governance is to maximise business performance and market and share value by enhancing transparency and efficiency in business management. Good and desirable corporate governance maximises value through transparent business management and appropriate rules of management.

Enhanced transparency, disclosure, personal responsibility, ethical management and financial integrity are the main pillars of corporate governance and its practice. Let us quickly examine how the private sector as well as Government in Nigeria and other African Countries have stood under these essential pillars of good corporate governance.

'Leprosy in Velvet Gloves'

There can never be effective corporate Governance until the custodians of organisations show willingness to be self governed by a Value system at a personal level. Values are not merely posters for decorating the company's notice board or themes of double spread press adverts. It is not enough to have them hanging on the walls. It is more important to live them.

Values are not merely posters for decorating the company's notice board or themes of double spread press adverts. It is not enough to have them hanging on the walls. It is more important to live them

While significant steps and improvements have been made in the private sector in Nigeria and most African countries, we can say without much fear of contradiction that corporate governance and ethical management is more of a buzz word than a way of life in the corporate sector. The recent banking sector 'hurricane' in Nigeria is an example that demonstrates this paradox.

The Institutions that sang the loudest corporate governance songs over the years and trumpeted their strong corporate values demonstrated that talk is truly cheap. The financial rascality, CEO autocracy, AGM manipulation and lack of transparency were all covered up by a loud media presence. It was almost like 'leprosy in velvet gloves'. The dramatic fall of the CEO of a top multinational corporation in Nigeria and one of the most trumpeted apostles of corporate governance underscores the problem of corporate double-speak.

Governments in Africa will find it increasingly difficult to compel companies to do good and stay faithful to the narrow path of corporate governance, unless they themselves lead the way

Ethics

The rise of ethics training inside corporations, some of it required by government regulation, is another driver credited with the ability to change the behaviour and culture of corporations. The aim of such training is to help employees make ethical decisions when the answers are unclear. Tullberg believes that humans are built with the capacity to cheat and manipulate, a view taken from Trivers [1], hence the need for learning normative values and rules in human behaviour [2]. The most direct benefit is reducing the likelihood of "dirty hands", as suggested by Grace and Cohen [3], fines and damaged reputations for breaching laws or moral norms. Organizations also see secondary benefit in increasing employee loyalty and pride in the organization.

An organization in the US called Caux Round Table (CRT) believes that the world business community should play an important role in improving economic and social conditions. Through an extensive and collaborative process, business leaders developed the *CRT Principles for Business* to embody the aspiration of principled business leadership. The principles are a worldwide vision for ethical and responsible corporate behaviour and serve as a foundation for action for business leaders worldwide.

A more common approach of CSR is philanthropy. This includes monetary donations and aid given to local organizations and impoverished communities in developing countries. Some organizations do not like this approach as it does not help build on the skills of the local people, whereas community-based development generally leads to more sustainable development.

Risk Management

Managing risk is a central part of the strategy of many corporate organizations. Reputations that have been built over the decades may be ruined in a matter of a few hours because of corruption scandals or environmental accidents. These can also draw unwanted attention from regulators, courts, governments and the media. Building a genuine culture of 'doing the right thing' within a corporation can offset these risks.

According to Thierry Buchs "good corporate governance is the glue that holds together responsible business practices, which ensures positive workplace management, market place responsibility, environmental stewardship, community engagement and sustained financial performance. This is even truer now as we work worldwide to restore confidence and promote economic growth" [4].

Government's Responsibility

It must be said that governments have an important responsibility for shaping an effective regulatory framework that provides for sufficient flexibility to allow markets to function effectively and respond to shareholders and stakeholders. Governments in Africa will find it increasingly difficult to compel companies to do good and stay faithful to the narrow path of corporate governance, unless they themselves lead the way.

This is the power of example. No individual or corporate entity can rise above the moral lead of leadership both at the micro corporate level and the macro government level. Whilst the Nigerian Government and several countries in Africa have attempted to set new and higher standards of governance, transparency and financial integrity, the preaching has been disproportionately louder than the practice.

A business needs a healthy, educated workforce, sustainable resources and adept government to compete effectively. For society to thrive, profitable and competitive businesses must be developed and supported to create income, wealth, tax revenues, and opportunities for philanthropy.

Government must realise that corporate governance goes beyond the corridors of the private sector. It has implication for the overall economics of the country. Countries that are perceived to respect the rule of law, that are transparent and aspire to good governance, are more likely to attract foreign investment and international respect.

The African continent gets only about 1% of the global total Direct Foreign Investment (DFI) Fund. Brazil, Singapore, Malaysia each gets more than Africa. Capital is nomadic and will go where the greener pastures are.

CSR critics argue that governments should set the agenda for social responsibility by way of laws and regulations that will allow businesses to conduct themselves responsibly. Denmark made a law on CSR. The Danish parliament adopted a bill making

it mandatory for the 1,100 largest Danish companies, investors and state owned companies to include information on corporate social responsibility (CSR) in their annual financial reports. The reporting requirements became effective on 1 January 2009.

The reports are expected to include information on companies' policies for CSR or social responsibility investments (SRI); how such policies are implemented in practice; information on what results have been obtained at the time of reporting; and management's expectations for the future with regard to CSR/SRI.

Media's Role

Media has a responsibility to communicate appropriately. Where success stories in corporate governance are not well or adequately

communicated, we are under-communicating and doing injustice to corporate governance. When feeble corporate governance achievements are over-trumpeted or corporate governance intentions and their pretensions are repackaged as best practices, then we are over-communicating and also bringing corporate governance to disrepute. Consistency, honesty and authentic dialogue are essential if we want a change.

The conclusion of the matter is that the main message of corporate governance is to do good and communicate; we must not forget to communicate. But the balance of the weight of public scrutiny and corporate practice should be tilted more towards genuinely doing good before communicating. "You cannot carve fine art from rotten wood".

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Justice and the Productive Economy

Fair and equitable environmental practices are as much a right for the developed as for the developing world

By Toyin Akinosho

In the Gulf of Mexico, British Petroleum is under pressure to stop the spread of oil leaking from a deepwater oil well, so that it doesn't get to the "fragile wetlands" along the coast. Half way across the world, in the Niger Delta basin of Nigeria, much of the drilling takes place squarely on the wetlands, so called 'swamp', where people live. This corner of the planet is not considered fragile, at least in the opinion of the global news media, which see only penury on their occasional visits.

Different Standards

In the Niger Delta basin, the world's largest oil-filled river delta, crude oil pipelines crisscross the environments where people live. For more than 30 of the 52 years of oil production in Nigeria, environmental practices have been lower than standards of the West.

As correspondents from *CNN* and *BBC* and *Al Jazeera*, swoop on the US Gulf of Mexico, counting the days of leakage from April 20, 2010, coastal residents mourn the endangering of an oyster industry, "linked to the entire economy of the Gulf". Oyster fishermen lament a looming loss of everything they have worked for all their lives.

In Nigeria, where the drilling has taken place right on the marsh for half a century, and in shallow waters visible to village compounds, claims of loss of fish population are reduced to whispers, featuring only in books written by liberal white men and environmental NGOs. Oil companies gleefully publish photos of grateful natives thanking them for donation of microcredit facility and low scale capacity building initiatives. The picture of a lively, vibrant

segment of the Nigerian economy happening in the communities of the Niger Delta hardly show up.

Bob Herbert, writing for the *New York Times* in late May 2010, quotes a 46 year old fisherman in Louisiana, a coastal city on the edge of the Gulf of Mexico as saying: "They put us out of work and now we are cleaning up their mess". The respondent was referring to BP's recruitment of locals in the large scale clean up of the coastline environment.

The British giant is paying 12 dollars an hour to people doing the clean up. In Nigeria, a swamp rig on a new location means the deployment of the local residents to uproot their own marshland. Don't let us talk about how much they are paid, mostly by "contractors" from the neighbourhood.

Contractors

Contractors to oil companies, supplying labour or doing low tech jobs, are a significant part of the rent economy in the Niger Delta. As the pre-colonial and colonial era economy of palm plantations and agriculture has been ground to dust and fishing is so artisanal that it is menial, extremely low paying vocation, the “Big” men in town are the contractors in the communities who carry out jobs like road grading and construction of classroom blocks. These contractors are also engaged by the oil companies for low tech infrastructure work for both oilfield activity as well as “community assistance”.

The mentality that drives this “contractor” economy is part of the larger issue of poor capacity building, because it chokes the possibility of building a larger, non- oil economy in the Niger Delta basin. In one very instructive article in *The Guardian*, a Nigerian daily, Chibuzor Ugwoha was asked to explain the major challenges facing the Niger Delta Development Commission (NDDC), of which he is chief executive.

“People here are more interested in collecting money to share and not how such money can be collectively earned”, he sighed. “They don't care if this money

The mentality that drives this “contractor” economy is part of the larger issue of poor capacity building, because it chokes the possibility of building a larger, non- oil economy in the Niger Delta Basin

needs to be invested. People know that for instance, they don't have water to drink but they are merely interested in just sharing the money that could be used in providing that water”, he explained. “There are both internal and external challenges”, he allowed. “A contractor moves into a particular community but the people will not allow him to work until he pays them certain amount of money because they see the project as not their own, they see it as NDDC project”.

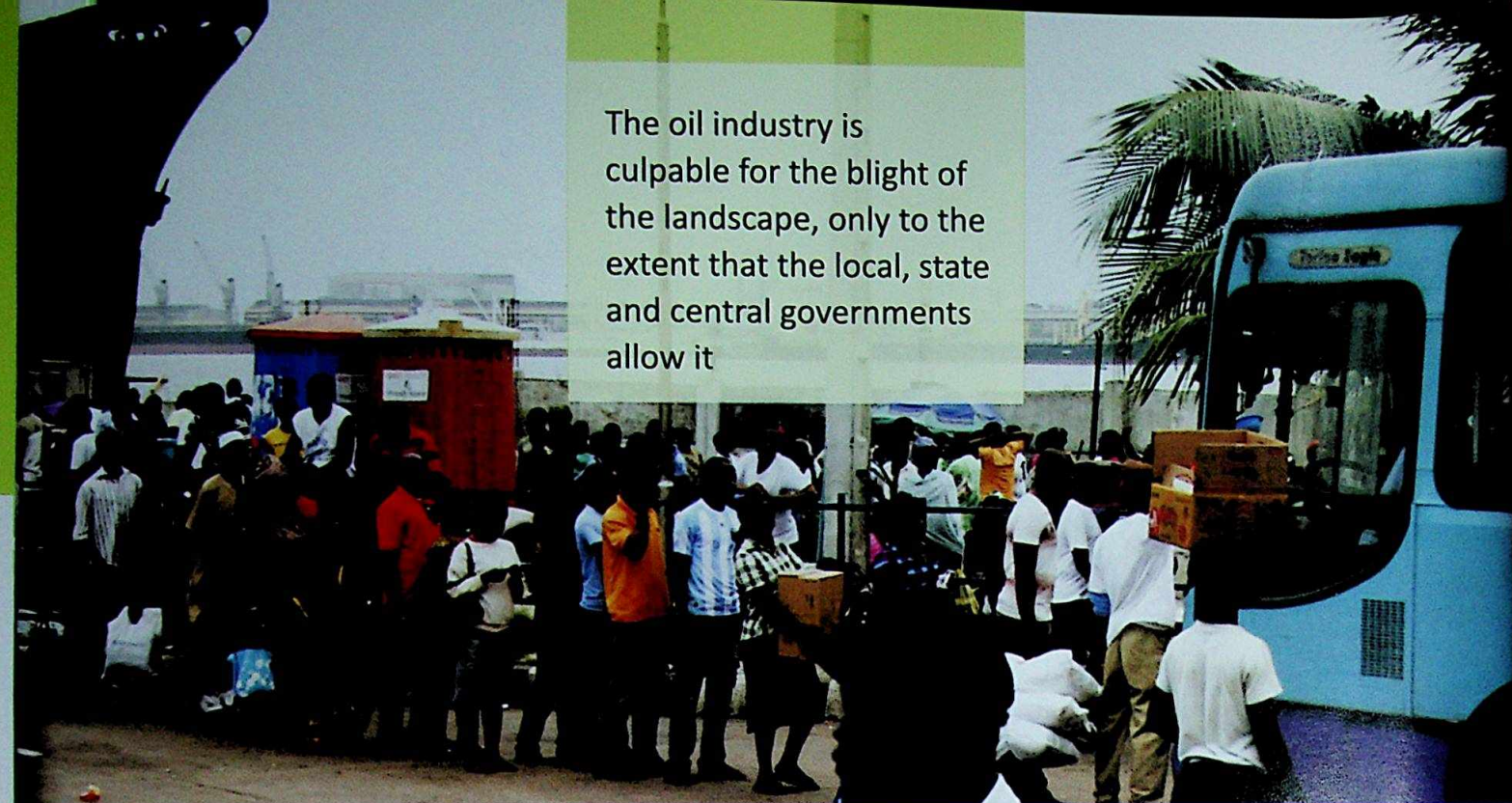
Is Mr. Ugwoha suggesting that “the victims are culpable in their victimhood”? That wouldn't be a fair assessment of his comment. In his book: *When Citizens Revolt: Nigerian Elites, Big Oil and The Ogoni Struggle For Self Determination*, the Nigerian scholar Ike Okonta traces how this desperate desire to “eat my own piece of the cake” has come about. The average Nigerian community was composed of citizens with full rights in the pre-

colonial times. There was no sweat about who had access to what resources.

With the advent of colonialism, they became subjects who needed to contest for what colonialists had left off and were willing to throw at them. This led to a contest between communities for the devices of power. What was important in the pre-colonial economy, as the means to individual prosperity, was no longer important in the colonial construct.

As Nigeria became independent, that contest for spoils grew, at the expense of growing a productive economy. Okonta's thesis is not as simple as this report has made it; but this rough layout provides a basis for understanding the challenges that Ugwoha is facing.

Inhabitants of the Niger Delta Basin are largely the minority ethnic groups. As such, they have not had as much access to spoils as the majority groups who make it to the central government and its apparatuses in larger numbers. Thus, the majority groups have more access to the spoils of the rent economy.



The oil industry is culpable for the blight of the landscape, only to the extent that the local, state and central governments allow it

And that is a crucial point in the discussion of environmental degradation and the impoverishment of the people of the Niger Delta Basin. The oil industry is culpable for the blight of the landscape, only to the extent that the local, state and central governments allow it. The mindset of leadership has still not been tuned to the fact that the human being is the unit of the economy and of development, 11 years of democracy notwithstanding.

Way Forward

Ugwoha is nearer to the answer: "You cannot transform the fortune of the region to a place of peace and economic prosperity without looking beyond infrastructure..."

Infrastructural development is good as it brings about immediate and visible results, but it is not a sustainable answer to the

challenges of the Niger Delta basin. Now, if you look around the region, the major problem is that a lot of the people have no means of livelihood. This is because they are largely unskilled, and not because there are no jobs. Jobs exist, but they do not have the skills to access the available jobs. Therefore, the way forward is to build their capacity so that they can participate in the economic activities that are going on around them either in the region or outside of it. And that is what is grossly lacking.

Human capital development is not a short term venture. It is either medium or long term and oftentimes, visibility is rather low. For instance, it takes a child six years to go through primary school and another six or five years to go through secondary school, and then there is another four or five years to go through university in addition to a year of national service.

This discussion is varied and complex and I wish to suggest that we continue the debate in the Social Enterprise Report series and in other forums.

Toyin Akinosho is the Editor of Africa Oil and Gas Report





Harnessing the Sun's Power

Can solar energy provide a sustainable solution to Nigeria's energy emergency?

By Henry Eguridu

There is an interesting picture from a NASA (National Aeronautical and Space Administration) satellite of the earth at night with all the continents nicely lit up except Africa. The continent is pitch black with tiny sprinkles of light from South Africa and a few other parts of the continent.

An estimated 560 million people live without electricity in Sub-Saharan Africa and 625 million rely on solid fuels such as wood or coal for cooking.

Availability and reliability of electricity supplies have always been troubling issues in Nigeria. With an estimated population of 140 million people, Nigeria is the most populous country in Africa but belongs to the group of countries with the lowest electricity consumption per capita on the continent. Nigeria is also ranked among the poorest countries in the world. For the past three decades, Nigeria and Nigerians have suffered inadequate quantity, quality and

access to electricity. It is estimated that more than half of the country's population do not have access to electricity.

The history of electricity production in Nigeria shows that she has relied heavily on the use of fossil fuels (coal, gas, and oil) which are non-renewable energy sources in the variation of gas-fired / oil-fired hydroelectric power stations to coal-fired stations; with hydroelectric power and gas-fired systems taking precedence.

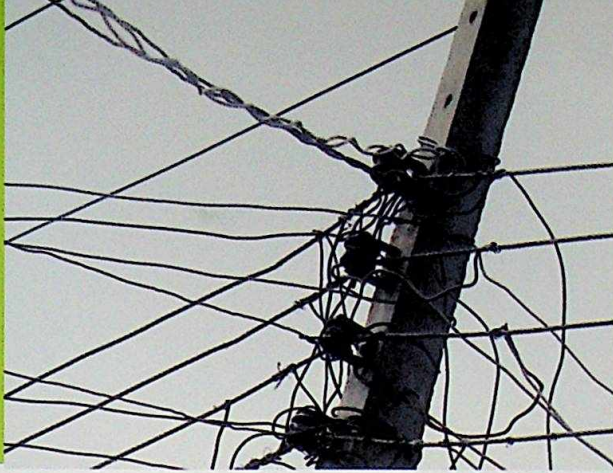
Nigeria is blessed with these primary fuel sources (coal, oil, and gas) and for which these power stations are designed. These fossil fuels are non-renewable energy sources and are being used up very rapidly. They have taken millions of years to form and with heightened global demand they may be exhausted sooner than later.

Besides, the reliance on these conventional resources for power generation is quite unsustainable due to the threat of escalating fuel prices and the

adverse environmental consequences of large scale combustion of carbon-rich fuels. Furthermore, combustion of these fuels (in the form of gas flaring) for generating power unleashes intolerable amounts of carbon (IV) oxide as well as other harmful gases into the environment. The unrest in the Niger Delta region has led to the blowing up of oil pipelines. This has disrupted power supply leading to further environmental degradation.

Economics of Blackouts

Availability and access to constant and steady supply of electric power is one of the most important ingredients for national development as it empowers people and raises the bar of productivity from the domestic level through the cottage, small-scale and medium industries to large-scale manufacturing complexes that employ in thousands. Depriving people of electric power can be likened to a form of economic castration.



Availability and access to constant and steady supply of electric power is one of the most important ingredients for national development as it empowers people and raises the bar of productivity

Government's promise to generate 6,000 megawatts and above has remained just that - a promise. Failure to deliver on this promise has turned Nigeria into the world's biggest importer of generators. Citizens have turned to the use of generators to supplement the country's power supply while corporations and industrialists have been forced to import gigantic generating sets to meet up with production quotas and thereby remain in business. But this poses a clear and present danger to the environment and health of all. The machines billow fumes and produce deafening noises. In some cases, whole families have been asphyxiated by these poisonous fumes.

The economic impact of blackouts has been far-reaching. 70% of all generators and spares made in the United Kingdom end up in Nigeria. This is besides the supply from china. It has been observed elsewhere that if all the generators in Nigeria were connected to the national grid, their combined output will give all of Africa uninterrupted power supply.

Telecommunications company, MTN, disclosed that because of epileptic power supply, it has spent N12 billion on the purchase

of generators alone. Another N500 million goes monthly into purchase of diesel. This is besides the fact that the company also spends N5 billion in replacing items damaged by erratic power supply and theft. Thus, MTN cannot be faulted for declaring that it is the largest private power generating company in Nigeria and yet, this is not its core business. The figures for the telecommunications industry are frightening.

The telecommunications sector is not alone. With more than 4,000 bank branches nationwide that need to keep their ATM machines running even at night, the huge cost of power generation by the banking sector is very obvious. The manufacturing sector which operates at an average capacity of 55% relies solely on own generated power for operations. For manufacturers, operating below 70% of installed capacity is a threat to survival. Part of the reason for this low capacity utilization is the now notorious and extended power outages.

The huge costs incurred in generating power could have served better purposes. The telecommunications companies

could have reached a higher level of service delivery sooner and charged the consumer less. The banks could have opened more branches with multiplier effects in employment and revenue generation. The economy could have witnessed massive growth.

Some of the categories of people worst affected by power outages are people who live in smaller towns and those in rural areas; especially farmers, artisans and their children. There is productivity loss since rural economic activity currently stops at sunset. Thus, each rural household loses close to 15 man-hours each day. Children and students of all levels also suffer since they cannot study at night or learn by watching television or using the computer.

In nations like China and India, the engine of growth is the small and medium scale companies. In the case of Nigeria these are not springing up to take advantage of the vast opportunities that exist. The huge and intimidating cost of generating power is one of the major reasons so many small and medium scale enterprises never left the realm of dreams.

The sun is the source of all energy in the world. Even hydro and wind power are due to the effects of the sun's energy on the earth. The sun not only sustains life on this planet but is also the source for future renewable energy. It is the cleanest and safest energy source; particularly in the tropics.

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industrialization. The Sahara desert, with a sparsely populated land area of about 9,100,000 square kilometres, receiving a maximum of about 700 Megawatts per square kilometre can be tapped to be the power house for Nigeria if not Africa.

Application of Solar Power

The significance of solar power lies in its use for practical ends. The use of solar technologies is dependent on the way they capture, convert and distribute sunlight. Solar power works by taking energy from the sun, and using solar panels usually mounted on rooftops, to convert that sun's energy into usable

energy supply gulped by households, the use of solar power to meet domestic energy needs would aid achievement of uninterrupted lighting, power to operate TVs, fans, laptops and printers, and other low-power appliances. Depending on the strength of the panels, solar power can reduce the work load on the national grid.

The use of solar energy will lead to a decrease in the use of non-renewable energy sources and a reduction in pollution. Solar energy has low maintenance costs and is convenient in isolated and remote locations. The untapped potential of solar energy is enormous.

Solar services are capital intensive and appear expensive at initial installation because of the cost of the components, but new technologies are emerging, however, that will see significant cut in manufacturing costs and as a result make solar converters increasingly more affordable with return on investment being as high as between 6-11 years.

Most of the countries now injecting solar power into their energy mix, interestingly, are in temperate regions. Italy, Japan, Germany and Spain are countries

that are developing their capacities in solar power use. According to the management consultancy firm, McKinsey & Company, global installed solar capacity will increase twenty to fortyfold by 2020. The question is how will Nigeria and indeed Africa fare at this time?

Creative Thinking

With solar power, Nigeria can ungrid the grid system, as whole communities (especially rural ones cut off from the grid system) can have access to

power through this clean technology. Industries can be free to invest in industrial solar power thereby reducing down time. But that will require government using a range of subsidies and incentives to foster small-scale solar development that can grow into a fully-fledged industry able to deliver economies of scale and eventually grid parity.

Many countries, including China, Germany, Israel and Spain have already shown that schemes such as capital subsidies, renewable energy certificates,

feed-in tariffs (favourable rates paid to grid-connected renewable energy systems), net metering (paying those who generate renewable energy for their excess power) and a solar photovoltaic mandate can successfully promote solar power.

The issue of energy poverty in Nigeria is not an insurmountable technical and economic challenge, but a political challenge. What is required is the will to realign governance structures and interests to address the problem and empower people to make choices that improve their lives.

What is clear is that without access to constant power, MDGs and the national development plans cannot be achieved. A UNDP report concludes that the lack of electricity will impair our

ability to meet the MDG target of halving the proportion of people without sustainable access to safe drinking water. Access to safe drinking water is also necessary to achieve other MDGs especially in the areas of education and health.

The energy sector is ripe for a new wave of creative thinking. First, we must rethink the process that gives the Federal Government the monopoly in energy governance. There must be decentralization in energy governance from the federal government to state and local government levels; and the private sector.

Secondly, Nigeria needs to build its capacity to develop and produce the technology itself and provide incentives to ensure solar products enjoy wide uptake. One clear lesson is the need to re-examine our educational policies and begin to make significant investments in research and development so that there is a linkage between high-quality technology institutions, a cadre of highly skilled engineers, and professionally managed business enterprises. This will ensure that knowledge and capacity is integrated into production systems.

While the availability of solar power in itself is not the panacea for all the economic and social problems facing Nigeria, it can be a significant part of solving the problem. The solution to the energy problem is going to be a mix, but in the long-term, solar power is going to be the biggest part of that mix.

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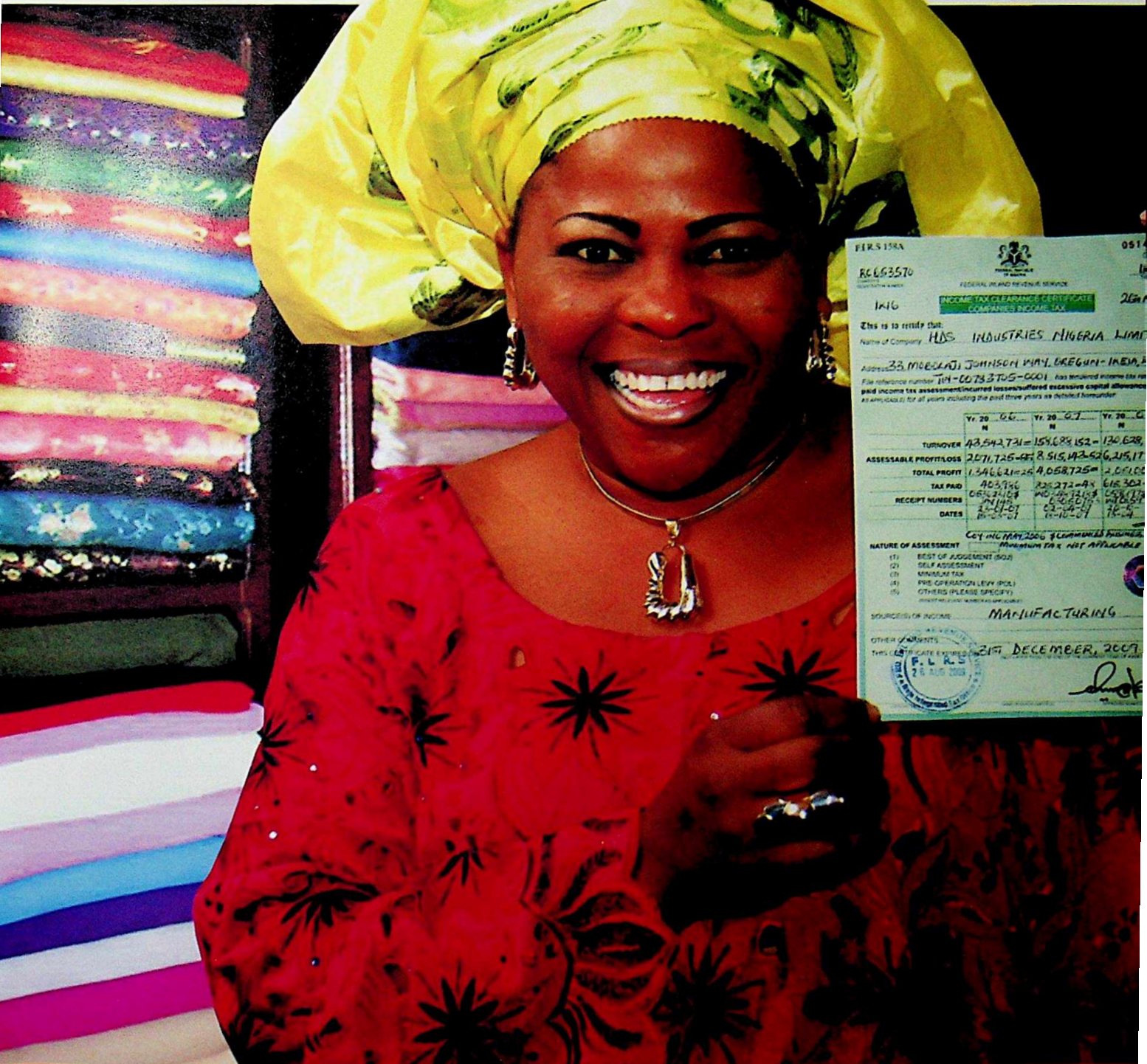
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	Yr. 20_06_	Yr. 20_07_	Yr. 20_08_
	N	N	N
TURNOVER	43,542,731 = 159,68%	152 = 130,62%	
ASSESSABLE PROFIT/LOSS	2,071,725-687	8,515,433-92	6,215,17
TOTAL PROFIT	1,346,621=26	4,058,725=	2,051,00
TAX PAID	405,756	2,282,72=48	616,302
RECEIPT NUMBERS	06124109	06124118	06124127
DATES	21-11-07	03-08-07	20-07-08

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Corporate Responsibility & Corporate Governance: The Connections

By Bolaji Okusaga

Introduction

Corporate responsibility is essentially about achieving a better conversation between business and society. The purpose of this conversation is to attain defined targets and to manage stakeholder expectations in the value delivery process. Aside from the symbiotic relationship and consequent benefits derivable from the conversation, the dialogue between business and society is underpinned by the principle of accountability which presupposes the need for periodic scrutiny by immediate and remote interests.

Corporate governance seeks to create the context for advancing this conversation and creating trust, progress and continuity there-from, through the setting of the background against which conversation is expected to take place. There is also a need to build the limits against which judgments are made and decisions taken in a bid to sharpen the moral planks of the conversation. A definition by Nova Science in Australia posits that corporate social responsibility is “a concept whereby organizations take

responsibility for their impact on society and the environment”. Another definition by Pearson Education sees corporate social responsibility as “the awareness, acceptance and management of the implications and effects of all corporate decision making”. The concept is underlined by the need to select options and priorities, in relationship to the social context, towards engendering an accountable yet caring enterprise.

Corporate governance, far from being a relationship and a conversation framework, is a platform for ensuring that rules adopted in pursuit of the need for accountability are not only applied but also made to govern business and social conversation. A definition by Colgate Palmolive posits that corporate governance is about “the practices, principles and values that guide a company and its business every day, at all levels of the organization”.

A much deeper definition comes from Air Berlin which sees corporate governance as a “code of behaviour that defines guidelines for the transparent



management and control of companies. It creates transparency, strengthens confidence in the company management and in particular serves the protection of the shareholders”. From these definitions we see that while corporate responsibility strives to forge the relationship, corporate governance helps to define the basis of the relationship and sets the rules. Both concepts are underpinned by the need for sound judgment based on a moral compass.



Point of Convergence

Corporate social responsibility has become a buzz word in Nigeria. Corporate organisations in their attempt to be perceived as responsible, orchestrate corporate philanthropy schemes which are not properly assessed and connected to the immediate or remote needs of their target communities. Neither do they seek a platform for social accountability and sustainability through these interventions.

The primary, though unstated, purpose of these acts of “corporate giving” is to attract publicity and maximise executive networking opportunities. Thus, it is not strange to see a one million naira act of corporate giving being leveraged with paid advertisements and announcements worth ten times the value of what was done.

Usually, there is no attempt to assess the short, medium and long term benefits of the project or the social and environmental impact of the schemes. It appears that implementers of these ventures read the social context upside-down, from the “hallowed” heights of the boardroom as opposed to the “profane” street-level realities of the target audiences.

Corporate governance has been at the centre of business discourse in recent times. This is largely because of the irresponsibility of big corporate organisations in the Western world leading to the mortgage burst, the global credit squeeze and later on, the global recession.

Governments around the globe have been battling to bring this matter, which has caused colossal value attrition and needless hardships, to a halt. The matter seems to have an obtrusive link to corporate responsibility especially as regards decision-making and the selection of options in the profit making process.

Economic Meltdown

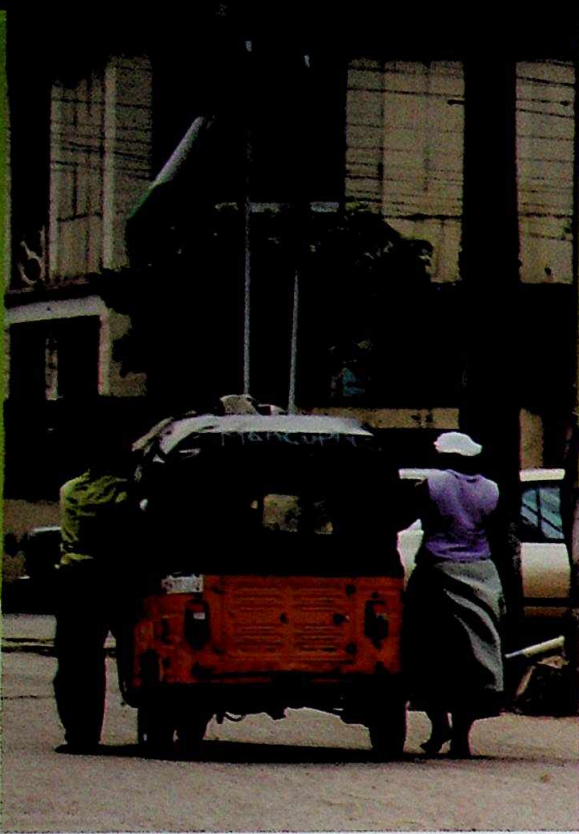
Let us take a look at a few examples from recent history. Leyman Brothers, AIG, Bernard L. Madoff Investment Securities LCC, Washington Mutual, General Motors and Saab Auto-mobile were huge global enterprises which stood tall as icons of business excellence and sustainability.

A post-mortem reveals an alienation from their key constituents. As these companies grew, they gradually became

strangers to the communities they served. The reason for this state is not far-fetched: the bigger an enterprise becomes, the higher its tendency to develop the “conveyor-belt” mentality where everything is mass-produced - from products to processes. Even corporate and business strategies are, in a sense, centralized and distributed globally.

The thinking here is that a winning formula in Shanghai, China will readily work in New Delhi, India and Nairobi, Kenya. The pressure to deliver year-on-year increased return on investment also fuels this “conveyor-belt” mentality.

The major concern here is to ensure a shorter time to market, a bigger pie within the target segment, and a seemingly healthy return within the shortest time possible in order to guarantee all-time premium share-pricing and shareholder confidence. Given this scenario, these organisations pay less attention to the social nexus of their actions and gradually, though unconsciously, they start to lower the bounds of accountability and responsibility .



Alienation

A situation where sub-prime mortgages became a trend because they possessed a money-minting potential without a thought given to the moral foundation and long-term social basis of the profits procured from that sector, speaks volumes of the alienation of the corporate decision maker from the society he serves. For years, these organizations were basically making money at the expense of society. Gradually, like an over-flogged cow, the milk dried up and the mortgage burst happened with dire consequences for business and the larger society.

Still on the global stage, the auto industry's executive excessiveness and the carefree attitude of its unions, who opted for continuous wage increase at the expense of standards, also accounted for the industry's troubles. A situation where executives brazenly acquired corporate jets and expensive pay packages in a

failing enterprise also speaks of the alienation of that industry from the social context within which it operated.

This was unlike the Japanese auto industry model which was more about obtaining cost-savings through more efficient ways of doing things and a better understanding of social expectations - lower energy consumption and environmental friendliness. This model led to the invention of energy efficient and low carbon emission engines and they are currently working on the electric car to eliminate the use of hydro-carbons in car engineering.

While the Japanese were innovating along the lines of social and environmental expectations, the American auto industry was disconnected from the social order and did not understand the statement the American consumer was making by increasing patronage of the Japanese models.

These examples of corporate alienation cumulatively led to the fall of Wall Street and the crash of Detroit leading to the spiralling of the consequences of corporate irresponsibility around the globe. This resulted in grave social and economic dislocation which required the intervention of governments around the world.

The Nigerian Financial Crisis

In Nigeria, a rallying point for the concept of corporate governance has emerged especially in the light of some of the actions already taken by the new governor of the Central Bank of Nigeria to clean up the financial system and make the banking industry more accountable to depositors.

Depositors have long been the victims of bank failure, as opposed to shareholders. The usual industry excuse for indulging in nefarious practices is that corporate decisions are primarily aimed at raising shareholder value. Let us examine the acts of social alienation that led to the near crash of the financial system in Nigeria with grave consequences for the macro-economy.

As the 1990's gradually exited, in came democracy and the opening up of the Nigerian economy to the world via a push for foreign investments and a policy of trade liberalization. And as the gains gradually started to trickle in, another plan for strengthening the financial system and deepening of the Capital Market was also vigorously pursued, leading to the recapitalization and consolidation of the banking industry. Eventually, the number

Depositors expected more responsible decision-making and were hopeful that funds would be channelled to more sustainable enterprises such as power, manufacturing, micro-credits and infrastructural development

of operators within the banking system was reduced from seventy-nine (79) to twenty-five (25) and the capital market was expanded essentially with funding from foreign portfolio investors and margin trading coming from the banking system.

Suddenly, the banks were returning billions of naira in profits and the return on investment from stocks traded on the Nigerian Stock Exchange became very huge and attractive. As such, the Banks continued to throw in depositors' funds on the market without checking their risk appetite through, for instance, sound credit processes, which would have spoken of an industry which cared about the principal source of their wealth - the depositor and the larger society.

Depositors expected more responsible decision-making and were hopeful that funds would be channelled to more sustainable enterprises such as power, manufacturing, micro-credits and infrastructural development. Unfortunately, the banks chose the quick-fix option which guaranteed immediate return to the shareholder. To the shrewd banker, the route to financial Eldorado was the capital market

and petroleum trading! And in keeping with the creed of the greedy, everything that should have been left out was thrown in as expectations of huge returns soared in the market.

Soon the dynamics changed: the foreign portfolio investor began to ravage the market in the wake of the global recession through a crass profit-taking never before envisaged by market players and regulators. As this continued, there was the sudden emergence of a bearish trend on the Nigerian stock exchange.

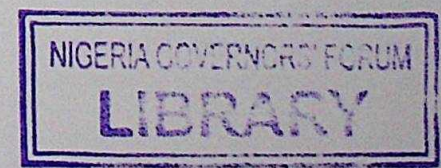
The investor community soon started the flight to safety; running away from the capital market to safer havens. This led to further stress and as the trend spiralled into other sectors, the weakness of the money market and its culpability in the whole process soon came to the fore as banks started to witness a regime of liquidity squeeze leading to the inability of banks to meet obligations to depositors.

Faced with the imminent collapse of the sector, the then Central Bank Governor, Chukwuma Soludo, the man credited with laying the

foundations for a more solid and stronger financial system, was unable to proffer a solution. A radical in the person of Lamido Sanusi, an insider, soon emerged as the new Governor of the Central Bank of Nigeria.

Sanusi started by bailing out the failing banks, removing the Boards and Management of the bailed-out banks and appointing interim managements to oversee these banks while compelling the entire industry to rethink their business strategies. This led to a regime of downsizing with its attendant negative side-effects; again, laid-off workers were made to suffer for the corporate recklessness and irresponsibility of a few.

From the foregoing, it is evident that corporate social responsibility and corporate governance, far from being strange bad-fellows, seem to have some curious linkages and where these linkages and dynamics are properly understood and calibrated in the decision making process, we see that a sustainable enterprise emerges.





The Goldman Sachs Case Study

Goldman Sachs has arguably been one of the most successful firms on Wall Street for decades, with some of the world's biggest private equity and hedge funds. The bank, like the rest of Wall Street, went through rough patches in 2008 when the financial markets crashed.

It turned into a commercial bank and survived the meltdown with federal assistance. In 2009, it led Wall Street's resurgence and was the first to seek to pay back its bailout money. However, its business practices and source of profits came under scrutiny from society. And in April 2010, the bank was charged with securities fraud in a suit brought by the American Securities and Exchange Commission.

The move to unearth the supposedly unhealthy practices of Goldman Sachs was praised by "Main Street" as it marked the first time that a regulator had taken action against a Wall Street deal. The regulator moved in on this case because it was alleged that Goldman Sachs profited by betting against the very mortgage investments that it sold to its customers. The regulator was looking at corporate governance

principles; which was an obvious deviation from the norm.

At the start of the Subprime Mortgage crisis, analysts had enthused that Goldman Sachs was in the best position to weather the storm, and the bank had in keeping with analyst forecasts, lived up to the billing. But in tune with the need for businesses not only to do the right things but to be seen to be doing good, the prying eye of the regulator and other interested parties had put the activities of the bank under the searchlight for the following reasons:

In 2007, when Citigroup and Merrill Lynch removed their chief executives for sloppy performance, Goldman Sachs recorded good profits and paid its chief Executive, Lloyd C. Blankfein, 68.7 million dollars — the most ever for a Wall Street chief executive officer. This raised suspicion as to where value was coming from for Goldman Sachs in a market witnessing a down-turn.

By September of 2008, the bank also reported a decent, though reduced, profit for the third quarter, beating expectations. Again, this fuelled suspicion as to the root of its gains.

The Lesson

The issue here is not that it is bad for a company to consistently record growth in a downturn; what the opposition camp was harping on was that it is better for the profits to be based on good fundamentals underscored by sound corporate governance principles which would have shown Goldman Sachs as a social enterprise committed to the long term good of society.

Furthermore, the opposition camp was able to establish that the activities of the bank were really against the public good. With more revelations still coming out, the argument as to the place of business in society has continued in public and corporate circles especially as regards the role of Goldman Sachs in the Greek Credit Crisis and the issue of securities fraud.

So what went wrong? In an endeavour to survive the hard times, were decisions taken that went against the grain of corporate ethics? While Goldman Sachs continues to have a host of satisfied customers who are champions of the values of Goldman Sachs, the bank's claim that it puts its

customers first is hotly contested by the opposition camp.

It is instructive that Goldman does have written codes of corporate responsibility and governance. However the extent to which this is followed in taking business decisions is questionable. For Example Goldman Sachs staff are told to follow 14 principles that outline the firm's best practices. "Our clients' interests always come first" is principle No. 1. The 14th principle is: "Integrity and honesty are at the heart of our business."

It is important not only to have sound responsibility and governance principles on paper, but to adhere strictly to these principles in taking business decisions. No single victory can be sustainable if procured at the expense of society.

Quoting from a study conducted on the convergence of corporate social responsibility and corporate governance (sponsored by the Canadian Government) and conducted by Strandberg Consulting:

corporate governance reform efforts of the past decade have bumped into decade-old efforts to mainstream social and environment responsibility

of corporations and a growing awareness that firms' off balance sheet environmental and social impacts can have tangible financial consequences. This encounter has fueled a debate regarding the degree and nature of convergence between corporate governance and corporate social responsibility.

The study shows clearly the linkage between corporate social responsibility and corporate governance in deepening relationships with the community, fostering business continuity and sustainability as well as furthering organizational success. While these facts cannot be contested, especially looking at the Goldman Sachs example as a case-study, there is nonetheless a divergence of views as to the path to attaining this convergence.


Values and Operations

The values school says ethical considerations in business decision-making are critical to fostering community connection and cooperation in the wealth creation process. It postulates that good governance is primarily about values rather than rules. If good governance flows from values, it becomes

part of the corporate subconscious and guides business decision making and consequently, corporate social responsibility becomes an external expression of those values. It further emphasizes that corporate governance has gone beyond the traditional core governance functions to incorporate the values dimension. The critical task here being to first determine what kind of corporate citizen the company seeks to be with corporate social responsibility as a part of that exercise.

According to this group, there is an emerging paradigm of governance that perceives corporate social responsibility and corporate governance to be one and the same at the level of values: an ethical strand joining governance with CSR thinking. The values school of thought states that governance must have an ethical backbone for it to connect with the internal and external stakeholder.

It concludes that if governance and responsibility are taken as operational considerations and not values based, the organisation runs the risk of being technically compliant but not morally so; and given the



need to foster deep connections at the moral level, a lot of reputational capital may be lost.

The operations school posits that corporate social responsibility is only connected to corporate governance at the operational risk level. According to this school, corporate social responsibility is an operational risk issue.

It submits that while corporate governance is now defined in a way that includes risk management, with corporate social responsibility, one is looking at social and environmental risks. To this school, these operational risk points define the convergence of corporate responsibility and corporate governance.

Conclusion

It is germane to emphasize that a crisis of values and operational calamities of micro and macro dimension will continue to reign until CSR and governance issues

enjoy pride of place in business thought and leadership. A United Nations Global Compact 2004 report titled *Who Cares Wins – Connecting Financial Markets to a Changing World*, concludes that:

In a more globalized, interconnected and competitive world, the way that environmental, social and corporate governance issues are managed is part of companies' overall management quality needed to compete successfully. Companies that perform better with regard to these issues can increase shareholder value by, for example, properly managing risks, anticipating regulatory action or accessing new markets while at the same time contributing to the sustainable development of the societies in which they operate. Moreover these issues can have a strong impact on reputation and brands, an increasingly important part of company value

It is clear that the dislocations observed in the global economy in recent history which have called into question the place of capitalism in guaranteeing global peace and prosperity, would not have happened if corporations had recognized the important linkages between corporate responsibility and corporate governance; and had placed these two concepts in the position they deserved in the decision making and wealth creation process.

The lack of understanding of how social and environmental factors shape business outcomes and affect organizational success has caused many corporations to fall. Until efforts are made to bridge this gap, the recent measures taken by the Group of Twenty nations (G20) and the Group of Eight nations (G8) to halt the current cycle of global recession and depression may indeed be an effort in futility.

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Making the Most of a Corporate Responsibility Framework

Oluwasoromidayo George

Whilst the concept of Corporate Social Responsibility (CSR) differs in definition and application all around the world, it remains a constant reality that businesses everywhere do have social responsibilities which cannot be ignored.

The complexity in definition is often derived from existing needs within specific operating environments. Therefore, if for example, Nigeria has a huge need to be filled in a particular area where corporate existence or accountability has been found wanting, it simply makes sense for majority of the stakeholders living in that community to expect businesses to seek to fill that perceived or existing gap.

A business manufactures a product or provides a service for consumption or use by human-beings. Sometimes the product or service may be for something indirectly related, such as ensuring that the ecosystems are in order or that marine life is preserved; whatever be the case, whether directly or indirectly it affects the social sphere in which man exists. Whilst this is related to the production, manufacturing, processes or systems of a business entity, other areas such as labour issues, economic interactions,

emissions etc are also business related issues that affect social life.

It is, therefore, obvious that businesses do not operate independent of social life; they invariably affect or are affected by different dimensions of social life. Whilst there is a lot of emphasis on CSR as philanthropy, looking at all the definitions available globally, especially in the United States and Europe, CSR activities fall into three broad categories : Philanthropy which is usually considered as base and voluntary, Risk Management which is stakeholder led (understanding what stakeholders are saying, listening to their concerns and deciding what can or can't be done) and lastly, Innovation which is a consequence of knowing what to do to ensure existing concerns are addressed.

How does this apply to us in Nigeria? Embedding the three pillars of CSR, integrating CSR into the business means that businesses can actively begin to contribute to socioeconomic development and have positive impact on bottom-line whilst simultaneously embracing sustainability or stakeholder concerns.

Therefore, we can have well developed labour capital by understanding what labour needs in a particular business and seeing how they can be supported to develop in a way that they can assist the business to compete not only on a local basis but also globally. We can quickly begin to understand consumer concerns, see where governance is lacking and where gaps exist between the business' way of working and what stakeholders see and expect. Understanding consumer concerns means seeing where product lines or services can be further enhanced or redesigned.

Embedding this simply means that we can contribute more to social, environmental and economic development. And importantly, we can impact our bottom line more than we would with the philanthropic definition of CSR. Stakeholder involvement in this regard helps us to innovate, differentiate and offer more consumer-centric products and services than we would normally do.

Oluwasoromidayo George is Area Head of CSR and Internal Communications, BAT West Africa Area



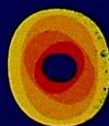
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Green Business: Challenges and Gains for the 21st Century Corporation

By Jude Sylvester

Introduction

Perhaps it was inevitable that 'Going Green' would become the destination of first choice for policy makers and corporate executives in the 21st century. We are already experiencing extreme weather patterns and other phenomena that are wreaking havoc and impeding the normal ebb and flow of human activities - earthquakes, floods, disrupted flight schedules that imprison travellers for weeks in strange airports, abnormally thick inches of snow that disrupt power supply, communication equipment and the lifestyles of several 'upwardly mobile' executives.

Leading the Green Business charge has been the governments of the world's most powerful economies. Climate change summits have become the order of the day in the last decade from Kyoto to Copenhagen. More than ever before, issues pertaining to environmental sustainability and how it affects the bottom-line are beginning to shape boardroom discussions, driving budget debates while providing one more competitive edge for businesses who attempt to go one step better.



To attempt a definition, the business of 'Greenery' encapsulates all the practices an organisation employs to ensure that it does not harm the environment in which the organisation operates. It means doing business in an environment and leaving it in a condition that enables future generations to also function optimally. Green Business entails a slew of sustainable and safe environmental practices including recycling, tree-planting

, adhering to green building standards, turning off appliances when not in use and reducing carbon emissions from an organisation's daily operations.

A Historical Overview

Most of man's daily activities have always left negative imprints on the environment. But pollution on a large scale from businesses became a cause for concern in the 1960s as several firms sought ways to control pollution.



In 1970, the US Environmental Protection Agency was created, followed by several laws in the United States (US) and other countries that for the first time provided legal teeth to the fight against air and water pollution. What followed was the development of skilled manpower to monitor and control emissions sufficiently to comply with these mandates.

At this point, companies were rethinking processes and management systems that could reduce wastes and costs. In the 1990s, a desire to measure and manage all forms of emissions during the production process led to the creation of environmental management systems and the ISO 14001—a set of baseline rules promulgated by the International Standard Organisation to guide companies.

Environmental protection issues became fully entrenched in management lexicon as top level management devised ways of entrenching safer practices. The paradigm shift from looking at the environment as just another part of the ecosystem to making it one of the retool kits for corporations willing to stay in business had come full circle by the time former Vice President of the United

States, Al Gore, cast more light on the perils of global warming in his Oscar Award winning documentary *An Inconvenient truth*.

The word 'Sustainability' became more than a buzzword and found its way into files labelled "high priority" or "urgent". The knowledge that there is a correlation between the environment, people and profit gave life to the triple bottom-line mantra of people, profits and planet. This has become the main driver of sustainable environmental practice globally.

Going Green is not just mainstream, it has become the norm rather than the exception.

Green Business in Practice

A few years ago, it may have been almost laughable to envision top level management cadre and members of staff of an organisation bedecked in green T-shirts emblazoned with the words: 'Protect our Environment' or for that matter, armed with spades, watering cans and garden forks; planting flowers and trees around their business premises.

In Lagos, Southwest Nigeria the above scenario may not appear far-fetched anymore, as many financial institutions have jumped on the state government's environmental sustainability bandwagon, planting and grooming trees on several major streets with huge banners declaring the name of the organization responsible. Other organisations like Coca-Cola and FCMB are re-cycling waste products and limiting carbon emissions.

Shell Petroleum Development Company of Nigeria Limited has since flagged off its model solar powered schemes in many communities of the Niger Delta including Umuokwa, Okoche and Umuometa. The oil giant's reticulated and neighbourhood water schemes in the aforementioned Niger Delta communities have brought clean water sources closer to the communities who need these without relying on electricity or generators.

Long before its reputation was sullied by a myriad 'floor mats' and 'unintended acceleration' complaints that necessitated recall of most of its car brands, once leading car manufacturer, Toyota, reportedly sold more

than one million hybrid cars worldwide between December 1997 and May 2007; including the iconic Prius and the newer hybrid Camry. Hybrid cars are gasoline burning machines that utilize electric bits to collect and reuse energy that normally goes to waste in standard cars. By re-inventing and applying the hybrid technology in producing state of the art cars, Toyota added 'environmentally friendly' to its world renowned attributes of 'Reliability' and 'Quality'. No doubt, these factors played a role in seeing the Brand dethrone the now infamous Detroit 'Big Three' to emerge the world's highest selling automobile company.

Du Pont, the giant chemical producer that was once considered in the league of America's worst with regard to industrial pollution declared in 2008 that it had saved \$3 billion from a near two-decade effort to reduce carbon emissions. Not surprisingly the company is pushing for even more cuts. Both FedEx Corp and UPS (the leading courier brands) have made some investments in vehicles that run at least partly on alternative fuels as they strive to cut down dependence on fossil fuels over the long term.

Companies like Starbucks, Nike, General Electric and McDonald's have developed tools to track and measure the impact of their operations on global warming while also setting goals to reduce energy use. They also provide easy to access information about their efforts to address environmental issues.

Guinness Nigeria PLC has a modern effluent treatment and water recycling plant embedded in its daily production processes at its Ogba, Lagos brewery in Nigeria. The goal of the organisation is to make its 'zero harm' policy to both environment and employees, a realisable corporate goal.

The Goldman Sachs group - the global investment banking and securities firm - now applies environment-friendly criteria in awarding loans to applicants. It in turn provides institutional investors with information about the company's environmental and social practices. The Finnish phone maker, Nokia, now has a recycling notice on most of its phone packs directing the purchaser to a website where information on its phone recycling initiatives are available.

Carbon Trades, Green Buildings

For corporations, the overarching objective of Going Green is to reduce carbon emissions, save energy and costs while positively impacting the bottom-line. The same is true for governments. The Kyoto Protocol (a protocol on the United Nations' Framework Convention on Climate Change (UNFCCC) which was adopted on December 11, 1997 and which as at November 2009 had been signed and ratified by 187 states), submits to a legally binding agreement to meet a pledged emissions target by 2012.

The protocol allows for several flexible mechanisms, including carbon trading. Here, the industrialized nations of the world retain the rights to buy and sell carbon based on the permits possessed by one party.

One industrialized nation for which emissions-reduction is a daunting task could buy the emissions from another nation whose industries do not produce as much green house gases. The carbon trade is in force in some European nations while in the US steps are still underway to pass same in congress in what is called 'Cap and Trade'.

Most of the developed world is looking at ways to reduce emission of Greenhouse Gases, by focusing on renewable or alternative energy sources. Renewable Energy sources are naturally occurring energy sources like those from rain, wind, sun, water and geothermal heat. Renewable energy sources, like solar energy derived from the sun, ensure less energy is used while reducing environmental hazards.

The United States is looking at breaking its country's reliance on oil and has since commenced research on cleaner energy sources. The Lagos State Government's solar-powered street lights initiative is another example of the use of cleaner energy. Many organisations however cite the high cost of investing in solar energy and maintaining same as a huge turn-off.

Some organisations are constructing Green Buildings—more environment-friendly structures that are constructed with energy-saving capability. Green buildings are essentially buildings in which less space and less material are used. Some of these are manufacturing plants assembled on site. The buildings are continuously improved upon to achieve carbon neutrality.

In a generator-driven economy like Nigeria, the idea of Green Buildings may appear esoteric and unachievable. Here, the manufacturing, communications and other crucial sectors are forced to depend permanently on noisy and gas-guzzling Japanese and Chinese generators all day and night. Nevertheless, even within this stifling setting, some forward-looking companies are putting structures in place to make their operations more environment-friendly.

The Bottom-line

In today's competitive marketplace where perception is everything, consumers are becoming more informed and looking for firms that show some measure of concern for the environment. Green businesses are also fast becoming the newest fad as product packs are inundated with information on the 'environmentally' friendly production processes.

Green Business, as shown earlier, means there is a conscious effort to save energy during production and business processes. There are also the additional benefits of improved market share for adherents of Green production. One cannot also overlook the fact that Greening will eliminate

risks associated with use of fossil fuels which have the tendency to spike in price or become more heavily regulated.

Computer manufacturers; Dell and Hewlett Packard are encouraging more recycling amid mounting concerns about the effects of dumping electronics and their accompanying toxic contents into landfills. MacDonald's has seen patronage hit unbelievable heights since it churned out a host of green initiatives at all its major outlets.

On the contrary, oil extractive industries whose spillages have affected the ecosystem negatively over the years have been on the receiving end of public odium and outrage and plummeting share prices. British Petroleum's brand value took a tumble not least for its exploded oil pipelines which have affected marine and human life adversely in the Gulf of Mexico.

Energy Giant, General Electric, has since diversified its operations to include the design and manufacture of wind turbines—a cleaner energy source. More corporations are also experimenting with Biotechnology—where living



organisms like bacteria, yeast and other micro-organisms are employed in bio-remediation; cleaning up oil spill sites and combating waste at huge dump-sites. Across the Atlantic, the mass production of electric cars looks more feasible than it was decades ago.

Green is becoming the smarter way to do business. In a planet where pollution levels and accompanying predictions sound more like doomsday prophecies, 21st century corporations who incorporate green business strategies into their operations may possess the ace others do not.

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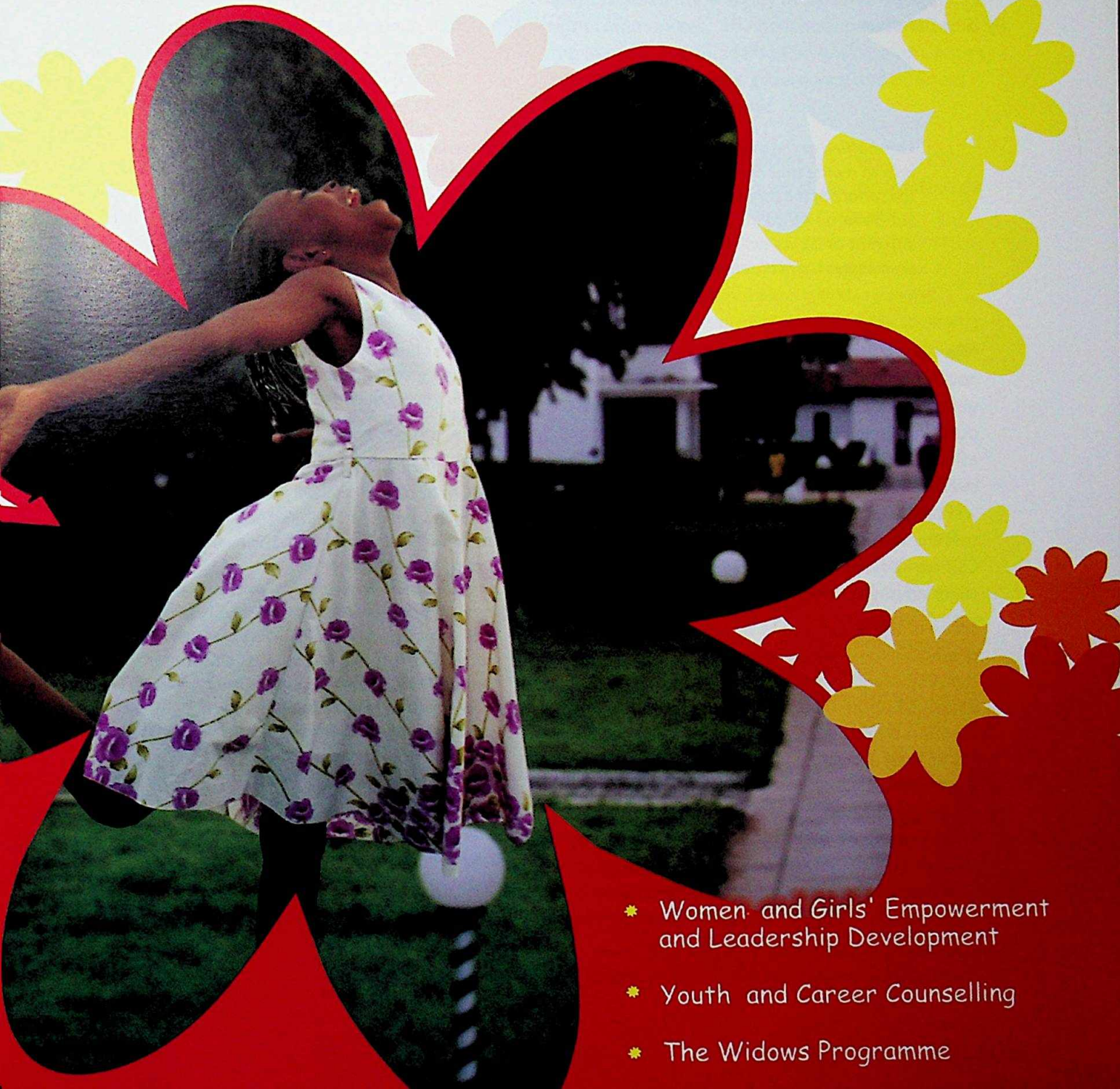


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Making Sense of Corporate Social Responsibility: A Blogger's Notebook

By 'Seyi Olanihun

I am baffled at the manner in which CSR is practiced in Nigeria. I did a little research on it last year only to realize that most companies (even the ones with the big brand names) are only scratching the surface of the concept. But this is not only common in Nigeria. Developing countries especially in Sub-Saharan Africa are guilty of this as well. In developed countries, the practice of CSR is totally different as it's an embodiment of all the business stakeholders – shareholders, local community, environment, and the employees of the business. – GYO (15th June).

Nigerians know what they want companies to cover in their CSR portfolio and they are equally quite aware about how various companies are pursuing their CSR agenda. But are corporations effectively engaging with their stakeholders? The average Nigerian is intelligent and streetwise; it will take a lot to pull the wool over their eyes! To test the waters around CSR issues, an article on CSR was posted online on 234Next, a popular Nigerian newspaper.

Some of the responses to the blog post are presented here. Respondents expressed the view that CSR practice in the country can be greatly improved upon. The popular view is that Nigerian brands largely use CSR as a PR tool to foster *their* individual agenda. GYO had this to say;

'It's high time they stopped killing two birds with one stone in the name of CSR. PR ought to be separated from CSR as the overlapping of these two concepts by business organizations distorts the truth. This creates the image of poor corporate governance in the global

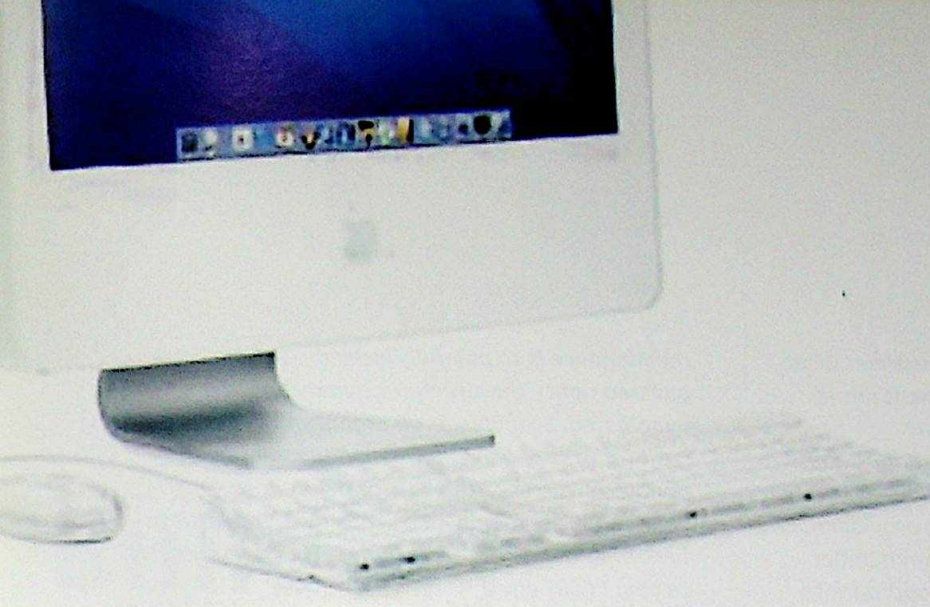
business environment; consequently hindering both economic and industrial growth in the country.' – [GYO 15th June]

Ayo in response to GYO's comments sheds new light on the discussion:

'PR, to be separated from CSR? Businesses sensibly; and quite rightly so, put their money where their mouth is. However, you are right that both indigenous and foreign businesses in Africa should demonstrate responsibility for up-keep of the processes and immediate physical environment - the totality of their operations. But I do not think companies should dictate the nature of, or how they are going to demonstrate corporate responsibility in the local communities.

That should be the prerogative of the communities, because they [community members] know their own communities best and therefore, the needs of the communities. Moreover, if you leave that decision to the companies, they would simply decide on projects that best serve their PR purposes.'

[Ayo, 15th June).



Companies are created to make profits for their investors and others. The ability to conduct their business profitably and still add value to host communities is the essence of CSR. The impact of operational processes on people, communities and the environment is of grave concern to the peoples of the world today.

Maintaining a balance and going beyond just trying to make their companies look good and actually making a difference is what people in Nigeria and globally are demanding.

Muhammad (a CSR practitioner in Indonesia) had this to say about the situation in his corner of the world.

'As I cited from Coulter (2007), Global Expectations of Companies, most people in developing countries still expect that companies give or contribute to the community, especially in the areas of social investment - for example philanthropic and community development programmes. Indeed, social investment is strategic CSR ... especially in developing countries, including my home country, Indonesia.

Social investment strategy is part of a whole set of commitments from corporate organisations to also contribute to achieving sustainable development goals (through deployment of CSR). In CSR studies, there are many other issues that corporations have to manage, due to the impact of their operations.

If we're looking to CSR international guidelines, e.g. ISO 26000 and Global Reporting Initiative, we will see that companies will face a number of challenges to meet CSR commitments. These include: managing of environmental impact, labour welfare, encouraging the supply chain to also act within acceptable standards, comprehensive stakeholder mapping and war against corruption... [Muhammad Endro Sampurna, Indonesia, 15th June).

It is a well known fact that corporate responsibility and sustainability embody more than engagement with communities. The holistic approach includes the internal stakeholders of an organisation, issues surrounding corporate governance and business ethics. GYO notes below:

'But for developed countries, the practice of CSR is totally different as it covers all the stakeholders of a business – shareholders, local community, environment, and the employees of the business. It is also a management function and the issue of corporate governance plays a vital role in the formulation of strategies in line with the company's vision and objectives, the implementation of such CSR strategies and institutionalisation of ethical business standards in all the activities of the organisation.

So while Nigerian companies build Infrastructure in a local community, or decide to refurbish an old government school, or give out scholarships and have a 2-page spread in Saturday ThisDay or Guardian newspaper for us to see (all in the name of CSR), you rarely read what is being done in terms of good employee relations, the ethical practice of the company, or their efforts towards environmental sustainability. More needs to be done by corporate organizations in these other areas.

The question of whether to regulate CSR or not is in the centre of ongoing debates about CSR in Nigeria. Many are asking, how do we domesticate it, how do we make it work for us in our peculiar context while ensuring that international standards of practice are also met? Says Mos:

True, CSR is not practiced or implemented as it should be in a number of countries, but must companies in

Nigeria carry on in the same manner? I wonder what guidelines or specifications the government has in place to determine what gets done by the companies. It's my opinion that these organisations should be made by whatever means will be practicable, to channel their efforts into providing services which will be dictated by the communities and of course checked for relevance by appropriate government agencies. That way sustainable development of the community is better achieved and short-term "PR" boosting projects are eliminated. – Mos (17th June).

Undoubtedly, once you begin to ruminate on the concept of CSR, its meaning and what it embodies, you inevitably have to confront the wall of sustainability. One common thread that runs through most arguments is the need to drive community ownership of projects. Seyi A. comments on the sustainability angle

'You would be shocked to find out how few companies practice sustainability. It's a very easy proposition - do not embark on projects that do not have a lasting effect or legacy, period!! To be honest it's not that straightforward, but the principle is - and organizations need to ask themselves the simple question every time they embark on a project – is it sustainable? The particular reason why 'structures' are not sustainable in Nigeria is the age-old lack of 'maintenance culture' problem.

The organisation providing the structure (which we call the donor in quote) is just that, 'a donor'. The maintenance of the structure is usually left to the recipient organization. In a society where

maintenance is so painfully lacking... so you guessed right - the structures quickly become dilapidated. So if you, as an organization cannot craft (or afford) a long term plan to maintain a donated structure - think twice before throwing your corporate money at a project with no lasting benefit to the recipient stakeholders and ultimately to your "CSR" effort. [Seyi A., 16th June]

So where does this leave us? It is clear that the people are saying a capital 'NO' to "PR" campaigns that are clothed in the apparel of CSR. They are saying, if there are no long-term benefits or some level of benefit to the stakeholder, do not even go there. Don't bother. So if you are donating a few chairs and desks to the local primary school (we sure hope the quality is right!); that is good enough but please do not take out the centrespread of a national daily to announce this good work! Apparently, stakeholders are interested in knowing more about how 'good' you are in the way that you run your business.

Are your products of good quality? Can your operations stand the test of scrutiny? What about the operations of your supply chain? Are you contaminating our air and drinking sources and in return you offer scholarships to ten primary school students? Are you treating your employees right in terms of wages, safe and healthy working conditions and benefits? Remember that you can fool some of the people some of the time but you cannot fool all of the people all of the time – Big Brother's out to get you.



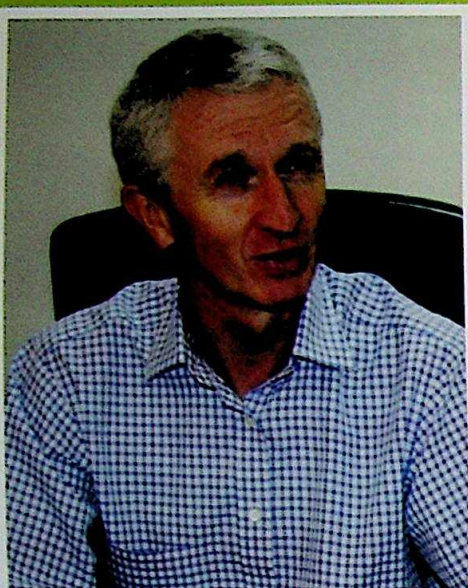
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“We Believe That There Is Nothing More Important Than Education”

Steve Evans, MD/CEO Etisalat

For Etisalat, CSR means taking our place in the society in which we depend for our living and making sure that what we do is positive for all of our stakeholders in that society. Clearly, we have a strong dependency and a strong duty to our shareholders but at the same time we also have an equally strong, perhaps not quite so contractual, relationship with the other stakeholders who are our employees and also the community in which we operate.

We set aside a certain amount of funds that we invest back into the community; this does not necessarily have to give us any direct benefit whatsoever. The challenge is, amongst the plethora of opportunities, which are the ones you will choose? There are organizations who will like to get some support from us; but clearly, we cannot support all of these organizations. We try to see what makes sense for us to support - that is where the issue of sustainability comes into it. We have to also have some sort of strategy to guide us in terms of things that we are going to support.

Corporate Strategy

The strategy we have adopted has been driven very much by Etisalat in Nigeria, as opposed to Etisalat at a Group level. As we move forward, we are careful to liaise with the Group to make sure that what we are investing in, is consistent with the Groups overall values, objectives and what the Group considers reasonable. So far, there is an overriding focus on education in terms of where we choose to invest. We believe that there is nothing more important than education. We are doing some things in the health and environment sectors as well. But essentially, we are quite focused on education.

We will be supporting three hundred scholarships this year in three main subject areas- information technology, business management and electrical electronics engineering. We are also supporting a number of educational initiatives such as the Adopt A School initiative of the Lagos State Government. We are supporting three schools where we are helping to build or rebuild parts of the schools.

To be honest, all of that is being done without us being a profitable business yet because we are still very much at the early stage of our development. We felt that we needed to start our CSR strategy early and then build it up over a period of time.

So far, there is an overriding focus on education in terms of where we choose to invest. We believe that there is nothing more important than education. We are doing some things in the health and environment sectors as well. But essentially, we are quite focused on education.

We look at the different environments in which we operate because the needs may be greater or lesser in different countries. For example the U.A.E is probably well endowed in terms of schools and quality of school buildings and various other things like that, whereas here in Nigeria, clearly there is a need in some of the schools. So, there are some differences which exist between countries. Thus, you cannot apply a one-size-fits-all strategy.

Sustainability

It is very important that everything that we do is sustainable. So, if we construct school buildings for a school on Lagos Island, the buildings are going to stand a long time after our engagement ceases and therefore that intervention is a sustainable intervention. If we brought in a very sophisticated piece of equipment which required enormous support from computer manufacturers or service providers and then two or three years later, we moved on in our CSR strategy and we ceased to support that particular service provider that was supporting that sophisticated equipment, the chances are that if we go back a year later or 15 months later, we will find that it has fallen into disrepair; probably because nobody could pay for the maintenance contract on that equipment. So, whatever you do, you have to ask yourself, 'is this going to be a lasting endowment?'

What you are doing should benefit both the shareholders and stakeholders. If you are doing something which is not benefiting some of the stakeholders but it is benefitting the shareholders, you probably have an unsustainable model or unsustainable strategy. So I do not see the two

categories as being in conflict; clearly we have to generate returns for our shareholders because they have supplied the capital to actually allow us to set up the business through which we can then do something meaningful for society. There are our employees and there is the society in the broader sense in which we operate including governments, local governments and various other groups.

At Etisalat, we are careful in the way we design our pricing policies. I always have utmost in my mind transparency and clarity. We do not construct the price in a way that misleads the customer. We need to respect the communities in terms of where we build our base stations. For example, we ensure that the exhaust pipes from the generators are not positioned in a way that will lead to pollution in the households around our base stations.

Beneficiaries

Generally speaking, a lot of our efforts are focused on the bottom of the social pyramid. However, we have one particular initiative with Lagos Business School (LBS) where we are targeting the top of the social pyramid. We have sponsored the CSR Unit there. We seek to influence CEO's and senior managers of business as well as policy makers so that CSR remains on the agenda of any reasonably sized business in Nigeria. Hopefully, everybody who goes through training in LBS, will have as part of their course a CSR unit. I hope that over the five or six year-period that we are committed to supporting the LBS, we will have more people across all the corporations operating here in Nigeria who are trained and aware of CSR.

Twenty five million naira a year for five years is what we are investing in the CSR centre. It's a reasonable

Our social contract with Nigerians: we see ourselves here for a long time. We have a license for fifteen years and hopefully it will be for twenty years, twenty five years and more. Our contract in many ways with Nigeria is around helping to facilitate the development of the economy. Telecommunications is an enormous facilitator of the economy and I think we have a fantastic chance because ultimately the availability of broadband is a very important facilitator.

sum of money at the end of the day. Like I mentioned at the opening of the CSR centre, we are not just going to make the investment and then walk away from it. We need to maintain our projects and make sure that we are getting value for money. I think more importantly that we must make sure Nigeria is getting value for money from that investment that we have made.

Partnerships

Perhaps, this is where private-public partnerships can come in. If a public organization has a partnership with a private organization, quite often the private organization will have a certain approach or capability in terms of the way it approaches the project - just the same way we would approach building one thousand cell sites in a year or two as we roll out our network. If we are working in close proximity with public entities, perhaps some of that sort of professionalism will rub off on the public organization as well. When you hear somebody like Governor Fashola speaking about private-public partnerships, you can see that is the way that he wants to go.

However, I agree with the argument that private businesses should not be made responsible for everything that happens in terms of development. Clearly, there cannot be a substitute for the government. The government's role is to be the driver of development. What we can do is help facilitate that in a positive way. For private businesses like ours, the main way we contribute to development is to remain profitable and pay our taxes.

Responsibility

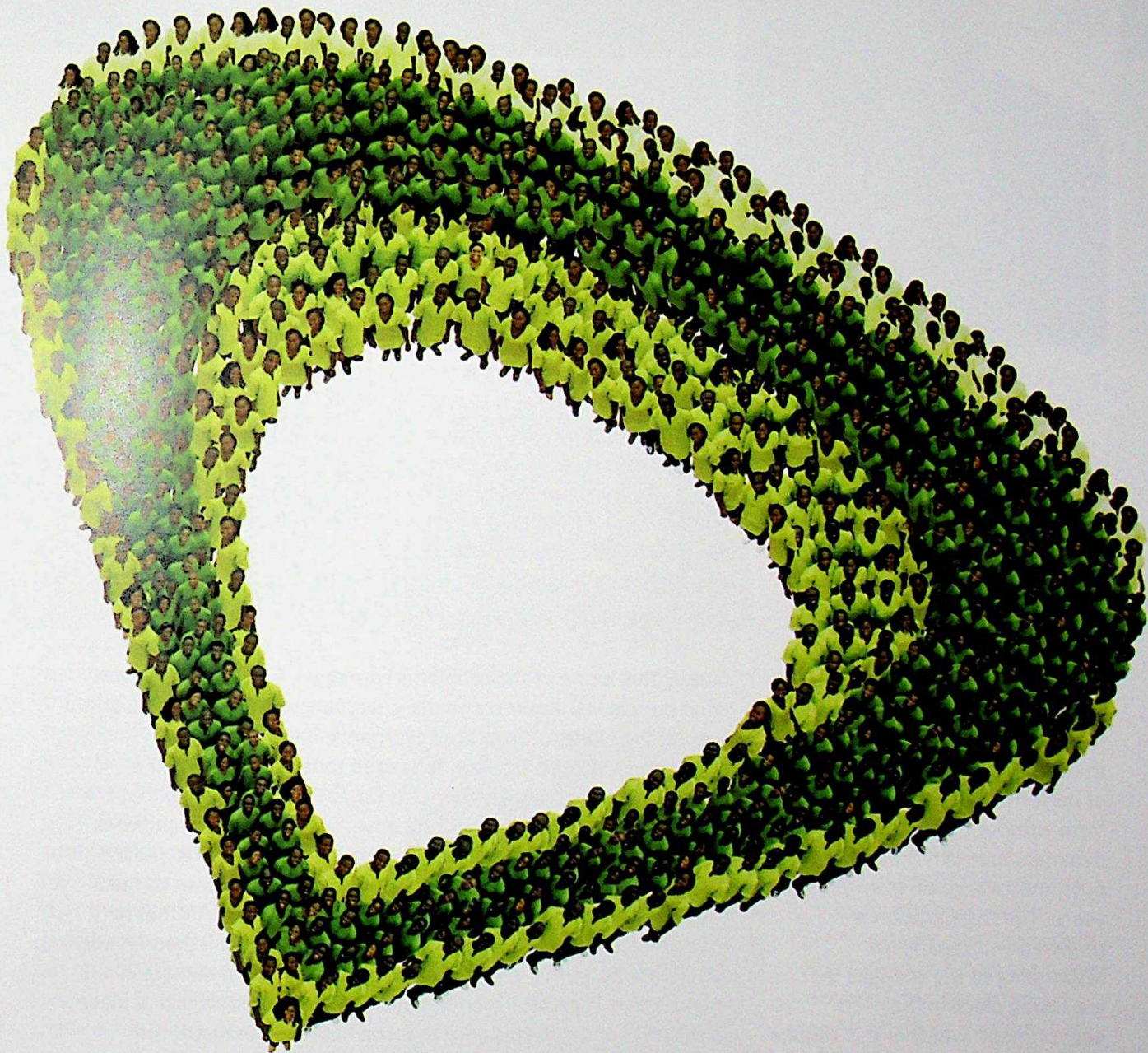
You have to look quite carefully at where you site your base stations. How close are they to houses?

Are your generators soundproof and the exhaust fumes released in a way that ensures there is no danger of pollution? Have you got some form of protection against diesel spillages into ground water? There are different requirements which we have to meet nowadays and we are very careful to adhere to these requirements. What happens sometimes when you are expanding a network very fast is that somewhere along the line, there is a cell site which does not meet the standards. We try to rectify that. We have on some occasions here in Nigeria found that we have done something that we should not have done. We have had to take the cell site down. In some situations, we have had to actually take the tower down and to clear the site. So we are quite conscious of our own public responsibilities.

Our social contract with Nigerians: we see ourselves here for a long time. We have a license for fifteen years and hopefully it will be for twenty years, twenty five years and more. Our contract in many ways with Nigeria is around helping to facilitate the development of the economy. Telecommunications is an enormous facilitator of the economy and I think we have a fantastic chance because ultimately the availability of broadband is a very important facilitator. Originally, it was just about being able to make calls. Now this has developed in most countries of the world into having ready and widespread availability of broadband connectivity - it is key to a country's development.

In Nigeria, the onus is heavy on the mobile companies to go beyond just voice and telephony and to be the agents of change as far as broadband availability is concerned; that is in the sense of facilitating widespread availability of broadband at low cost.

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“The Ultimate Competitive Tool Is Corporate Culture”

Pat Utomi, Director, Lagos Business School

Now if the rate of learning, adaptation and action in an organization does not equal or exceed the pace of change in the environment, the organization is progressively becoming a dinosaur

Sustainability

The concept of sustainability is fairly simple, it's about being able to continue at an acceptable level of performance without support from without (that is internal dynamics are such that acceptable outcomes will go on from year to year). The Organisation is renewed and capable of responding to the changes that are taking place in the environment: whether it is climate change, social trends or whatever the dynamic or changes are.

Now if the rate of learning, adaptation and action in an organization does not equal or exceed the pace of change in the environment, the organization is progressively becoming a dinosaur.

Clearly this is one of the problems I am really facing, dealing with what people say about corporate governance today in Nigeria and around the world. Corporate governance has a number of dimensions. What is being emphasized today in Nigeria is the policeman role of management. As far as I am concerned, that is a very limited essence of corporate governance. You have auditors; internal and external to help provide the policeman role. At the heart of corporate governance is the ability of the Board to read the 'tea leaves' of change in the environment, interpret that to management to help them structure strategy that will then enable sustainability. In this way, the organization will learn and act in a manner that is greater than the pace of change that is taking place in the environment. It is here that the heart of the matter of governance in my opinion exists.

Unfortunately, with all the things going on in the Central Bank, people wonder why the Boards of affected banks did not catch those managers that stole. If you are going to catch a thieving manager, you need a policeman, somebody trained, a real detective to start the chase. The Board does not chase after thieves; rather, they put in place the principles that will prevent that from happening.

Their big contribution to management, in my view, was making the point that the ultimate competitive tool is corporate culture - the values of an organization built up over the years; those values where they have established that 'we exist to do more than just make financial profit'.

Sustainability is the key; how do Boards ensure that general practices can sustain the organization especially in terms of interpreting the environment and bringing it to bear on strategy. Clearly it does include ensuring that the policing tools are used to ensure faithfulness and accountability to all stakeholders. This can be managed with serious auditing and regulation. But for me, that is not the key challenge of sustainability.

Corporate Culture

Culture (the values of an enterprise) is what provides for that sustainability that we are talking about. In 1994 I think it was, James Collins and Jerry Porras published their famous book *Built to Last*. Their big contribution to management, in my view, was making the point that the ultimate competitive tool is corporate culture - the values of an organization built up over the years; those values where they have established that 'we exist to do more than just make financial profit'. We exist to respond to the expectations of a broad group of stakeholders who include our customers, the community in which we are located and our staff.

If you do good and your heart says you must always do good and you keep doing good, ordinarily it should show. But it's not always that it shows and so you need to show that you are doing good. Showing that you are doing good builds you goodwill and goodwill is a tangible commodity that can add to your ability to achieve all your goals. It is about suggesting programmes to the firm that enables it to do good and then communicating that process of doing good so that people will see that you are doing good.

Showing that you are doing good builds you goodwill and goodwill is a tangible commodity that can add to your ability to achieve all your goals

CSR

One of my favorite illustrations of CSR in terms of it being something innate in a firm which must be communicated comes from the Tylenol poisonings of 1982. In 1982 in Chicago, some people went and bought Tylenol capsules - the leading analgesic in America at that time and within seconds of taking Tylenol several people died. Of course there was a huge crisis; they recalled all Tylenol capsules in America. In the end it turned out that there was a crazy guy who went and bought Tylenol capsules from shops, opened them and laced them with cyanide. We replaced the lids and went and put them back on the shelves of these stores.

Johnson & Johnson manufacturers of that product who had withdrawn every Tylenol capsule said they would not return to the market till they produced a tamper-proof capsule which they called the caplet. All the analysts said these guys are dead in the water; why did they withdraw all the capsules? Why didn't they just isolate Chicago or something? But it turned out that the reason they behaved the way they did (immediately they heard the news, they withdrew every

If the enabling environment is created and you have strong leaders in the private sector, surely they will be able to act in a manner that should enhance the performance of the country towards the MDGs.

Tylenol capsule in America, with no recourse to management meetings) was that in the cradle of the company, the belief system of Johnson & Johnson which is displayed as you enter their office in Rutgers New Jersey, said, "we will spare no cost where human life is involved".

When crisis came, they didn't even think of costs, they just acted. When the American people saw this, they believed in Tylenol and the drug went straight back to number one position once they returned to the market. They even increased the gap between them and their closest competitor. So, believing in something and having it as part of your corporate culture is very critical; but you need to also let people know.

Shareholders & Stakeholders

An organization cannot deliver to its shareholders if it does not have the goodwill of some of the other stakeholders. So to be so shareholder-focused to the point of ignoring the others is counterproductive. If some of the other stakeholders decide to tackle the company because the company does not enjoy goodwill with them, there will be nothing to share to shareholders. Therefore, the modern and wise corporation must think of more than one bottom-line. It must think of the triple bottom-line.

For example, Government is a stakeholder; it wants to collect as much taxes as it can. But we also know, as Arthur Laffer showed very clearly with the work he did on tax policy around the world and the famous Laffer curve, that even the government has to maintain a balance between its desire for more tax revenues and its desire for economic growth. Every customer wants to pay the least amount possible to get value for money, but there is a limit to how low a price you set or you will sacrifice things like safety. For example in the airline business - one day one airplane comes down and the loss amounts to much more than the little benefits you derived from paying less and less. So the challenge of CSR really is the challenge of finding the optimal curve where the interests of the various stakeholders are balanced - optimum happiness for the various stakeholders.

The MDGs

As far as I am concerned, you are going to keep having these grand things, Structural Adjustment Programmes, MDGs, as the global community struggles to structure a sense of human solidarity; a sense of what could be a better world. But the final analysis is really up to every country's national elite working in the best interest of its people to develop a strategy to reduce

poverty that is more inclusive of all in society. You know people are talking about gender as a big part of the MDGs in a patronizing manner; as if we are doing women a favour. If half of your population is shut out of productive engagement, you short change yourself. There is no way you are going to compete as well as a society that does not have that shortcoming.

Ultimately, the MDGs are about man's material progress, and man's material progress is increasingly a function of how the private sector creates value. So, the private sector is in a position to contribute significantly to achieving the goals of progress. If the enabling environment is created and you have strong leaders in the private sector, surely they will be able to act in a manner that should enhance the performance of the country towards the MDGs.

I have a model that I apply, essentially two related frameworks. They feature in my book *Why Nations are Poor*. The first framework is the growth driver's framework. What are the factors that drive performance and improvement in the quality of human lives in any society? There are six key variables: The policy choices that you make; the institutions and their strength; human

capital; entrepreneurship activity; culture - that's the values; and leadership. Leadership shapes culture.

Now if you then move on from that basic framework, you come to what I call strategy interface framework. You will see that in countries where there are clear national strategies and strong institutions that help people focus, you will have corporate strategies that respond appropriately in terms of the choice of businesses. Do you want to be in long term business or you want to do quick 'carry-go' business. Some Indian company comes to Nigeria, borrows from Nigerian banks, sets up a textile mill, cleans out and takes off without paying the loan. Another comes and commits to a long term business. Ultimately, it's about that dynamic of public-private partnerships that produce the outcomes that the society is looking for. So, yes there is no way you can in today's world get away from a role for and of the private sector in achieving those goals.

People forget that the reason we have a middle class in America was not a decision of the government of the United States of America. It was the decision of an entrepreneur called Henry Ford who decided to pay technicians good salaries; and around the world wages began to improve for people who became the new middle class. It was not a government decision that created

the middle class that we know of in the world today. It was Henry Ford's choice that changed the world and that is the same thing that we are looking forward to here.

Role of Individuals

The Grameen Bank was not driven by Lever Brothers or other corporation. It was one economics professor in the university, who out of his salary gave women ten dollar loans; that's how Muhammad Yunus started the Grameen Bank. It was not a Dangote coming and saying do this or do that. We need to have business doing what it does well, trying to create jobs; we need to have thinking people who are in civil society coming up with ideas to make a difference in their world. People who believe they can change the world. I mean there are others like Yunus in the universities in Nigeria who can go out and do something. Society must inspire leaders from every aspect of communal life to do things that will transform society.

Rent Economy

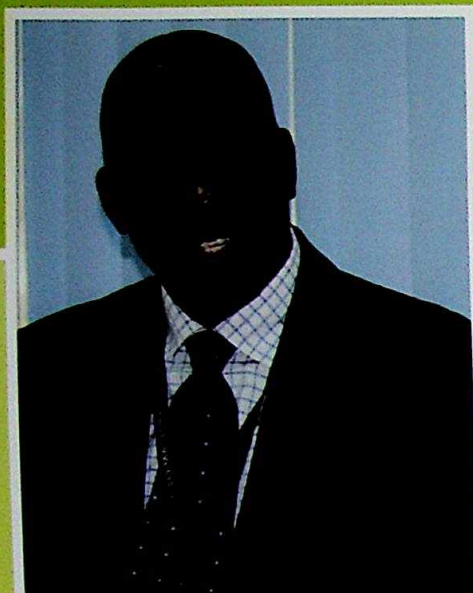
In Nigeria particularly, we don't have a productive economy; we have a rent economy. That is why I am not awe-struck about the great Nigerian businessmen. Many of them are essentially people who have extracted

economic rent because they have access to power or government. They use these contracts and so everyone becomes a tycoon or superstar. The ones I respect are people who produce things that ordinary people will consume everyday and pay for; those for whom it does not matter whether there is a government or not. The fact that you are producing those things provides hundreds of thousands of jobs. These are the real champions. The size of your bank accounts does not impress me. It is the size of your effect on people's lives through the work that you have done that matters.

Building Sustainability

It's about partnership. You have to partner with stakeholders, create for them a template that will facilitate their engagement in such a manner that things will be sustainable. If you keep giving people fish, they will relax and wait for fish but if you teach them to fish, they will continue to feed themselves and that's what we need to develop.

Nigeria unfortunately has created a very beggarly culture. People want to be handed things. Many people have developed an entitlement mentality in this culture so it difficult to achieve sustainability because people just relax and say, give me fish. People like to beg.



Sustainability ... A Journey with Many Lessons

Tony Attah, Manager, Sustainable Development and Community Relations, Shell Nigeria

CSR

For Shell, corporate social responsibility (CSR) without a doubt is about doing good. It has been a journey for us. So, if it was not premised on doing good, the interest would have worn off. But over time, we have consistently stuck to our principle of CSR and focused on doing good.

Communities today have to be seen as part and parcel of any business, and that is what CSR is about. Who is around you? Who can be impacted by your business? Who are your stakeholders? Those are the questions. For Shell, the community has a stake in the business. We have come to realize, like everyone in the Niger Delta, that it is impossible to operate or even exist as a business without the community. So our social responsibility to the community is an opportunity. We do not look at it any other way.

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Sustainability

Sustainability is about ensuring that whatever you are doing is long-lasting and continues to produce a positive impact. It has to be sustained. In terms of policy, we have tried a lot of things in the past; some of which did not quite work. First, we started with community assistance, we moved to community development and we then progressed to sustainable community development. A lot of effort is required both at the planning stage and the implementation stage to guarantee sustainability. We focused on sustainable community development in the 90's. But we have moved beyond that today. This is because even the sustainable community development principle that we evolved still lacked some elements of sustainability; especially with regard to the issue of ownership.

The strongest element in working towards sustainability is to look at ownership by the people; this is what we have achieved today with the Global Memorandum of Understanding (GMOU); that is the engagement principle that we employ today. It allows the people to decide what they want, as against the previous methods we used where we just took a broad sample to arrive at what the community wants. Previously, a school will be referred to as 'Shell School'; water

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Communities today have to be seen as part and parcel of any business, and that is what CSR is about.

projects will be called 'Shell Water'. But in today's model, with the GMOU, the community decides what they want. We finance it and bring in the support of development NGOs to enable the community to deliver on the projects. That way, there is a stronger sense of fulfilment and ownership; the communities actually lay claim on the project. When a company says she exists for profit and does not focus on sustainable development and CSR that has impact on the people, that model will not work in today's world. People have a stronger sense of awareness and expectation. Thus, a business cannot exist in isolation. But a business can become a source of change.

It may sound generic, but a good example is the telecommunications industry in Nigeria. GSMs, internet and things like that are barely ten years old in Nigeria. Sometimes I ask myself how we were living before these technologies were introduced. If a business is successful, it provides employment, and employment reduces poverty. Unemployment and poverty feed on each other. For me, those are the two most important problems.

Shell in the Niger Delta

A major aspect of the change we bring is in providing scholarships. Today, we have more than 25,000 people on our scholarship scheme. Some may say that this is small, but there are children in school just because of that contribution. Last week in Warri, I met children with disability who came to tell their own story; that they continued in school only because of our scholarship programme. There are 25,000 people on the scheme per time; but the strength lies in the fact that it is a rolling scheme, so you can imagine how many people have benefited from it in the last ten years.

Operational Model

Shell's experience in the Niger Delta makes it very clear that you cannot operate in isolation. So you find out that the existence of the community and our people is an integral part of the business.

The strongest element in working towards sustainability is to look at ownership by the people; this is what we have achieved today with the Global Memorandum of Understanding

That's why we are a socially responsible company. Whatever we do has that sustainable development element entrenched in it. You have to think constantly about how what you do will affect the lives of the people and their generations to come. That is the starting point. But to say you want to have a separate unit, external to that of your business, is probably a model that has worked elsewhere. We see the community and our social responsibility as an integral part of the business. We actually have a Shell Foundation which is in Nigeria and is helping as well, but it is not directly linked to our business.

Government's Role

Government has the responsibility, first and foremost, to bring development to her people, to provide education, employment, and all the social needs of the people. What organizations can do is to support government, and that's where public-private partnerships come in. The way I see it, there are a lot of areas where the government has not lived up to her responsibilities, which is part of the problem. If you examine the reasons why we

We happen to be the operator. Indeed the footprint is wide, and what most people remember is Shell. But we are doing a lot of good things.

have the Niger Delta agitations, it is not really about the industry, it is the underdevelopment that the people are protesting. The industry just happens to be a useful tool to attract attention to that underdevelopment which has heightened poverty.

We are working hand in hand with the government. One classic example is the Community Health Insurance Programme which we have just deployed in Obio within Port Harcourt, Rivers state.

Clearly, we have national as well as state health insurance schemes. But some of these schemes have not worked well. With the Obio insurance scheme, we have been able to prove that at cluster level, and with some creativity, we can make this thing work. The government of Rivers State is really happy with it, and they are actually working to replicate it. That is one way we support government to build capacity.

The Operator

Government takes more than 90 percent of the earnings in our business both in taxes, royalties and their own equities. Government has 55 percent equity venture partnership in the SPDC business in Nigeria. We are

just a 30 percent equity holder. We happen to be the operator. Indeed the footprint is wide, and what most people remember is Shell. But we are doing a lot of good things.

The government has a responsibility; at least in the Niger Delta, they enjoy 30 percent derivation. Try to imagine what that 30 percent (which actually amounts to billions of dollars) could have done for the Niger Delta if prudently used. Mandatorily as a company, we also provide the Niger Delta Development Commission (NDDC) contribution which is at 3 percent of our overall annual budget. For SPDC alone, that comes to an average of over 100 million dollars every year for the last 5 years contributed to NDDC.

We are justified in asking the question, how much of this money has been brought back to the Niger Delta to make a difference? We do our best, but the expectation of the people is high. We cannot lead the way; we cannot replace government. Government has to step forward and be alive to its responsibility and we will support and continue to assist. That is the only way we

can make a difference. Our effort alone cannot bring about the development and revolutionary change that the Niger Delta peoples expect.

Economic Meltdown

I support the view that you stand by your community even when things are bad. When things are down, people see problems. But what we see is the opportunity to make a difference. I will give you a good example. For two years, we did not operate in the western division of our operations due to the hostility and militancy crisis at the time. But we continued to live up to our social responsibility with the community. We are of the school of thought that in the middle of all that chaos, the bigger opportunity is to stay with the people. Our philosophy is not transactional; it is relationship-based. Good or bad, we stay committed to our social responsibility to the community.

Reporting

In the country today, we are the only ones reporting our operations. Annually, we have our sustainability report and within that report, Nigeria and our processes are extensively

We need that level of support. Last year, more than 90 percent of the spills were due to sabotage; that is where we expect the government to come in and stamp their authority and stop these acts of sabotage from happening.

reported. It is compulsory that we sustain the drive to be transparent and to show the world what we do. Consistently, we report, we measure and we are factual about it. And I can say that in the country today, we are the only ones who are that open about our operations.

Oil Spills

Oil spills are still a big issue. But most of the spills we have experienced are caused by criminals. Last year, we had the worst spills due to some saboteurs and criminals trying to steal from our pipelines; and due to vandalism. Thus, 90 percent of the spills were as a result of criminal activities. But irrespective of the cause, we go there and clean up. We do not just clean up, we remediate. We have a remediation programme that is on-going. And ultimately we restore. That is how we help people to reclaim their lands.

The criminalities I have seen in the last three years are mostly to do with the buried pipelines. If you see a pipeline on the surface, it is most likely a flow line, which is not a pipeline. So it is likely to be a pipe from a well going towards a facility. But we do not even operate like that anymore. In the

Niger Delta with all the sabotage going on, it is not in the company's best interest to leave anything on the surface. So consistently, we bury our pipes. There may still be a few on the surface, but at the point of change-out, for sure, they are buried.

There is a lot to learn from the BP oil spill. Even the Americans will tell you that in spite of how they handled it, there is still a lot to learn. This is why Obama is still being criticized. From the Nigerian front, I think the industry stands to gain, if the government would pay the oil sector that much attention. We need that level of support. Last year, more than 90 percent of the spills were due to sabotage; that is where we expect the government to come in and stamp their authority and stop these acts of sabotage from happening.

Gas Flaring

Flaring is bad business for us. That is why we set out to take out the flares a long time ago. We had a clear programme that was designed to eliminate flares. But that was affected by the unfortunate situation in the Niger Delta. Access became a very

serious problem at the time. We could not even get there or find the funding to deliver on the programme. At that time, we had spent about three billion dollars to eliminate 30 percent of the flares - which was phase one. It was while going into phase two that we got caught in the funding crisis. We are a joint venture here, and government is the partner with 55 percent. In effect, government was expected to pay 55 percent of the cost of flaring out which was difficult for her. So, funding and access were key issues. Also, we just could not find buyers for the gas. But that hitch is being handled by the Gas Master Plan which the government is driving today. More recently (and the papers reported this) we commissioned a one billion cubic feet gas standard plant in Bayelsa. That has also knocked out some of the associated gas which would have been flared. We are doing a lot of work. With the amnesty today, we may likely require two billion dollars in investment to be able to take out the 75 percent or whatever is remaining. That programme is

The way forward remains the fact that there has to be a very strong handshake of partnership between the people, the industry and the government.

on course so long as the amnesty stays in place.

Deliverables

So far the GMOU has delivered more than 250 projects. We get demands from people. So when you aggregate and filter through, you won't need a rocket scientist to tell you that for you to fight unemployment and poverty, education has to be the bedrock of your operations. So we support education, as well as youth empowerment and we focus on women groups in our micro credit scheme.

Yes, we have spent much but what I want to see is our contributions to the NDDC also being ploughed back to develop the region; in addition to what one would expect the government to deliver with the 30 percent derivation which is actually meant to fund development. We do a lot more than we are given credit. The only airport in Delta State was built by Shell. Many have probably never heard of that. We also have the Afam power plant which provides 650 megawatt capacity. These are some of the ways we help the community. Bonny today is the only area in Nigeria where you can boast about 99 percent electricity availability. The important thing

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about Bonny power project is that it is community-driven and managed. There is a Bonny Utility Company which we helped to set up and it is managed by the youth. Most importantly, the community pays for its power which is the greatest element of sustainability to that project.

CSR Bill

There are laws guiding how you should operate and what you can or cannot do. But we comply with the Nigerian Extractive Industry Transparency Initiative (NEITI), which is a starting point. Because a lot of the responsibility element is linked to transparency, so we comply with that initiative. A CSR law would be a first. But I think what really should be legislated is accountability by the government. If the government wants to push for responsibility from the industry, the people can

also ask the question, 'can we test that same law on the government?'

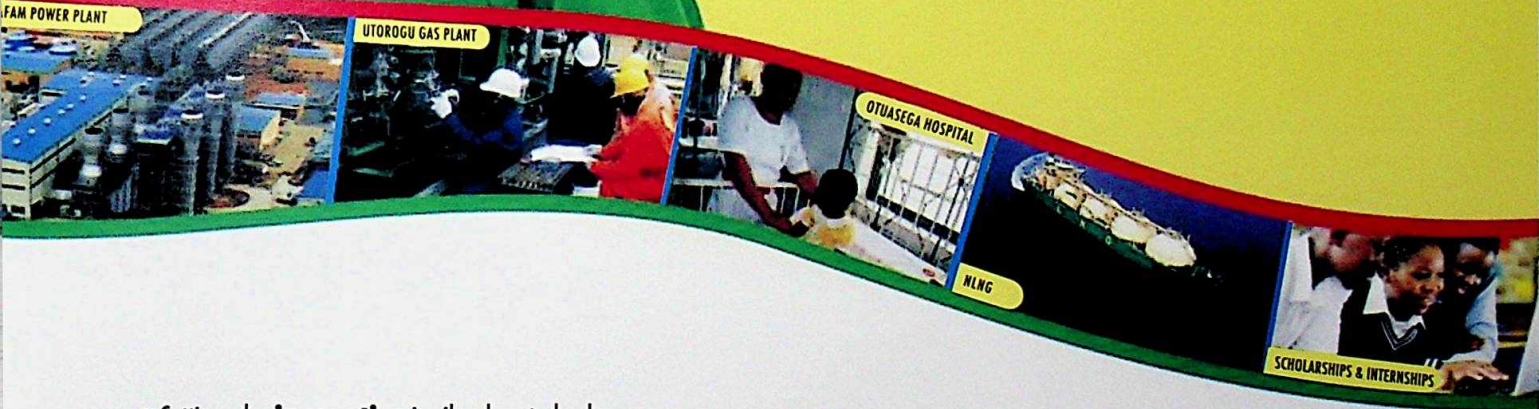
Way Forward

We are working on the perception issue. You could say that our publicity is not strong enough. We have realized that. A lot of the places I have spoken this year, the feedback is almost always the same, 'wow, this is fantastic. How come you have not told the world about this?' We are quietly impacting the lives of the Niger Delta peoples. But we also recognize the need to change the perception people have about us. The way forward remains the fact that there has to be a very strong handshake of partnership between the people, the industry and the government. That is how we can bring about change. Achieving that partnership is the way forward.



NIGERIA & SHELL

POWERING PROGRESS TOGETHER



- Cutting-edge **innovation** in oil and gas technology.
- Some **\$39 billion contribution** through taxes and royalties over the past 4 years.
- **\$892 million** in contracts to Nigerian companies in 2009.
- Over **17,000 scholarship awards** to Nigerian students at any one time.
- More than **\$3 billion** spent on gas utilisation projects since 2000 (650 megawatt Afam power plant completed and operational).

Integrity, excellence, honesty and respect for people are the foundations upon which Shell was built and upon which it continues to prosper. A culture of outstanding performance and remarkable results, creating wealth and developing talents. A culture that builds the foundation for a brighter tomorrow.

The Shell Petroleum Development Company of Nigeria Limited

Operator of the NNPC/Shell/TEPN/Agip Joint Venture





Whatever You Are Giving Back to Society Must Be Sustainable

Bimbola Ashiru, Director, Corporate Affairs and CSI Stanbic IBTC

Stanbic IBTC is a member of the Standard Bank Group and we have a group policy on Corporate Social Responsibility (CSR) and Corporate Social Investment (CSI). Corporate Social Responsibility in Stanbic IBTC focuses on education, health, community development and empowerment.

There is a difference between sponsorship, CSR and CSI. Sponsorship is basically showcasing your products, your organization, your brand and getting involved in some aspects of sports, arts and culture or other areas. CSR is giving back to the stakeholders, giving back to customers because your CSR has to do with both internal and external stakeholders.

Who are your stakeholders? Your members of staff, your shareholders, your customers, government and their regulators, the media and the public at large (communities) - all these are your stakeholders. So you need to give back to them what you have taken from them. Whatever you are

giving back to society must be sustainable. It is important to identify the needs of the community, find out what they actually need. You may decide to build a health centre and they might not even patronize or appreciate what you have provided. Maybe, what they need is a well tarred road or a borehole.

Empowerment

Empowerment means creating jobs for people, giving them the tools that will help them to survive and succeed. For example, if you buy machines for workmen who mend car tyres, you buy hair clippers for barbers and you buy musical instruments like we did for the Musical Society of Nigeria (MUSON), you are empowering people. They will use the tools to earn their daily needs and probably help to feed their families.

When you do CSR it must be feasible, it must have direct impact and it must be sustainable; it must be seen to

be doing good for the society. If there is no visibility and people are not aware of what you are doing you may not be able to convince them that you are actually doing good. I remember at our last Annual General Meeting (AGM), the shareholders said we were not doing so much in the area of CSR. So we need to let the public know that this is what we have done. For example the rehabilitation of Amuwo -Odofin Healthcare Centre, you must let people know that you are the one that did it.

Standard Bank Group in South Africa has its own policy on CSR and we have ours here, but it may align with the group policy because the group also works in the areas of education, community development and empowerment. But there is no law in Nigeria about CSR. I remember I went for a workshop in Lagos last year where one of the senators is pushing a bill prescribing a minimum standard. The

Whatever you are giving back to society must be sustainable. It is important to identify the needs of the community; find out what they actually need.

standard practice for example in the group is that we earmark one percent of our profit after tax for CSR.

You must be able to sustain what you are doing. Basically, if you are going to go into CSR, you start an initiative, you have the policy, and you must be able to sustain it. You must be able to live up to your responsibility since you started it. It is just like a father; you must be able to pay your child's school fees since you sent your child to one of the best schools. You must pay the fees regularly, you must not be found wanting. The only way you can do that is by ensuring that the bank, Stanbic IBTC for instance, is making profit too.

There is a difference between sponsorship, corporate social responsibility and corporate social investment. I remember when they did the rating of organizations involved in CSR, and I heard that one bank which we think is doing very well was rated E and we were rated C. People actually wondered, especially when we knew that the bank fixed the road to their head office. But the question is, if you do not fix the road, your customers will not come there so you are building the road for your own benefit not for the public's. Then I remember a bank who gave a customer a cow when the daughter was getting married and it was listed as CSR. It is not CSR; this gesture falls in the class of

corporate gifts. Sponsoring the Nigerian Economic Summit is not CSR; giving Vision 2010 money is not CSR, supporting an event is not CSR. CSR is what you do that has direct impact on people; your stakeholders.

CSR Policy Thrust

Initially, there was no policy. We sat down and looked at areas where there are urgent needs for people. For example health is very important, primary health care is hardly available. A man or woman or even a trader selling on the streets cannot afford to pay the fees of a private health facility; so you intervene. For example, the health centre we renovated in Amuwo-Odofin is meant for the lower income people living there.

Then education: for example we gave mosquito nets to a school in Victoria Island. This was because we realized that education is not only about going to school to read. It involves the living environment, classmates, colleagues, facilities and other things. If you do not have a conducive environment you will not be able to study and be successful. So we told ourselves that education is important, let's see what we can do in that sector. I can tell you that many people are doing things under the guise of CSR and are using it to siphon money from banks and organizations so that's the point.

Fighting Poverty

My own suggestion for example is that brands involved in financial services should look at areas where people need funds and provide more loans to people that can help them. But the problem is that Nigerians are not used to taking loans and paying back; they want to take loans as if it is their personal money. The multinational companies should be able to use their resources to help small businesses-the market traders.

For example, in the Niger-Delta, if things are properly done, we would not be in this predicament. This is where the money is coming from for the whole of the country and the people there are not benefiting from the money.

Private-Public Partnerships

Government should encourage corporations that are socially responsible by helping to reduce their burden in some areas. One of the ways to do this is to offer tax relief to such organizations. Let them know that they are being appreciated. We need government to encourage private-public partnerships.



Philanthropy is the Cousin of CSR

*Thelma Ekiyor, Executive Director,
TY Danjuma Foundation*

The first point I have to make is that the work of the TY Danjuma Foundation is not Corporate Social Responsibility (CSR). The Foundation is not tied to any of General Danjuma's private companies. It is an independent, private, grant-making philanthropic organization established out of the founder's personal commitment to contributing to social development in Nigeria. The Foundation is a philanthropic entity. Philanthropy and CSR are similar but not identical. I guess you can describe philanthropy as the cousin of CSR.

Having said that, I think we have to understand that businesses are set up to make profit. However, profit can be made in a manner that effects social change in the given society; one should not be exclusive of the other. I believe businesses can make socially responsible profit. The focus should be on the rationale, motive and the intention behind the CSR programme.

My view is that companies have to see investing in communities as part of their business plans. It is good business to develop the earning capacity of potential customers to enable them afford your goods. For example a telephone company investing in a given community by building schools or sponsoring children to attend school is a good investment. The likelihood is that these children will grow up to be users of the phones. The communities also should have a stake in making these companies successful, as inward investment brings growth to communities. Therefore, I think it can actually be a mutually beneficial relationship where it works.

Philanthropy

There are a number of renowned philanthropists across the world - Bill Gates, Warren Buffet, Ford and Carnegie. These

Philanthropists found that they had wealth beyond measure and wanted to give back to the society. They wanted to make a positive change in their immediate communities and in some cases in other countries. There are many wealthy people in Nigeria that should commit to such social investment but we need to develop a conducive environment if philanthropy is to flourish in this country.

First of all we need to change the mindset on philanthropy. The current practice is that when a person publicizes the intention to give on any meaningful scale, many questions are raised on why they want to give, rather than looking at the act of their willingness to give where others are not. I think we collectively need to raise awareness of the importance of philanthropy and how we regard people who give. Whilst it is important to ask questions where the motive for giving is questionable, this

The Nigerian legislature has to bear in mind that giving of any kind cannot be policed or made to be compulsory. No one can force an institution or individual to give.

should not be done in way that might discourage aspiring philanthropists.

We also need to have government involvement in the sector. What I mean is government needs to create constructive legislation to support philanthropy. In Europe, the US and South Africa, legislation exists that supports the philanthropic sector and provides incentives for giving. For example, Foundations in the US get tax exemptions for their activities.

This has led to tremendous growth in the philanthropic sector as philanthropy is currently a multi-billion dollar business. We do not have a similar legislative provision in Nigeria. Private individuals and corporations who give to charity or support philanthropic initiatives are not guided by any legislative frameworks. The result is an unstructured environment for giving that is often not directed at long-term change. The dominant practice is charitable giving that is short term, and often emotive. What I mean is, the giver feels strongly about wanting to help an individual or community; for example, supporting children to attend school by paying their fees. This is a charitable gesture and

very commendable but we need to create an environment of giving that addresses the overall systemic gaps in the education sector that has deprived that child from having access to quality education. Philanthropy should address both short term needs and long-term change. It should be a long-term investment; involving people and communities and making the philanthropist accountable to the beneficiaries.

Legislation

In the United States there is legislation that guides the operations of non-profit organisations. The Internal Revenue Service provides tax exempt status for organisations that fall under the listing of "501c" entities. The debate on the Corporate Social Responsibility bill currently being considered in Nigeria should look at different models for regulating both philanthropy and CSR that will not yield counter-productive results. I believe the responsibility of corporations to develop the communities where they make profit is cardinal and falls in line with best practices across the world. This should be the same in Nigeria but the process of legislating that

responsibility should be carefully calibrated.

The Nigerian legislature has to bear in mind that giving of any kind cannot be policed or made to be compulsory. No one can force an institution or individual to give. This in no way suggests that corporations should act irresponsibly. CSR has to be based on an organisation's realization of the value of investing in community development. This realization has to mirror the values and ethics of each institution and will be subjective. We cannot have a "one size fits all" approach to CSR.

Placing compulsory responsibility on corporations to give might have the ricochet effect of communities developing dependency syndromes on companies. What happens when communities simply wait for the companies to carry out all development projects? Where will the government's primary role in service delivery begin and end? What happens when the innate self-reliant abilities of communities to address their issues erode? These are all questions to be analyzed as we consider this legislation.

For the TY Danjuma Foundation, sustainability means when we support a project in a given community, can the community actors sustain the project once the funding cycle ends?

Think about any type of responsibility that is forced on individuals or corporations; the backlash is usually negative. The idea behind what the Legislature is proposing is good; no one can debate it but any knee-jerk approach might lead to negative reactions.

Having said that, legislation if properly crafted can bring in a number of protections that will positively develop both philanthropy and CSR. Legislation can make philanthropists and corporations accountable to the government and the beneficiaries of their projects by insisting that CSR programmes and non-profit organisations operate with high standards of corporate government, imbibe internal governance mechanisms into their projects, and publish how funds are utilized. The South African non-profit statutes provide good examples of how this can be done.

Philanthropy in Nigeria

In the TY Danjuma Foundation, one of our focus areas as a philanthropic organization is also to promote the understanding of philanthropy and to build the sector. We are interested in building an accountable philanthropic community. We believe that philanthropy collaborating with government can bring significant contributions to social development in the country.

Our Foundation's value system is one we are extremely proud of. It is based on the fact that we are in Nigeria for Nigerians by Nigerians. We believe that there is an enormous talent pool in Nigeria with untapped innovation and ideas that can grow businesses, and address educational and health gaps.

As a grant making Foundation we aim to continue supporting well designed interventions mainly at the rural community level, where government attention and donor funding is usually lacking. We also believe in long-term sustainability.

When a project or process is being conceptualized we ask ourselves, 'how long do we want to be engaged in a particular area?' We do not believe that sustainability means working in a particular target community forever. For the TY Danjuma Foundation, sustainability means when we support a project in a given community, can the community actors sustain the project once the funding cycle ends? This is why community involvement and empowerment are central to our grant making strategy. We will not support initiatives where the role of the community actors are not well spelt out and the community's ability to continue the project is not clearly

articulated. I do not expect TY Danjuma Foundation to be in a particular place for one hundred years. I expect us to generate enough capacity, skills, and involvement of community actors to carry on the work that we started for the long term. That is sustainability.

Stakeholders

People whom you consider your stakeholders should be seen as your long-term shareholders without holding a dividend. What I mean is that these are people that really have a stake in your company being around for a long time because you have invested in them. But if emphasis is only on the bottom-line, that is a wrong approach. The criticism often levelled against some approaches to CSR is that some projects target communities as charity cases and not shareholders and partners. The CSR projects that value community input and treat the community as holding a share of the company's success have yielded positive results.

Partnerships

I believe in generating local solutions to the way we implement CSR or philanthropy in Nigeria, but it is always useful to examine best practices from other regions. One of the positive lessons we can learn

We will not support initiatives where the role of the community actors are not well spelt out and the community's ability to continue the project is not clearly articulated

from how CSR is practiced in the West is the emphasis on partnership between the government, private companies and the communities. For example, some inner city school projects in the United States are funded by companies through Public-Private-Partnership schemes. These models of partnership are based on the realization that the government cannot address social problems singularly and that the ingenuity and innovation in the private sector and the reliance of communities are needed to bridge the gaps in large scale social programmes. There are some promising signs of such models emerging in Nigeria. However we need to build these partnerships on a broader scale.

MDGs

My personal view is that 2015 should be seen as a milestone; not as a goal. Everyone is obsessed with 2015, and wondering if we

will meet the goals set in the MDG framework. It is important that Nigeria fares well on the MDGs, but we should also examine what happens post 2015. So, as a country, we do not relax or become complacent because the milestone has lapsed.

We need to ask the following question: do we have the systems in place, the resources, the skills the talents to meet all of these goals? Companies should be involved in setting these long-term goals. We are committed to the MDGs and our areas of intervention fall within the MDG focus areas. In actual fact, it was not the MDGs we had in mind. We actually analyzed the situation properly and said if you are able to get these areas in Nigeria functioning to some extent, particularly in the rural communities, we would have made an impact.

Call to Action

Though I work for TY Danjuma Foundation, I am also committed to building the philanthropic sector in general in Nigeria. I truly wish Nigerians with means would commit to social investment in a sustainable way. I hope businesses and wealthy individuals see their involvement in CSR and philanthropy as good investments. I am inspired by the new Foundations being set up and I look forward to working with them in the field. Our belief is that if we all join our resources, we will do extraordinary things for our country.



Case Studies





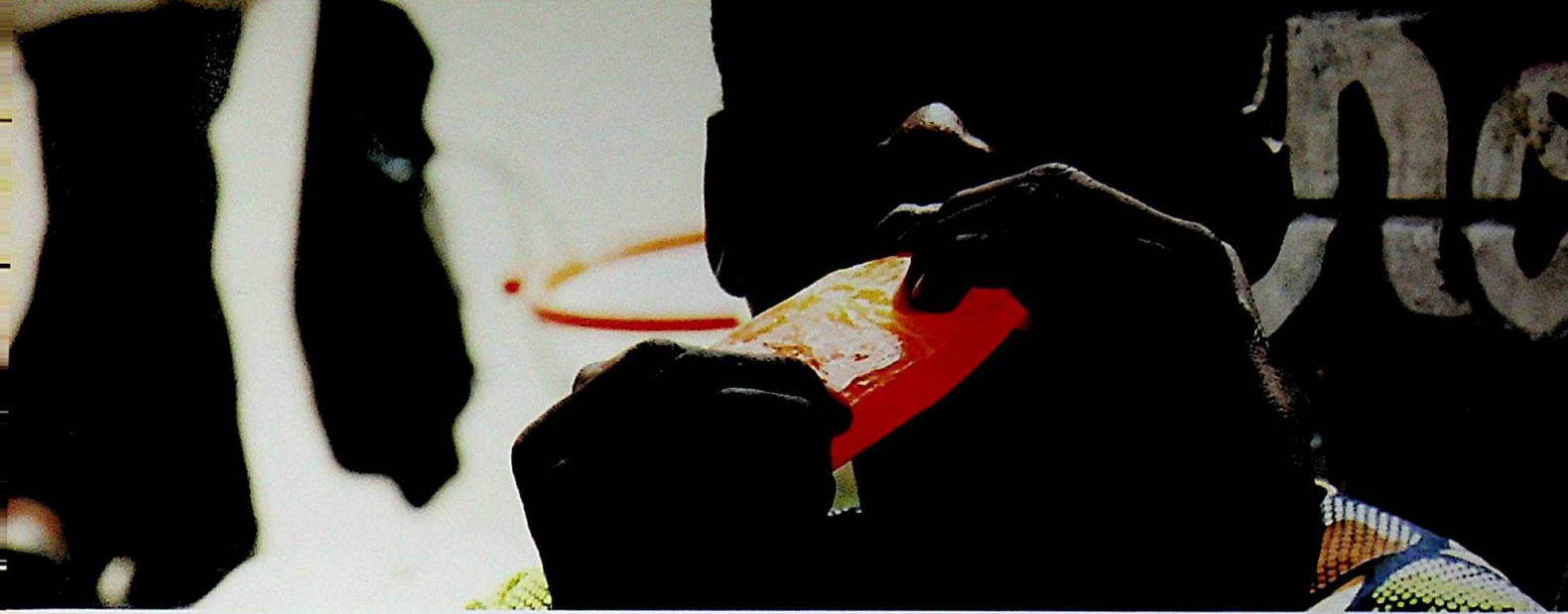
MDG 1 – Eradicate Extreme Poverty and Hunger

Introduction (culled from an interview with Pat Utomi)

Most measures of poverty are extrapolations using certain indicators. So, it is often difficult to say this is what makes poverty or this is what poverty means. But it is important to have some measure that you use within certain conventions to guesstimate what constitutes poverty. So, where the United Nations or some economist may use a dollar a day as some kind of measure, former President Obasanjo may say, look, what do you mean a dollar a day? In his village everybody is well fed; nobody is left hungry. That is his view; not that I agree with him.

The important thing is that there are those who consume so low an amount of these resources that are shared by all of us that it is obvious that relative to some people, there is a significant difference which is shown in the quality of the lives that they live.

This is why basket indicators like the Human Development Index (HDI) are preferable. When you take that UN measure and you look at the various things that are in the HDI you can determine that anybody who is scoring low on all of these dimensions cannot be said to be living well. You can consider that person a poor person.



As to whether poverty causes or exacerbates certain conditions that then impact productivity, the truth of the matter is it's a catch 22. If you are poor, you are not likely to be able to protect yourself against mosquitoes and so you are likely to get malaria. And if you get malaria you are not likely to go to work and produce. So your poverty increases the possibility that you are not able to protect yourself against malaria.

If you have a system where you can go into your neighbour's and eat because the culture says everybody is their brother's

keeper, it is a different kind of poverty from that of a society where everyone stays in their own home. In which case, a man may stay inside his hut until he dies. The important thing here is that though both earn less than one dollar a day, the other man has eaten and therefore stays alive.

In the same token, you are less likely to be knowledgeable about what causes HIV/AIDS if you are not educated. You are not likely to be educated if you are poor. So, poverty will lead to your not knowing about HIV/AIDS and therefore make it easier for you to contract it. But if you are well educated or have information, then you may know how to avoid habits that will lead to your becoming infected.

But whether it is poverty driving the challenge of productivity or productivity creating poverty, the bottom line is that there are consequences. It is a vicious cycle; the big question is, how do you break the vicious cycle?

Patrick Utomi is director of Lagos Business School. He is a political economist, management lecturer and entrepreneur. He was the presidential candidate for the African Democratic Congress (ADC) in the Nigerian April 2007 general elections

Case Studies: MDG 1

Eradicate Extreme Poverty and Hunger

Shell Petroleum Development Company of Nigeria (SPDC)

addresses the problem of poverty in its host communities through three core initiatives - agricultural development, food processing and entrepreneurship development.

In 2005, Shell entered into a five-year partnership agreement with the International Institute of Tropical Agriculture (IITA) and the United States Agency for International Development (USAID) to improve cassava production in Nigeria and to support the Cassava Mosaic Disease Project (CEDP) which was to assist implementation of the presidential initiative on cassava production.

This required all flour mills in the country to include ten percent cassava flour in their flour production, as directed by the then president. Although the project is being implemented in eleven states, the greater emphasis is on the core Shell states of Bayelsa, Delta and Rivers. Shell provides 75% of the



Okarter Chyka

funds and other incentives for the project which has built the capacity of 30,000 farmers in the Niger Delta region.

According to Dr Okarter Chyka, monitoring and evaluation specialist at IITA, "The CEDP was aimed at processing and adding value to cassava products. We started by distributing disease resistant and high yielding cassava stems to farmers and trained them on agronomic practices. From there, we established processing centres". The project supports three levels of processing plants – micro, small and medium enterprises.

Evangelist Mike Akekue of Kpite Community in Ogoniland is one of the beneficiaries of this project:

'I have worked with IITA for a while now on cassava cultivation as well as plantain, coconut and other staple crops. As the demand for cassava grew, IITA and Shell supplied me with improved cassava stems to cultivate. A lot of farmers come to our facility here to process their cassava. The farmers have also benefited from the training on how to cultivate high yielding cassava varieties. I am grateful to Shell and IITA for their support'.

Results

Value has been added to the cassava production chain enabling farmers and entrepreneurs to generate more income.

300 viable cassava producer and processing associations have been formed of which 70% are women groups.

44 varieties of high yield cassava, resistant to Cassava Mosaic Disease (CMD) have been developed

Cassava processing technologies that the ordinary people can operate have been developed and entrepreneurs linked with viable commercial markets.



Mike Akekue

The project contributed to enterprise development, skills acquisition, sustainable food production, wealth creation, employment and poverty reduction for rural farmers in the Niger Delta region. With funding from SPDC and Shell Foundation, LiveWire was launched. Community Development Foundation, an indigenous NGO managed and implemented the project.

LiveWire was established to enable youth aged 18-30 years to create and develop own businesses. The project has trained over 3,000 Niger Delta

LiveWIRE NIGERIA

PROUDLY SUPPORTED BY



RESOURCE CENTRE

youth in enterprise development and management. Over 1000 jobs have been created through the provision of business start-up awards and infrastructural support for the establishment of self-owned businesses.

Emily Emiri, Managing Director, Ego Farms in Rukpokwu, Rivers State received support to set up a medium scale milling business producing and packaging Gari, maize, beans, plantain, wheat and other flour for sale. Says Emiri, "Since the business was commissioned on April 7, 2010, my life has been positively affected by this venture. I employ five workers."



Emily Emiri

MTN

Since 2008, MTN has been supporting Friends of the Disabled (FOD), a non-governmental organization providing young people with disability with the necessary skills to make them self-reliant. Obsolete equipment and machines were replaced, ten new computers were provided and a monthly stipend of 8000 Nigerian Naira (about US\$54) provided to each of the forty-five students enrolled in the centre. Trainers are also paid.

Physically challenged youth, some with hearing and speech impairment, are trained in vocational skills including tailoring, welding and shoe-making. Students are also tutored in preparation for the West African School Certificate and



Christy Orduh



related examinations. The centre employs its alumni as trainers and provides accommodation for the trainees for the duration of their course. But trainees are expected to be self catering – preparing own meals and keeping the facility clean.

Mrs. Christy Orduh, founder and chief executive of FOD started her life's work with physically challenged youth at Car Park 4 of the Lagos Marina in 1990. A teacher by profession, Orduh began by gathering the

physically challenged and destitute young people together and teaching them how to read and write.

She notes that even at the centre, she has to battle to keep them from returning to the streets to beg:

"People in the society who give them money are not doing the right thing...each day that they don't have a hundred or two hundred naira, they would go out to beg. Within a day, they



Blessing Urieto



Sunday Ohagudo

would have made about four to five hundred naira. At the end of the month, they would have more money than working people! But as people give them the money out of pity, they do not realize that they are disrupting the lives of the young people; discouraging them from learning and acquiring skills. So that is part of the challenge we are still facing now”, Orduh said.

The monthly stipend provided by MTN for those enrolled in a course is assisting to reduce the lure of street begging. In terms of poverty reduction, Orduh declares, “some of our ex-students have become the trainers here now. They get their allowance at the end of the month. And some of the people we have trained have opened shops and are making their own money.”

Sunday Ohagudo

My name is Sunday Ohagudo, from Imo state. It was my friend that introduced me to this institution. I have been here for eight months now. I chose tailoring because that is what I have interest in. It is something that I can stay in one place and do. It is not

stressful. This place has done a lot for me and the others, because before, many of us were on the streets begging.

Blessing Urieto

I am from a family of four. After birth, I was abandoned at home. Being the only child with disability out of four, my family found it hard to accept. It was horrible. They were even ashamed to let the world know that they have a child with disability. The only things I got were food and clothes. I was not opportuned to go to school. It was through God's intervention that I got to know about this place. My plans for the future are enormous. I can now cut and sew clothes and I make beaded-jewelry.

Lafarge Cement WAPCO Nigeria PLC

In their Sagamu and Ewekoro host communities in Ogun State Lafarge empowers local youth with skills training and working tools to enable them earn a decent living . The company also supports fish farming projects in Sagamu.

To further empower youth, Lafarge established information technology learning centres in the same host communities. Here, young people can access basic computer skills which open up opportunities for networking and business with the outside world. The management of the centre was outsourced to an IT company and in May 2010, the centre was accredited by Microsoft as one of

its IT academies around the world.

Annually, the centre provides five sets of 8-week training programmes that cover most of the highly sought computer software packages. Each session caters for over forty enrollees.

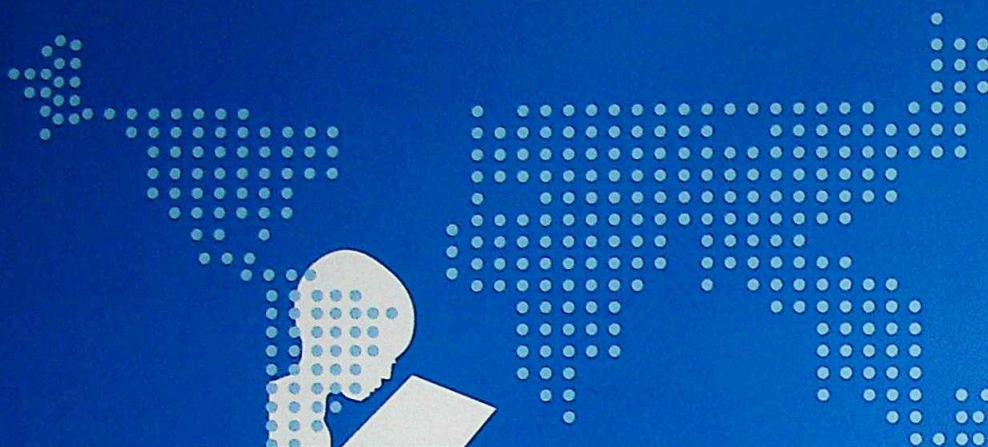


BATN

BATN's poverty reduction and empowerment programme includes model fish farms established in Poka in Epe in Lagos State; cassava processing cottage industry in Sabagreia in Bayelsa State and Ndikelonwu community in Anambra State; and rice enterprise development projects in Onunwakpu, Ebonyi State. Rural farmers are assisted to transform from subsistence to commercial farming through agricultural technology transfer, produce processing, creation of market linkages and information, and capacity building.

BATN also supports vocational training at the School for the Blind, Oshodi in Lagos and School for the Handicapped, Akinyele in Oyo State.





MDG 2—Achieve Universal Primary Education

Nigeria's education sector is facing numerous challenges. With only five years left until the 2015 deadline for achieving the targets set in the United Nations-led Millennium Development Goals (MDGs), it is critical that the somewhat slow pace of development in the Education sector—a sector that should ideally drive all the other sectors of the Nigerian economy - be urgently addressed.

Dr. Sam Egwu, former Minister of Education, presented a somewhat grim picture of the state of the country's education sector at a ministerial briefing in Abuja, the Federal Capital Territory, earlier in the year. According to Egwu, 17 million Nigerian children were out of school. The figure included 11 million children who should have been in primary school and six million who ought to have enrolled in the country's Junior Secondary School system. The numbers of students who make the annual transition from Junior Secondary School (JSS) to Senior Secondary School (SSS) was estimated at sixteen percent while only six percent of applicants annually gain admission into the universities, polytechnics and colleges of education.

Across the nation, infrastructural challenges continue to beset many institutions of learning from the nursery level to the Ivory Tower. Many public schools have been abandoned to their fate, lacking basic infrastructure and learning tools. The public universities have for some time now borne the brunt of government apathy, with poor research facilities, poorly equipped libraries and other facilities. It is little wonder that parents and guardians prefer the proliferating private universities.

Whatever happened to the Universal Basic Education (UBE) programme? Lining every street corner and major highway are young children of primary and secondary school age who are selling anything from toothpicks to sausage rolls. Bedraggled and unkempt though they may be today, they represent Nigeria's future. MDG 2 is one goal whose attainment whether by 2015 or beyond, is non-negotiable.

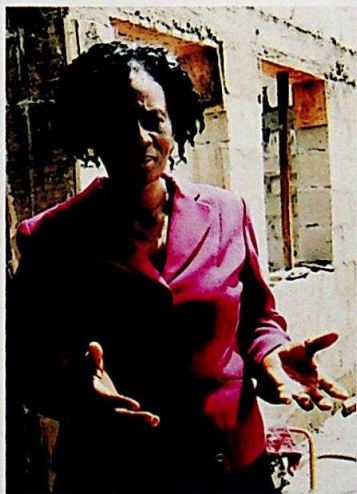
Case Studies: MDG 2

Achieve Universal Primary Education

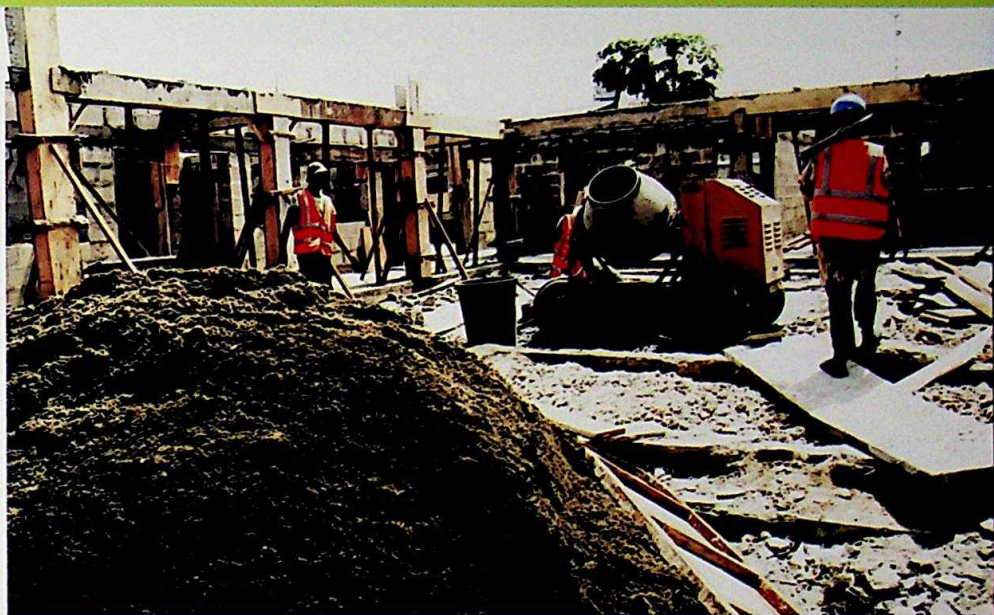
Most of the entries submitted for the 2010 SERAs point to the fact that steady progress is being made by corporate organisations to add impetus to the government's efforts in the education sector. While the Adopt-a-School initiative still claims the most CSR spend by corporate Nigeria to contribute to achievement of Goal 2 of the Millennium Development Goals (MDGs), a lot more organisations are fashioning out creative ways to uplift the standard of education in Nigeria.

Etisalat Nigeria

Etisalat awards scholarships to top students of Anambra State University and Bayero University, Kano. Over 160 students have benefitted from the programme. A five-year plan has been designed to sustain the project.



Ngozi Egbuna



Etisalat has also established a Corporate Social Responsibility (CSR) Centre at the Lagos Business School, Pan African University. The Centre, according to Etisalat's Managing Director, Mr Steven Evans, is designed to shape the thinking and improve CSR practice in Nigeria.

Under a five-year rolling plan developed for its Adopt-a-School programme, Etisalat is providing support for teachers and pupils (including training, career counselling and infrastructural development).

Mrs Ngozi Egbuna is head teacher, Edward Blyden Memorial Primary School, Hawley street on the Lagos

Island. The SERA crew spoke with her at the construction site where the dilapidated old structures of her school had been razed. Engineers were racing against time to complete the new and more modern Edward Blyden structure; especially because the pupils took refuge in a nearby primary school for the duration of the construction work.

A Visibly elated Egbuna explained:

We used to have eight classrooms in the school before now, but Etisalat is providing us with something bigger—eleven classrooms. We really appreciate what they are doing. This school was founded in 1938 and has churned out many graduates who have become renowned in our society.... thank God Etisalat adopted the school

Promasidor Nigeria Ltd

Promasidor's National Secondary Schools Mathematics Competition (NASSMAC) is implemented on the platform of its Cowbell brand. The process of determining the best mathematicians in 2010 commenced in February when over 20,000 school students



participated in the first stage challenge across the country. But one may ask, what really is the long-term impact of this annual competition? What impact does it have on Nigeria's development?

Speaking about the goal of the project, Promasidor's Brand Manager, Mr Raphael Agbaje explained:



Mathematics is seen as the foundation for science subjects. So, we believe that supporting mathematics would boost the other science subjects. We want the nation to develop technologically. There is no nation that develops without technology and you cannot have technology without mathematics

The National Mathematics Competition was flagged off in Lagos in 2001 and has since become a national programme. Japheth Gado, a fourth year student of Chemical Engineering at the Ahmadu Bello University (ABU), Zaria and previous winner of the NASSMAC, explains the impact on his life:

I remember that before I enrolled for the competition, I was so bad in mathematics; I ended up with an F-grade. When the forms for the competition came out, I decided to give it a try; it was the first time in my life I would sit down for eleven hours to study Maths....I enjoy Maths now. I wanted to do something I would really enjoy and I believe the economy of Nigeria would greatly improve with more people around who are studying math-related courses.

MTN Nigeria

MTN has continued to sustain its education-focused portfolio including its Schools and Universities Connect Projects, Child-Friendly School initiatives and its science and technology scholarships.

The Child-Friendly School initiative implemented in partnership with the United Nations Children Fund (UNICEF) is aimed at improving infrastructure and quality of education in primary schools and is being implemented in Lagos, Delta and Bauchi states. The Schools Connect project has been implemented in 49 schools in 12 states of the Federation and provides up-to-date ICT infrastructure in public secondary schools. The project focuses on bridging the digital and knowledge divide.



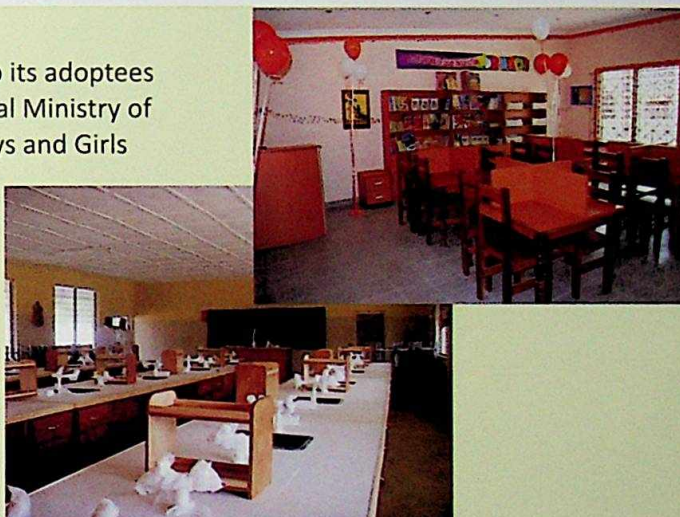
British-American Tobacco Nigeria

In 2009, BATN Foundation instituted a scholarship scheme that benefited 55 undergraduate students in Nigerian universities. It also launched a CSR course in the Faculty of Business Management of the University of Lagos in partnership with the United States Agency for International Development (USAID) and Kansas State University. The overriding objective of this initiative is to strengthen business management education through quality learning in CSR.

First City Monument Bank (FCMB) was one of the few financial institutions that remained visible in the CSR landscape in 2009/2010 in spite of the problems that beset the sector within this period. FCMB renovated the Arabic Girls Secondary School in Danzomo, Jigawa state.

Guaranty Trust Bank (GTB) has remained faithful to its adoptees under the Adopt-a-School programme of the Federal Ministry of Education. Adopted schools include St Georges' Boys and Girls Primary School, Falomo, Ikoyi; Baboko Community Secondary School Ilorin, Kwara State and five secondary schools in Jigawa State.

GTB set up a library and provided the books to stock the library at St. Georges' Boys' and Girls' School. In Baboko, the Bank achieved the same feat while also providing boreholes and giving the rest-rooms a facelift.



Nigerian Bottling Company (NBC)

NBC partnered with Coca-Cola Nigeria in 2008 to birth *Campuslife Magazine*—a weekly pullout in *The Nation* newspapers; one of Nigeria's leading dailies. The magazine provides a medium for over 600 students who have a flair for writing and advocacy to share their own stories and views on a wide array of current social issues with the world outside their campuses.

Six months into the partnership and based on feedback, a bi-annual workshop was introduced for two batches of 50 *Campuslife* writers. At this workshop held in Lagos, the student writers interacted with leaders in the public and private sectors as well as the media.

Some of the students who have honed their writing skills in the *Campuslife Magazine* have gone on to get employment as writers in national publications.





Panoramic view of school building after painting



Frontal view of school building after painting

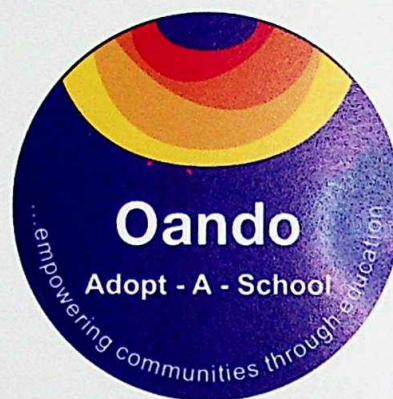


Painting of verandah completed



Toilet block

Rear view of school block after painting



Oando Nigeria PLC's 'Adopt-a-school' initiative was formally initiated in April 2007 in partnership with the Ministry of Education and by December 2009, twenty four government-owned primary schools had been adopted in the Group's host communities. Some of the adopted schools include Metropolitan Primary school in Lagos, Gidado Primary school Katsina, Ekara Primary School, Onne, Rivers State and Government Primary School, Ekorinim in Cross River State.

The schools have been renovated and provided with water and sanitation facilities. Oando also sponsors some key school events such as sports and prize giving days.

Oando Nigeria plc has also been actively involved in the award of scholarships to children in primary and secondary schools who had to drop out of school because they could not afford to pay their school fees. In 2009, children in Lagos and from some primary and secondary schools in Bundu and Onne communities also benefitted from the scholarships.

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MDG 4&5: Reduce Child and Maternal Mortality

“Make Maternal Health Priority, African Leaders Told”, says the headline of a 28 July 2010 article in Nigeria's ThisDay newspaper. The paper was quoting Deputy United Nations Secretary-General Asha-Rose Migiro who was speaking at yet another African Union (AU) meeting, this time in Kampala in Uganda. She was beseeching African leaders to pay attention to the welfare of women in their country who end up in the mortuary when all they really desired to do was to deliver their babies in safety. The truth is that the requirements for safe motherhood are really not that hard to meet, where there is commitment.

At the same AU summit – “African leaders came under fire for failing to live up to the 2001 Abuja Declaration, in which they agreed to commit at least 15 percent of their national budgets to health. To date, only about five countries have done so” [1]

There are so many heart-warming breakthroughs that the world is recording. Let us take electronic communications and technology. Practically everyone in Nigeria, rich and poor, possesses a mobile phone of some sort. We talk to friends halfway around the globe at practically no cost – skype-ing, twittering, blogging, texting – the world seems to be so connected, so knowledgeable, so in control but the real truth about mankind and development in the last century can be summed up by the words of Ray Levy “The value of human life devalued, the value of technology inflated.” [2]

It is so tiresome because we keep talking about the same issues over and over again and yet very little appears to ever happen. As the country with the second highest record of maternal deaths in the entire world (second only to India), Nigeria really needs to sit up.

“Although the Nigerian government willingly pledged to commit 15% of its total annual budget to improving the health-care system in the 2001 Abuja Declaration on HIV and AIDS, Tuberculosis and other Infectious Diseases, it has fallen far short of this commitment, instead allocating slightly over 5% of its 2008 budget to health care. [3]

Accountability and transparency in the use of even the meagre funds allocated to the health sector would go a long way in building confidence of internal and external donors to support the sector. In 2006, Nigeria lost USD 50 million grant awarded by Global Fund to prevent mother-to-child HIV transmission and broaden access to antiretroviral drugs due to the inability to meet the transparency target that was expected of recipients [3].

Nevertheless, government cannot solve all the problems of maternal and child health alone. It would be great, though, to see multi-level partnerships involving national and transnational corporations and groups working to end the untimely deaths of mothers and babies in Nigeria.

Some of the corporate organisations supporting the health sector are making useful contributions but given the challenges of maternal and child health in Nigeria, specific and targeted interventions would make even more impact.

Priority areas of intervention to address maternal and child health:

- Develop and implement costed maternal, newborn and child health accelerated plans in order to meet the MDG targets. Nation plans should focus on proven packages and interventions;
- Strengthen the health and community systems to provide universal, comprehensive, integrated, maternal, newborn and child health care services, in particular through revitalization of primary health care, repositioning of family planning including reproductive health commodity security, infrastructure development, skilled human resources, prevention of mother to child transmission (PMTCT), HIV/AIDS, Malaria, Tuberculosis with other infectious diseases;
- Increase domestic resources for health including: improving per capita investment to meet or exceed the WHO recommended minimum of USD 40 per capita; to meeting the Abuja target of at least 15% of budget allocation for the health sector: and also earmarking an amount for Maternal, Newborn and Child Health; as well as mobilize resources through innovative health-financing and ensuring efficient and effective use of health resources including progress reviews of the Abuja Commitments;
- Prevent unwanted pregnancy and unsafe abortion by paying particular attention to address adolescent and youth needs related to reproductive health;
- Integrate previous commitments on water, sanitation and hygiene (WASH) with maternal and child health, and prioritize and adequately resource at national level;
- Strengthen systems and accountability mechanisms to support citizens' participation, leading to improved governance in WASH and maternal and child health;
- Develop a multi-sectoral approach to address issues of Food and Nutrition and Maternal, Neonatal and Child Health (MNCH). There should be harmonisation between AU initiatives, International and national commitments on Food and Nutrition and MNCH;
- Provide skilled care and management to prevent maternal and child mortality. Health care profession should be made attractive to avoid brain drain. Furthermore invest in and foster innovative approaches to scientific thinking among the youth to ensure a sustained interest in the field of health care;

Statement of civil society organizations delivered to the 15th ordinary session of the assembly of the African Union, Kampala, Uganda July 2010

<http://fairplayforafrica.org/news/statement-of-civil-society-organisations-delivered-to-the-15th-ordinary-session-of-the-assembly-of-the-african-union>



Case Study: MDG 4&5

Reduce Child and Maternal Mortality



Mr Abayomi



Stanbic IBTC Bank

Stanbic IBTC Bank stepped in to provide infrastructural support and also provided equipment for one of the Primary Health Care Centres in Amuwo Odofin Local Government Area. The health facility located within the LGA premises in Lagos State provides health services to the residents of FESTAC town and environs. Strengthening of the primary healthcare system is quite important in reducing maternal and child deaths as well as other health issues.

According to Mr. Moradeyo Abayomi, the Senior Special Assistant on Health issues who spoke on behalf of the Chairman of the LGA, Comrade Wale Ayodele:

IBTC put in place a lot of things that made this health centre what it is today. They changed the roof of the

health centre so we don't have to worry about the disturbance of rainfall anymore. They painted the whole health center, gave us a computer set and air conditioners. So things are improving. ..When we first came in 2008, we used to have about 50 patients per day but now we have on average about 120. Eventually, we have to work on gaining more manpower to support the infrastructure that has been established

Mr. Abayomi further noted that the facility has doctors in attendance on a 24-hour basis; a maternity section that attends to pregnant women, and said that in a bid to bring better services to the people, the LGA chair established the pharmaceutical section.

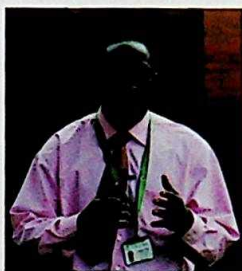
"We have our pharmacy and our laboratory. In our pharmacy we provide free health services to children under 16. So, what we have here is a kind of hospital arrangement, though we still call it health center... When we came in, we met one doctor in this place, but presently we have three during the day and one at night", Mr. Abayomi added.





Shell-Supported Community Insurance Scheme

Health is wealth goes the common saying. As part of its corporate social responsibility, Shell supports twenty seven health facilities in the Niger-Delta and Obio is one of the twenty seven. Shell builds and equips the facilities, provides accommodation for staff, pays stipends (to subsidize staff salaries that are paid by government) and also gives oversight to the facility, supervising day to day activities. Under its Global Memorandum of Understanding (GMOU) in Obio Community in Port Harcourt, Rivers State, Shell supports a novel community health insurance



Moradeyo Abayomi

scheme that provides prepaid healthcare to members of the community and others and is being implemented as a pilot project. The GMOU arrangement brings a cluster of communities together under the agreement and they set their own development agenda.

In the case of Obio, the community was interested in a health initiative. The Obio arrangement is a little bit different from the other facilities in that it has a private health maintenance organisation (HMO) - Healthcare International - as part of the structure.

A Board of Trustees was set up which has the community health manager overseeing it. Thus, representatives of the HMO, the community, the state government and the local government all form part of the board and contribute to decision-making. Shell brings everyone to the table and makes sure the programme runs smoothly by providing capacity-building and other inputs.



Akin Fajola

Dr Akin Fajola, public health adviser for Shell's eastern operations and who directly covers Obio cottage hospital explains the genesis and thinking behind the scheme:

Health insurance exists in Nigeria through the National Health Insurance Scheme, but ... it is mainly focused on the formal sector. We thought, why don't we focus on the communities where we are operating ...to bring accessible health care to them without them paying out of pocket expenses. Indigenes of Obio community pay three thousand six hundred naira annually (and they can pay over four instalments). Now the programme itself is seven thousand two hundred Naira (US\$50) but what the community decided is that out of the pot of money that goes to healthcare, they will provide a subsidy for members of their own community.

The annual subvention covers costs of consultation, treatment, drugs and surgeries; even when surgeries are conducted in another facility due to a referral. The Obio facility used to be a health centre under the national primary health care development scheme. Shell



equipped the facility to secondary level - cottage hospital - and brought in additional doctors (including doctors from the national level). The HMO also brought in some doctors bringing the present number of doctors to six.



delivery and after ...I didn't think it was actually real; But throughout my antenatal visits, I consulted the doctor and I got drugs and they were all for free ... during labour when I came here I had my baby and for free ...here the nurses the doctors are all very caring, very supportive".

Says Mrs. Hope Ogwutun from Rumuezolu community:

Mrs. Theresa Okere is a beneficiary of the Obio Health Insurance Scheme and explains:

"I teach Agriculture at Council College. I got to know about the scheme through a colleague of mine who was pregnant too. Then, I was looking for where to register for antenatal. When I came here I met the matron and she told me about the scheme and she convinced me that it was for real. She said the money covers one year and covers pregnancy,



"The biggest benefit that this facility has brought to this community is that it has allowed the less privileged to have access to healthcare; from the very young to the aged...No matter the kind of illness, the scheme allows us to be properly attended to medically".



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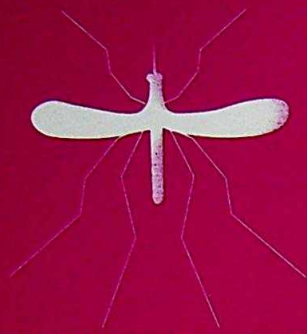
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protecting my
Baby
I know my
HIV Status
know
yours!

Positive living. Positive attitude





MDG 6 – Combat HIV/AIDS, Malaria and other Diseases

Introduction by Oma Cobham Nsa

HIV/AIDS and malaria have become the greatest health problems threatening the human race, with Sub-Saharan Africa particularly bearing the greatest burden. Available statistics from the Joint UN Programme on HIV/AIDS indicate that at the end of 2003, over 40 million people had been infected with the virus, out of which over 28 million were in Sub-Saharan Africa.

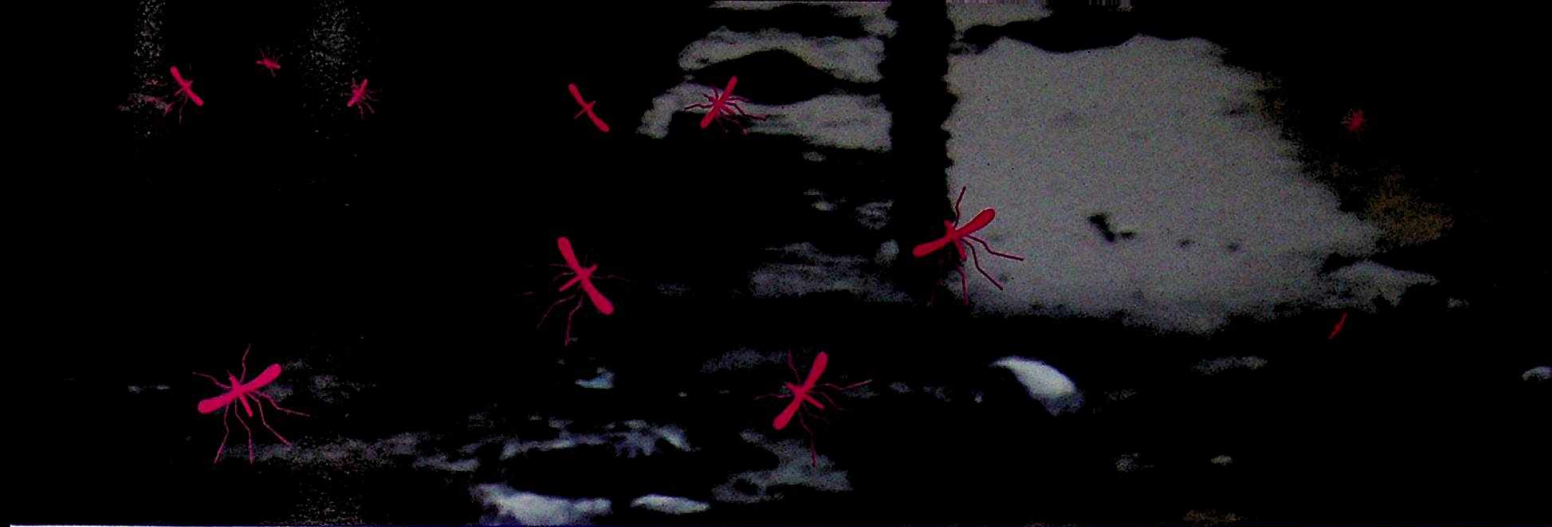
Similarly, in recent years, increase in human and financial commitments to malaria control; have been witnessed nationally and internationally. This is partially because of the need to meet development targets set in the Millennium Development Goals (MDGs).

Nigeria is ranked among the low human development countries by the United Nations Development Programme (UNDP). With its unenviable status as the nation with the second highest number of People Living with HIV/AIDS (PLWHAs) after South Africa, Nigeria has continued to demonstrate commitment in monitoring progress towards reducing the spread of HIV in line with the United Nations' Declaration of Commitment.

Nigeria has adopted a multi-sectoral approach in addressing the HIV/AIDS epidemic since 1999. This approach ensures all relevant line ministries are active participants in combating and mitigating the epidemic's impact in their areas of comparative advantage, with the Federal Ministry of Health providing a lead role.

Sadly, efforts to effectively address the problem of malaria have not yielded the expected results by translating into significant decrease in the disease incidence and its impact in Nigeria. According to a presentation, "Malaria in Rural Nigeria: Implications for the Millennium Development Goals" by Olufunke A. Alaba of Department of Economics, University of Pretoria, South Africa, "Malaria is responsible for an estimated average annual reduction of 1.3% in economic growth for those countries with the highest burden, Nigeria inclusive."

The Federal Ministry of Health has put in place a comprehensive antiretroviral drug treatment programme for PLWHAs, as part of its care and support programme and includes Prevention of Mother-to-Child Transmission (PMTCT), Voluntary Confidential Counselling and Testing (VCCT), and surveillance among others.



The point has been made that Nigeria is privileged to utilize a stakeholder-driven and vibrant multi-sectoral national HIV response model, which has led to strengthened and increased support by various stakeholders (civil society, private sector, women, youth & religious leaders); strengthened national monitoring & evaluation systems; and production of strategic documents and guidelines for programme management.

However, health sector critics insist that there is an urgent need to strengthen research and to prioritize the use of data to improve programming, policy and resource mobilization as well as monitoring and evaluation. Another area that requires strengthening is political commitment, especially at state and local government levels. It is also important that operations research also becomes an integral part of programme implementation at the state and LGA levels. Funding also needs to be increased in all thematic intervention areas; and particularly with regard to PMTCT.

Leadership and coordination from the National Agency for the Control of AIDS (NACA) have resulted in considerable progress witnessed in areas of prevention, treatment, care, and support, and human rights with the implementation of national strategies to promote gender equality and women empowerment. However, there is urgent need to strengthen response at the state and local government levels to achieve wider coverage and a more sustained response.

As major stakeholders in Nigeria's health sector, it has been argued that response from Corporate Nigeria is far from encouraging. Yet, those mostly threatened by HIV/ AIDS, malaria and other diseases belong to the productive population.

Though there have been pockets of interventions by individuals, organizations, and even religious groups aimed at mitigating the effects of HIV/AIDS and malaria on the nation's vulnerable populations, it is sad that, many years on, most of the funding still comes from international sources.

No doubt, more people are becoming aware of the efficacy of Insecticide Treatment Nets (ITNs) for the prevention of malaria. With the public information campaigns launched under the Roll Back Malaria initiative, the ITNs started becoming popular in 2009. Available records also indicate the challenge of counterfeit drugs has also decreased; the 90s saw many counterfeit drugs flooding the nation's markets.

Corporate Nigeria should consider investment in data collection. This has been a major challenge to the health system of Nigeria. It is expected that an innovative data collection system will contribute positively to health care planning and service delivery as they affect HIV/AIDS and malaria intervention projects.

Support of home-based care and educational interventions for Orphans and Vulnerable Children (OVC); distribution of mosquito nets; provision of micro-credit; capacity building on entrepreneurship development; donation of drugs and food supplements; and equipping of public hospitals for effective health service delivery are important intervention areas. There is an urgent need for funding and programme interventions aimed at improving the economic status and quality of living of families caring for OVC.

Corporations in Nigeria may also assist by supporting scientists and other stakeholders who are conducting research to discover potent drugs as well as vaccines to curb Malaria; and a possible cure for HIV/AIDS.

Case Study: MDG 6

Combat HIV/AIDS, Malaria and Other Diseases

MTN

MTN has been supporting Partners Against Aids and Malaria in the Community (PAMAC) in collaboration with Hope World Wide Nigeria.

Flagged off in 2005, the project aims to increase the level of awareness about HIV/AIDS and Malaria prevention and treatment in six states of Nigeria (Lagos, Kogi, Cross River, Imo, Sokoto and Gombe States). Areas of intervention include Prevention of Mother-to-Child Transmission of HIV/AIDS, voluntary counselling and testing and malarial services.

So far under the project, about 48,206 people have received counselling services and another estimated 40,249 people been tested and know about their HIV status.

MTN also works with Sickle Cell Foundation of Nigeria in Edo, Kano, Delta and Lagos states. Five MTN supported clinics are operational in these states and provide holistic preventive and curative health services to those with the sickle cell disease. Beneficiaries are supplied essential drugs and consumables at the five clinics.

Zain Nigeria

Zain collaborates with the National Agency for the Control of AIDs (NACA) by providing four toll-free lines for guidance and counselling on HIV/AIDS. The lines are hosted by four NGOs namely: Youth Empowerment Foundation (YEF), Lagos; Association of Concerned Partners for Nigerian Youths (ASCOPANY), Calabar; Education as a Vaccine against AIDs (EVA) Abuja; and Society for Women Against AIDs in Nigeria (SWAAN), Kano.

The demand for personalised services; for example, the need for counsellors to respond to callers in different Nigerian languages necessitated the establishment of a National HIV/AIDS Call Contact Centre.

Zain provided the E1 transmission link to power the process.

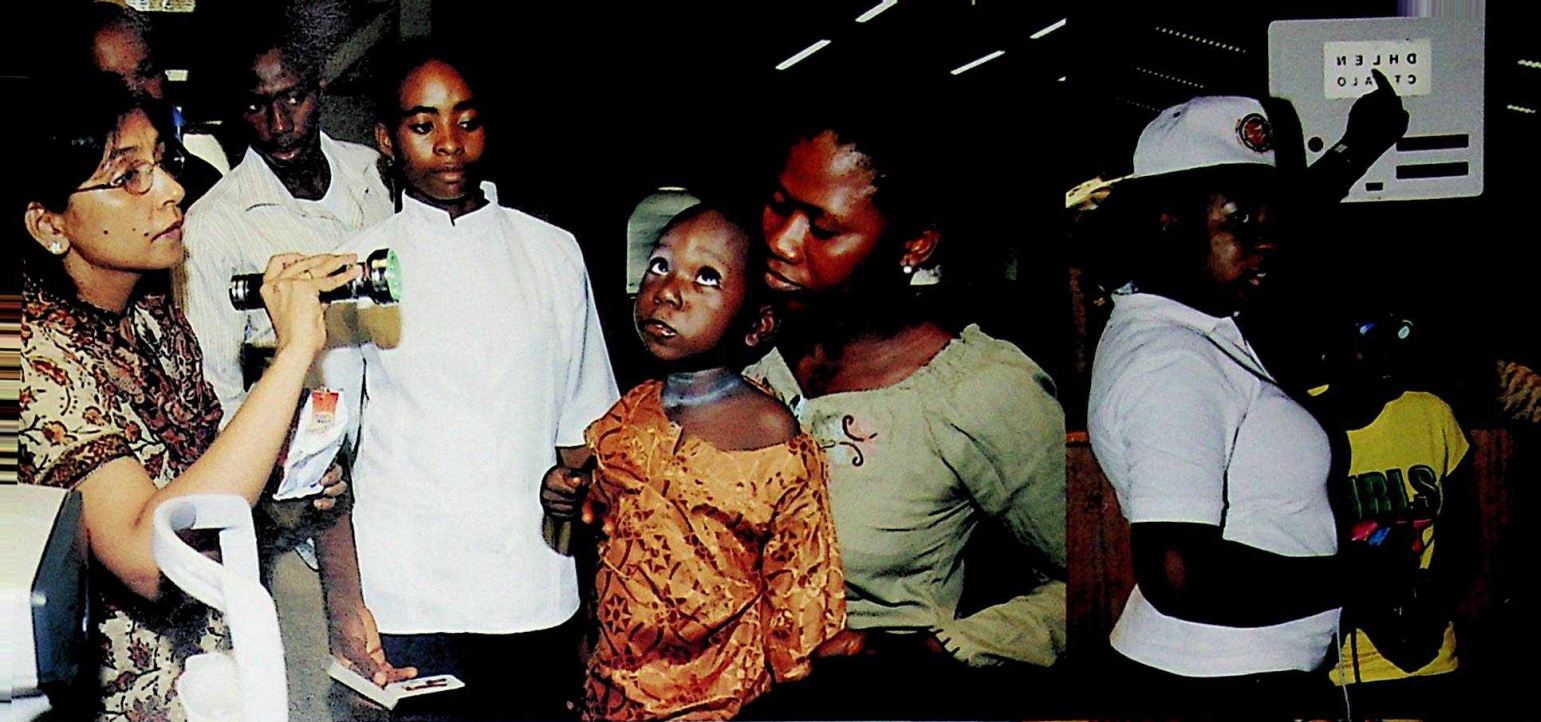
The call centre has two main parts: the telephone and e-counselling meant to facilitate counselling and referral via call in (mobile and fixed), e-mail, SMS, chat and a Resource Centre which serves as an electronic library to be hosted on the main server.

The centre also has a reading room with journals and internet connectivity.

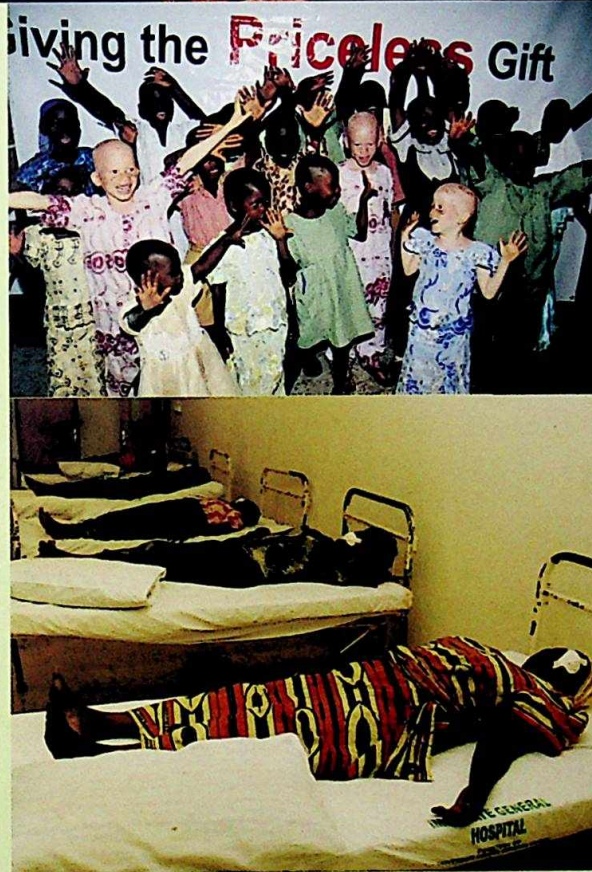
FCMB

FCMB in collaboration with the Tulsai Chanrai Foundation implements an intervention that provides eye care to underprivileged young people



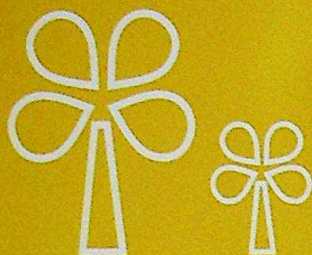


who would not normally have access to such sensitive eye care services. As part of the Bank's 'Priceless Gift,' patients with cataract in Kebbi, Cross River, Adamawa and Imo states of Nigeria were provided free eye surgery and post surgery care.



Lafarge Cement WAPCO Nigeria PLC

Charity, they say begins at home. Annually, Lafarge provides voluntary HIV counselling and testing services to members of staff. The organisation also distributes insecticide treated nets to staff members



MDG 7 – Ensure Environmental Sustainability

One hazy mid-morning in March 2010, Founding President, Sustainability Advisory Group, Maria Sillanpaa, who was facilitating a sustainability course in Lagos hosted by TruContact Ltd, displayed a slide with pictures of our earth. As a pin-drop silence enveloped the room, she pronounced: “At the current rate of environmental degradation, in the next couple of years, we may need more than one planet to survive here.” She further explained that if no steps are taken to curb the downward trend, we would sooner than later require four planets to sustain the earth's population!

This was probably not what the corporate executives who attended the course expected to be confronted with shortly before a sumptuous lunch; after all they were gathered in that room to enhance their skills in corporate responsibility and sustainability management. Nevertheless, it was clear that almost every participant agreed, judging from the mumblings that filled the room and disappeared all at once, that the facilitator had indeed touched on an unsettling subject matter.

Our earth, the only one we have, is in great peril; thanks in large part to our collective environment-damaging practices. Cumulatively, the impact of our actions would require our creator, God, to go to work again to produce three extra planets – which is undoubtedly mere wishful thinking. Thus, the handwriting on the wall is clear – mankind must clear up its own mess!

Nigeria's peculiar power supply conundrum is a priority issue that must be addressed. Night and day, deadly carbon-emitting generators of all shapes and sizes spew forth tons of dangerous substances into the atmosphere. The epileptic power supply implies that businesses and homes are powered by these environmentally unfriendly gadgets. Imagine Nigeria's teeming population and consider that every small corner shop and every room in the common ‘face-me-i-face-you’ (single room) apartment block is powered by one of these monster-generators; then we can begin to see the impact on our living environment and on our health and safety.

More waste products also find their way into rivers and streams, choking the life out of marine species and making sources of underground water unsafe for drinking. Spills from vandalised oil pipelines and the failure of the supervising authorities to ensure strict adherence to safe environmental practices places Nigeria at the head of the queue of the culprits when the agitation for more planets reaches a crescendo.

In keeping with the race to attain the goals set for the in Millennium Development Goal (MDG) 7, all must work together— Government, corporations and the man on the street to bring about change. Public education on safe practices should be intensified. The government should as a matter of urgency begin to explore cleaner energy sources and provide stable power for its citizenry.

Case Study: MDG 7

Ensure Environmental Sustainability.

Entries for the SERAs 2010 show that some corporate organisations are beginning to put structures in place for greener and more sustainable business. This is after all the only planet we have and one which we must tend and protect.

Corporate Nigeria has since stepped up its efforts to achieve a cleaner environment as the entries for the 2010 SERAs attest.

Shell

As the world wakens to the need for alternative, cleaner and sustainable energy sources, Shell Petroleum Development Company (SPDC), designed a simple, solar-powered, reticulated water system that brings clean water as close as possible to the communities served in the Niger Delta. One of such communities is the Umuokwa community in Etche Local Government Area of Rivers state. This is one of Shell's host communities and in the course of the company's engagement with members of the community, access to water ranked highest among other priority needs.

Mr Alaye Dokubo, Team Lead, Strategy, New Initiatives and Standards explained the rationale behind the Solar-Powered Reticulated Water Scheme:

We began in the year 2000, by providing a 33,000-litre water tank and a power generating set which worked for a while. But due to the high cost of diesel and maintenance, it was not a feasible venture. To keep the project alive, we thought of a solar-powered scheme... Umuokwa Community is part of the Etche 1 cluster which consists of nine different communities and is part of our Global Memorandum of Understanding (GMOU).

To date, SPDC has the GMOU working with 20 community clusters in Rivers and Bayelsa states which enables beneficiaries to make decisions concerning their own development needs and to take action to meet those needs; with funding support provided by Shell.

Mr Otamiri Samuel Chuks, Umuokwa Community Trust Secretary expatiates:

...the GMOU was a welcome development. Before Shell's intervention, we depended on the river for drinking water and all other uses. With the dredging of the river some time ago, the water became badly polluted. We contacted all kinds of water borne diseases including Cholera...But since 2007 when the water scheme was rehabilitated by Shell, infection has reduced and with that, the hospital bills.

Mrs Patricia Williams, who married into Umuokwa clan, said: "We are enjoying the water. We used to buy water ... The women of this community are pleased with this water facility; it has alleviated our hardships."



The Coca-Cola System (Nigeria)

Since 2005, the company has pioneered the recycling of used PolyEthylene Terephthalate (PET) bottles into pellets and synthetic fibre. PET is a plastic resin in the form of polyester. These plastics are used to bottle water. Bottled water has become increasingly popular with Nigeria's highly mobile populations especially during the hot dry season.

The recycling project provides a source of livelihood for about 1,500 persons, mostly women, who collect the used bottles and sort them.

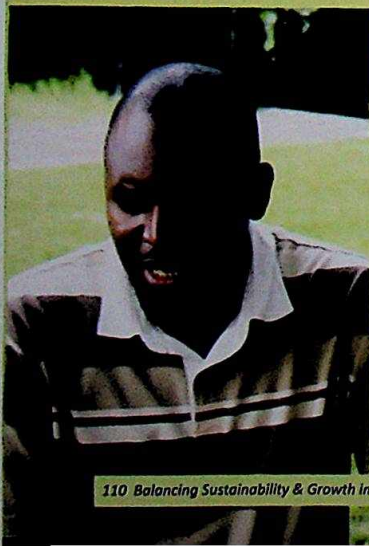
The initiative also helps to keep Nigeria clean and to also decongest the drains. In addition, the re-cycling process produces synthetic fibre used as raw materials by local furniture, textile and other industries.



First City Monument Bank's (FCMB)

FCMB's environmental sustainability initiative is code named the C2G (Committed-to-Green) initiative. It is driven in partnership with the British Council, Lagos State Government and Nigerian media practitioners to bring widespread attention to climate change issues and to support projects which address climate change and environmental degradation.

The programme, according to FCMB's Corporate Social Responsibility Co-ordinator, Mr Wallace Akomode, allows the various branches of the bank to partner with their local and state governments in developing a process of addressing the pressing issues of waste management and sanitation. Mr Akomode also noted that C2G has seen several state commissioners, local government chairpersons and state governors join the local communities in initiating habits which support environmental sustainability.



Chevron Nigeria Limited, partners with the Nigerian Conservation Foundation (NCF) to maintain the Lekki Conservation Centre (LCC)—one of Nigeria's few remaining biodiversity hotspots—which traverses a mosaic of vegetation types including secondary forest, swamp forest and savannah grassland. The initiative aims to protect wildlife found in the Southwest coastal areas of Nigeria in the face of rapid urban development and deforestation.

The Lekki Conservation Centre is home to a large variety of animals that are native to the swamp forest environment of the Lekki Peninsula area, including Mona Monkeys, Crocodiles, Squirrels, Bush bucks, Maxwell Duikers and Pangolins. Almost 120 migratory birds have also been recorded in the reserve.

Ademola Ajegbe, LCC coordinator



Students of Adenuga Adesina, Police children school II Obalende Barrack on excursion to LCC

The Lekki Conservation Centre was established in 1987. The centre carries out three major functions: biodiversity conservation—keeping nature, the plants and the animals for future generations; environmental awareness and education; and eco-tourism—which is becoming big business, globally.

Mr Ademola Ajegbe is co-ordinator of the LCC. Amidst monkey squeals and the chirping of birds in the background, he explains **Chevron's** contributions to the centre:

Annually, we receive a subvention of 60 million Naira [about US\$400,000] from Chevron to keep this place going and to make the centre a place where people and nature can both be happy. Just as we were setting up shop here, Chevron was also setting up their office close to us. We approached them based on common interests and thus began a partnership started in 1990. Chevron donated the money to build this facility...everything you see here was donated by Chevron.

MTN has also been implementing an initiative known as Cleaning the Local Environment all Around Nigeria (CLEAN). The project converts waste to wealth through the establishment of a waste collection, disposal and management system alongside the construction of a waste recycling plant. The projects also provide safe water supply and conveniences.

The project is currently being implemented in Alesinyole Market, Ibadan, Oyo state and Ose Market in Onitsha, Anambra state. The project has provided employment to a number of residents.

Zain Nigeria

Zain has focused primarily on providing potable drinking water to communities in Lagos, Enugu and Imo states. Zain's community water projects have improved the health conditions of targeted communities by providing 80 per cent boreholes to communities in dire need of potable drinking water. Prior to Zain's intervention, about 90 percent of the rural people in targeted communities made do with drinking water from unsafe sources such as wells, streams and rain water.

Zain water project in Iponri Market, Lagos





Mrs B.T Holloway



Iponri model market

One of the communities benefiting from Zain's water project is the Model market in the Iponri area of Lagos. Mrs B.T Holloway joined the Habibat Mogaji Model Market in Iponri, Lagos, ten years ago (after her retirement) and is the chairperson of the market's executive council. She affirms:

when I came here, there was no borehole. There were only wells; some were good, others were very bad. Zain improved the water situation and we are thankful. They even gave us chairs and tables for the market's secretariat. A model market requires water for a variety of uses; the community water project by Zain was just what the doctor would have prescribed....

British American Tobacco Nigeria (BATN), has continued to be in the vanguard of companies safeguarding the environment. For the 2010 SERAs, the organisation heightened its campaign for the eradication of water borne diseases in Nigeria through the provision of more safe and potable water to communities in critical need in the communities where the organisation conducts business.

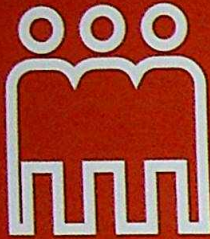
BATN also supported a 10 hectare Teak plantation in Saki West and Surulere LGAs of Lagos State; and 5 hectares in Atisbo LGA of Oyo state. It has also carried out a 5 hectare Neem Plantation exercise in Kano State. The firm's widespread afforestation efforts in most of Nigeria's geopolitical zones have been consistently pursued by the organisation to stem environmental degradation in.

TY Danjuma Foundation



Rehabilitation of water pumps and boreholes supported by the TY Danjuma Foundation in Taraba State'.





MDG 8 - Develop a Global Partnership for Development

MDG 8 is multifaceted and all encompassing in its implications. It does not only take into cognisance partnership between nation states, but between national and transnational organisations of various kinds. The quality, depth and variety of partnerships continue to expand as more individuals and organisations catch hold of the vision – building a healthier world that cares and is responsible; building a world that we all can be proud of.

Factors that make partnerships work at this level are commitment, the desire to make a difference and the recognition that when a part of the body of humanity suffers, the other parts also feel the pain in obvious and more often in subtle ways. Skill acquisition and transfer are some of the advantages to be derived during this process of partnership. The act of stepping down the partnership from global to local is also of great importance.

While MDG 8 was designed to measure international commitment to a global partnership for development, recent attention has been focused on localizing MDG 8 in order to examine national integration in this global partnership and national commitment to the targets...These efforts recognize the fact that developing a global partnership for development is not a direct one way responsibility either of the developed or the less developed countries alone. A localized analysis of MDG 8 requires a comprehensive examination of national economic, trade, and social policies that promote regional cooperation and integration in the global system and enhance the enabling environment for achieving the MDGs [1]

Case Study: MDG 8

Develop a Global Partnership for Development

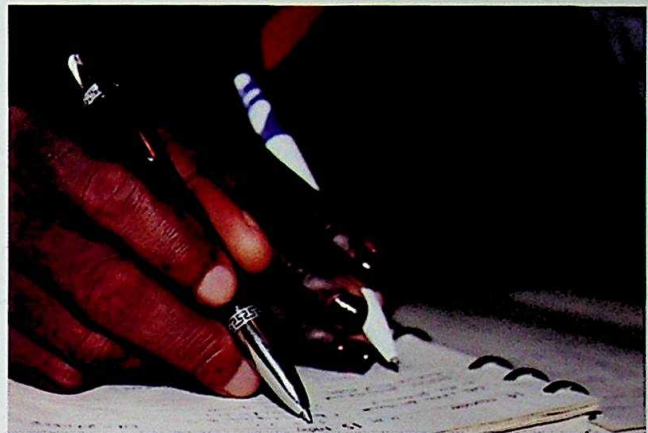
The variety, creativity and numbers of the partnerships reported in the submissions for the 2010 SERAs were much more than in the previous years. With the localisation and domestication of the global concept of partnerships, exciting new relationships have developed and are still being forged between :

national /local communities and corporations- the GMOUs that Shell and Chevron have forged with some host communities

corporations and the state - the environment-friendly and much anticipated Eko Atlantic City Development Project where some banks (FCMB, First Bank and GTBank) are in partnership with the Governor Raji Fashola – led Lagos State government administration

corporations, international agencies and institutions - British-American Tobacco Nigeria is partnering with the United States Agency for International Development (USAID) and Kansas State University to introduce a CSR curriculum in the University of Lagos' Faculty of Business Management; MTN's Child-Friendly School Initiative is implemented in partnership with the United Nations Children Fund (UNICEF); the Cassava Enterprise Development Programme is implemented by a partnership between Shell, USAID and the International Institute of Tropical Agriculture (IITA). The 2010 Social Enterprise Report is rife with exciting examples.

CSR initiatives are now being driven not only by corporate organisations working in the country but



in conjunction with national and local committees, governments (at the local, state and national levels), NGOs and foundations (local and international), educational and research institutions in and outside the country and many others.

Of interest and worth researching and watching are the partnerships that oil companies in Nigeria are forging with local communities especially in the light of the knotty nature of the relationships that historically have existed between oil companies and host communities.

Chevron Nigeria Ltd/Nigeria National Petroleum Corporation (CNL/NNPC) -This joint venture is an innovative version of community engagement known as the Global Memorandum of Understanding (GMOU). In this model, there is participatory partnership with local communities with regard to the companies' operational engagement in the Niger Delta region. It gives the communities ownership of their development and the processes necessary to make development a reality.

GMOUs were signed with eight Regional Development Committees (RDCs) in five states of the Niger Delta. These committees represent 425 communities and approximately eight-hundred and fifty thousand (850, 000) people. The Ilaje, Itsekiri, Egbema-Gbaramatu, Idara, Kula, Keffes, Dodo River and Jisike are included.

The NNPC/CNL joint venture has provided funding for a wide range of infrastructural and non-infrastructural projects that include, water, rural electrification, school buildings, cottage hospitals, town halls, micro-credit schemes, and many others. Projects are identified through a process of sustainable livelihood assessments by all eight RDCs and then included in detailed community development plans.

Shell Petroleum Development Company of Nigeria Ltd (SPDC) GMOUs represent multi-party partnerships involving communities, state governments, Shell and civil society. The GMOUs enable the communities to drive their development with technical

and financial support from Shell. NGOs and technical institutions provide capacity building and business development support. This scheme is unique because the communities run the financial, contractual project execution and administrative system exclusively; but are expected to adhere to Shell's pillars of transparency, accountability and inclusiveness. The GMOU scheme has improved access to social amenities like potable water, electricity, roads, health services, employment opportunities and human capacity development. A significant improvement in company-community relationships is also noticeable in areas where a GMOU has been deployed.

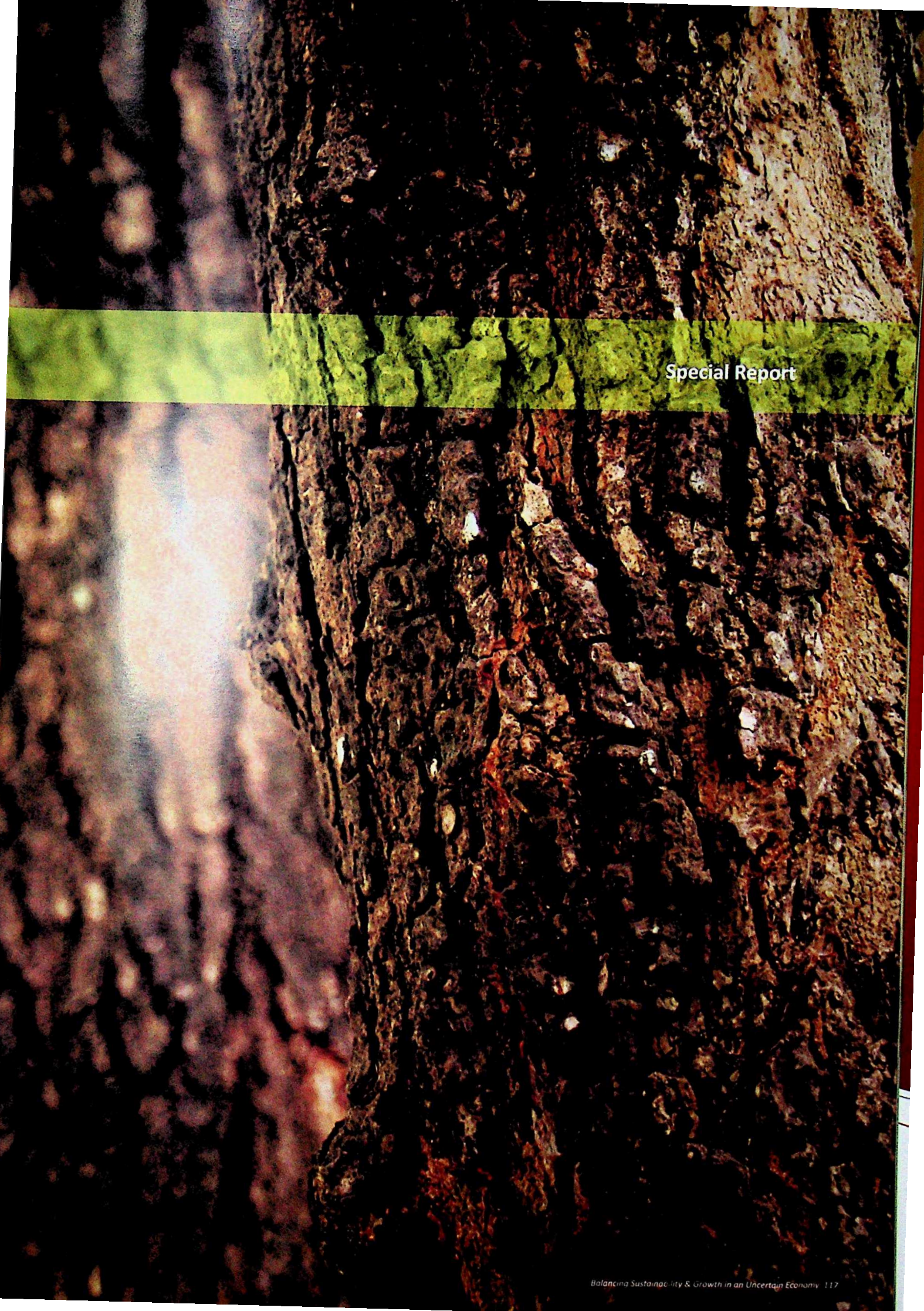
The GMOU has been in force for about three years and is constantly evolving in order to meet the changing needs and aspirations of target beneficiaries. There are 20 GMOUs (supported by Shell) with 200,000 community clusters in Rivers and Bayelsa states.

Other interesting partnerships being forged on the continent to which Nigeria should become involved are partnerships that promote low-carbon sustainable development. Africa Carbon Asset Development (ACAD), the first facility dedicated to growing the African carbon market became operational earlier in the year 2010. ACAD is a partnership between the United Nations Environment Programme (UNEP), Standard Bank Group (SBG) and the German Government's International Climate Initiative through its Federal Environment Ministry.

One of the first to enjoy an ACAD award is "The Lagos Waste Management Authority in Nigeria which is developing several waste-to-energy sites. ACAD is supporting the costs of engineering and carbon auditing studies required to earn carbon credits". [2].

It is obvious that development partnerships at various levels will go a long way in giving that little extra push to developing country programmes striving, often against odds, to achieve the MDGs.

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Special Report



GTBank Injects New Life into Lagos State's Principals Cup

At the centre of Nigeria's waning performance in international sporting competitions, including football, is the inability to harness the pool of talents available to discerning scouts in all parts of the country. The problem of overage players has led to the situation whereby younger footballers can hardly leave their mark at the senior national team level because they are likely to be less experienced, anyway. The local press has since coined the phrase 'tired legs' to describe the country's growing armada of footballers who are well past their peak, but still continue to don Nigeria's colours in international football meets.

The Lagos State Principals Cup Competition, (a novel football and education initiative which started in the 1940s), has always sought to discover talented young people at secondary school level and nurture them into world class players before their seventeenth birthdays. This also ensures that real birth dates are recorded and

documented even for those who eventually make it to the senior level of play. A number of the country's past football stars - Samson Siasia, Emmanuel Amunike, Sunday Oliseh and Stephen Keshi all at one time or the other played in the Principals Cup.

With this great history behind the Principals Cup, Guaranty Trust Bank (GTB) entered into a partnership with the Lagos State Government to support the 2009/ 2010 edition of the cup. Featuring twelve secondary schools each for the male and female categories, the 2009 edition of the Principals cup further underscored the GTBank's youth and sports focus over the years. Interestingly, six students from the 2009/2010 season have been invited to the Nigerian Under-17 youth camp for pre-screening. This is the first time in the Cup's history that players from the tournament would be invited to a national team camp whilst the tournament was still on-going.

GTBank brought fresh ideas to bear on the competition with an initiative called the Tournament Ambassadors Programme. This programme enabled Old Boys and Girls of participating Principals Cup schools to participate in seminars geared towards motivating and inspiring secondary school students to

greater heights in their chosen disciplines and career paths.

Speaking on this initiative, Segun Agbaje, Deputy Managing Director of the bank said that GTBank instituted the Tournament Ambassador Programme as a way of exposing participating students to role models and mentors in various fields, from whom the students could always draw inspiration.

With the country's dismal showing at the just concluded World Cup still fresh in the memory, there is no doubt that the quest for Nigeria's next generation of superstars will see national team coaches heading to venues hosting oncoming editions of the Lagos State's Principals Cup matches.



Guaranty Trust Bank plc
RC 152321

For us at Guaranty Trust Bank, we passionately believe that CSR embodies our ardent commitment and social pact to the millions of people resident in our diverse operating environments. We are committed to enduring partnerships for sustainable development and adding value to whatever community we find ourselves operating.

Our avant-garde approach to social responsibility has seen us partner with like minded institutions such as the International Society for the Red Cross in Lausanne Switzerland, The Commonwealth Business council, The Prada foundation, The Greater London Authority, The Students in Free Enterprise (SIFE), The Patrick Speech & Languages Special Education centre, The Massey Street Hospital & the Special Olympics.

We are an organisation driven by the developmental challenges of our host communities to remain a socially responsible company that ensures its activities meet and exceed the social, environmental and economic expectations of all stakeholders.

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| Support for Sports | Support for Children with Special Needs



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Shell Pilots Community Health Insurance in Rivers State

One of the objectives of the National Health Insurance Scheme (NHIS), which was established under Act 35 of the 1999 Constitution of the Federal Republic of Nigeria, was to provide better access to healthcare for all Nigerians at an affordable cost using various pre-payment systems. Several years down the line however, the dream of affordable healthcare remains in the dream realm.

In a bid to improve access to healthcare services by its host communities, Shell Petroleum Development Company (SPDC) and the Shell 1A Cluster Communities Development Foundation under the platform of the Global Memorandum of Understanding (GMOU) pioneered a community-based social health insurance scheme in collaboration with Obio-Akpor Local Government Council and the Rivers State Government.

Four communities (Rumuobiakani, Rumuezeolu, Rumuomasi and Oginigba, all in Obio Akpor LGA of Rivers State) make up this cluster. The cluster had set aside the sum of N24.3 million from its GMOU fund as its counterpart funding for the program. The GMOU pays 50% of the annual subvention for the indigenes of the communities who are registered on the scheme.

The novelty of the scheme is premised on the fact that it is a

home-grown community health insurance scheme which is delivered under a Public Private Partnership (Government supported, community driven and with private sector support). The scheme was formally launched on March 25, 2010 and so far, 3600 persons have registered. Obio Cottage Hospital is one of the twenty-seven (27) health facilities in the Niger Delta that Shell supports

Dr Akin Fajola, Public Health Adviser for Shell's Eastern operations, speaking at the cottage hospital where the scheme is being implemented explained:

...the community donates the land, Shell builds the property, Shell equips and the state brings in the staff on its payroll. Health Insurance has already been introduced in Nigeria but ... it is mainly focused on the formal sector; those who have access to it are civil servants and those in public service. The idea of bringing healthcare to the people without them having to pay directly from their pockets gave birth to this scheme...

Hope Ogwutun is from Rumuezeolu community:

When I was admitted here a few months ago, I was pleasantly surprised at the way the doctors and nurses

attended to us; a complete departure from what obtained here in the past. I was asked to pay three thousand six hundred naira because I am from this community while non-indigenes paid seven thousand two hundred naira which is the annual cost of registering on the scheme. ... Since then, anytime I come with my baby, they shower us with attention as long as I have the card which confirms registration....



Meniru Kate

The challenge in the Nigerian operating environment is how to keep a scheme like Shell's running; the issue of sustainability. Mrs. Meniru Kate of SPDC is the Cluster Management Adviser for Obio Community and she explained:

The GMOU is the Global Memorandum of Understanding that we sign with communities... the GMOU allows us to put money in a 'pot' jointly managed by SPDC and the community—SPDC provides



money for the clusters. In one cluster, you may have as much as twenty communities. To deal with the issue of sustainability, there is a Community Trust, where two people from each community are brought on the board to represent their respective communities. So, the board oversees development initiatives and plays an oversight role in what goes on... from conceptualization to implementation. The community chooses what development initiative they would prefer and we provide the funds while ensuring that both parties to the agreement sustain the initiative.

Mothers cuddling their babies all had something to say about how much of a relief the health insurance scheme had brought to them.



Theresa Okere, a teacher with the Christian Council College in one of the communities in Port Harcourt, told of how she could not believe her ears when she was informed of the requirement for enrolling on the scheme. But then, with a few months before she was expected to be delivered of her baby, she could not afford even

that amount.

But thankfully, she was told she could pay in a maximum of three instalments over a given period. "The nurses and doctors were exceptional when I got in here", she chimed, rocking her baby in her arms. "This is my third child and I never ever thought medical practitioners could be this humane", she announced, her voice now laden with emotion as a few tear drops rolled down her cheeks.

"During my antenatal visits, for as many times as I wanted to see a doctor, I wasn't required to part with a dime. I also had Malaria; it was treated free as well, Okere said. "Delivering my first child cost me 48,000 Naira [US\$ 320] in a private clinic. My second pregnancy came with some complications and I had to part with about 30,000 Naira [US\$ 200]. To pay just 7,200 Naira [US\$ 48], not just to deliver this baby but to cover my annual health costs, was almost too good to be true", she added.

Dr. Kunle Megbuwawor (Medical officer in charge and head, underwriting & claims of Healthcare International, the private partner that provides the health plan) explains:

The kinds of health service they render in Obio cottage centre is what we sell on our private scheme for as much

as 80,000-175,000 Naira. This is because it covers what we don't usually cover like geriatrics - old people... in Obio, because there are so many stakeholders involved - the facilities have been provided, some of the staff are already provided... what we are doing now is the management of the scheme so we are able to come down and give it at a very subsidized rate of seven thousand two hundred.

Megbuwawor explained that the Obio scheme includes coverage for chronic diseases like hypertension, diabetes and people that have pre-existing conditions. He stressed that normally people with pre-existing conditions are not normally covered in a health insurance scheme.

With the general outcry for improved primary healthcare delivery in the country, there are certainly lessons to learn from the Obio pilot scheme.



LAFARGE WAPCO Nigeria PLC: Bringing Information Technology Closer To the People

While most of urban Nigeria has access to Information and Communication Technologies (ICTs) including an abundance of cybercafés, the same cannot be said of the rural populations of Nigeria. According to the Commonwealth Telecommunications Organisation (CTO) of which Nigeria is a member, only 10 percent (about 10 million) of Nigeria's estimated 140 million population have access to the internet. What this means, according to the CTO, is that rural dwellers who constitute the bulk of the people are either totally cut off or under-served in terms of ICT [1].

Lafarge Cement WAPCO Nigeria PLC's corporate social responsibility addresses this lack of access to ICT. Lafarge has established IT learning centres in the rustic communities of Ewekoro and Sagamu; both in Ogun State, Southwest Nigeria, where Lafarge operations are based.

"This community IT learning centre was established in 2001 for the development of the youths in our host communities ...so that they too can be part of the global development in terms of ICT", Mr Sunday Awofodu, the public Affairs Manager of Lafarge WAPCO PLC Nigeria, explained as he showed the 2010 SERAs verification team around. "We wanted a centre where our youth would avail themselves the opportunity of learning and one where they could meaningfully engage themselves", he added.

The ultra modern Community Learning Centres (CLCs) in Ewekoro and Sagamu enjoy the quiet and serenity of the countryside; ideal for study. Since their establishment, the CLCs have produced over 4000 (four thousand) graduates, some of whom have gone on to become Microsoft -certified computer practitioners in the larger society.

Admission into the Centre is free. Those who intend to enrol for the programme are only required to have passed their Secondary School certificate examinations. The training course is a two-month programme. Awofodu explains:

...The management of the Institute allots three slots to each of the eleven communities in Ewekoro. So, these communities pencil down the names of three students who will represent them. To make up a class of 44, we allot a further 11 slots to members of other communities who are not part of our host communities. There are two sessions basically—morning and afternoon...



Lafarge WAPCO plc works closely with 1st Intellit Solutions Ltd (an IT solutions provider based in Lagos) to implement the project.

"We manage the community learning centres", Mr Ibukun Ajiboye, who supervises the learning centres in Ewekoro and Sagamu, said. He further explained: "WAPCO provides the funds and we provide the services. We do the recruitment with a bias for the host communities".



Abosede frequents the Ewekoro Centre daily with her baby strapped to her back. Asked how she manages the training alongside baby-sitting, she said: *"It is nothing compared to the knowledge I get here everyday ... My baby is no distraction in any way"*.

At the Sagamu centre, Nwokocho Paul, Onibiyo Wemimo and Onibiyo Joseph had finished the day's lectures and were on their way out :

"I just gained admission into a South African University because of the computer skills I honed at the centre", Joseph beamed as he made to sit down on a chair he had pulled up from the back of the classroom. *"All I could do with the computer before was browse and play games....youths in the community who do not enrol here are missing out, big time!...I mean, I didn't have to pay a dime...."*

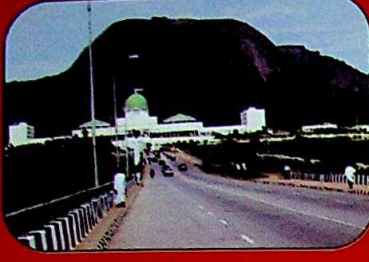
Joseph however observed that *"The computer systems could be very slow sometimes... and the learning manuals could be made to look better; but overall this is a lovely project"*.

Awofodu explained that the centres are enjoying continuous improvement and that Lafarge WAPCO plans to start computer sessions for adults as well.

Reference:

1. Daily Trust (2010) "Nigeria—Taking ICT to Rural Folks"
<http://allafrica.com/stories/2010040202240.html>
(viewed 20/08/2010)



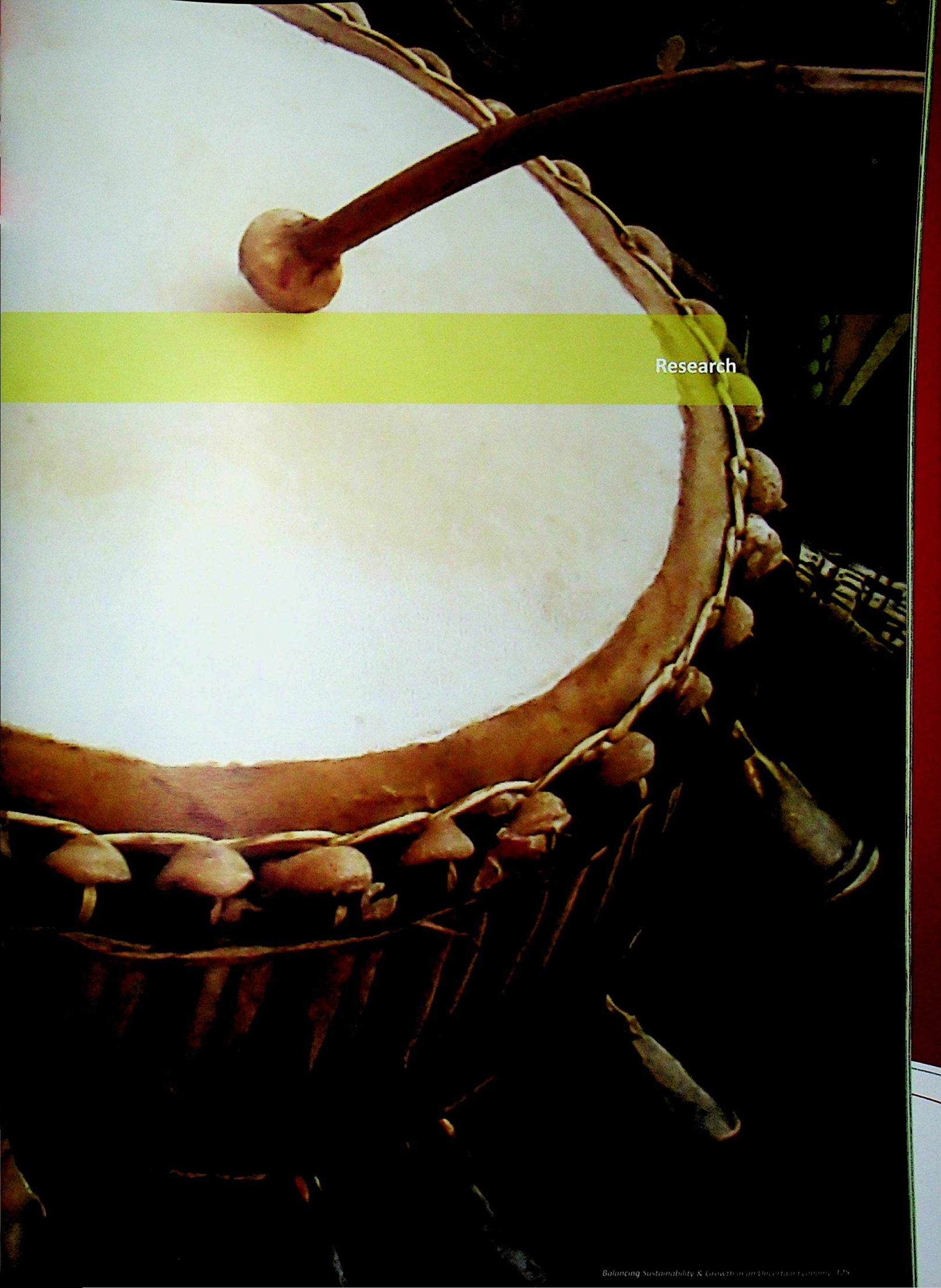


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Research



Balancing Sustainability and Growth in an Uncertain Economy


Report of Research Conducted in Nigeria 21st - 26th July, 2010
by TruContact Ltd

“Business as usual in the face of global climate change and population growth is not an option. We need big changes in industrial systems, business models, economic assumptions, market rules and governance frameworks to tackle the huge challenges facing us all at once. Business needs to be part of the solution”

- Jorma Ollila, WBCSD Chairman [1]

Ask the ordinary Nigerian on the street to define 'sustainability' and you are likely to attract blank stares; but deep down in every human being is that desire to live forever, to reproduce self, to leave behind an indelible mark, to produce offspring who will outlive them and live better and more fulfilling lives. Eternity lies in the heart of man; even though man is mortal and frail. *A good man leaves an inheritance for his children's children*, says the wise King Solomon. “We do make a difference -- one way or the other. We are responsible for the impact of our lives. Whatever we do with whatever we have, we leave behind us a legacy for those who follow,” Stephen Covey says. [2]

The traditional or popular view of sustainability calls for *policies and strategies that meet society's present needs without compromising the ability of future generations to meet their own needs.*



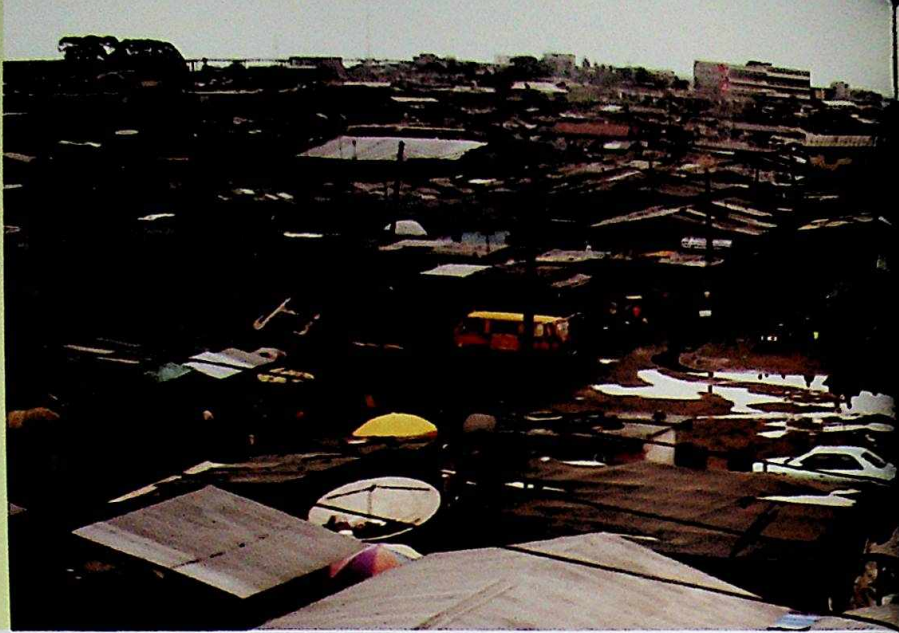
In the past couple of years, global events appear to be working against man's very best effort. A struggle is imminent as man's very survival is threatened. How can you think about posterity when hunger strikes at the core of your being? How can you think about tomorrow when even today is slipping out of your grip? A business that was yielding huge profits suddenly finds itself battling to keep operations going and has to lay off hundreds of loyal staff at very short notice; a man who was earning a comfortable salary with wonderful prospects and plans finds himself out of job and suddenly, all the stocks he owned are worth less than tissue paper.

In a scenario such as this, how does a corporation balance sustainability and growth (profit-making)? How does a household or family unit keep an eye on sustainability in the midst of the storm?

Over the past 30 years, the concept of sustainability has evolved to reflect perspectives of both the public and private sectors. A public policy perspective would define sustainability as the satisfaction of basic economic, social, and security needs now and in the future without undermining the natural resource base and environmental quality on which life depends. From a business perspective, the goal of sustainability is to increase long-term shareholder and social value, while decreasing industry's use of materials and reducing negative impacts on the environment. [3]

One of the ways in which business assures sustainability is through its corporate social responsibility portfolio. "CSR is more relevant than ever in the context of economic crisis", says the European Commission on its website. An explanation is offered for this viewpoint: "It can help to build (and rebuild) trust in business, which is vital ...It can also point the way to new forms of value of creation based on addressing societal challenges, which may represent a way out of the crisis".

This is easier said than done, one might opine. Businesses the world over have their eyes set on growth and profit-making. For business, growth traditionally would often refer to increase in profit, but not necessarily to increase in quality of staff, the quality of lives of the people within their host communities, increased environmental health or to the capacity of the environment to continue to replicate or accelerate the desired growth. With the economic downturn, some firms may be tempted to cut corners and to further neglect practices that make for sustainability because of the need to make profits in spite of the gnawing shortfalls. The situation is made worse by the absence of safety nets for individuals and/or corporate bodies in a third world economy like Nigeria's.



The situation in the last couple of years certainly calls for a re-think of the way we do things – it calls for “business unusual” for all sectors of the population and business certainly needs to be part of the solution.

The research project this year was not aimed at providing ready answers to how business may balance sustainability and growth in the situation in which the world has found itself. The answers lie within individual organizations, if they would only look inward. Rather, the research project aims to open up a Pandora box of ideas, to stretch the thinking a bit and to enable the reader begin to see the interconnections between the social, economic and environmental spheres in more human and tangible terms and to possibly catch a glimpse of possibilities for achieving the desired balance.

Against this backdrop, this study set out to talk to real people in communities in the Lagos metropolis on various subject areas (economic, social and environmental) that have an impact on sustainability and long term implications for business growth within Lagos - a city that is home to many firms in Nigeria and which is also recognized as Nigeria's industrial power house.

Method

A cross-sectional household survey was conducted in Lagos metropolis. Lagos metropolis comprises of 16 of the Local Government Areas (LGAs) in Lagos state. Non-metropolitan LGAs (Badagry, Epe, Ikorodu and Ibeju-Lekki) were excluded from the study. The study population therefore, is the male and female population of residents of Lagos metropolis, 18 years or older. Lagos metropolis accounts for about 88 percent of the total population of over 9 million residents of Lagos state going by the 2006 census.

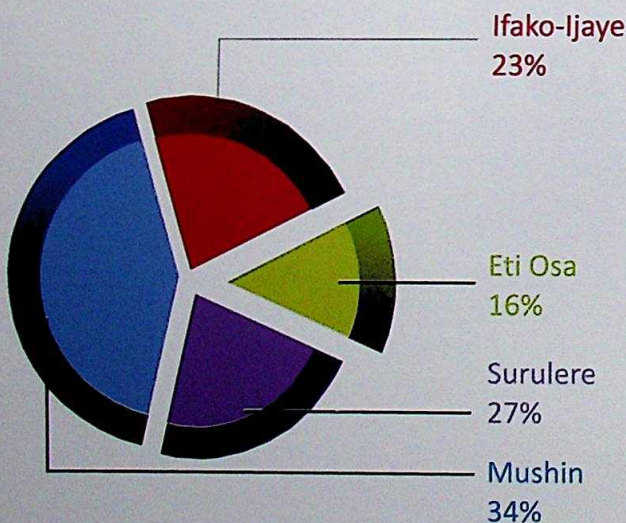
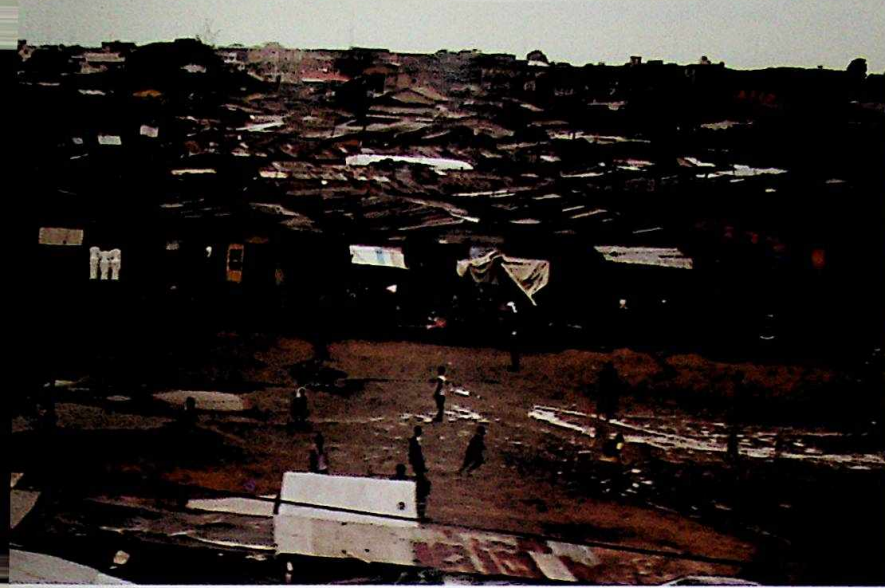


Fig. 1: LGAs covered in the survey



The multi-stage sampling technique was adopted. There were 4 stages of sampling. LGAs, communities, streets and households were selected at each of the stages. A sampling frame of metropolitan LGAs was created and computer generated random numbers were used in the selection of 4 (25 percent) of the metropolitan LGAs. This resulted in the selection of Ifako-Ijaye in the northern part of the state, Mushin and Surulere LGAs in the heart of the metropolis and Eti-Osa in the Southern part of the state. Spaces in the total sample size were apportioned to the selected LGAs using the proportional stratified sampling technique. Samples were therefore assigned to the LGAs based on their share of the total population for the four LGAs. From Ifako-Ijaye, Mushin, Surulere and Eti Osa, 163, 240, 192 and 111 respondents were drawn respectively.

In the selected LGAs, communities were listed and randomly selected. In the selected communities, streets were listed and selected randomly using computer generated random numbers. On every selected street, 18 respondents were drawn using the systematic sampling technique. The number of houses on each selected street was divided by 18 to obtain the sampling interval "n" and every nth house was selected. In every selected household, only one respondent was interviewed. Only persons living in the selected houses above the age of 17 were considered eligible for the study.

The interview schedule was adopted for the study. The instrument contained 38 questions aimed at eliciting household background information on the respondents, general ideas on Corporate Social Responsibility (CSR); business growth and sustainability; and opinions on the relationship between growth and sustainability. The research instrument was administered in face to face interviews by trained Field Assistants. All the data used in the analysis were gathered between 21st and 26th July, 2010.

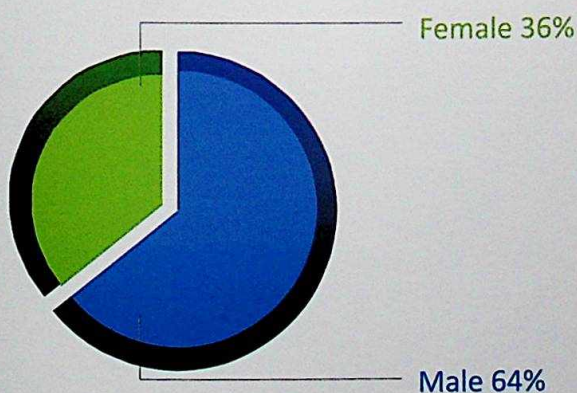


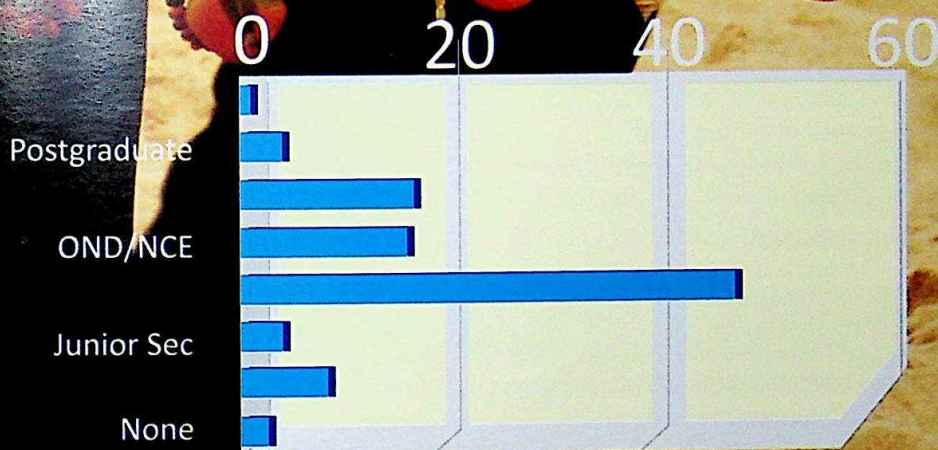
Fig. 2: Sex distribution of respondents

Table 1. Respondents' Socio-Demographic Characteristics

BACKGROUND CHARACTERISTICS	Frequency N = 706	Percentage
Sex of respondent		
Male	452	64.0
Female	254	36.0
Age		
Less than 21 years	57	8.1
21–30 years	252	35.7
31–40 years	201	28.5
41–50 years	108	15.3
51 years +	71	10.1
No response	17	2.4
Marital status		
Single	307	43.5
Married	355	50.3
Separated	15	2.1
Divorced	4	0.6
Widowed	17	2.4
No response	8	1.1
Religion		
Christianity	488	69.1
Islam	205	29.0
African Traditional Rel.	2	0.3
Others	9	1.3
No response	2	0.3
Ethnic group		
Yoruba	411	58.2
Igbo	201	28.5
Hausa	24	3.4
Others	70	9.9
Highest educational qualification		
None	16	2.3
Primary	57	8.1
Junior Sec.	30	4.2
Senior Sec.	338	47.9
OND/NCE	111	15.7
B.Sc./HND	117	16.6
Postgraduate	28	4.0
Others	7	1.0
No response	2	0.3

As shown in Table 1, more than a third (35.7 percent) of the respondents were within the age bracket of 21 to 30 years at the time of the study. The age groups of 31 – 40 and 41 – 50 years account for 28.5 and 15.3 percents respectively. The mean age of the respondents is 34.63 years. A little more than half of the respondents were married and about one in seven of the respondents is a Christian. As one would anticipate, people of Yoruba origin are in the majority within the sample. Mention should be made of the high proportion of the sample without formal education. With 2.3 percent of the sample saying that they never had any form of formal education, attention is drawn to a major need - adult education – within the study population (See Fig. 3). This, if addressed with the primary aim of achieving literacy, numeracy, computeracy and civic education, will create citizens better equipped to function within the state.

Fig. 3: Educational qualifications of respondents



Also gathered in the course of this research are data on household characteristics. As shown in Table 2, about two-thirds of the households from which respondents were selected were located in high density areas where infrastructural facilities are likely to be inadequate and over-stretched. Specifically, communities such as Ojuwoye, Ilasamaja, Idi Araba, Ladipo in Mushin and Aguda, Ojuelegba, Alaka, Tejuoso in Surulere *inter alia* were covered in the study. The low density communities include Victoria Island, Ikoyi in Eti Osa, and some parts of Ilupeju in Mushin.

Table 2. Household Background Characteristics

HOUSEHOLD CHARACTERISTICS	Frequency	Percentage
Living environment N = 706		
High density area	478	67.7
Low density area	228	32.3
Household size		
Small (1-3 persons)	248	35.1
Medium (4 – 6 persons)	385	54.5
Large (7 persons or more)	69	9.8
No response	4	0.6
Nature of accommodation		
Single room/room and parlour	454	64.3
3 – 4 bedroom flat	226	32.0
Duplex	18	2.5
No response	8	1.1
Occupational status of household head		
Student	17	2.4
Apprentice	15	2.1
Employed	623	88.2
Not employed	51	7.2
Nature of employment of household head		
	371	52.5
Permanent employment	62	8.8
Contract/temporary employment	190	26.9
Seasonal	93	13.8
Not applicable		
Average monthly income of household head N = 383		
	29	7.6
Less than N 7,500 (Minimum wage)	78	20.4
7,500 – 20,999	80	20.9
21,000 – 35,999	66	17.2
36,000 – 50,999	75	19.6
51,000 and above	55	14.4
No response		

The survey recorded a mean household size of 4.25 persons. About 64 percent of the households were quartered in single room/ two room apartments, suggesting that many of the households were accommodated in crowded dwellings. About 88 percent of the households had heads who were in one form of employment or the other at the time of the study. About 43.5 percent of those in employment were self employed. A closer look reveals further, that just a little over half (52.5 percent) of the household heads had permanent employment. More than a quarter had seasonal employments in form of businesses/trades while about 9 percent had contract/temporary employments. Contract/ temporary or seasonal employments are some indicators of absence of sustainability since they imply that people's sources of income are not reliable and may cease to be depending on several unpredictable factors.

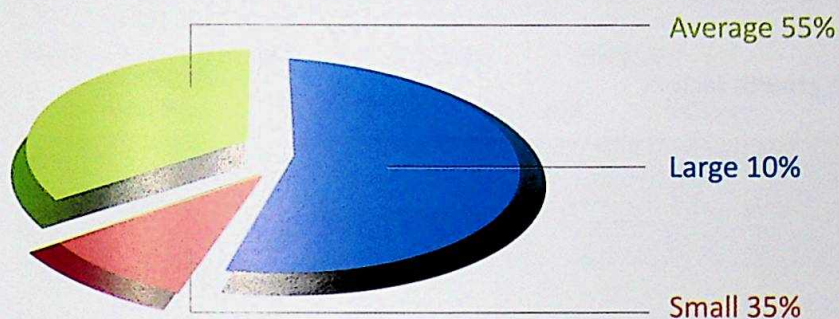


Fig. 4: Household size

The average monthly income presented in this study is the monthly income of the household heads only. Caution may be required in the use of these statistics as households do not necessarily depend solely on the incomes of their heads. If truth be told, many households live on the incomes of two or more adult (and in many cases child) members. Nonetheless, the data can serve as a pointer to the average income earning capacity of household members. Twenty-one percent of the household heads had an average monthly income of between N21,000 and N35,999 while another 20 percent earned between N7,500 and N20,999. It should be noted that about 7.6 percent of the heads of households interviewed earned less than the minimum wage of N7,500. The median monthly income for all the respondents is N25,000. This shows that many of the households may lack some basic necessities of life. When this is pervasive, sustainability is threatened.

The study further gathered information on monthly household expenditure on foodstuffs, power, cooking-fuel, transportation, and communication. The median amounts spent on each of these items are N15,000, N3,000, N2,000, N4,000 and N3,000 in this order. Expenditure on these basic needs far exceeds the income of a typical household head. Even if the income of the household head were to be doubled, very little will be left when these basic needs and accommodation as well as education costs are taken care of.

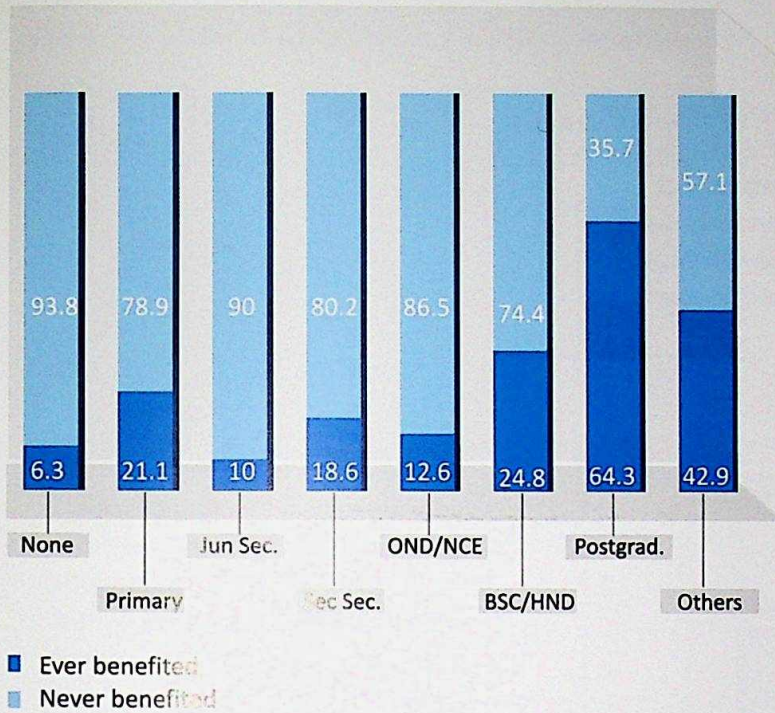
Stakeholder Perceptions of Corporate Growth

Respondents were asked a number of questions to gain insight into their perception of what contributes to growth of corporate organizations in Nigeria and also whether they have ever benefited from a Corporate Social Responsibility (CSR) programme implemented by a corporate organization. Table 3 summarizes some of the observations:

Table 3: Opinions on CSR and corporate growth factors

	Frequency (%) saying "Yes"	Frequency (%) saying "No"	Frequency (%) saying "Don't know"/NR
Firms should be involved in programmes aimed at addressing community developmental issues (CSR)	661 (93.6)	40 (5.7)	5 (0.7)
Ever benefited from CSR?	143 (20.3)	557 (78.9)	6 (0.8)
Does advertising contribute to growth of corporate bodies?	280 (39.7)	426 (60.3)	-
Good quality products/services make for growth	487 (69.0)	219 (31.0)	-
Affordable prices affect growth	332 (47.0)	374 (53.0)	-
CSR affects growth	230 (32.6)	476 (67.4)	-

As high as 94 percent of the respondents agreed that firms should be involved in corporate social responsibilities, although only about 32.6 percent saw it as a factor that could contribute to the growth (profitability) of firms. The survey also found that just about a fifth of the respondents said that they had benefited from CSR. Close to 70 percent of the respondents mentioned good quality (of products and services) as a factor that enhances the growth of a firm. In the opinion of many of the respondents, other factors like affordable pricing and advertising come after quality of products and services. CSR is at the bottom of the list of factors considered necessary for growth as shown in Table 3. The study shows further that only 20 percent of the respondents had benefited from one form of CSR or the other. Majority of these respondents said they had benefited from poverty alleviation programmes. Other forms of CSR mentioned included education, health and environment.



A careful look at Fig. 5 shows that as education increases, the likelihood to have benefited from CSR increases. Fig. 6 also suggests that income is another correlate of enjoyment of CSR with the likelihood to have benefited increasing with income. Or it could also imply that those with more education are likely to understand better and appreciate the different dimensions of CSR.

Fig. 5: Enjoyment of CSR by education

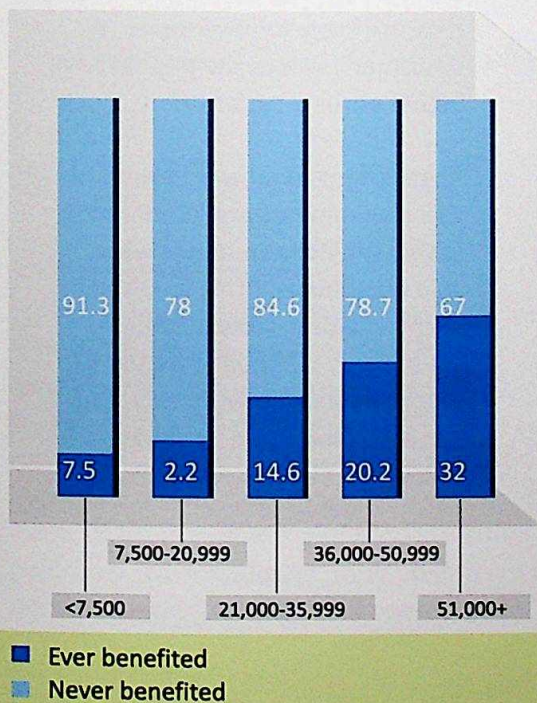


Fig. 6: Enjoyment of CSR by income

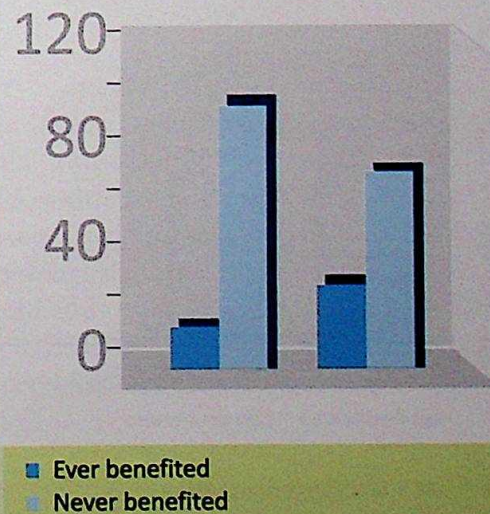


Fig. 7: Enjoyment of CSR by living environment

In Fig. 8, enjoyment of CSR by nature of accommodation is presented. The chart shows that the better the nature of a person's accommodation, the greater the likelihood of having benefited from CSR. Among the respondents living in duplexes, half had benefited from at least one CSR activity while only 18.1 percent of those resident in single room apartments had benefited.

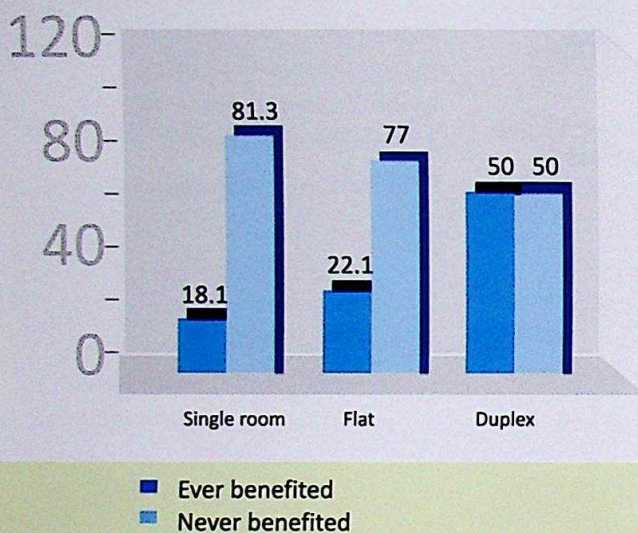


Fig. 8: Enjoyment of CSR by nature of accommodation

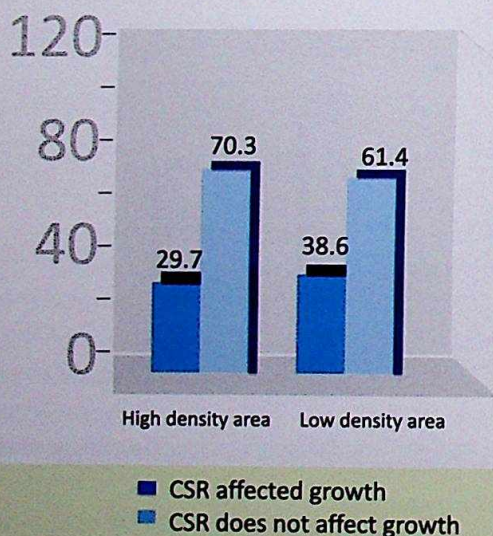


Fig. 9: Effect of CSR on growth by living environment

On the whole, benefiting from CSR appears to be a function of social class with education, income, living environment and nature of accommodation co-varying with having benefited from CSR. Middle and upper class residents of the state were found to have benefited more from CSR than those of the lower class. Whether corporate bodies are really selective in the delivery of programmes remains unknown. Are corporations intervening more in their CSR in areas where they are likely to have more customers, where the people have higher earning capacity?

Respondents who were aware of CSR programmes implemented within their communities were also asked to list firms involved in such activities. Table 4 contains a list of firms mentioned by the 57 respondents who were aware of socially responsible corporate bodies.

Table 4: Firms Identified As Involved In CSR By Respondents

Firm	Frequency N = 57	Percentage
MTN	24	42.1
GLO MOBILE	14	24.6
NBC	8	14.0
GTB	4	7.0
HYGEIA	3	5.3
CHELLERAMS	2	3.5
MAGGI	2	3.5
7UP	2	3.5
BANK PHB	2	3.5
MUBACO	2	3.5
STERLING BANK	2	3.5
JOJO	1	1.8
AO ENERGY	1	1.8
FRIESLAND (PEAK MILK)	1	1.8
ALSAID VENTURES	1	1.8
PRINCE HOTEL	1	1.8
ADESOLA PRINTS	1	1.8
AMINGO	1	1.8
JUST ONCE	1	1.8
PZ	1	1.8
ZENITH	1	1.8

A total of 24 respondents, representing 42.1 percent of the sample, mentioned MTN as a firm involved in CSR. Next on the list are GloMobile, Nigerian Bottling Company, Guaranty Trust Bank, and Hygeia.

Environmental Pollution

Table 5 presents some of the answers respondents gave to questions about environmental degradation resulting from the activities of firms. Specifically, respondents were asked if they were aware of firms whose production and other processes were a source of pollution within their communities. A total of 145 respondents (20.5 percent) said they were aware of firms whose activities destroyed the environment. The commonest form of degradation mentioned was air pollution through the release of toxic gases/fumes. On the whole, more than ten percent of the respondents called attention to this form of degradation. Other forms of environmental pollution identified included poorly disposed physical waste materials and noise pollution. The mention of noise pollution by a few of the respondents further suggests that firms cannot afford to be careless with their operations.

Table 5: Social and Environmental Issues

INDICATORS	Frequency N = 706	Percentage
Awareness about firms degrading the environment		
Yes	145	20.5
No	545	77.2
No response	16	2.3
Someone in my place of work has been fired in the last 6 months		
Yes	110	15.6
No	391	55.4
Don't know/Not applicable	205	29.0
Someone I know has lost his/her job in the last 6 months		
Yes	281	39.8
No	411	58.2
No response	14	2.0
Are young household members getting good education?		
Yes	431	61.0
No	226	32.0
NR	49	6.9
Opinion on economic empowerment		
People are becoming more economically empowered	117	16.6
There is no change in the level of empowerment	122	17.3
People are becoming less economically empowered	406	57.5
Don't know	61	8.6
Adequacy of infrastructural facilities		
Roads within the community are inadequate	364	51.6
Recreational facilities are inadequate	168	23.8
Housing facilities are inadequate	268	38.0
Health care facilities are inadequate	287	40.7



Job Cuts

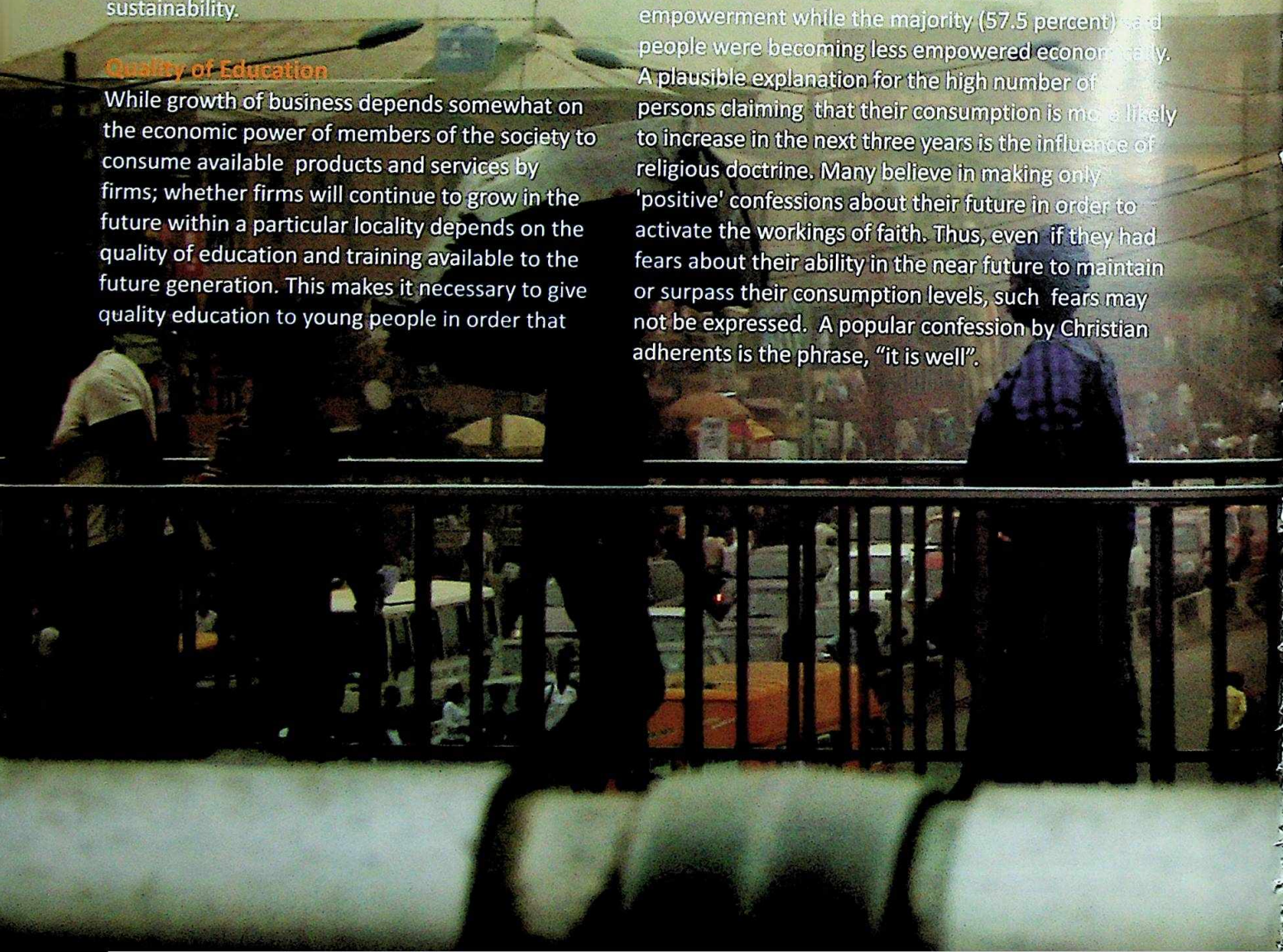
To measure the rate at which people are losing their jobs, respondents were asked if anyone in their places of work had lost a job in the last six months. More than 15 percent of the respondents said they had colleagues who lost their jobs in the last six months while forty percent knew one person who had lost a job in the last six months. This paints a picture of widespread job insecurity and in essence a social environment that does not ensure sustainable growth. Where and when people are losing their jobs, their purchasing power is weakened and in the long run, the market upon which the growth of firms depends is made lean. Thus, an environment characterized by a high level of job insecurity is one that cannot guarantee sustainability.

Quality of Education

While growth of business depends somewhat on the economic power of members of the society to consume available products and services by firms; whether firms will continue to grow in the future within a particular locality depends on the quality of education and training available to the future generation. This makes it necessary to give quality education to young people in order that

they may become empowered financially (purchasing power) and physically (to staff) business operations of the future and equipped to take care of their own needs in future. For this reason, respondents were asked if young people in their households were getting good quality education/training to ensure that they can take care of their own needs as adults. Just about 61 percent of the respondents answered in the affirmative.

In what appears to be a contradiction of a sort, over 80 percent of the respondents said they saw their consumption increasing in the next 3 years but only 16.6 said people were becoming more empowered economically. Over 17 percent of the respondents said they saw no change in terms of the level of economic empowerment while the majority (57.5 percent) said people were becoming less empowered economically. A plausible explanation for the high number of persons claiming that their consumption is more likely to increase in the next three years is the influence of religious doctrine. Many believe in making only 'positive' confessions about their future in order to activate the workings of faith. Thus, even if they had fears about their ability in the near future to maintain or surpass their consumption levels, such fears may not be expressed. A popular confession by Christian adherents is the phrase, "it is well".



The study also probed into the state of community infrastructure that are capable of providing a sense of social wellbeing. More than half (51 percent) of the respondents said the road facilities in their communities were inadequate. About 40 percent listed health care facilities as inadequate while 38 percent said housing facilities were inadequate. The small proportion (24 percent) of respondents saying recreational facilities were inadequate suggests that only a small fraction of the communities studied considered recreation an important or necessary need. Many still contend with basic needs and would not see recreational facilities as a necessary part of their lives. But recreational facilities are important for the development and growth of young people especially.

Despite all these concerns that growth may not continue to be sustained due to job losses and general decline in economic production and empowerment, many (77.6 percent) of the respondents still believed that firms will continue to grow. Nonetheless, a fifth of the

respondents said firms are not likely to continue to grow for reasons such as the unfavourable economic environment with high loan interest rates. This reason was given by 61 percent of those who felt that firms are not likely to continue to grow.

About 19 percent of those who did not think that firms would continue to grow gave the failure of government (to address infrastructural challenges of power, road networks etc) and political instability as their reasons for saying firms may not continue to grow. Other reasons given include poor management strategies by corporate bodies and corrupt practices by managers of the firms. The ethical conduct of firms and corporations has become an object of scrutiny and discussions by consumers in the light of recent happenings; especially in the country's financial sector. The mass media is rife with stories of corruption and mismanagement within the ranks of corporate managers and executives.



To address the problems, solutions proffered included, improving the quality of products and services, better regulation by government, good pricing system and better management strategies. Interestingly, about 21 percent of the respondents who proffered solutions talked about the need for firms to be more involved in community development programmes. In other words, these ones believe that to ensure that firms continue to grow, they must be involved in corporate social responsibility. The very last question that respondents were asked reveals much. It pointed to the fact that the interview process itself turned out to be a form of enlightenment for some of the interviewees. While just 33 percent of the respondents saw CSR as necessary for growth of firms at the onset, by the end of the interview, 94.3 percent responded in the affirmative to the question: "Do you think involvement in CSR will promote sustainability and growth for firms?" Issues raised in the course of the interviews may have enlightened the respondents; thus their agreement that CSR would positively impact sustainable growth.

Public education should target behavior change on the individual level as well; emphasizing the importance of reducing waste of resources and energy – turning off electric light bulbs when not in use, minimizing waste of water and promoting proper waste management.

Discussion and Conclusion

Some interesting ideas worth further investigation came up during the research process and will be briefly discussed here.

Crowded and Unhealthy Dwellings: about two-thirds of the households from which respondents were selected were located in high density areas where infrastructural facilities are likely to be inadequate and over-stretched. Housing and infrastructural development is a major problem

that Nigerians living in the Lagos metropolis face. Many live in very crowded and unhealthy living quarters where young people have no access to even the barest of recreational facilities. Young people actually cordon off motorways and major streets to be able to play football. This is quite risky as they often need to pause in between passes to allow motorists and motorcyclists to pass by, before they continue their game.

Employment: Many respondents, almost 50 percent were self-employed while about a quarter had seasonal employment which says a lot about the present economic milieu – livelihoods are uncertain, incomes unreliable, resources are limited and the struggle for survival is an ongoing one. Many have been pushed into the informal sector where planning is minimal and people live from day-to-day. For populations such as this, access to free or at least part-funded primary healthcare and education sources is important. Many of the residents of Lagos depend on patent medicine dealers, pharmacists and nurses to obtain healthcare. This is because they cannot afford the costs of consulting a doctor and other fees that have to be paid in private as well as public facilities.

Income: compared to the high cost of living in the Lagos metropolis, incomes are quite low in comparison. Twenty-one percent of the household heads had an average monthly income of between 21,000 and 35,999 Naira. (US\$140-US\$ 240). Median income stood at 25,000 Naira (US\$167). more than 7 percent of the heads of households interviewed earned less than the monthly minimum wage of 7,500 (US\$50). Juxtaposed against a monthly household expenditure on foodstuffs, power, cooking-fuel, transportation, and communication -the median amounts spent on each of these items are N15,000, N3,000, N 2,000, N 4,000 and N 3,000 in this order – one wonders how Lagosians can make ends meet? Almost every household is involved in some form of trading – from cooked food and groceries to sale of

telephone recharge cards and home based very low scale mechanized commercial ventures such as grinding of tomatoes and other cooking ingredients. All manner of small shops dot the landscape on every street. Others explore less honourable solutions. A number of young people indulge in internet-based crimes popularly known as “Yahoo! Yahoo!!”

Environmental Pollution: Although the proportion appears small, the fact that people are beginning to become aware of this often overlooked and downplayed form of environmental issue suggests that firms need to become more sensitive to how their operations affect the environment and to work towards establishing more acceptable standards of practice- reducing their carbon footprint and also exploring methods to economize use of dwindling resources.

More importantly, it is good that firms communicate their activities to stakeholders through strategic and timely corporate disclosures that build confidence in brands and make for stronger ties between corporations, their stakeholders and host communities. Certainly if your factory is situated in my neighbourhood where my children and I live, it would be very helpful if you explained the nature of gases and liquids I see emitted from your production processes, the impact on my life and that of my family and

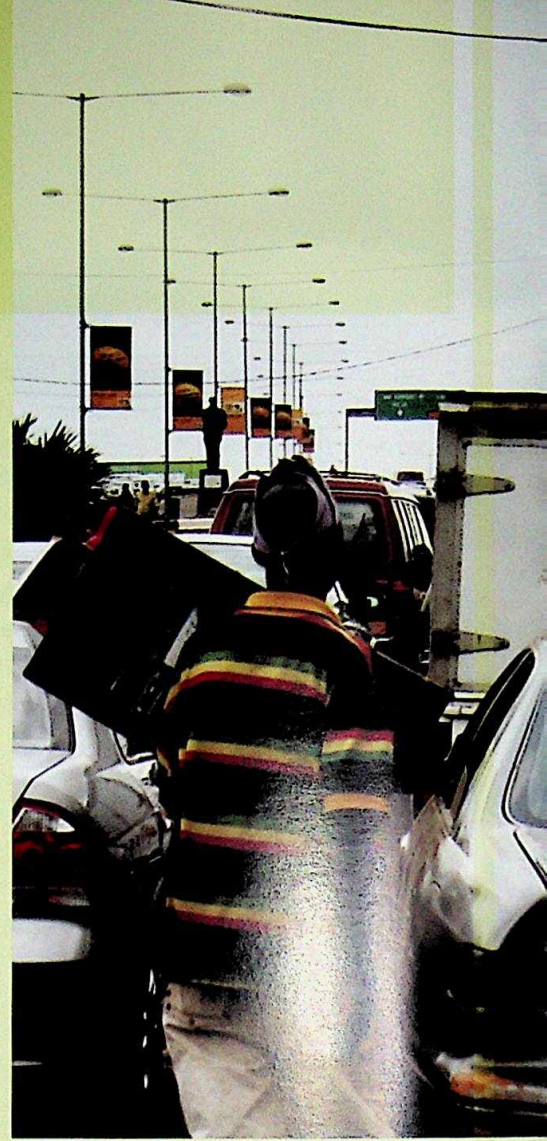


what processes you have put in place to reduce the dangers to the minimum. This makes for trust and good community spirit. Next time I see your product in the local shop, I want to reach out and buy it – I feel a connection with the brand.

The data gathered suggests strongly that even if firms in the study population are experiencing any form of growth, such might be short-lived. To ensure sustained growth, attention must be given to the future of young people through appropriate educational and manpower development programmes and to the growth of communities. If this is not done, it will be increasingly difficult to nurture a future generation of economically empowered stakeholders necessary to keep firms in business. Situations that appear to call for a downsizing, may work in the interest of the firm in the short run, but in the long run, as the economic sphere stagnates, it will have a boomerang effect on social life and the environment.

Environmental degradation also signals a problem that will continue to escalate. As noted earlier in this report, some firms continue to do harm to the environment and if this persists, the environment could become increasingly hostile.

There is no gainsaying that firms that will remain in business for the long haul, must prioritize sustainability: *increase long-term shareholder and social value, while decreasing industry's use of materials and reducing negative impacts on the environment.*



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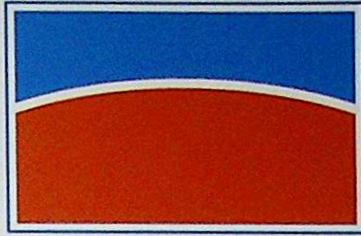
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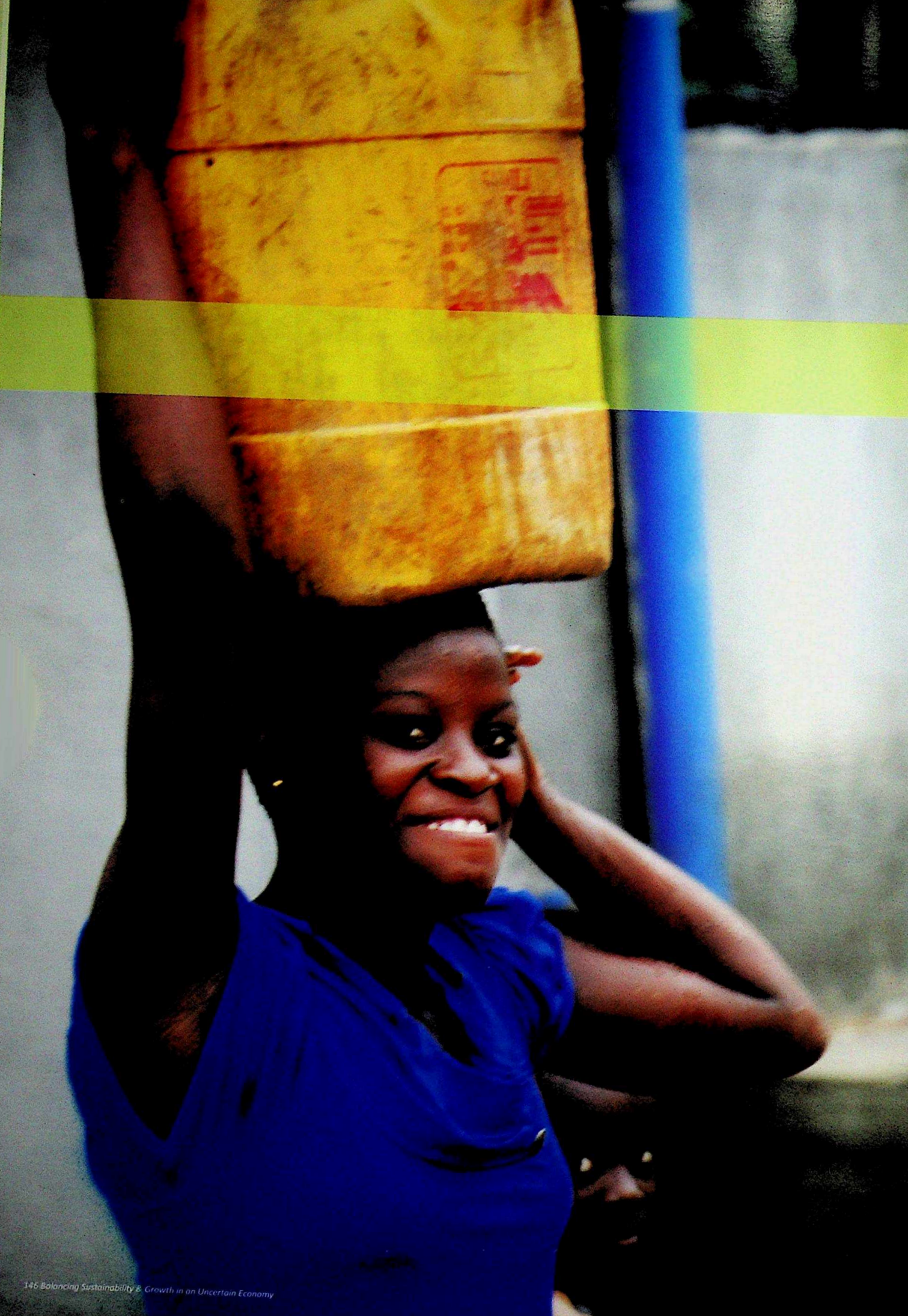
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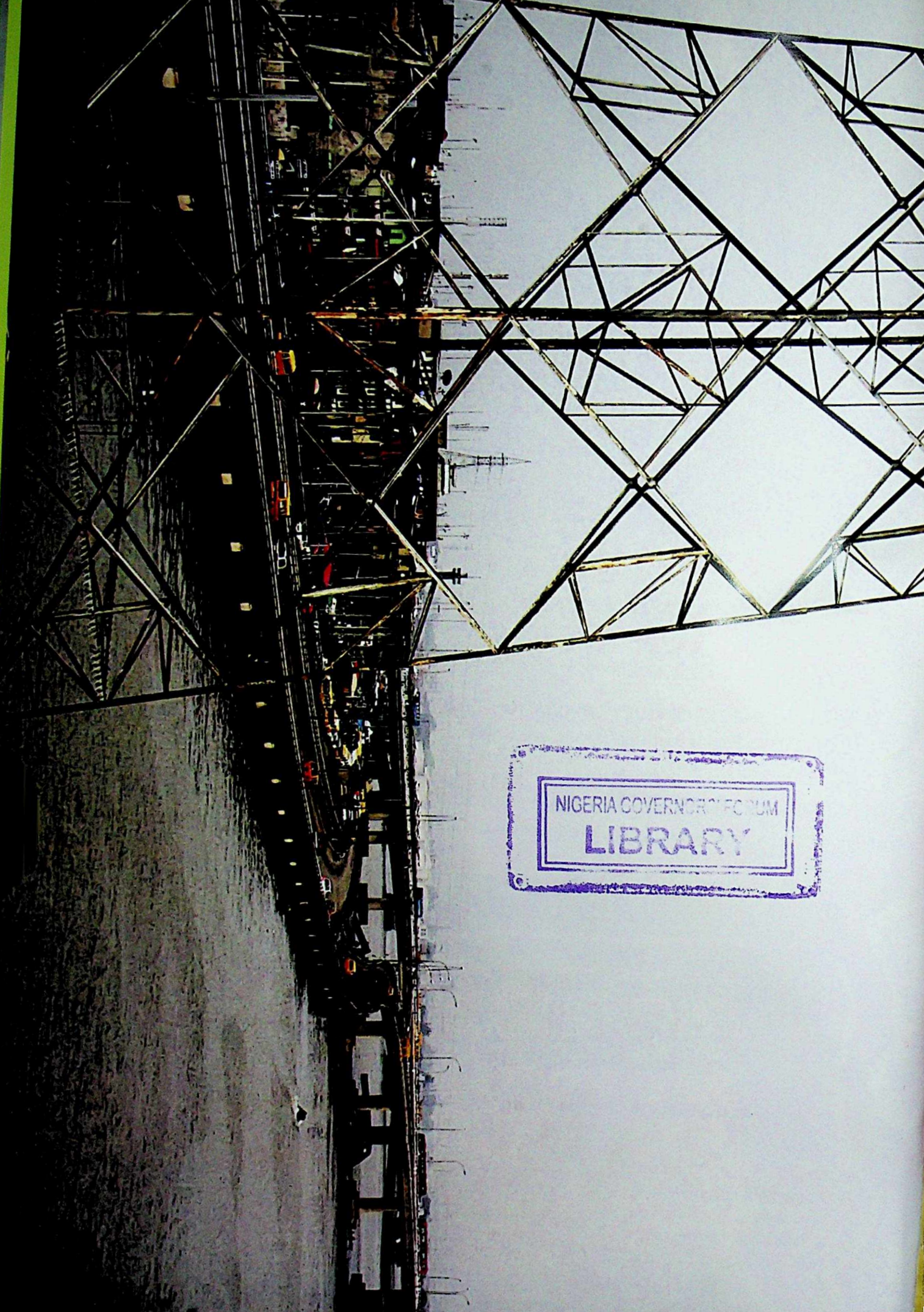
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