Globalization and Corporate Social Responsibility in Global South

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Globalization is an area that is widely researched (e.g. Jenkins 2005; Tengblad & Ohlsson 2010; Liou et al 2015) and has come to play an important role in the smooth running of businesses, locally, regionally and globally. It has led to the obliteration of state barriers around the world, especially in the business world and this has led many businesses to expand their operations into various states in the same region or on a global level with ease. These states also known as host countries are characterised by heterogeneity in terms of governance, and business operation guidelines that impact firms (both local and foreign) within the state (Matten & Moon 2008). In the global business of today, the way organisations act in other countries other than their home country has become important. This is not limited to the type of business they carry out but also the sustainability of their action is important as explained by (Moir, 2001) in a review of literature and CSR definitions. One recent trend which stands out in this era of rapid globalization of businesses is also the rapid growth of emerging economies and emerging market multinational corporations (EMNCs) who have become important players in the global business environment (Guillen & Garcia-Canal, 2009 cited in Liou et al 2015). More especially, is the increase in internationalization of firms from emerging economies such as Africa that previous studies have shown to be on the increase.

Along with the internationalization of developing country firms. operations into developed countries, come with the need to appear socially legitimate in the new market. Most literatures agree with the fact that the research on CSR practise, effects, and strategies in developing countries is low, compared to research on CSR in developed countries (e.g. Dobbers & Halme, 2009; Gulger & Shi, 2009; Amaeshi et al, 2014). For literatures that are based on research of CSR practise in developing countries, there is always a focus on BRIC(S) countries i.e. Brazil, Russia, India, China and some literatures include South Africa. This group of countries are different from other developing countries in the sense that they have been perceived to have similar CSR practises with more developed countries (Arevalo & Aravind 2011) and so it will be wrong to equate them with other developing countries such as countries in sub-Saharan Africa. The reasons for the extant literature on CSR in developing countries has been divided into two by (Li et al, 2010) as: high rate of CSR is carried out by firms in developed countries than firms in developing countries and the low economic development goals associated with developing countries.

With the recent growth and expansion of firms from this region, CSR issues are likely to become more important as firms in developing and transitioning economies expand their operations abroad (Gulger & Shi, 2009). Also given that expansion of FDI from developing countries is a recent phenomenon, there are few studies that have thoroughly assessed the impact of developing country firms on their home countries. economies (WIR, 2006). This expansion of FDI from firms in developing countries to developed countries has seen to the increase in health and product safety issues of products associated with these firms (Li et al, 2010). This gives more incentive for the CSR practises in developing countries to undergo further analysis for better understanding of its workings. Driven by the growing popularity of CSR practice and the diverse business nature of different countries, this dissertation tends to investigate the extent to which the CSR practises of EMEs are influenced by their expansion to developed countries.

1.1 EXPLORING THE CONCEPTS OF CSR

Most literatures have agreed on the fact that there is no approved or globalized definition of CSR but CSR has always been a part of firms long before CSR became popular among businesses. The evidence of this is gotten from (Tengbad & Ohlsson, 2010) analysis of CEO letters in annual reports of firms in Sweden. In trying to define CSR, various Literature have provided different variations of definitions that are worth mentioning in order to have a clearer and concise view of what corporation responsibilities are all about. (Li et al, 2008) analyses a few of these definitions with particular focus on the potential positive impact of CSR but with a distinction being that on one hand, CSR is viewed as an avenue for making profit (Donaldson & Preston, 2005 in Li et al, 2010) while on the other hand, CSR is a means to enhance corporate image (Branco & Rodrigues, 2006; McWilliams et al, 2006; Porter & Kramer, 2006 in Li et al, 2010). While both are positives to any firm, firms have recently begun to carry out CSR for these two reasons at the same time. This is what some literatures have referred to as strategic CSR (Jamali, 2007). Another study of CSR definition explains it through a stakeholder perspective by saying that it is majorly all about the relationship between a business and the society which comprises of its stakeholder in the environment it operates (Sage Pub, n.a). This definition is in line with one of (Li et al, 2008) views which is carrying out CSR to enhance company image. This is because most firms naturally want to appear socially legitimate in the eyes of its various stakeholders. i.e. shareholders, competitors, investors, employees, customers and immediate society. This dissertation will mostly focus on CSR from a developing country perspective especially countries in sub-Saharan Africa and then some on the developed country.

1.2 CSR IN DEVELOPING VERSUS DEVELOPED COUNTRIES

CSR IN DEVELOPING COUNTRIES

CSR varies across cultures and institutions as evidenced by Matten & Moon 2008, which has an effect on the type of CSR at play within the business environment of countries. The CSR Practises of firms within developed and developing countries is one which requires research and can be differentiated based on past literature on the subject. One literature that contributes a lot to the literature on CSR in developing countries is (Amaeshi et al, 2006) who describes CSR in developing countries as majorly philanthropic, with businesses within that environment treating CSR as an avenue to cater to the social needs in their immediate environment. These local firms are the in the best positions to carry out this kind of CSR as research has revealed that businesses from developed countries do not help in solving these social problems as (Jenkins, 2005) points out using MNEs. operations in developing countries as example. In a bid to check if CSR in developing countries are home grown or an imitation of western CSR, Amaeshi et al reveal findings that indicate that CSR in these developing countries is localised and a socially embedded conduct. Socially, sub Saharan African countries have been plagued with poor infrastructure, high literacy rate, poverty which generally shows the kind of CSR organisations within them are likely to pursue which is in line with (Ofori & Hinson 2007) who say that firms in developing countries tend to carry out CSR practises that are less formalised and answer the basic needs of the communities in which they operate. Some literature go against Amaeshi's view of home grown CSR such as (Barkemeyer, 2011) who shows that firms in developing countries tend to adopt the CSR style of more industrialised countries, rather than promote their own. The countries used in this research are the BRIC nations and adopting a CSR practise style of more industrialised nations seems like a rational thing to do as they are transitioning nations and are now growing into multinational corporations (Laudal et al 2011). Though the philanthropic nature of CSR in developing countries has been agreed by (Amaeshi et al 2006; Visser 2006; Jamali 2007; Jamali 2014), other literatures findings show that the view is not necessarily the same. For example, (Lindgreen et al, 2009) reveal findings from the CSR practise and perception in

Malawi and Botswana which shows that they are not viewed in the same light as the typical practise (philanthropic) in developing countries but instead showed that a cross cultural difference between the two countries organisations and U.S organisations CSR practise could not be established. The results gotten by Lindgreen may be susceptible to bias as the survey was mainly based on perception and the respondents who are managers may want to promote the image of their companies. A review of the perception of CEOs from leading firms in emerging economies is different from that of developed economies. The former view organizational practise through the proximity of their environment; that is they are already adept at engaging with local development needs (Lacey & Hayward 2011).

The country level factors in developing countries represent aspects that affect the type of CSR practise in those countries (Jamali, 2014). For instance, (Li et al, 2008) use the multi-level approach of the institutional theory to look at the factors that affect CSR communication across nations. The effects were based on industry and firm level factors and the conclusion here was that the governance environment has a huge effect on the level of CSR within the country and industry factors especially firms within sectors with high environmental, societal and labour pressures (i.e. construction) are more likely to address CSR issues in their communication. Li et al went further to state the effects of firm level factors which are firm size and corporate governance but state that country level factors have the most powerful effect on CSR in developing countries. Based on the assumption put out by (Amaeshi et al, 2006) that CSR reporting and communication to an extent reveals that the reporting firm carries out certain levels of CSR practices, it is safe to make same assumption concerning the firms within the economies analysed by (Li et al, 2010). This has brought to light the importance of country, industry and firm level factors affecting CSR in developing countries especially country level factors but does not analyse the effects on these firms if they expand their operations to regional countries or countries with better institutions.

(Jamali, 2014) explains using an institutional view to analyse the country effects, states that CSR in developing countries are lax. This fact has been corroborated by (WIR,2006; Gulger & Shi, 2009; Jamali & Neville, 2011). (Jamali, 2014) goes further to say that the reason for this are not just based on the firms alone but also by more external institutional factors that are typically associated with developing countries and these same factors i.e. weak and contracted governments, gaps in public governance and transparency, arbitrary enforcement of rules, regulations, and policies, and low levels of safety and labour standards tend to slow down CSR. These institutional drawbacks are the reasons why CSR in developing countries is mostly equated with philanthropy (Amaeshi et al, 2006; Ofori & Hinson, 2007). This literature, same as (Li et al, 2010) have looked at the country level effects of CSR in developing countries but still does not analyse the effect of firm expansion to other countries.

Though Jamali shows the unstable institutional environment associated with developing countries which weighs a lot in defining the philanthropic nature of CSR practise in developing countries, (Amaeshi et al, 2014) conclusion on the relationship is entire opposite. In analysing if weak institutional forces have an effect on the CSR practises of firms in developing countries and how these practise are carried out, using the institutional theory and a Nigerian bank to carry out this analysis, they try to diffuse the notion that firms in developing countries need a strong institution to carry out generally acceptable CSR practices in their environment and a lack of which will lead to poor CSR practices. They came to a conclusion that CSR of firms in developing countries can be viewed as the voluntary reduction of negative corporate externalities and the commitment to enhance positive externalities by addressing social problems and filling institutional voids sustainably.

Frynas (2005) gives motives shaping CSR in developing countries as gaining competitive advantage, stabilizing the work environment, managing external perceptions and maintaining employee satisfaction. (Viser 2006) gives a reason as international codes and standards and (Jenkins 2005) gives having access to new markets as another motive. All the mentioned motives are reasonable and depict the motives typical to developing country firms of are met by certain hindrances that (Kalyar et al, 2013) describe as firm's culture and strategic planning.

CSR IN DEVELOPED COUNTRIES (UNITED KINGDOM)

CSR has its origins in developed countries which accounts for its more evolved practice by firms in developed countries. In developed countries such as United Kingdom, Matten & Moon (2007) reveal that there are specific issues dealt with by the European style of CSR and this issues concern the environment and sustainability (Lofstedt & Vogel, 2001; Matten & Moon, 2007) and remain less inclined to philanthropy (Palazzo, 2002). The reason why CSR in more developed countries have remained less inclined to philanthropy is due to the more developed welfare states whose renewal Alberada et al 2008 describes as being part of the roles of the business community. For example, the funding of education remains the sole responsibility of the government due to high corporate taxation but the government, according to Alberada et al, will enlist the help companies during periods of budgetary crises. (Albareda et al, 2008) give an analysis of CR nature of the UK business environment and reveal that the government has developed initiatives in dealing with issues such as raising awareness, facilitating and promoting voluntary initiatives, capacity building, stakeholder engagement, funding streams, convergence and transparency, fiscal incentives, soft regulation, international organizations and networks. Both Matten & Moon and Albareda et al reveal that they try to promote voluntary initiatives, which is an inclination toward explicit CSR but the CSR is still mostly implicit due to government regulations (Liou et al) There has been an increase in UK companies in which they shared information about CSR initiatives (African Development Bank, n.a) but despite this growth in CSR reporting, literatures have consistently reported that though there has been an increase an increase in the volume of CSR reporting, there hasn.t been a corresponding increase in the benefits of CSR to the environment as some companies just report as a public relations exercise (Idowu & Towler, 2004). They go further to state that as a result of a large number of global and local organisations having different frameworks, indices, directives and initiatives for CSR, most companies are at a loss for what to include in their CSR reports. In terms of areas to be covered by CSR in the UK, (Eberhard-Harribey, 2006) show 6 policy areas which represent disclosure issues: employment and social affairs, competitiveness policy, environment policy, consumer policy, public market policy and cooperation and international policies. All these studies show that CSR in the UK is relatively developed, deals with CSR on a strategic level and focuses on more than just trying to solve the social needs in the environment.

To summarise the differences in the CSR practise between developed and developing countries, the African Development Bank in their paper 'Triple Win CSR' as a catalyst to empower businesses, governments and communities to transform lives and create sustainable livelihoods in Sub-Saharan Africa. state that the drivers of CSR in developed countries and developing countries are not necessarily the same and gives the drivers in developed countries to include boards, employees, shareholders/investors and the wider public (usually consumers). They give the CSR drivers in developing countries to be focused on philanthropy or social issue, which is in line with (Amaeshi et al, 2006, Visser 2006; Jamali 2007; Jamali 2014).

1.3 INTERNATIONALIZATION IN DEVELOPING COUNTRIES

Internationalization is a phenomenon that has been researched intensively over the years (Ruzzier et al 2006; Rosenzweig & Shaner 2015; Ralp & Ralp 2015). A simple definition of the concept .internationalization. has been given by (Rosenzweig & Shaner 2015) as the process by which firms expand their activities internationally. A more complex and inclusive definition is that of Alex Ralp & Josep Ralp (2015) who define business internationalization as a set of operations that facilitate the establishment of more stable relationships between a firm and the international markets throughout a learning process of growing international involvement and patterns of development that may be simultaneously inward and outward. Though all the mentioned literature indicate an international expansion of firms operations, Rosenzweig & Shaner.s definition depicts only an outward expansion, Ralp & Ralp show that internationalization is both ways; outward and inward while Ruzzier et al 2006 show that internationalization can be outward, inward or cooperative.

Internationalization is a term that has commonly been viewed to be done mostly by firms from developed countries because of their size, assets, technical know-how, research and development but a recent trend shows that firms in developing countries are beginning to take over the global market. Every literature that seeks to look at the internationalization of firms from emerging economies, always mention that these EME firms are becoming major players in the global market arena. Looking at African banks for example, it is known that cross boarder expansion of banks in Africa has increased, ten-fold. since 1990 because of the need to cope effectively as a result notable increase in countries. GDP (Boojihawon & Acholonu, 2012). Literatures on internationalization in developing countries show that firms in these regions internationalize for two major reasons, which are reactive and proactive. Example of literature that focuses on the proactive aspect is (Lou et al., 2011) who reveal that firms in developing economies internationalize to leverage what they are good at while also escaping home market imperfection residuals. (Chittoor et al, 2009) also reveal something similar by agreeing with (Lou et al. 2011) and further stating in their conclusions that the internationalization of the technology and financial resource bases of emerging economy firms, drive their participation in international markets. This means that after learning to deal with home institutional hardships and learning from inward internationalization, these firms are then ready to expand abroad. Another analysis of firms in Colombia shows a different reason for EMEs internationalization, which is the entrance of foreign MNEs. (Fabian et al, 2009) focuses on the reactive aspect of internationalization by pointing out the fact that one of the strongest impetuses for internationalization of EMEs seems to be the internationalization of domestic and foreign competitors who threaten market share and increase in sales. (Eren-Erdogmus, 2010) paper shows that EMEs internationalise to escape from the imperfect market conditions of their home countries. Internationalization in sub Saharan Africa can be categorised into three aspects which are: Process, Degree (Bakunda, 2008) and motive.

1.3.1 PROCESS OF INTERNATIONALIZATION

This describes the progression of a firm through a pre-ordained sequence of market entry modes or stages, without explaining why and how the progression takes place. African firms. internationalization shows a particular type of pattern as evidenced by (Boojihawon & Acholonu, 2012) using the integrative internationalization framework and a case of banks in Nigeria to explain this phenomenon. They explain that firms in Africa generally use a process framework when internationalizing which means that they gradually increase their international presence and activity over time and is majorly dependent on the internal strengths and business environment and also not hindered by their size or culture. This is often referred to as the process theory which focuses on the impact of international experience on the pace and direction of future internationalization (Hermannsdottir, 2008). It has also been noticed that banks general seek to enter foreign markets first with low commitment modes of entry and increase their commitment over time (Qian and Delios, 2008). In Africa, (Bakunda, 2008) reveal that there are four stages when it comes to the process internationalization strategy of firms in Africa which are family owned import trading venture, import substitution manufacturing/ production, exporting to regional markets and exporting to international or overseas markets. These stages are best used to describe the internationalization in the manufacturing sector of the economy which while valid, does not explain the internationalization pattern of the service industry, for which there is a clear distinction as explained by (Erramilli & Rao, 1993) and described here in 1.3.3.

1.3.2 DEGREE OF INTERNATIONALIZATION

Degree of Internationalization measures the level of success of a firm's export development activities and requires explanation in different contexts (Bakunda, 2008). Internationalization of firms in developing countries based on their inner strengths has also been revealed by (Chetty, 2008) who analyses the internationalization pattern of Small and Medium Scale Enterprises (SMEs) using the stages model. The conclusion from Chetty's research reveals that different firms' internationalization strategy is based on how absorbing they are to risks associated with speedy internationalization which is a common trend. In a bid to avoid these risks, SMEs focus on strategies that differentiate their experience of internationalization from that of larger firms. (Li et al 2015) say that even if firms in developing economies have what it takes to internationalize, managers do not know the extent of their potential and are scared to internationalize. Bakunda on the other hand, says that the strength of top Management (key decision makers) of firms in developing country economies together with their characteristics and/or competences may offer additional explanation to the level and intensity of firms' participation in exporting activities in Sub-Saharan Africa. This is also in line with (Chittoor et al, 2009; Lou et al. 2011) in saying that firm from developing countries mostly focus on their internal strengths i.e. top management's decision to remain competitive.

1.3.3 MOTIVES FOR INTERNATIONALIZATION

Firm internationalization can be viewed as a strategy to increase the firms' competitive advantage, increase value, and enjoy diversification benefits as well as access to new resources, production capabilities and knowledge (Attig et al, 2014). Another literature reveals major reason internationalization by developing country firms. For instance, (Fabian et al 2009) reveals that one of the strongest reasons why firms in developing markets internationalize seems to be the already internationalized local and foreign competitors who stand as threats to the existing markets share or in their way of increasing revenue. This is in line with (Li et al 2015) who shows that firms in Africa tend to show isomorphic behaviours when choosing to internationalize, in that they tend to follow similar pattern to other firms in the same industry and if their counter parts do not succeed, they are likely not to mimic that pattern. There has been a slightly different explanation for the internationalization of service firms, especially banks and (Cunha & Boehe, 2008) gives motives for their internationalization as ownership advantages such as information and knowledge, diversification and creation of firm specific advantages arising from escaping the systematic risks associated with just one market system, the defensive expansion argument which suggests following the clients into new markets, the beachhead argument and autonomous international expansion which describes country entry into foreign markets in order to learn about the host country business environment. This view is somewhat similar to that of Erramilli, 1990 who reveals that that service firms usually follow one of the following described internationalization patterns. First, a service firm can internationalize by means of a customer following approach, second, service firms can internationalize as a reaction to a competing service firm´s actions. Third, internationally active service firms can be called market seekers (Erramilli, 1990). Grönroos (1999) describes three general entry modes: client following, market-seeking and electronic marketing mode. Though the internationalization of service firms is constantly faced with limitations such as immigration laws, differing tax laws and legal system, information (Erramilli, 1990) their internationalization abroad is a great opportunity for them to develop their advantages.

1.3.4 ENTRY MODES

Eren-Erdogmus et al (2010) reveal in their findings on the motives behind EMFs. Entry modes, five factors which determine the entry mode choice. These five factors are home country characteristics, internal firm drivers, host country characteristics, management considerations and matching. That is, the unfavourable conditions of the home country, the firm characteristics, top management beliefs, the size and growth of host market as well as proximity in culture and geography. Based on all these factors, firms choose to internationalize in certain ways and this has been put forward by (Erramilli 1990; Erramilli & Rao 1993) who identified that the internationalization of firms especially in the service industry has mostly been done through foreign direct investment and contractual arrangements. Some of the methods under these modes as they have stated are direct export, systems export, direct entry, indirect entry and electronic marketing. The selection of a foreign market and the choice of an appropriate foreign-entry mode are associated with the performance and survival of the firm (Erramilli and Rao, 1993). Bookihawon & Acholonu, (2012) agrees with Erramilli by stating the same facts about firms internationalizing through contractual or partnership arrangements. They state this in their paper about the internationalization of African banks and go further to state that majority of the ownership abroad the banks. home countries are through subsidiaries with very few branches. The entry mode choice of firms is mainly dependent on some factors which are home and host country factors, firms. specific factors and the strategic goals of the firm. The most important factor for our case is the home and host country factors affecting the firm. The degree of internationalization of firms in Africa, the motives of internationalization and entry modes all play an important role in their expansion process but of more importance is their survival in the new host market and the bid to remain socially legitimate in their new local environment.

1.4 GLOBALIZATION VS LOCALIZATION OF CSR

GLOBALIZATION VERSUS LOCALIZATION

There has been an ongoing debate on how firms are to operate and behave in foreign countries when it comes to responsible businesses (Bondy & Starkey, 2014) which brings us to the content of this section which is an analysis of previous literature surrounding adopting global practises of CSR or keeping up with local practices CSR from home country. This arises from the need by companies to remain flexible to ever changing consumer tastes and acting quickly to position their products and services in the new markets (Kovtun, n.a). In a policy paper written to bridge the gap between the western and northern CSR, (Gulger & Shi, 2009) show that both MNEs from developed and developing countries are getting more exposure as to how they act in any host country.

Following this, it is important to note that from reviewed literature, there is a difference between the way firms from developing and developed countries act when operating in a foreign country. This difference has been shown by (Ofori & Hinson, 2007) and (Bondy & Starkey, 2014) in which the former, when referring to the CSR strategies of companies in Ghana, say that most of the strategies are formed abroad rather than locally and even more locally owned firms determined their CSR strategies abroad. They come to the conclusion that because of how Multidimensional CSR is, decisions about it are mostly made at the corporate level and that most MNCs adopt the 'Think Global, Act Local' strategy when it comes to carrying out CSR in a foreign country but ultimately determine their CSR strategies abroad. Bondy & Starkey's conclusion based on firms from the UK and operating in other countries, arrive at a conclusion that is almost the opposite of Ofori & Hinson. Their conclusion is that most MNCs from developed countries tend to adopt best practise principles and will always make CSR policies based on their home country policies and in the process, marginalise the

CSR policies of the host country. Philanthropy is always a major part of developing countries. CSR practises of which just like their developing state economically, their CSR practises is still developing as drawn from (Gulger & Shi, 2009) who say that the scope of CSR has evolved from mere philanthropy to strategic CSR. This evolution can be ascribed to the heterogeneity of the business environment of their host countries based on the assumption that the institutional framework of the host country business environment has a major impact on the organisational practises of the developing country firm. This can be explained by the different National Business systems.

1.5 NATIONAL BUSINESS SYSTEMS

ADOPTING CSR

CSR cannot be viewed as devoid of influences from governments (Albareda et al., 2008;Moon and Vogel, 2008) and policies that operate within the boundaries of a state and the understanding of national business systems is the recognition of the fact that business activities do not occur in a vacuum but operate within an environment (Pedersen & McCormick, 1999). (Ferner & Quintanilla, 1998) give a simple definition of national business systems as 'clusters' of interlocking institutional and business-cultural elements. To understand national business systems and the influence they have on CSR, we need to understand the effects from the home country and the effects from internationalizing into the host country, both developed and developing. In looking at the home country, (Brown & Knudsen, 2012) talk about the institutional structure of the home country, under which are two broad views. The CSR as substitution view is one in which firms from countries with lax institutions tend to fill in the institutional gaps of their government while the CSR as a mirror view is when firms continually adopt more CSR policies as long as they encounter strong state regulation, collective industrial self- regulation, NGOs and other independent organizations that monitor them, and a normative institutional environment that encourages socially responsible behaviour. This view has been corroborated by (Campbell, 2007). Using that as a background to understand the nature of firms from developing and developed countries, one of the questions (Chapple & Moon, 2005) tries to answer is if National business systems structure the profile of MNCs. They prove that though globalization brings about an increase in CSR practise, firms that internationalize to foreign countries do not take their local practise with them but instead, conform to the CSR modes in the host country. An opposing conclusion to this is one by (Ferner & Quintilla 1998) in which they say that though there is an increase in the rate of globalization; MNCs are always embedded in the home country practices. An analysis of different literature (e.g. Ofori & Hinson, 2007; Bondy & Starkey, 2014) has shown that this conclusion by Chapple and Moon is not one that is entirely solid as there are problems arising from differences in national business systems and institutional frameworks of different countries. In analysing the differences in business systems, different literatures have come up with indicators such as (Ferner & Quintanilla, 1998) who say that a key to understanding the business behaviour of countries are the interrelationships between market structures, the financial system, and the nature of corporate governance and control systems. (Haake, 2002) uses similar indicators to show two ideal types of business systems which are individualistic and communitarian business systems. (Tengbad & Ohlsson, 2009) focuses on the same model used by Haake and goes further to explain the differences between the two, which is that it is typical of individualistic business systems that the relationship between employees, firms and sector associations is looser since such actors strive for self-reliance. Relationships between these actors therefore tend to be at arm’s length Communitarian business systems, on the other hand, are based on close and stable relationships between actors who act more interdependently. This form of differentiation is best as it is used to explain the impact of globalization on national business systems in which governments have played the role as the dominant regulator in national economies due to their powers of jurisdiction and tax collection (Tengbad & Ohlsson, 2009). In looking at the factors that shape CSR practises within an institution, (Aguilera & Jackson 2003, Muthuri & Gilbert, 2011; Jamali 2014) give similar factors which most literature describe as coercive (regulation/political environment), normative factors (social elements) and cognitive factors (cultural factors). Jamali lists them as constraints within an institutional environment and increases the number of factors which includes other institutional constellations and actors such as NGOs, trade unions, business associations and developmental entities. Based on the above analysis of business systems indicators, the Nigerian, Ghanaian and UK business systems will be reviewed using indicators such as market structures, financial systems, nature of corporate governance and control systems, cultural systems, labour systems and education system.

The developing country business system according to (Pedersen & McCormick, 1999), is one that is characterised by fragmentation or lack of coherence and one in which the lack of supportive financial, state and social institutions inhibits trust and accountability, and impedes the access to capital, labour market flexibility, and sub-contracting, which are needed for modern industrial development. Located in the western region of Africa, Ghana and Nigeria both have similar characteristics when it comes to their business environments. (Amaeshi et al 2014) describes the business environment of Nigeria and Tanzania (not so much different than that of Ghana) to be one which is characterised by heightened uncertainty, economic stagnation, political upheaval and poverty, weak infrastructure provision, corruption, weak enforcements of contracts and high cost of doing business. (Dobbers & Halme 2009) describe the African environment as a place with only a few good illustrations of democracy, and social and economic development that is shared by all people living in a nation. These are all signs of an institutionally weak business environment but despite this shortcomings, firms in Africa especially sub Saharan Africa who internationalize abroad are constantly faced with the tasks of improving on their CSR practices as a result of institutional influences.

The British business system on the other hand is characterised by stronger institutions. For instance, the corporate governance environment in Nigeria is one in which the government has taken some steps to initiate an effective system (Okike 2007) but these steps are still in doubt as some companies still get away with flouting company legislation as a result of weak and ineffective enforcement mechanisms. Okike describes the corporate governance environment in Nigeria as one that is characterised by weak institutions and lax legal enforcements of contracts. (Amaeshi et al 2006) differentiates between the corporate governance environment in Nigeria and UK by stating that while the UK has seen a shift to enlightened shareholder value which requires companies to report on the impact of their operations on shareholders, the Nigerian corporate governance environment still reflects the shareholder supremacy and shareholder wealth maximization. This explains the variation in CSR practise of Sub-Saharan African firms and firms in developed countries as the former shows a CSR practise style that is more concerned with basically going beyond preventing possible harm to help alleviate public welfare deficiencies and the latter shows CSR focuses on CSR activities that accomplish strategic business goals. Jamali (2014) lists the differences between the CSR priorities of developed and developing countries as the latter focusing on issues such as consumer protection, fair trade, green marketing, and climate change while the former focuses on issues such as poverty alleviation, health care provision, infrastructure development, education, child labour. In summary, (Jamali, 2014) shows the contrasting institutional environments of developed and developing countries in table 1 which will no doubt affect the sustainable practises of firms within them.

Table 1 (Jamali, 2014):

	Developed countries	Developing countries
Cultural factors	Religion detached from business practices	Religious Beliefs Personal Beliefs
Political Factors	Absence of corruption Powerful government	Corruption Poor governance Political instability Lack of accountability
Economic Factors	High income (GNI per capita: $12,616 or more) High GDP Wealthy country	Low income (GNI per capita: $1,035 or less) Low GDP High inflation
	Environmental concerns High literacy rate Protection of property rights Better healthcare plans Powerful and advanced media technologies	High unemployment rates Education Women rights Crisis response Illiteracy Poor infrastructure No protection for property rights
CSR Priorities	Consumer protection Fair trade Green marketing Climate change	Poverty alleviation Health care provision Infrastructure development Education Child labour

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