

Corporate Governance: A Review of Literature and Selected Bibliography

*Abdul-Hamid, Oba Yusuf**

Currently Head, Department of Business Law, Faculty of Law University of Ilorin, Ilorin, Nigeria.
Formerly Sub-Dean, Faculty of Law University of Ilorin, Ilorin Nigeria

Abstract

Corporate governance is today as important as public governance for the enormous economic powers at the disposal of corporations particularly the large ones. This laid credence to the huge attention the subject receives currently in all starters of human endeavours. The fall of corporate giants like Enron, Cadbury and others was the eye opener needed by the corporate world and the academia to pay attention to the subject. Intellectual discussions and indeed scholarly research in the field are going on daily at a geometrical rate. However, scholarly research must bring about improvement on existing knowledge. To achieve this, existing works has to be exhumed analysed, situated and processes to bring about new knowledge and or fresh ideas in order to advance knowledge and to improve corporate governance in particular and the corporate world in general. This paper therefore seeks exhumed and analyse literature around the subject of corporate governance. In particular it addresses corporate governance, environment and society; it's connection to globalisation; directors and regulation in Nigeria through literature.

Keywords: Corporate governance; literature review; research; reference, existing knowledge.

***Author for Correspondence** E-mail: nigeriaabdul@yahoo.co.uk

INTRODUCTION

Corporations occupied an important place in the economic life of the people in most countries. Thus Woltensoh [1] observed that governance of corporations is as important today as governance of countries [2] due to the huge impact the former have on the economy. Increasingly corporations are responsible for the provision of employment, goods, services and infrastructure. In any economy dominated by large enterprises, which appear to be the current trend in developed and developing countries, [3] the way directors make choices between the orthodox objective of profit maximization and the interest of stakeholders affect everyone [4]. However, as early as 1932 Berle and Means have raised the question whether decision making by directors in public and multinational companies should be guided solely by consideration of profit or should it take the interest of all the stakeholders and social considerations into account [5]? There is also an awareness of an impending ecological crisis [6] which is not unconnected

with corporate activities. For example, Human Right Watch [7] observed that it is commonplace that flooding, coastal erosion, sedimentation, degradation, air pollution, biodiversity depletion, health problems, and low agricultural production are caused by economic activities of the oil corporations in the Niger-Delta region of Nigeria. Parkinson [8] further opined that technological advancement and increase in international competition have resulted in persistent unemployment, especially in the urban areas. This calls attention to the fact that private businesses can affect everyone and possessed a possible private solution to some social and economic problems such as unemployment, provision of social infrastructure and environmental degradation. This is particularly attractive in that most economies today including that of Nigeria operate a capitalist ideology, which opposes state intervention in matters of private business [9]. Agom [10] also noted the relevance of Non-Governmental Organizations (NGOs) in encouraging social

involvement and popular participation in governance of corporations. These include shareholders associations, professional bodies like that of accountants and lawyers.

CORPORATE GOVERNANCE, COMMUNITY AND ENVIRONMENT

A shift in attitude towards the environment on the part of directors of public and multinational companies involving a reassessment of company objectives may be necessary, since it has been generally realized that mere legal regulation and control of the natural persons' environmental activities will be inadequate response to the problems of environmental degradation. There is also, the need for the law and rules to properly regulate business in order to balance the various interests involved in the corporations.

Thus Hussey [11] asserts that corporate governance is the manner in which corporate organizations are managed and the nature of accountability of the managers to the owners. Corporate governance has also been described as the managerial control of an organization, which can reduce the risk of fraud, improve company performance, leadership and demonstrate social responsibility. It may therefore be stated that different systems of corporate governance will embody legitimate lines of accountability by defining the nature of the relationship between the company and key corporate constituencies [12]. But corporate governance is a slow growing and relatively novel legal concept in developing countries including Nigeria. Thus, Okike opined that while the literature on Corporate Governance is growing fast worldwide, this is not the case in developing countries and not much is known about the state of corporate governance in Nigeria until relatively recently [13]. This is believed to be due to the slow pace of development in every aspect of life in the country, corporate governance inclusive and various other challenges ranging from political, economic and social.

Sam Nganga et al [14] submitted that, corporate governance is an important consideration for investors around the world.

In Africa, Eastern Europe and other emerging markets about 85% of investors are likely to consider corporate governance to be equally or more important than financial issues in deciding which companies to invest in. According to them corporate governance is essentially about the prevention of theft. Quoting Shleifer and Vishny they noted that, 'corporate governance deals with the ways suppliers of finance to corporations assure themselves of getting a return on their investment. How ... they make sure that managers do not steal the capital ... or invest in bad projects.

They also defined corporate governance as 'the set of mechanisms through which outside investors are protected against expropriation by insiders. Insiders include managers, major shareholders (individuals, other firms, family interests and/or governments) as well as large creditors (e.g. banks). Outsiders include equity investors, providers of debt, minority shareholders etc. Expropriation of outsiders takes many forms: outright theft of assets, transfer pricing, excessive executive compensation, entrenchment of inept management teams or diversion of funds to unsuitable projects that benefit one group of insiders etc. The role of corporate governance is therefore to prevent expropriation of investors by managers, smaller investors by larger ones, and debt providers by equity investors (or vice versa).

Orji et al [15] opined that corporate governance is about nurturing enterprise while ensuring accountability in the exercise of power and patronage by firms. Therefore, the essence of good corporate governance is to promote efficient corporations that contribute to the welfare of society by creating wealth, employment, solutions to existing and emerging challenges; responsive and accountable to stakeholders; recognize and protect shareholders' right; and adopt an inclusive approach based on democratic ideals of legitimate representation and participation. They further asserted that demonstrably, good corporate governance seeks to exercise corporate powers in the stewardship of the corporation's total portfolio of assets and

resources with the objective of making and increasing shareholders' value and the satisfaction of other stakeholders in the context of the company's corporate mission. Ikpoto [16] quoted with approval the definition of Corporate Governance by the European Corporate Governance Institute to the effect that: "...the basis of accountability in Companies, institution and enterprises is balancing corporate economic and social goals on the one hand with community and individual aspirations on the other. The concept embraces the achievement through corporate management of the company's corporate goals of ensuring greater profits for the members and its social and community goals of protecting and promoting the interest of the employees, the customers, and the community. It deals with the proper degree and method of regulating the balance of interest between these competing groups" [17].

GLOBALISATION AND CORPORATE GOVERNANCE IN NIGERIA

Thus, Oluwagbami and Udombana [18] submitted and rightly so, that just as globalization has impacts all other aspects of the life, it has equally impacted governance of corporations, which constitutes the major chunk of world economic activities. Corporate Governance especially in recent times has become highly globalized. The growth of corporations across national and continental boundaries has resulted in heightened interest by both nations and international organizations in the activities of these corporations, since the economic health or otherwise of one corporation affects the situation of individuals and nations across borders. Therefore, just as good public governance constitutes important issue in national and international discourse across the globe; good corporate governance is similarly being demanded of management and boards of directors of corporations across the globe. As a matter of fact, corporate governance represents a good and efficient policy instrument in many aspects of the national economy.

Okike however, observed that it is not the lack of corporate governance structures in Nigeria

that is the issue, but their effectiveness in monitoring the compliance mechanisms. Alluding to the Report on the Observance of Standards and Codes (ROSC), [19] he observed that whilst many of the stakeholders believed that the quality of disclosure was generally good, they had doubts about the credibility of the financial disclosures [20]. This could be due to the United State Enron, Nigeria Cadbury as well as other similar corporate scandals across the globe, [21] which suggest that a neat financial report should not be taken on the face value, but efforts, should be made to equally ascertain its credibility.

However, Amao and Amaechi noted that public companies in Nigeria are gradually adopting the principles of good governance as there are noticeable improvements in board composition, executive compensation, and shareholders 'participation and voting [22]. However, according to Sanjai Bhagat, Brian Bolton & Roberta Romano, these are the most elemental components of a corporate governance system [23]. Nonetheless the pace of movement in this direction is rather slow. This is however understandable given the state of infrastructure and the economy as a whole in Nigeria. As a confirmation of the corporate governance improvement in Nigeria compared to the situation in the 80s and 90s, the World Bank investor protection index gave Nigeria an average rating. The rating covers transparency in transaction, shareholders ability in seeking redress against directors and liability for self-dealing [24].

CORPORATIONS AND STATUS OF DIRECTORS

But it is trite law that directors owe their duties not to individual shareholder or a group of them but to the company. This much was admitted by the court in *Percival v Wright* [25]. Orojo [26] espouse the position of the law even further to the effect that unless the articles otherwise provide, the board of directors, when acting within the powers conferred on them by the Act [27] or articles, shall not be bound to obey the direction or instructions of the members in general meeting provided that the directors acted in good faith

and with due diligence. Yet we still talk of directors as merely commercial men managing a trading concern for the benefit of themselves and the shareholders, and the memorandum and articles of a company as a contract between the company, the directors, shareholders, and employees *inter se* [28]. Aligned to this is the legal principle that it is the company who can enforce directors' duties [29]. This appears to be a paradox because of the usual strong administrative machinery of the company at the disposal of the directors. Thus, enforcement of directors' duties by the company often proved to be impossible. Farrar, J.H., Furrar, N.E. & Hannigan, B.M. [30]; observed that although in the nineteenth century directors were seen as agents of the corporation in general meeting and as such they are controlled by the general meeting, the situation is no longer the case. According to the authors, the increase in the powers and influence of the directors is a result of the change of the wordings in the standard form of articles in the early twentieth century. Barnes [31] noted that the general meeting is a vital organ which provides the shareholders the opportunity to have a say on the affairs of the company and take necessary action on company affairs. He however admitted that the power to call general meeting vested in the board of directors' arms them with dictatorial power to decide when to call a general meeting or whether a meeting shall be held or not. Abdullai [32] also noted that the general meeting is now more of a stage-managed event and therefore of little value. He proposed a review of CAMA in order to ensure greater and meaningful participation of shareholders in company affairs. In the words of Olawoyin [33] the lack of effective control over directors in Nigeria was a result of the inability of the legislature to introduce the necessary courageous reforms. Parkinson also pointed out that due to increasing globalization there has been a resurgence of interest in what should be the proper balance between the freedom of the directors to manage a business and the interest of the shareholders to have a say and their interest protected in the running of the business [34]. The question here is can all the shareholders or only the majority of them have a say in the running of the company? Akanki [35] Pennington [36], and

Geoffrey Morse [37], observed that the rule in *Foss v. Harbottle* was to ensure democracy in the companies by shutting out vexatious actions though in the process renders the minority vulnerable victims of the companies' majority shareholders. This is in line with Gower's [38] view when he opined while examining the ramifications of the principle contained in *Foss v. Harbottle*, that the rule is an inhibition to minority shareholder's right to challenge corporate wrongs. Thus, Akanki further submitted that the enlargement of the concept of oppression to encompass unfairly prejudicial; unfairly discriminatory and disregard of interest is a commendable innovation in the CAMA 1990 which is meant to protect the minorities [39]. He applauded the removal of judicial barrier as to competent litigants that hitherto encouraged the majority to perpetuate fraud on the minorities in companies. He remarked further that the elongation of the concept of *locus standi* to encompass a director, officer past or present, a creditor, the Corporate Affairs Commission (CAC), and any other person the court considers fit and proper, is a legislative weapon capable of minimizing rather than encouraging frivolous litigations [40].

Furthermore, shareholders may have influence on appointment and removal of directors as recognized by the legal framework however, the reality is that in several companies, the directors would normally be the controlling shareholders; this naturally makes their removal a remote possibility. The other options available to shareholders where they are dissatisfied with the behaviours or activities of their directors include; petition for winding up of the company [41]; petition for relief on the ground of illegality of the act(s) of the directors [42]; and application for investigation of the company's affairs by the Corporate Affairs Commission (CAC) [43].

CORPORATE REGULATION IN NIGERIA

Since it appears that the shareholders may not be able to ensure that directors act in their interest, focus is shifted to the government to ensure the enforcement of the law. However, it has been argued that the government

regulatory authorities are ineffective. For example, O. O. Oladele [44] identified problems with the Corporate Affairs Commission (CAC). He argued that the power of the CAC to order company meeting is an incomplete one, in view of the position of the law to the effect that the CAC can only exercise its power to direct a company general meeting if there is an application from a member of the company. This implies that in the absence of an application from a member even if the commission is in possession of information to this effect it can do nothing. This provision is not in the spirit of good corporate governance as it makes the commission a toothless bulldog [45]. Another problem identified is the power of the CAC to receive reports from foreign companies exempted from domestic incorporation. This power makes the CAC a dummy, as the power to penalize foreign companies who fails to file the necessary report at the CAC lies with the Federal Executive Council, which lack the time and expertise to handle such matter on many occasions. Therefore, such companies escape the supervisory powers of the CAC even where they fail to report their activities in relation to existing laws, such as Environmental Protection Act, Standard Organization Act, Consumer Protection Council Act and so on. Anifalaje opined that the creation of a corporate supervision department within the CAC to carry out constant surveillance on companies will ensure better regulatory environment [46]. Otopo, [47] Okeahalam and Akinboade [48], also observed that the problem of supervision and enforcement of regulatory laws and processes is the major problem hindering effective implementation of good corporate governance. They contended that judicial and administrative means of supervision have not been successful to bring about effective corporate governance. According to them, researches have shown that a good regulatory process should consist of rules, monitoring of compliance and enforcement of such rules and standards.

According to Inan Wilson, the ineffectiveness of the regulatory institution is caused partly by

the lack of dynamism is legislation. For instance, the provision relating to investigation by inspectors under CAMA [49] allows the CAC to appoint outside inspectors to investigate the affairs of any company subsequent to an application by a member [50]. This constitutes an impediment to the regulatory power of the CAC in [51] that it is bound to be ineffective due to the absence of secrecy of the process. The complaint by member(s) and the subsequent appointment of external inspector is likely to have filtered to the directors which enable them to take remedial actions sometimes including falsification of records and documents. But a better approach is one which allows the CAC to appoint an officer who will arrive at any company to demand production of any document(s) which may be the bases of a full-scale investigation later on. This will prevent falsification, mutilation or alteration of document prior to investigation [52].

LAW AND ENFORCEMENT AS A CHALLENGE TO GOOD CORPORATE GOVERNANCE IN NIGERIA

Ayodele Adelaja Adekoya, also assert that Nigeria is a country where the ruling elites have little respect for the laws of the land. The politicians rather than obey the law will use their political influence to circumvent any rule or mechanisms for regulation in the country. The system in the country is equally unique in that political elites are treated as “untouchables” who are above the law. The entire country security systems have been deliberately weakened by the political elites such that they are more inclined to look the other way instead of confronting the “big men” in the society. Corruption is so institutionalized that law enforcement is done along influence, tribal, religious or political line depending on the convenience of the “big men.” Politicians siphon the country’s fund and launder them through the corporations and naturally they are in turn protected them. The protection is in the form of preventing law enforcement agencies or regulators from compelling these corporations and their cronies to observe the law [53]. Corporate regulation will continue to be weak as long as it is

mutually beneficial to both the politicians and businessmen. Politician needs corporations to launder their loots and the business class need politician for patronage, government contracts, protection from the law for tax evasion and so on [54].

As early as 1992, Abdullai [55] identified areas of the CAMA calling for review. According to him, the provision on quorum which is to the effect that the chairman may continue a general meeting where the quorum was withdrawn by members leaving the meeting, if the chairman is of the view that members have insufficient reason for leaving the meeting, is highly subjective [56]. In the opinion of Boyle [57] this is compounded by general low attendance at such meetings and the proxy instrument has failed to serve as a monitoring device, it is more of a potent weapon in hands of an overbearing board. However, Abdullai further assert that another area deserving a review is S. 258 (2) of CAMA which provide to the effect that the register of the board of directors showing attendance of meetings by a director seeking re-election be distributed to member at general meeting [58]. This is not adequate as mere attendance cannot be said to amount to quality service on the part of a director in the preceding year to persuade members on his reappointment. Further to this, while remuneration of directors is to be fixed by the general meeting, that of the managing director is to be fixed by board of directors. Problem may arise in both situations, first, while it is not possible for a large body like the general meeting to effectively discuss and fix remuneration for the directors; a situation often exploited by the directors to either plant some individuals to say what they want to hear or out rightly impose their view and secondly, since there is no express provision to the effect that a managing director cannot attend a meeting where his remuneration is to be discussed and fixed, his attendance no doubt will affect the quality and direction of deliberations on the issue [59].

Adoga [60] has observed that although the Companies and Allied Matters Act (CAMA) 1990, the main legislation on corporate

governance in Nigeria may appear comprehensive, it has since become obsolete in comparison with global trends in corporate governance and business law practices. By Adoga's reckoning areas calling for legislatives' attention in the CAMA include: first, the need to restructure the categories of companies registerable in Nigeria [61]. There is the need to accommodate new trends in this respect [62]. Second, there is also the absence of a comprehensive legislation codifying the corporate governance laws, rules, and principles either by way of amendment in the CAMA or enactment of a separate legislation as some advance economies have done [63]. Third, the amount of paid up capital for private and public companies as contained in the CAMA 1990, is today unrealistic as it would appear in 1990 [64].

Another aspect of CAMA calling for attention is s. 382 on unclaimed dividends [65]. The absence of a legal framework requiring companies to make announcement in the print media to create awareness for the beneficiaries of the dividends and the shares appears to be a lacuna in the current legal framework. Also Nigerian corporate law is about the only one in the world today that allows wholly owned foreign companies to establish wholly owned companies in Nigeria without any kind of protection for competing local companies [66]. The current legal framework in Nigeria does not have any provision on the use of information and communication technology (ICT) in relation to corporate activities. This is understandable as ICT was still at the embryo stage when CAMA was enacted some two decades ago. A forward looking amendment to the current corporate legislation in Nigeria will therefore be expected to contain provisions on the guidelines for the use of E-Mails, GSM and websites in relation to corporate information, AGM, statutory notices, online registration of companies or subsidiaries, online submission of annual returns, online dispatch of share certificates etc [67].

Therefore, concrete efforts have to be made to reposition the legal environment in Nigeria to meet new challenges. How the law through the legislature addresses these problems and many

others some of which comes along with globalization, information technology, e-commerce, electronic attendance at general meeting, transnational stock market and stakeholders activism which were never contemplated by CAMA, will determine the direction of the relationship between the directors and the stakeholders in the near future. This is crucial as it has been said earlier on that corporations are as important today as governments.

CONCLUSION

The literature reviewed provides insights and foundations for knowledge search in corporate governance. It also addressed the issues which research in corporate governance are meant to address. Been a comprehensive review it provides a roadmap for Nigeria's corporate governance reform discuss.

REFERENCES

- 1 James Woltensoh, "Corporate Governance: An Issue of Global of Concerned" The World Bank, <http://aww.world.org/hfm/fpd/privatesecti onlegalbontus.htm> (accessed 10/08/2009)
- 2 It has been opined that good (public) governance can simply be described as governance according to agreed rules and regulations that satisfy the developmental needs and aspirations of the members of a given society. See Shishi, M. J., Isa, Y & Kana, A. A. "Globalization, Democracy and Good Governance in Nigeria – The Best Practices," in Globalization, National Development and the Law, edited by D. A. Guobadia & E. Azinge (Lagos: Nigerian Institute of Advance Legal Studies press, 2005), 142. See also E.O. Esiemokai, M.O. Adeleke and S.O. Kuteyi; Ibid., 35-50, See also, Federal Ministry of Works and Housing Abuja Nigeria, *United Nations Center for Human Settlements' Report on Global Campaign for Good Urban Governance in Nigeria*, (Ibadan: Fountain Publications, 2001), 57.
- 3 Devine P.J, et al, *Introduction to Industrial Economics*, (London: Allen & Unwin 4th edn., 1985), 86.
- 4 J. E. Parkinson, *Corporate Power and Responsibility – Issues in the Theory of Company Law*. (Oxford: Clarendon Press 1993), vii.
- 5 Berle, A. A. & C. G. Means, *The Modern Corporation and Private Property* 1932, (New York: Commerce Clearing House, 1932).
- 6 Parkinson, n.17 at vi
- 7 Human Right Watch, *The Price of Oil: Corporate Responsibility and Human Rights Violations in Nigeria's oil Producing Communities*, (New York: Human Right Watch, 1999), 58-59
- 8 Parkinson n.17 at vii
- 9 Ibid. The popularity of the capitalist system is a natural fall out of the collapse of communism and consequential pointing up of the merits of the market system. But the capitalist ideology as it were, accentuates corporate capitalism with its attendant consequences of creating wider gaps in the economic class divide within the social setup.
- 10 Agom, A.R. "Shareholders Activism in Corporate Governance," *Journal of Finance and Investment Law*, Vol. 4, October 2000, pp. 252-257
- 11 Hussey R. (1999), "The Familiarity Threat and Auditor Independence," *Corporate governance: An International Review* 7(2), 190-197.
- 12 John O. Okpara, n. 13. 178
- 13 Elewechi N.M. Okike, (2007) "Corporate Governance in Nigeria: The Status QUO," *Corporate Governance: An International Review*, vol. 15 n.7 March 2007, PP. 173 - 193
- 14 Sam Nganga, *et al*, (2003), *Corporate Governance in Africa: A survey of publicly listed companies*, London Business School, www.london.edu/cgia (accessed 18 May 2012)
- 15 Elizabeth A. Oji (Mrs); M. V. C Ozioko and Godson U. Ahuchogu. "Globalization and New perspectives in Corporate Governance," in *Globalization, National Development and the Law*, edited by D. A. Guobadia E. Azinge (Lagos: Nigeria Institute of Advance Legal Studies Press, 2005) 142-180.
- 16 Ikpotu, T. R., "Globalization and New Perspectives in Corporate Governance." in *Globalization National Development*

- and the Law, edited by D.A. Guobadia, E. Azing (Lagos: Institute of Advance Legal Studies Press, 2005), 180-189.
- 17 J. Dine, *Company Law*, (London: Macmillan, 3rd edn, n.d.) 4 cited by Ikpoto, 181. See also Wumi K. Olayiwola, "Practice and Standard of Corporate Governance in the Nigerian Banking Industry," *International Journal of Economics and Finance* vol. 2, No. 4; (November 2010): p. 178, which contained about 8 other definitions of the concept of corporate governance including that of that of the OECD.
 - 18 D. A. Oluwagbami & N. J. Udombana, (2005), "Globalization and New perspectives in Corporate Governance," in *Globalization, National Development and the Law*, edited by D. A. Guobadia, and E. Azing (Lagos: Institute of Advance Legal Studies Press, 2005), 190-227. See also A.N.M.Sulaiman, *Directors Duties and Corporate Governance*, (Malaysia: Sweet & Maxwell Asia. 2001), 73 and 179.
 - 19 The Report on the Observance of Standards and Codes (ROSC), Nigeria 2004, by world Bank Team Nov.2003-March 2004
 - 20 Elewechi N.M. Okike, op cit n. 26
 - 21 E.g 2006 HP Spying Scandal, see Miriam Hechler Baer (2008), "Corporate Policing and Corporate Governance: What Can We Learn from Hewlett-Packard's Pretexting Scandal", *University of Cincinnati Law Review* 77 (523), 2008 Siemens Scandal, involving cases of bribery of Greek government officials on behalf of Siemens, S-Chips Scandals, Singapore etc
 - 22 This in part may be ascribed to globalization and growth of trans-border trading. See Olufemi Amao and Kenneth Amaeshi, Galvanising Shareholders' Activism: A Prerequisite for Corporate Governance and Accountability in Nigeria, *Journal of Business Ethics*, vol. 82 (2008): 119.
 - 23 Sanjai Bhagat, Brian Bolton & Roberta Romano, "The Promise and Peril of Corporate Governance Indices," European Corporate Governance Institute (ECGI), Law Working Paper No. 89/2007, <http://ssrn.com/abstract=1019921> (accessed 24 July 2010).
 - 24 The World Bank, "Explore Economies," *Doing Business Measuring Regulation*, www.doingbusiness.org. (accessed 25 July 2010)
 - 25 (1902) 2 Ch. 421.
 - 26 Olakunle Orojo, *Company Law and Practice in Nigeria*, (Lagos Nigeria: Mbeyi & Associates (Nig) Ltd, 1992), 306-307. S. 63 (4) CAMA. This is an enactment of the Common Law. See John Shaw & Sons (Salford ltd) v. Shaw (1935) ALL E. R 456, see also the Nigeria case of Atewologun v Metro Motors ltd (1978) NCLR 346
 - 27 Company and Allied Matters Act (CAMA) 1990, of Nigeria.
 - 28 Orojo, n. 38, Pg. 71, see also Sulaiman, M. N. A., Bidin, A., Hanrahan, P., Ramsay, I., & Stapledon, G., *Commercial Application of Company Law in Malaysia*, (Malaysia: CCH Asia Pte Ltd, 3rd edn., 2008), 125.
 - 29 Perceival v Wright (1902) 2 Ch. 421, supra, per Swinfen Eady J. See also *Coleman v Myers* [1977] 2 N.Z.L.R. 225.
 - 30 Farrar, J.H.; Farrar, N.E. & Hannigan, B.M.; Farrar's Company Law (London: Buttersworths 1991)
 - 31 Barnes, K.D.; Cases and Materials on Nigerian Company Law, (Nigeria: Obafemi Awolowo University Press Ltd. 1992).
 - 32 Abdulai, A.; "The Company in a Changing Environment". *The Nigerian Business Law and Practice Journal* Vol. 2 No. 2 1990.
 - 33 Olawoyin, G.A.: "Status and Duties of Company Directors" (University of Ife, Ile-Ife – Nigeria 1977).
 - 34 Parkinson, n. 17.
 - 35 Akanki, E.O. (ed.) "Essays on Company Law" (Lagos: University of Lagos Press 1992).
 - 36 Pennington, R.R., *Company Law*, 5th ed. (London: Buttersworths 1985),
 - 37 Geoffrey Morse (ed.) *Charlesworth & Morse Company Law* 14th ed. (London: Sweet & Maxwell 1999).
 - 38 Paul L. Davies and D. D. Prentice, *Gower's Principles of Modern Company Law*, (London: Sweet & Maxwell, 6th edn., 1997).
 - 39 S. 311 (2)(a)(i) CAMA 1990
 - 40 Akanki, E.O. (ed.) "Essays on Company Law" (Lagos: University of Lagos Press

- 1992). See also Asada Dominic, "Effective Corporate Governance and Management In Nigeria: An Analysis," (Ph.D thesis University of Jos, 2006).
- 41 S. 408 (e) CAMA.
- 42 S. 311 CAMA.
- 43 Orojo, n. 38, p. 321-322
- 44 O.O Oladele, "Responding To the Problems of Practical Implementation of the Companies Allied Matters Act (CAMA) 1990." *I F J R*, vol. 1 p 2 (2000): 217-225. see also A. Almustapha, "The problems of Practical Implementation of the Companies and Allied Matters Act, 1990 CAMA and The Need for a Review," *Nigerian Bar Association Annual Bar Delegates Conference Proceedings*, (session on papers), (2004): 42. A. Mustapha is the Director General of the Corporate Affairs Commission (CAC) of Nigeria. See s 213 (2) CAMA
- 45 Ibid, P. 219
- 46 See Akanki, E.O. (ed.) "Essays on Company Law" (Lagos: University of Lagos Press 1992).
- 47 Otobo, E.E. 1997. "Regulatory reform in support of privatization: patterns and progress in Africa", *African Journal of Public Administration and Management*, 8-9(2):25-50.
- 48 Okeahalam, C.C., Oludele A. & Akinboade, O.A. 2003. "A review of corporate governance in Africa: Literature, issues and challenges," Paper prepared for the global corporate governance forum 15 June 2003, International Finance Corporation, <http://www.ifc.org/>. (accessed 12/07/2011) see also John O. Okpara, Perspectives on Corporate Governance Challenges in a Sub-Saharan African Economy, *Journal of Business & Policy Research* Vol. 5, No 1. July 2010, 110-122
- 49 Ss.314-330 CAMA 1990
- 50 See s. 244(2)-(3) UK company Act 1967
- 51 There is there for the need to take a second look at ss. 314-330 of CAMA 1990 with view to amending it and making an effective tool for CAC.
- 52 Inan Wilson, Regulatory and Institutional Challenges of Corporate Governance in Nigeria Post Banking consolidation, Nigerian Economic Summit Group (NESG) Economic Indicators, (2006) vol 12 No. 2, April –June.
- 53 Transparency international has always listed Nigeria as one of the most corrupt countries in the world.
- 54 Ayodele Adelaja Adekoya, Corporate Governance Reforms in Nigeria Challenges and Suggested Solutions, *Journal of Business Systems Governance and Ethics*, vol. 6 No. 1, see also Emenyonu, E. N. (2007), *The Accounting Profession, the Church and the Nigerian State: Change Agent for National Rebirth*, Public Lecture at the Covenant University, Ota Nigeria, June 2007, Amaeshi, K., Adi, B. C. Ogechie, C. and Amao, O. O. (2006), *Coporate Social Responsibility in Nigeria: Indigenous Practices or Western Influences?* *Journal of Corporate Citicenship (Winter Edition)* vol. 24, 83-99, Bakre, O. (2007) *Money Laundry and Trans-organised Crimes in Nigeria: Collaboration of the Local and Foreign Capitalist Elites* WP 07\03 Department of Accounting and Finance University of Essex UK., Okuaru, N. (2006) "EFCC Raises Alarm over Money Laundering" *The Guardian March*, 2nd 2006., Dike, V. E. (2005), *Curruption in Nigeria: A New Paradigm for Effective Control*, *African Economic Analysis*, <http://www.africaeconomicanalysis.org/articles/gen/corruptiondikehtm.html> (accessed 17th May 2012).
- 55 A. Abdullai, "Some Practical Issues and Implementation Problems." in *Essays on Company Law*, E. O. Akanki ed. (Lagos: University Lagos Press, 1992), 321-334.
- 56 Ibid., Pg. 330.
- 57 Boyle, A.J. Boyle and Birds Company Law. In: Boyle and Birds (2nd Ed.) (Bristol: Jordan & Sons, 1987) 1-853
- 58 Abdullai, n. 66.
- 59 Ibid., 331, See also SS. 267 (1) & 268 (1) CAMA
- 60 Onjefu Adoga, "New Frontiers For Corporate Regulations in Nigeria," *Brooke Chambers*, <http://www.hg.org/article.asp?id=6228> (accessed 10th feb., 2011)
- 61 Currently they have been streamlined into business names; companies limited by

- shares; public limited companies and incorporated trustees. ss. 21 & 22 CAMA
- 62 Example from China is the provision in the Equity Joint Venture (EJV), wholly foreign owned Enterprises (WFOE), contractual joint venture (CJV) etc.
- 63 A good example here is the United States Public Company Accounting Reforms and Investors Protection Act 2002 , (Sarbanes-Oxley Act 2002 or SOX), the European equivalent of SOX is popularly referred to as Basel I & II
- 64 The paid up capital of ₦10, 000=00 and ₦500, 000=00 for private and public companies respectively, are now meager and the percentage to be paid up is just 25%. This need to be increased to a commensurate level as it will help to prevent the proliferation of companies which are undercapitalized and may not be able to carry on business due to insufficient funding.
- 65 Adoga, n. 67. By 2005 the value of unclaimed dividends in Nigeria was over N10 Billion. There is a Bill pending before the National Assembly of Nigeria, for the establishment of a commission to manage the fund, which is yet to be passed.
- 66 Ibid. Adoga, n. 67. p. 11.
- 67 Malaysia is already moving in this direction in the proposed amendment to the 1965 Companies Act. See Azryain Borhan, “Corporate Law- Changes in the Legal and Regulatory Framework”, Corporate Governance Seminar-Company Law Development in the United Kingdom & The Financial Crisis-Implication for Malaysia, Department of Private Law, International Islamic University (IIUM), 21st July 2010. (unpublished)

Cite this Article

Abdul-Hamid, Oba Yusuf. Corporate Governance: A Review of Literature and Selected Bibliography. *Journal of Corporate Governance and International Business Law*. 2019; 2(1): 10–19p.