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Research Article

LESSONS, OPPORTUNITIES AND THE CASE FOR REFORM TOWARDS MANDATORY CORPORATE SOCIAL RESPONSIBILITY IN NAMIBIA

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This study analyses the lessons and opportunities from mandatory Corporate Social Responsibility (CSR) frameworks in India and France to determine their relevance for Namibia, where CSR remains largely voluntary. Using qualitative secondary data and guided by legitimacy, social contract, stakeholder, and triple bottom line theories, the study finds that India's legally enforced CSR spending model effectively mobilizes corporate resources for national development, while France's due-diligence and governance-centered approach strengthens environmental accountability and human rights protection. For Namibia, these experiences illustrate the potential for a context-specific mandatory CSR framework that can enhance corporate accountability, support socio-economic development, and promote environmental sustainability. The study identifies five key imperatives for reform. These are: addressing inequality, strengthening governance, advancing environmental protection, enhancing competitiveness, and supporting national development priorities. It recommends the establishment of a clear legal framework mandating CSR, supported by transparency requirements and alignment with Namibia's Vision 2030 and National Development Plans. The findings demonstrate that mandatory CSR could serve as a strategic tool for inclusive and sustainable development in Namibia.

***Keywords*:** mandatory, corporate social responsibility, experiences, opportunities, reform, Namibia

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1. INTRODUCTION

Corporate social responsibility (CSR) is central to public sector-driven sustainable development, as it underpins sustainable business and institutional practices that positively affect society and the environment (Duc Tai, 2022). CSR seeks to ensure that organizational activities do not compromise future environmental and societal sustainability. Rising concerns over unethical business conduct and the limitations of voluntary CSR have prompted many countries to adopt mandatory CSR policies to enhance sustainable development outcomes. Some businesses continue to act unethically toward their communities and the environment (Costa & Opare, 2025), while others avoid CSR initiatives altogether to reduce costs due to its voluntary nature in many jurisdictions (Xue et al., 2023). In recent decades, CSR's role in advancing national sustainable development agendas has gained increasing scholarly attention, particularly in light of the Sustainable Development Goals (SDGs) and the collaborative efforts required to achieve them. Numerous studies (Grover et al., 2019; Shayan et al., 2022; Vargas-Merino & Rios-Lama, 2023) highlight the strong connection between CSR and sustainable development, focusing on how CSR can support national development objectives. Given its potential, many nations increasingly move toward mandating CSR.

Mandatory CSR requires certain companies, typically based on size or profitability, to allocate a fixed portion of their profits to social, environmental, or community development initiatives as mandated by law (Lin, 2020). This policy posture aims to prevent businesses from prioritizing profits without considering their societal and environmental impacts. Lin (2020) notes that firms exceeding set thresholds must invest at least 1–2% of annual revenue in initiatives promoting social welfare, sustainable development and environmental protection. Countries like India and France have enacted mandatory CSR policies, yielding notable benefits such as fostering sustainable business practices that support national and local development. However, Dahal et al. (2024) highlight challenges, including some foreign investors' reluctance to invest due to increased CSR-related costs. Despite this, mandatory CSR tends to filter out unsustainable businesses, ensuring only those aligned with sustainability criteria remain operational. Since India's and France's adoption of mandatory CSR in 2013 and 2010, respectively, corporate contributions to sustainable development have significantly increased (Gupta & Chakradhar, 2022). This facilitates a multi-sectoral approach to sustainable development rather than placing responsibility solely on governments. While mandatory

CSR offers more benefits than drawbacks (particularly in advancing the SDGs) not all countries have adopted it. Namibia, for instance, has yet to make CSR mandatory.

As a developing country, it is imperative that the Namibian government considers introducing mandatory CSR (beyond CSR reporting by publicly traded companies listed on the Namibian Stock Exchange) to enable a coordinated multi-sectoral and partnership approach to addressing SDG gaps at local and national level. However, this is not the case. This consideration is warranted given the wide range of sustainable development challenges Namibia faces. Moreover, mandatory CSR offers opportunities for collaborative platforms that contribute to social welfare and sustainable development. Existing proposals for mandatory CSR in Namibia, as discussed by Littlewood (2015) and Nande (2017), call for relevant legislation but do not draw on lessons from other countries to highlight opportunities or justify reform, resulting in a notable gap. This gap is significant for advancing debate on mandatory CSR in Namibia. Despite the growing body of literature on CSR globally, there remains a notable paucity of research specifically analyzing the applicability of mandatory CSR frameworks to Namibia. Existing studies (e.g. Cheruiyot-Koech, 2022; Rikhotso et al., 2022) in Southern Africa have largely focused on voluntary CSR practices, sector-specific interventions, or general sustainability reporting, with limited comparative analysis across different international mandatory CSR regimes. Furthermore, there is no prior research that systematically compares the mandatory CSR models of India and France (two of the most prominent global exemplars) in order to extract contextualized lessons for Namibia. This study therefore fills a clear gap in the literature by providing the first comparative analysis of these two frameworks and demonstrating their relevance for Namibia's evolving CSR policy discourse. To address this gap, the present study analyses the mandatory CSR experiences of India and France as lessons and opportunities for Namibia, as well as the imperatives that make a case for reform. These countries were selected for their diverse approaches to mandatory CSR policies and practices, offering a comprehensive view of implementation and a basis for lessons and opportunities relevant to Namibia. In response to the above research gap(s), the following research objectives (RO) are relevant:

- **RO1:** To analyze how do the mandatory CSR experiences of India and France provide lessons and opportunities for Namibia?; and
- **RO2**: To examine the imperatives that make a case for reform towards adopting mandatory CSR in Namibia?

Addressing these research objectives fills the identified research gap and contribute significantly to the literature on CSR's evolution from voluntary to mandatory. This study is significant as it pioneers in analyzing the lessons and opportunities towards implementing mandatory corporate social responsibility (CSR) in Namibia, alongside the case for reform by drawing on international models (India and France). The study advances imperatives that rationalize the need and case for reforming Namibia's CSR framework from voluntary to mandatory aimed at strengthening corporate accountability, sustainability and development impact. The rest of the study is organized as follows: literature review, methodology, results and discussion and conclusion.

2. LITERATURE REVIEW

Theoretical Framework

This theoretical framework guides this study by framing the analysis of mandatory CSR and its sustainable development impacts on society and the environment. It integrates key theories (legitimacy, social contract, triple bottom line, and stakeholder) that explain CSR's significance, enforcement mechanisms, and implications for businesses and stakeholders. These theories are:

- Legitimacy Theory: Legitimacy theory asserts that businesses must act in ways society considers acceptable (Burlea & Popa, 2013). It reflects a social agreement requiring alignment with societal norms. Mandatory CSR supports this by enforcing compliance with social and environmental standards, making responsible behaviour standard practice and enhancing reputation and long-term success (Burlea & Popa, 2013).
- Social Contract Theory: This theory views business and society as partners in an implicit agreement, where businesses receive resources and legitimacy in exchange for contributing to social welfare (Byerly, 2013). Mandatory CSR formalises this duty, ensuring businesses support sustainable development and community well-being (Waddock, 2010; Byerly, 2013).
- Triple Bottom Line Theory: Triple bottom line theory argues that success should be measured through social, environmental, and economic impact (Zaharia & Zaharia, 2021). It supports mandatory CSR by promoting accountability in people, planet, and profit, encouraging sustainable and balanced corporate practices.
- Stakeholder Theory: Stakeholder theory maintains that businesses must address the interests of all stakeholders, including communities and the environment (Mahajan et al., 2023). Mandatory CSR compels companies to meet these expectations, improving social outcomes and reducing conflicts between profit and broader responsibilities (Mahajan et al., 2023).

Together, these theories provide a clear rationale for the adoption and potential impact of mandatory CSR.

Mandatory CSR - What Does It Entail?

Mandatory CSR refers to a legal obligation for businesses to invest a portion of their profits or resources in sustainable development initiatives. Unlike voluntary CSR, it enforces accountability for social and environmental impacts (Lin, 2020). This model often ties CSR efforts to national development goals. A key element is legal enforceability. For instance, India's Companies Act of 2013 mandates qualifying firms to allocate at least 2% of their average net profits over three years to CSR initiatives, such as education, healthcare, and environmental sustainability (Marshall et al., 2022). Non-compliance may lead to penalties, including fines or imprisonment. Mandatory CSR identifies specific focus areas, including community development, environmental protection, and empowerment of marginalized groups. Transparency is essential, with businesses required to report on their CSR efforts. In France, the Corporate Duty of Vigilance Law mandates disclosure on environmental and human rights risks (Soilihi & Haranger, 2024). India also mandates public disclosure of unspent CSR funds, which must be transferred to government accounts (Marshall et al., 2022). Mandatory CSR often aligns with national development plans and global frameworks such as the UN SDGs, embedding CSR in business strategies and shifting it to the core of corporate decision-making.

The Status of CSR in Namibia

Since gaining independence in 1990, Namibia has supported a mixed economy where businesses are recognized as key development partners. However, CSR remains voluntary, inconsistent, and lacks enforcement. Several laws policies exist:

- Companies Act 28 of 2004: This legislation guides company governance but does not mandate CSR, leaving it to internal discretion (Republic of Namibia, 2004). The lack of legal pressure limits CSR engagement, particularly in underdeveloped communities.
- National Policy on Volunteerism (2014): This policy encourages development participation but lacks implementation mechanisms and does not clearly define the business role in CSR (Republic of Namibia, 2014).
- The NamCode: Based on the South African King III Report, it promotes corporate citizenship and sustainability (Namibian Stock Exchange, 2014). It is only

enforceable to companies listed on the Namibia Stock Exchange (NSX), limiting its impact on broader business CSR accountability.

- Public Enterprises Governance Act, 2019: This requires public enterprises (PEs) to include developmental indicators in strategic plans but does not mandate CSR (Republic of Namibia, 2019). Contributions to development remain incidental rather than core to enterprise strategy.
- National Development Plans and Vision 2030: These documents promote CSR as part of Namibia's development vision but do not impose legal obligations. They position the private sector as a key partner in achieving socio-economic goals (Republic of Namibia, 2004; 2017).

Overall, Namibia's CSR framework is fragmented and lacks coherence. Its voluntary nature has resulted in inconsistent CSR implementation, especially among unlisted firms. Existing proposals for mandatory CSR in Namibia (Littlewood, 2015; Nande, 2017) call for legislation but fail to draw on international lessons or developmental imperatives. There is limited academic research on mandatory CSR within Namibia's developmental context. This study addresses that gap by analyzing the experiences of India and France to identify relevant lessons, opportunities, and imperatives for reforming Namibia's CSR framework. The following section outlines the methodology adopted.

3. METHODOLOGY

This study sought to analyze mandatory CSR in India and France and to identify lessons, opportunities, and imperatives for reform in Namibia. A qualitative research methodology, relying exclusively on secondary data, was employed to examine the CSR frameworks of both countries. The approach prioritized comprehension and interpretation over quantification, enabling an in-depth understanding of the structures, processes, and outcomes of mandatory CSR. India and France were selected for their distinct approaches (India's expenditure-based model and France's due-diligence model) providing complementary perspectives on implementation, compliance, and socio-economic impacts. The study was guided by ontological and interpretivist assumptions, viewing CSR as a socially constructed and context-specific practice shaped by multiple stakeholder interests (Lawson, 2019; William, 2024). Accordingly, CSR is understood as flexible, evolving, and responsive to national contexts, and the study recognizes the differing ways CSR is conceptualized, executed, and assessed across India, France, and Namibia.

The study drew on qualitative secondary data from two main sources: 1) government documents, including laws, regulations, and official CSR guidelines from India, France, and Namibia; and 2) academic literature, including peer-reviewed journal articles, books, and research papers examining CSR policies, frameworks, and outcomes. Utilizing secondary data enabled a focused analysis of existing knowledge on CSR laws, practices, and experiences, as well as Namibia-specific opportunities and imperatives, without requiring primary data collection. The analysis followed a deductive and thematic approach, applying established CSR theories and frameworks to real-world CSR models to interpret their relevance and applicability to Namibia. This process involved four stages:

1. Literature review: Synthesizing existing CSR frameworks and mandatory practices in India and France.
2. Comparative analysis: Identifying similarities and differences in regulatory requirements, compliance mechanisms, enforcement strategies, and socio-economic outcomes.
3. Theme identification: Extracting key patterns related to inequality reduction, environmental sustainability, and corporate accountability.
4. Application to Namibia: Adapting insights to Namibia's socio-economic and regulatory context to identify lessons, opportunities, and a case for mandatory CSR reform.

Ethical considerations were observed through accurate citation and responsible handling of governmental and corporate data. The secondary data selection and quality appraisal procedures followed a transparent and structured process. Inclusion criteria required sources to (a) examine mandatory CSR frameworks, (b) Recent studies, and (c) comprise peer-reviewed academic works, government documents, or legal texts from India, France, or Namibia. Exclusion criteria removed sources focused solely on voluntary CSR, pre-2010 regimes, opinion pieces lacking empirical grounding, or unverified online content. Searches were conducted across Google Scholar, JSTOR, Scopus, SSRN, and government portals using keywords such as mandatory CSR, India Companies Act, France Duty of Vigilance, CSR Namibia, and CSR comparative frameworks. Quality appraisal assessed credibility, methodological rigor, jurisdictional relevance, and triangulation, ensuring that only reliable and contextually relevant sources were included. Based on this methodology, the following section presents the results and discussion, addressing the central research objectives of the study.

4. RESULTS AND DISCUSSION

This section presents the key findings of this study on mandatory CSR by analyzing the experiences from India and France, while assessing their lessons, opportunities and imperatives for reform for Namibia. To address the research objectives of this study, this sub-section begins with presenting the findings relating to the experiences of mandatory CSR in India and France and how these provide lessons for Namibia. It then proceeds to look at how the experiences of these countries with mandatory CSR provide emulative opportunities for Namibia to follow suite. Finally, it ends off by presenting the imperatives that make a case for reform in Namibia in adopting mandatory CSR based on the advantages it offers.

Experiences of Mandatory CSR from India and France: Lessons for Namibia

This sub-section focuses on presenting the mandatory CSR frameworks in India and France. This will be done by focusing on their respective mandatory CSR stances and their key features, as well their resultant experiences and lessons for Namibia. These findings are collated and presented in Table 1 below for fitting comprehension.

Table 1. Mandatory CSR in India and France, their Experiences and the Lessons for Namibia

Country	Mandatory CSR Stance	Key Features	Experience with Mandatory CSR	Lessons for Namibia
India	India is recognized as one of the first nations to legally mandate large corporations to engage in CSR. Under the Companies Act of 2013, specific businesses are obligated to	**Legally Binding:** Corporations are mandated to allocate a designated portion of their profits towards social welfare initiatives. Should they neglect this obligation, they are required to	CSR spending in India has risen from around ₹10,000 crore in FY 2014-15 to over ₹25,000 crore in FY 2022-23, becoming a key resource for social development. Major focus areas include health, education, rural development and	**Regulatory Framework:** The Indian model highlights that a robust regulatory framework with enforced compliance can effectively embed mandatory CSR initiatives within the corporate

	allocate a minimum of 2% of their average net profits from the previous three years to CSR efforts. This regulation targets businesses that have a net worth of at least ₹500 crore, an annual revenue of ₹1,000 crore, or net profits that exceed ₹5 crore.	provide justifications in their annual reports. **Key Priorities:** The legislation outlines several critical focus areas, including the elimination of hunger, enhancement of educational opportunities, provision of healthcare services and the promotion of environmental sustainability. **Oversight:** The utilization of CSR funds is overseen by a dedicated CSR committee within the organization, while government and regulatory agencies monitor the related activities.	environmental sustainability. Mandatory reporting has boosted transparency and partnerships with NGOs and government bodies have strengthened implementation. Challenges remain, including a tick-box approach by some companies, unequal fund distribution favoring developed areas, underutilization of mandated funds and a focus on compliance over long-term impact assessment.	structure rather than leaving them as optional. Namibia could benefit from implementing a similar approach, particularly for major/large corporations. This must include publicly listed and unlisted companies. **Accountability and Transparency:** A crucial insight is the necessity of transparency regarding CSR financial allocations. In India, businesses must reveal their CSR expenditures and account for any deviations from compliance, which bolsters accountability. Namibia could

				adopt similar disclosure requirements to all companies to ensure that businesses are truly contributing to community and national development.
France	In France, the framework for mandatory CSR has largely centered on sustainability and environmental accountability. Legislation (Grenelle II Act and the Duty of Vigilance Law) mandates that businesses disclose not only their financial data but also incorporate social and environmental factors into their business practices. The	**Environmental Accountability:** French legislation strongly prioritizes the ecological consequences of corporate activities. Businesses are urged to implement sustainable strategies, including minimizing their carbon emissions and supporting environmentally friendly initiatives. **Human Rights and Ethical Standards:** The	France's Vigilance Law and the Grenelle II Act has introduced a strong framework for legal accountability, enabling courts to hold corporations liable for human rights abuses occurring abroad. This legislative move has positioned France at the forefront of ESG (Environmental, Social and Governance) transparency in Europe, prompting multinational firms (such as Total Energies,	Namibia, a country rich in natural resources but grappling with environmental concerns, could benefit significantly from adopting France's sustainable CSR practices. Encouraging local businesses to integrate environmentally conscious strategies may help mitigate ecological degradation and support broader climate change initiatives. Furthermore,

Duty of Vigilance Law, enacted in 2017, obligates large businesses (those with over 5,000 employees) to develop vigilance plans that tackle human rights, environmental challenges and anti-corruption measures throughout their supply chains.	laws require corporations to maintain human rights and ethical standards throughout their supply chains, tackling concerns such as working conditions, corruption and the use of child labor. **Disclosure and Consequences:** Corporations are obligated to disclose their CSR efforts, with non-compliance potentially resulting in legal repercussions, such as financial penalties and harm to their reputation.	Danone and BNP Paribas) to overhaul compliance systems and improve oversight across global supply chains. However, the initiative is not without its limitations. The law currently applies to a relatively small number of large companies and the legal system is still in the process of clarifying how enforcement should be applied. Moreover, a notable challenge lies in the tendency of some businesses to priorities formal compliance over substantive impact, focusing more on meeting reporting requirements than on driving meaningful social	France's emphasis on safeguarding human rights within supply chains provides a model Namibia could emulate, particularly in key sectors such as mining and agriculture. By ensuring adherence to ethical labor practices, the country stands to enhance working conditions and promote social justice. Introducing accountability mechanisms for the social and environmental impacts of business operations would also reinforce ethical conduct and sustainability, positioning Namibia in line

or environmental change.	with international standards.

Source: Authors own compilation based on Government of France (2010; 2017), Ministry of Corporate Affairs (India) (2013), Savourey and Brabant (2021), Marshall et al. (2022), Gil (2024), Acharya (2025) and Ketul (2025).

A clearer analytical distinction emerges when comparing the core regulatory logics of the two regimes. India's model is expenditure-driven, legally obligating eligible firms to allocate a fixed percentage of profits to CSR activities. Compliance therefore centers on spending thresholds and reporting utilization of funds. In contrast, France's model is due-diligence-driven, requiring large firms to prevent, monitor, and mitigate environmental and human-rights risks across their operations and supply chains. Compliance is based on risk-management processes, disclosure obligations, and potential liability for harms. This distinction is fundamental for Namibia: whereas India's approach offers a predictable resource-mobilization mechanism for development financing, France's approach strengthens governance, transparency, and sustainability through corporate accountability mechanisms.

As illustrated in Table 1 above, an analysis of the mandatory CSR practices in India and France reveals that a uniform strategy is improbable to yield success. India emphasizes the necessity of legal enforcement and systematic reporting, whereas France highlights the significance of corporate culture and stakeholder involvement. This contrast reflects Legitimacy Theory, where businesses in each country align their CSR approaches with societal norms to maintain their social license to operate. In application, this means that firms comply not merely to satisfy legal requirements, but to preserve public trust. This entails Indian companies publicly reporting CSR spending to demonstrate accountability, and French firms publishing vigilance plans to show alignment with societal expectations. For Namibia, these case studies provide essential insights – not as inflexible models, but as foundational elements for developing a CSR framework that is contextually appropriate. The Social Contract Theory supports this by suggesting that businesses must fulfill implicit obligations to society, which vary by cultural and legal context. Applied to Namibia, this implies that corporations operating in resource-dependent regions would be expected to reciprocate societal benefits (through investments in community infrastructure or social services) as part of maintaining their operational legitimacy. By integrating lessons from both countries, Namibia can pursue a balanced approach that harmonizes legal requirements with local significance. The Stakeholder Theory underpins this approach by recognizing the importance of engaging all relevant groups affected by corporate actions. Practically, this could require companies to conduct structured community consultations (such as needs-assessment workshops or local stakeholder forums) to ensure CSR priorities reflect the voices of workers, communities, and local authorities. This ensures that corporate responsibility benefits both business objectives and societal welfare through supporting local sustainable development priorities. In doing so, Namibia can learn by embracing the Triple Bottom Line Theory through aiming to achieve economic success while advancing social equity and environmental sustainability. Operationally, this means firms must demonstrate how CSR projects generate measurable social and environmental benefits in addition to financial contributions. For example, funding climate-resilient agriculture, educational programs, or local clean-energy initiatives. The following table summarizes the key features of India's and France's mandatory CSR models, providing a clear basis for identifying lessons applicable to Namibia.

Table 2. Comparative Features of Mandatory CSR Models in India and France

Dimension	India (Expenditure Mandate)	France (Due-Diligence Mandate)
Legal Scope	Firms exceeding profit/turnover/net-worth thresholds	Firms with >5,000 employees in France or >10,000 globally
Regulatory Trigger	2% CSR spending obligation	Mandatory vigilance/due-diligence plan
Core Requirement	Allocate CSR funds to approved activities	Identify, prevent, mitigate environmental & human-rights risks
Compliance Mechanism	CSR committee; annual reporting	Annual disclosure of vigilance plan; court oversight
Enforcement	Penalties for non-compliance; unspent funds rules	Civil liability, injunctions, reputational sanctions
Observed Outcomes	Rise in CSR spending; support for social sectors	Improved ESG governance; litigation improving compliance
Key Limitation	Unequal fund distribution; box-ticking	Applies only to very large firms; reporting over substance

Source: Authors own compilation based on Government of France (2010; 2017), Ministry of Corporate Affairs (India) (2013), Savourey and Brabant (2021), Marshall et al. (2022), Gil (2024), Acharya (2025) and Ketul (2025).

The above comparison in Table 2 highlights two distinct approaches to mandatory CSR. India's expenditure-driven model mobilizes financial resources for development by requiring eligible firms to allocate 2% of profits to approved CSR activities. This has increased CSR spending and supported sectors such as health, education and rural development, though challenges remain, including unequal fund distribution and a box-ticking approach. France's due-diligence model, by contrast, emphasizes corporate accountability for environmental and human-rights risks through mandatory vigilance plans, annual disclosures and court oversight. This has strengthened ESG governance and improved compliance through litigation, but its reach is limited to very large firms and can result in reporting that prioritizes form over substance. Overall, India provides a resource-mobilization mechanism, while France offers a governance-oriented framework focused on risk prevention. Together, they present complementary lessons for Namibia on financing development and strengthening transparency, accountability and sustainable business practices. Using the above posture and experiences of India and France with mandatory CSR, the sub-section below discusses the opportunities for Namibia.

Opportunities for Namibia in Implementing Mandatory CSR: Insights and Examples from India and France

CSR has transitioned worldwide from a voluntary approach to a strategic framework that is now part of national development policies (Duc Tai, 2022). As seen above, India and France have successfully implemented mandatory CSR, establishing a direct link between business CSR contributions and national development goals. As Namibia endeavors to fortify its socio-economic landscape and confront sustainable development challenges (such as inequality, poverty and environmental sustainability), it can benefit from the CSR frameworks of these countries. This sub-section discusses the opportunities available for Namibia in instituting mandatory CSR, utilizing the posture and experiences of India and France.

Establishing a Legal Framework for Mandatory CSR in Namibia using India's Regulatory Model

The Companies Act of 2013 in India represents a pivotal advancement in CSR regulation by mandating certain large businesses to engage in CSR activities. Businesses meeting criteria on turnover, net worth, or profit must allocate a minimum of 2% of their average net profits from the preceding three years to CSR initiatives (Lin, 2020; Marshall et al., 2022). These initiatives include social, educational, and environmental projects. This aligns with Legitimacy Theory, as businesses are expected to reflect societal norms. India's clear and enforceable CSR legislation offers a framework for Namibia to develop its own system. Mandatory CSR regulations in Namibia could require large businesses to dedicate a specified percentage of profits to social programs aligned with national development goals like Vision 2030 and the NDPs, including healthcare, infrastructure, and education in marginalized areas.

India's legislation emphasizes focus areas such as poverty reduction, healthcare, education, and environmental sustainability (Lawania & Kapoor, 2018). Namibia could customize this approach to meet urgent challenges like hunger reduction, sustainable agriculture, rural development, and climate change mitigation. This reflects the Triple Bottom Line Theory by encouraging corporations to pursue social and environmental goals alongside financial performance, contributing to Namibia's development aspirations. In practice, this could involve firms reporting indicators that track environmental restoration, social upliftment, and economic benefit to ensure balance across the three pillars. India also promotes transparency by requiring businesses to disclose CSR activities in annual reports. Namibia could adopt a similar framework mandating disclosure of CSR efforts, financial commitments, project outcomes, and long-term impact evaluations. This emphasis on accountability corresponds with Stakeholder Theory, ensuring businesses consider the interests of all affected parties, building trust among the public, businesses, and government. Applied, this could require companies to publicly document how stakeholder inputs shaped project selection and implementation, showing clear responsiveness to community priorities.

Notably, the Companies Act in India holds businesses accountable for CSR shortfalls, imposing penalties for non-compliance. Namibia could implement a similar penalty system, encouraging alignment with national development objectives, reflecting Social Contract Theory, which requires companies to fulfil societal obligations in return for the right to operate. This theoretical application means that firms must demonstrate an equitable exchange. This is where the benefits they draw from national resources are matched by meaningful investments in social and environmental welfare. India's legislation serves as an exemplary framework for Namibia to promote sustainable development. By requiring eligible businesses to allocate at least 2% of average net profits to CSR, India integrates corporate engagement into national development (Marshall et al., 2022). This strategy is significant for Namibia, where structural inequalities, youth unemployment, and gaps in education and healthcare persist. Namibia could leverage the Indian model to direct private sector investment into key development sectors aligned with Vision 2030 and the NDPs. India's reporting protocols and CSR committees offer transparency and accountability frameworks Namibia could adapt to ensure CSR expenditures yield tangible results. The model's adaptability allows businesses to select projects based on local needs, fitting Namibia's diverse regional landscape. Adopting a similar mandate could enhance corporate accountability while addressing critical public service deficiencies, providing a sustainable financing mechanism for development that does not rely solely on government funding or aid. This empowers the private sector to play an active role in national and local development. The following section explores opportunities for Namibia based on France's approach to mandatory CSR.

Adopting Mandatory CSR through Environmental Sustainability in Namibia by drawing from France's Approach

Enacted in 2017, France's Corporate Duty of Vigilance Law requires large businesses (over 5,000 employees) to manage and reduce environmental and human rights risks within their global supply chains (Schilling-Vacaflor, 2021). This reflects Legitimacy Theory, as companies must align operations with societal expectations on human rights and environmental protection to maintain legitimacy. In operational terms, French companies do this by conducting risk assessments, publishing environmental impacts, and being held liable for harms. These are practices that Namibia could adapt to strengthen public confidence in corporate behavior. The law emphasizes transparency and accountability, mandating annual disclosures on environmental and social impacts. French firms are liable for these effects both in France and globally. Namibia, rich in natural resources, faces critical environmental issues such as climate change, water scarcity, and soil degradation (Ruppel-Schlichting, 2022). The French model's principles could inspire Namibia's extractive industries (mining, fishing, agriculture) to take responsibility for sustainable resource use. This aligns with Social Contract Theory, reflecting an implicit agreement that corporations protect the public good in exchange for societal acceptance and operating rights. By mandating investments in environmental conservation like reforestation and sustainable water management, Namibia can ensure resource sectors benefit ecological health, supporting Vision 2030's Chapter 5 (Sustainable Resource Base).

France's environmental CSR focus could also stimulate green technology development in Namibia. Mandatory CSR could require businesses to invest in renewable energy, reduce carbon emissions, and adopt energy-efficient technologies. These initiatives align with Triple Bottom Line Theory, balancing economic, social, and environmental goals, and correspond with Namibia's policies like the National Policy on Climate Change (2011), Disaster Risk Management Act (2012), Vision 2030, and NDP 5. The French model's annual public CSR reporting offers Namibia a chance to establish similar accountability frameworks. CSR reporting would promote transparency and allow public and regulatory scrutiny of environmental impacts, supporting Stakeholder Theory by keeping communities, regulators, and investors informed and involved. Applied in Namibia, this could require companies to identify key environmental stakeholders (such as conservancies, local farmers, water-user associations) and integrate their concerns directly into environmental mitigation plans.

France's mandatory CSR strategy, rooted in strong legal frameworks, provides Namibia a model for a socially responsible and environmentally aware corporate sector. Unlike India's profit-based CSR expenditure, France focuses on corporate accountability, transparency, and sustainability through laws like the Grenelle II Act and Duty of Vigilance Law (Gil, 2024). These laws require large firms to disclose social and environmental impacts and develop vigilance plans to assess and mitigate supply chain risks. This risk-prevention approach is relevant for Namibia's mining, agriculture, and fisheries sectors, where environmental harm and labor rights issues intersect with development goals. Adopting elements of France's model can promote corporate due diligence, ensuring business respects human rights and environmental standards.

Additionally, France's emphasis on stakeholder engagement (including workers, civil society, and local communities) offers Namibia a way to encourage inclusive development. This fits Namibia's democratic values and efforts to empower marginalized rural populations. Crucially, France's CSR framework goes beyond compliance, embedding sustainability into corporate governance and strategy. For Namibia, this offers a chance to move from occasional or charitable CSR to a strategic, systemic model where sustainable development is a shared national responsibility. The next section discusses the imperatives for reform towards mandatory CSR in Namibia.

The Case for Reform: Imperatives for Mandatory CSR in Namibia

CSR has emerged as an essential mechanism for advancing sustainable development and cultivating a corporate ethos centered on social and environmental responsibility (Duc Tai, 2022; Costa & Opare, 2025). Although several countries have implemented mandatory CSR policies to ensure businesses contribute to sustainable development and societal welfare, Namibia has yet to fully adopt mandatory CSR practices. Reforming the legal and regulatory framework to mandate CSR could provide Namibia with a significant opportunity to tackle various socio-economic issues and leverage its corporate sector for national sustainable development. This sub-section presents findings on the rationale and imperatives for Namibia to move from voluntary to mandatory CSR. It highlights the economic, social, environmental and regulatory imperatives and advantages of mandatory CSR, discussed in greater detail below.

- Addressing Socio-Economic Inequality: Namibia faces pronounced inequality along ethnic, regional and income lines (Chiripanhura, 2022). Despite being among southern Africa's wealthiest countries, poverty persists, especially in rural areas with limited access to healthcare, education and jobs. Nearly half the population lives below the poverty threshold (Petersen, 2023). Mandatory CSR could help reduce inequalities by requiring larger businesses to dedicate part of their profits to community initiatives aligned with the SDGs. These might include educational programs, healthcare and infrastructure improvements in marginalized areas. For example, mining firms could support local schools, establish medical facilities or invest in vocational training for rural youth. CSR also offers opportunities to boost local employment by prioritizing local recruitment and training, reducing youth unemployment and developing a skilled workforce. Additionally, mandatory CSR could ensure businesses contribute to vital infrastructure such as roads, water supply and sanitation where they operate. This approach aligns with Social Contract Theory, which suggests businesses owe society obligations in return for their right to operate. This means companies maintaining access to resources or labor markets would be expected to reinvest in the well-being of those communities, making CSR a mechanism of reciprocal fairness. It would also ease government pressures, which often faces financial constraints.
- Enhancing Environmental Sustainability: Namibia's economy relies heavily on natural resources, especially mining, agriculture and fishing (Humavindu, 2024). However, these sectors pose environmental risks, including water contamination, soil erosion and biodiversity loss. As Namibia contends with climate change and environmental degradation, it is crucial to balance economic growth with ecological sustainability. Mandatory CSR could compel businesses to address their environmental impacts. Mining firms might be required to fund reforestation, soil conservation and pollution control measures. CSR initiatives could prioritize reducing water consumption in mining and agriculture, crucial given Namibia's dwindling water supplies. Namibia also has strong potential to develop renewable energy, particularly solar and wind. Enforcing mandatory CSR could incentivize investment in renewables that support environmental health and energy independence. Firms with high energy use might be required to develop solar infrastructure, aiding Namibia's sustainable energy transition.

Moreover, mandatory CSR would require businesses to disclose their environmental impacts regularly, promoting accountability. This reflects Triple Bottom Line Theory, which emphasizes environmental responsibility, economic viability and social equity, ensuring businesses serve long-term societal and environmental interests. In practice, firms would need to adopt measurable environmental targets (such as water-use reductions or biodiversity restoration) as part of their CSR obligations.

- Fostering Stronger Corporate Governance and Accountability: While some Namibian businesses engage in voluntary CSR, its impact is often limited. Without legal requirements, CSR efforts tend to be inconsistent and driven by public relations rather than genuine responsibility (Marenga, 2024). A mandatory CSR law would establish uniform standards and accountability, ensuring businesses consistently contribute to societal welfare and sustainable development. It would compel all large businesses, regardless of industry, to participate in national development, promoting long-term corporate responsibility and sustainable practices. Legally mandated CSR reporting would increase transparency about financial expenditures and projects, encouraging strategic social contributions. This level of accountability would make businesses more deliberate in their social investments, with both the public and government able to monitor their efforts. Furthermore, mandatory CSR would reduce 'greenwashing' (where companies falsely claim social or environmental contributions) by instituting clear guidelines. This aligns with Legitimacy Theory, which holds that businesses must maintain their social license to operate through genuine accountability and alignment with societal values. Practically, this requires regular, transparent public reporting that shows alignment between community expectations and company actions, reducing the risk of reputational loss.
- Strengthening Namibia's Global Competitiveness: In an increasingly interconnected world, corporate sustainability matters more to investors, consumers and stakeholders (Costa et al., 2022). Firms embracing social and environmental responsibility often enjoy better global reputations. For Namibia, mandatory CSR could position the country as a leader in ethical business practices in Africa, attracting foreign investment and trade. International investors increasingly seek countries with strong environmental and social governance. By mandating CSR, Namibia would signal its commitment to responsible business, enhancing its appeal for foreign direct investment. Like India and France, Namibia could build a reputation for environmental awareness

and social responsibility. This would attract international businesses and tourists interested in sustainable tourism and conservation. Stakeholder Theory highlights the importance of firms meeting diverse stakeholder expectations, including investors, civil society and consumers. Applied, this means that companies that proactively incorporate stakeholder input into CSR strategies can strengthen investor confidence and community relations, enhancing competitiveness. Mandatory CSR could strengthen relationships between businesses and communities, improving corporate reputation and public relations.

- Complementing National Development Goals: Namibia's Vision 2030 and NDP5 aim to foster sustainable growth, reduce poverty and improve living conditions (Republic of Namibia, 2004; 2017). Achieving these goals requires resources and collaboration. Mandatory CSR can align corporate efforts with national priorities by encouraging contributions to key sectors such as education, healthcare and poverty alleviation. For example, mining companies could be mandated to invest in educational facilities or scholarships for rural students. CSR could also promote partnerships between government, private sector and civil society to address national challenges effectively. Directing corporate investments to government priorities would enhance development programs' impact. This approach reflects Social Contract Theory, reinforcing business roles as partners in long-term development and social stability. In application, companies would be expected to align CSR spending directly with nationally defined development goals, demonstrating shared responsibility for social welfare.

In summary, mandatory CSR offers Namibia a comprehensive approach to its social, economic and environmental challenges. Reforming CSR policies to require mandatory CSR would help address inequality, poverty and sustainability while improving corporate governance and accountability. It would also elevate Namibia's status as a competitive, responsible hub for foreign investment, boosting its national and international reputation. CSR thus transcends social obligation to become a crucial tool for inclusive and sustainable development. Namibia has the institutional capacity to implement mandatory CSR through existing ministries, agencies and local government structures. This approach aligns with Legitimacy, Social Contract, Triple Bottom Line and Stakeholder theories, all of which underscore the need for businesses to contribute to social, environmental and economic goals without deviating from their core principles. The application of these theories demonstrates not only why mandatory CSR is justified, but how companies can operationalize them through transparent reporting, community consultations, balanced performance metrics, and clearly defined reciprocal obligations.

5. CONCLUSION

This study examined the experiences of mandatory CSR in India and France to identify lessons and opportunities relevant for Namibia. The analysis shows that both countries provide useful (yet distinct) approaches to regulating CSR, offering Namibia alternative pathways for strengthening corporate contributions to sustainable development. In interpreting these findings, the study applied Legitimacy, Social Contract, Stakeholder, and Triple Bottom Line theories to explain how and why CSR obligations can align corporate behavior with societal expectations and development priorities. Regarding **RO1**, India illustrates how a clear expenditure-based model can channel corporate resources toward priority development areas, while France demonstrates the value of a due-diligence approach focused on risk management, transparency, and accountability. These insights suggest that Namibia's future CSR framework should balance resource mobilization with strong environmental and social safeguards.

For **RO2**, the findings indicate that although Namibia faces entrenched socio-economic inequalities and environmental pressures, mandatory CSR presents a viable mechanism for enhancing corporate accountability, improving environmental stewardship, and supporting inclusive development. The country can draw from international practice, but adaptations are required to fit Namibia's economic structure, regulatory capacity, and local development priorities. Overall, the study concludes that a mandatory CSR framework (supported by clear legislation, transparent reporting systems, and effective enforcement) could significantly strengthen Namibia's pursuit of sustainable development. When appropriately aligned with national goals, such a framework has the potential to enhance socio-economic equity, environmental protection, and responsible corporate behavior. With adequate institutional support, mandatory CSR can serve as a strategic tool for guiding corporate contributions toward a more sustainable and inclusive future for Namibia.

Limitations and Directions for Future Research

This study relied solely on qualitative secondary data, limiting its ability to capture firm-level behavior, sector-specific CSR dynamics, and real-time corporate perspectives in Namibia. Nevertheless, as a first-of-its-kind analysis, it offers an initial exploration of opportunities and lessons for introducing mandatory CSR, drawing on India and France to provide context-specific insights and practical recommendations for strengthening corporate accountability, sustainability, and human rights protections. Given Namibia's unique socio-economic conditions and CSR regime, the findings are most applicable to countries with similar contexts. Future research should incorporate primary data through interviews with corporate leaders, policymakers and community stakeholders, as well as firm-level case studies across key sectors. Broadening the comparative scope to include additional African countries experimenting with mandatory CSR would further enhance regional relevance and policy applicability.

6. CONFLICT OF INTEREST

The author declares no conflict of interest.

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