Bridging Social Value and Corporate Law: A Hybrid Comparative-Integrative Framework for Sustainable Social Enterprise Growth in Nigeria and Ghana

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DOI: https://doi.org/10.47772/IJRISS.2026.10200336

Received: 22 February 2026; Accepted: 27 February 2026; Published: 09 March 2026

ABSTRACT

Social enterprises function as hybrid organisations that integrate commercial activity with explicit social missions. In many Sub-Saharan African contexts, however, corporate law frameworks continue to reflect a binary distinction between for-profit companies and non-profit entities, creating institutional constraints for hybrid organising. This article develops a hybrid comparative–integrative framework to examine how corporate law environments shape social enterprise growth and social value creation in Nigeria and Ghana. Drawing on hybrid organisation theory, institutional theory, stakeholder theory, and social value perspectives, the study adopts a qualitative comparative legal-institutional methodology that combines doctrinal analysis of statutory frameworks with thematic synthesis of policy and academic sources. The findings reveal strong convergence across both jurisdictions, including the absence of formal legal recognition for hybrid purpose, fragmented registration pathways, and limited governance mechanisms to safeguard social missions. Notable divergence is observed in regulatory flexibility and policy engagement, with Ghana exhibiting greater operational adaptability despite similar doctrinal limitations. The integrative analysis demonstrates that neither legal system currently provides stable institutional conditions for sustaining hybrid missions without explicit statutory recognition and accountability provisions. The article contributes theoretically by extending hybrid organisation and institutional analysis into a West African legal context and practically by proposing regionally informed legal pathways that embed social value, governance accountability, and financial sustainability within corporate law design. The findings hold relevance for policymakers, legal reform actors, and social enterprise practitioners seeking to strengthen sustainable hybrid enterprise ecosystems across West Africa.

Keywords: Social enterprise; Hybrid organisations; Corporate law; Social value; West Africa

INTRODUCTION

Social enterprises have increasingly gained prominence as hybrid organisational forms that operate at the intersection of commercial and social logics (Battilana & Lee, 2014; Defourny & Nyssens, 2014). International literature suggests that hybrid organisations address market and state failures by mobilising business mechanisms for social objectives (Nicholls, 2010). Across Sub-Saharan Africa, social enterprises respond to persistent development challenges such as poverty, unemployment and social exclusion by blending entrepreneurial activity with locally relevant social missions (Rivera-Santos et al., 2015; Littlewood & Holt, 2018).

Despite this growing relevance, many African countries retain legal environments historically designed either for conventional private companies or for charitable non-profit organisations. These binary classifications create institutional uncertainty for hybrid organisations seeking to combine commercial revenue with explicit social impact (Littlewood & Holt, 2018). As institutional theory emphasises, organisational behaviour and legitimacy are strongly shaped by formal rules and legal frameworks (Faundez, 2016). In contexts where hybrid organisational forms lack legal recognition, enterprises may face restrictions in raising capital, securing long-

term sustainability, and embedding appropriate accountability to beneficiaries and stakeholders (Battilana & Lee, 2014).

Nigeria and Ghana present valuable comparative cases. Both countries have experienced growing social enterprise activity alongside development challenges and shifting private-sector engagement in social issues. At the same time, emerging scholarship suggests differences in the legal recognition of hybrid models, the evolution of company forms and the responsiveness of regulatory environments (Rivera-Santos et al., 2015; Littlewood & Holt, 2018). A hybrid comparative-integrative analysis, therefore, provides an opportunity not only to observe points of divergence but also to build shared lessons relevant for broader regional policy environments.

However, existing research has tended to focus on either social enterprise practice, entrepreneurial outcomes or NGO-sector dynamics, with less systematic attention to the legal and institutional architectures underpinning hybrid activity in Africa (Littlewood & Holt, 2018). Corporate law scholarship similarly remains oriented toward shareholder-primacy models that may not align with the governance needs of hybrid organisations (Freeman, 2010). Little work has explicitly integrated legal structure, institutional context and social value creation within a West African perspective.

This article addresses this gap by developing a hybrid comparative-integrative framework that examines how legal environments in Nigeria and Ghana influence hybrid organisational forms and their potential for sustainable social value. The central argument is that sustainable social value creation in African hybrid organisations requires legal recognition of their dual mission, governance arrangements aligned with stakeholder accountability, and regionally informed institutional reform.

This study makes three contributions. First, it conceptualises the relationship between corporate law and social value by integrating institutional and hybrid organisation perspectives in African contexts. Second, it provides comparative evidence of how regulatory frameworks shape organisational form and sustainability in Nigeria and Ghana. Third, it proposes an integrative legal pathway for West Africa that embeds accountability, governance and social value within future regulatory design.

Theoretical Framework

Social enterprises are widely located within the literature on hybrid organisations that combine elements of commercial entrepreneurship with a socially defined mission (Doherty, Haugh & Lyon, 2014; Battilana & Lee, 2014). Hybridity is understood to generate tensions between market and social logics, finance and mission, and commercial accountability versus beneficiary orientation (Battilana & Lee, 2014). The hybrid organisation perspective, therefore, offers a useful foundation for analysing entities that must operate simultaneously in business and social service environments, an issue particularly acute in African contexts where legal structures historically reflect either commercial or charitable logics (Littlewood & Holt, 2018).

At the same time, institutional theory emphasises that organisational behaviour and legitimacy are shaped by the formal and informal rules of the institutional environment (Faundez, 2016). In the context of social enterprises, institutional arrangements such as corporate law, regulations, and legal forms condition the possibilities for hybrid organisational activities, access to capital, and accountability structures (Nicholls, 2010). Where institutional environments lack dedicated legal recognition for hybrid purposes, as is the case across much of Sub-Saharan Africa, organisations may face “institutional voids” that constrain sustainability and mission fulfilment (Khanna & Palepu, 2010). Institutional theory, therefore, provides an explanatory basis for examining why hybrid enterprises experience regulatory limitations in Nigeria and Ghana, and how institutional configurations shape behaviour and outcomes.

Stakeholder theory further illuminates the governance tensions inherent in hybrid organising by conceptualising organisations as relationships among multiple stakeholder groups rather than exclusively as providers of returns to shareholders (Freeman, 2010). This orientation is particularly relevant to social enterprises whose legitimacy rests not solely on financial performance but on their capacity to create value for non-shareholder constituents, including beneficiaries, communities, and public stakeholders (Doherty, Haugh & Lyon, 2014). In African contexts, where community legitimacy and local trust are often critical, a stakeholder perspective enables

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue II February 2026

analysis of how legal frameworks align or misalign with the governance needs of hybrid missions (Littlewood & Holt, 2018).

Finally, social value perspectives argue that the central purpose of social enterprises is the creation of social value, understood as social change, social outcomes or improvements in collective well-being (Mulgan, 2010). Social value theory shifts attention from organisational form or revenue model to the social effects generated through organisational activities. From this perspective, hybrid organisations are evaluated on the extent to which governance, accountability and institutional design support sustained social outcomes rather than simply economic viability (Mulgan, 2010). Thus, a social value lens is critical to assessing whether legal frameworks in Nigeria and Ghana enable organisations to deliver meaningful and sustainable impact.

Bringing these perspectives together enables a more comprehensive interpretation of the relationship between law, hybridity and sustainability. Hybrid organisation theory highlights the dual-mission structure; institutional theory explains how legal frameworks shape organisational possibilities; stakeholder theory clarifies the governance and accountability demands of hybrid missions; and social value theory specifies the desired outcomes of hybrid organising. In combination, these frameworks provide an integrated foundation for analysing how corporate law and institutional design influence the viability and social value creation of hybrid enterprises in Nigeria and Ghana.

Most importantly, synthesising these theoretical lenses offers a basis for developing a hybrid comparative–integrative framework capable of explaining both divergence (comparative institutions across the two countries) and convergence (shared regional lessons) relevant to future legal pathways for social enterprise development in West Africa.

METHODOLOGY

This study adopts a comparative qualitative legal-institutional design that combines doctrinal analysis with thematic synthesis. A comparative research strategy is appropriate where the objective is to examine how different national legal frameworks structure similar organisational fields, and to explain how observed differences relate to institutional outcomes (Konrad Zweigert & Hein Kötz, 2011). The design is interpretive and exploratory, seeking analytical generalisation rather than statistical inference (Creswell & Poth, 2018).

Data sources and selection criteria

Primary data consist of statutory texts and regulatory instruments governing incorporation, company law, and non-profit law in Nigeria and Ghana, including the Companies and Allied Matters Act 2020 (Nigeria) and Companies Act 2019 (Ghana). These were complemented by:

- policy documents (e.g., British Council and government-commissioned reports),
- published academic literature on hybrid organisations and African social enterprise,
- case illustrations identified in empirical studies,
- practitioner commentaries where legally relevant.

Sources were included if they (i) addressed legal forms relevant to hybrid organising, (ii) provided evidence of regulatory implications, and/or (iii) contained empirical findings specific to Nigeria or Ghana. This inclusion logic ensures that only legally significant and context-specific material informed the analysis.

In selecting academic material, purposive searching was undertaken across Google Scholar and Scopus. Inclusion was based on theoretical relevance to hybrid organising, institutional theory, African social enterprise contexts, and corporate law regulation, rather than an exhaustive systematic search. PRISMA guidelines were not utilised, as the purpose of this study is conceptual and doctrinal rather than a systematic review. This

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue II February 2026

approach is consistent with exploratory and theory-building comparative legal research, where the focus rests on analytical depth rather than evidence cataloguing.

Comparative doctrinal analysis

Doctrinal analysis involved a systematic examination of legal texts for:

- organisational purpose provisions
- permitted and restricted activities
- governance requirements
- revenue and distribution rules
- accountability and reporting expectations

These categories were pre-specified based on hybrid organisation theory and stakeholder governance literature (Battilana & Lee, 2014; Freeman, 2010), ensuring theory-driven coding rather than impressionistic reading.

The doctrinal component involved close reading of statutory provisions in order to identify normative requirements relating to organisational purpose, revenue distribution, governance duties and accountability obligations. Particular attention was given to provisions that create enforceable duties rather than merely descriptive organisational categories, consistent with doctrinal legal analysis aimed at identifying legal obligations, constraints and potential regulatory gaps rather than general policy statements.

Thematic synthesis

Following Braun & Clarke's (2006) principles, a thematic synthesis was conducted in three stages:

1. Initial coding of legal texts and secondary literature for references to hybridity, social mission, governance, or sustainability.
2. Pattern identification, comparing how each country's legal system constructs or constrains hybrid provision.
3. Theme consolidation, merging country-specific codes into cross-case explanatory categories (e.g., mission recognition, governance accountability, sustainability mechanisms).

Theme development was iterative and guided by theoretical sensitising concepts (institutional voids, hybrid mission, stakeholder governance).

Integrative synthesis and analytical logic

After separating national analyses, findings were synthesised using a logic-of-integration approach:

- convergence: similarities in institutional constraints
- divergence: differences in regulatory flexibility
- implication: what each can inform about regional pathways

This step transforms descriptive comparison into conceptual contribution, consistent with hybrid comparative–integrative design (Maxwell, 2012).

From a doctrinal perspective, the statutory restrictions in Nigeria and Ghana demonstrate that hybrid organisations cannot rely on legal provisions to enforce mission alignment. The doctrinal position is therefore

one of legal default rather than positive hybrid recognition. By contrast, international benefit corporation statutes create enforceable duties requiring directors to consider social interests in decision-making, illustrating the doctrinal gap in the West African region.

Validity and trustworthiness

Rigour was enhanced through several strategies:

- Triangulation across statutory material, academic sources, and policy reports to reduce single-source bias.
- Theoretical triangulation, using institutional theory, hybrid organisation theory and stakeholder perspectives to avoid mono-theoretical interpretation.
- Explicit coding frame derived from theoretical categories rather than researcher intuition, improving transparency and replicability.
- Analytical memos, kept throughout comparison and synthesis, to ensure derivation of themes was traceable and auditable (Miles, Huberman & Saldaña, 2014).

Scope and limitations

The study does not claim exhaustive legal review of all regulatory instruments, nor does it include primary interviews with policymakers. Rather, its value lies in conceptual explanation and regional theorisation derived from comparative legal examination. Future research could incorporate empirical interviews, case law analysis, and impact-investor perspectives to extend the findings.

Nigeria: Legal and Institutional Context

Nigeria does not currently provide a dedicated legal category for social enterprises, and hybrid organisations typically register either as non-profit associations or as conventional companies (Rivera-Santos et al., 2015; British Council, 2022). The principal legislation governing incorporation remains the Companies and Allied Matters Act 2020 (CAMA 2020). Under CAMA, socially oriented organisations generally adopt one of two legal vehicles: Incorporated Trustees, typically used for NGOs, faith-based or charitable organisations; or Company Limited by Guarantee (CLG), which permits non-profit status, prohibits shareholding, and requires income to be applied to stated public-interest purposes (Ekundayo et al., 2025). These forms provide legal existence but do not formally recognise hybrid mission or allow explicit linking of social purpose and commercial activity within a single legal identity.

A recurrent observation in policy and practitioner literature is that Nigerian law forces hybrid actors to choose between "charitable" and "commercial" pathways, neither of which is structurally tailored to hybrid social-enterprise purposes (British Council, 2022; Ekundayo et al., 2025; Odude, 2020). The result is what Khanna & Palepu (2010) term an institutional void, in which regulatory frameworks lag behind emerging organisational forms. In practice, many hybrid ventures adopt charitable legal identities but rely on income-generating activity to sustain operations, often creating ambiguity around taxation, compliance, permitted activities and accountability (Odude, 2020). Scholars emphasise that this ambiguity complicates issues such as revenue diversification, impact investment, and governance transparency (Littlewood & Holt, 2018).

Although Nigeria has a long history of cooperative societies and non-profit actors engaged in social-development activity, legal scholarship indicates that these structures evolved primarily for charitable or mutual benefit purposes rather than hybrid enterprise models (Ekundayo et al., 2025). Consequently, governance mechanisms tend to prioritise either charitable oversight or conventional corporate accountability, rather than mission-lock, beneficiary representation or social-value accountability, elements widely discussed in social-enterprise regulation in other contexts (Defourny & Nyssens, 2014; Battilana & Lee, 2014).

Recent mapping studies underline that the scale of hybrid social enterprise activity is increasing, especially in youth entrepreneurship, women's economic inclusion and community development (British Council, 2022). However, sector growth has largely occurred outside formal legal design, demonstrating what Nicholls (2010) calls institutional isomorphism, hybrid organisations adapting existing forms due to the absence of formally recognised models. Such legal improvisation may satisfy incorporation requirements but offers limited protection for social purpose, financial sustainability or long-term stakeholder accountability (Ekundayo et al., 2025).

Under the Companies and Allied Matters Act 2020, section 26(1) provides for the incorporation of companies limited by guarantee "for the promotion of commerce, art, science, religion, sports, culture, education, research, charity or other similar objects." Importantly, section 26(4) prohibits the payment of dividends and requires that income be applied solely for the promotion of its stated objects. This doctrinal restriction prevents CLGs from distributing surpluses and effectively embeds a non-profit character within the legal form. However, the provision does not expressly address mixed commercial activity, hybrid mission or revenue-generating enterprise linked to a primary social purpose.

Moreover, section 853 retains conventional fiduciary duties requiring directors to "act in the best interests of the company," which, in the absence of statutory clarification, defaults to corporate-purpose interpretation rather than broader stakeholder or beneficiary interests. As a doctrinal matter, the Nigerian company law regime therefore does not impose stakeholder duties nor recognise social mission as a legally enforceable governance criterion.

These statutory provisions demonstrate doctrinally that the dual mission of hybrid organisations lacks positive legal recognition. While the regulatory architecture acknowledges public-benefit objectives, the law does not integrate commercial revenue generation as part of a formally recognised social enterprise identity. This creates a structural misalignment between the hybrid organisational reality and the doctrinal logic of CAMA 2020

In summary, Nigeria's legal landscape can be characterised as plural but fragmented: a set of legal vehicles exists, but none is explicitly designed for hybrid organising. This forces social enterprises into legal forms that partially accommodate their activities but do not embed mission-lock, asset-lock or hybrid governance. The Nigerian case exemplifies the institutional misalignment that hybrid organisation theory identifies when regulatory architectures fail to recognise dual-mission entities (Battilana & Lee, 2014).

Ghana: Legal and Institutional Context

Compared with Nigeria, Ghana has a somewhat more diverse landscape of organisational forms suitable for socially oriented activities, yet, similar to Nigeria, no specific legal category explicitly recognises "social enterprise" as a distinct organisational type (Rivera-Santos et al., 2015; Doherty, 2015). Entities commonly register under a Company Limited by Guarantee, Company Limited by Shares, or as non-profit organisations under the Companies Act, 2019 (Act 992). While Companies Limited by Guarantee can be used for socially oriented ventures, they remain legally nonprofit entities and do not formally incorporate a hybrid mission or commercial purpose (Osei-Assibey, 2013).

Available studies suggest Ghana's regulatory environment is perceived by practitioners as somewhat more flexible and enabling for hybrid activity relative to other West African jurisdictions (Rivera-Santos et al., 2015), although this flexibility stems less from formal legal provision and more from pragmatic interpretation of corporate forms. Social enterprises often combine grant funding with commercial trading, using the existing Company structures as a platform for mixed-revenue strategies, albeit without explicit legal recognition of hybrid mission (Osei-Assibey, 2013).

There is evidence of increasing government awareness of social enterprise contributions, particularly in youth employment, enterprise development and local service provision (Doherty, 2015). However, Ghanaian law does not embed mission-lock, social-value safeguards, or dedicated accountability mechanisms for mission drift, issues commonly highlighted in international debates on hybrid enterprise governance (Defourny & Nyssens, 2014). Therefore, while the legal environment may be comparatively flexible in operational practice, the

underlying legal forms still reflect the traditional dichotomy between charitable purpose and commercial corporate purpose (Littlewood & Holt, 2018).

One important point of differentiation is Ghana's more recent engagement with social innovation and blended finance ecosystems, which some authors suggest has encouraged the creation of enterprises with hybrid characteristics, especially in youth entrepreneurship and inclusive market segments (Rivera-Santos et al., 2015; Osei-Assibey, 2013). Yet, similar to Nigeria, these developments have largely taken place in advance of legal design. As Nicholls (2010) observes, hybrid entities frequently arise ahead of formal recognition, resulting in legal improvisation rather than statutory institutionalisation. Ghana's case, therefore, reflects an emergent hybrid practice, but without corresponding legal codification.

Under the Companies Act 2019 (Act 992), section 6(2) allows Companies Limited by Guarantee to be formed "for any lawful purpose," including public-benefit functions, and section 65 prohibits the distribution of income to members. However, unlike benefit corporation statutes, the Act does not include provisions expressly recognising hybrid purposes or establishing social-value reporting requirements.

Fiduciary obligations remain shareholder-oriented under sections 190–195, requiring directors to act "in the interest of the company," without statutory extension to communities, beneficiaries or public stakeholders. The doctrinal implication is that although Ghanaian corporate forms allow wide operational objects, hybrid mission does not constitute a legally enforceable standard.

The absence of mission-lock mechanisms, statutory social-purpose duties, and accountability requirements illustrates that hybrid organisational status remains doctrinally unrecognised despite emerging hybrid practice.

In summary, while Ghana demonstrates a comparatively adaptive enterprise culture and somewhat greater policy recognition of social enterprise activities, its regulatory framework also remains implicitly hybrid rather than explicitly hybrid, leaving mission sustainability and stakeholder accountability dependent on organisational practices rather than legal safeguards. As hybrid organisation theory predicts, absent explicit statutory recognition, social enterprises remain vulnerable to mission drift and lack enforceable protections for social value creation (Battilana & Lee, 2014).

Comparative Observations: Nigeria and Ghana

A comparison of Nigeria and Ghana reveals important areas of convergence in legal structure and institutional design. In both countries, social enterprise is not recognised as a distinct legal category, and hybrid organisations must rely on legal forms designed for either charitable or commercial purposes (Rivera-Santos et al., 2015; Doherty, 2015; British Council, 2022). In both jurisdictions, the dominant legal vehicles for social-purpose organisations are Companies Limited by Guarantee and various forms of non-profit incorporation, neither of which clearly integrates hybrid mission, revenue diversification and stakeholder accountability (Ekundayo et al., 2025; Osei-Assibey, 2013).

In both cases, therefore, organisations engaging in hybrid activities operate in legal environments characterised by institutional voids, gaps in regulatory frameworks that require improvisation and adaptation by social enterprises (Khanna & Palepu, 2010). These voids create vulnerability to mission drift, governance ambiguity, financial restrictions and limited access to investment capital (Nicholls, 2010; Littlewood & Holt, 2018). Moreover, in both countries, hybrid governance and accountability structures remain largely dependent on organisational choice rather than statutory requirement, reinforcing concerns raised in the hybrid organisation literature regarding mission-lock, social-value accountability and stakeholder protection (Battilana & Lee, 2014).

However, the two jurisdictions show notable points of divergence relevant to future regulation. First, Ghana appears to exhibit greater operational flexibility and policy awareness of hybrid enterprise activity, partly due to a more visible social-enterprise discourse and emerging engagement with blended finance ecosystems (Rivera-Santos et al., 2015; Osei-Assibey, 2013). Nigeria, by contrast, possesses more extensive legal vehicles and institutional infrastructures (including cooperatives and non-profit mechanisms), but these remain less adaptive

to hybrid forms due to more rigid distinctions between charitable and commercial legal identities (Ekundayo et al., 2025; British Council, 2022). Second, Ghana presents clearer examples of policy experimentation and youth-focused social innovation, while Nigeria shows larger absolute numbers of organisations but with greater fragmentation in legal form and compliance pathways (Doherty, 2015; British Council, 2022).

Both countries, therefore, illustrate what hybrid organisation theory predicts: hybrid entities can appear in contexts where organisational form outpaces legal design, but without explicit legal recognition, these forms are unlikely to achieve sustainable social value without institutional adaptation (Battilana & Lee, 2014). From an institutional perspective, Nigeria and Ghana share the fundamental challenge of regulating hybrid missions through legal categories not originally intended for social–commercial integration. Yet from a policy perspective, Ghana's emerging hybrid practice illustrates potential directions for legal recognition, while Nigeria's organisational scale highlights the urgency of statutory reform.

Together, the comparative evidence demonstrates that hybrid practice has emerged ahead of hybrid law in both contexts, but that different enabling and constraining institutional mechanisms will shape future regulatory design across West Africa.

Integrative Synthesis: Towards a West African Legal Pathway

The comparative evidence demonstrates that hybrid organisational practice in both Nigeria and Ghana has developed in advance of legal recognition. Yet the patterns of constraint are not identical. Nigeria has a broader landscape of legal vehicles, while Ghana exhibits greater policy awareness and operational flexibility. These divergences matter, but they also highlight areas of shared institutional need, which create the conceptual basis for an integrated regional framework.

Drawing on institutional theory, both jurisdictions can be characterised as operating within institutional voids, where legal categories designed for traditional corporate or charitable purposes do not accommodate the dual missions characteristic of social enterprise (Khanna & Palepu, 2010). Hybrid organisation theory reinforces this interpretation: absent statutory recognition of hybrid purpose, organisations are likely to experience misalignment between mission and governance, as hybrid identity remains informal and potentially vulnerable to mission drift (Battilana & Lee, 2014). The stakeholder and social-value perspectives add to this analysis by emphasising that hybrid organisations require accountability mechanisms that reflect not only economic stakeholders but also beneficiaries, communities and social outcomes (Freeman, 2010; Mulgan, 2010).

By synthesising these theoretical perspectives and the comparative findings, three integrative institutional requirements emerge. First, hybrid organisations require legal mission recognition, that is, formal acknowledgement of dual social, commercial purpose within company law or equivalent legislation. Second, they require embedded accountability mechanisms, including governance provisions that reflect stakeholder and beneficiary interests, and safeguards against mission dilution. Third, hybrid organisations require sustainability-oriented revenue permissions, including legal provisions that allow revenue generation and reinvestment without compromising social objectives.

These requirements suggest the contours of a West African legal pathway, where reform could progress through regionally relevant adaptation rather than wholesale transplantation of foreign models. Instead of adopting pre-existing international legal templates, the comparative results indicate a need for contextually grounded hybrid forms, consistent with African institutional realities and development priorities. Integrating insights across Nigeria and Ghana, therefore, yields not only a comparative critique but also a constructive direction: legal frameworks that explicitly embed hybrid purpose, safeguard social value through governance, and support mission sustainability through appropriate revenue models.

The integrative synthesis thus positions Nigeria and Ghana as complementary cases for future West African policy development. Nigeria's diversity of legal forms suggests opportunities for tailored hybrid entities within existing company law, while Ghana's emergent policy engagement indicates potential alignment between legal reform and social innovation. Rather than treating each case in isolation, the integrative perspective underscores

their mutual relevance, supporting the development of a regionally coherent legal framework capable of enabling sustainable social enterprise growth across West Africa.

Policy and Legal Reform Implications

The integrative synthesis indicates that future regulation in West Africa should focus on institutionalising hybrid purposes, embedding social-value accountability, and enabling financial sustainability. In practical terms, this implies the development of dedicated legal forms or statutory provisions that recognise social enterprises as dual-purpose organisations. Rather than reproducing traditional corporate categories, policymakers could introduce hybrid legal identities that are explicitly mission-driven and financially sustainable, consistent with emerging global legislation such as Community Interest Companies (CICs) or Benefit Corporations, while ensuring contextual adaptation to African political, economic environments (Nicholls, 2010; Defourny & Nyssens, 2014).

At the regulatory level, both Nigeria and Ghana could embed mission-lock and asset-lock provisions that legally bind organisations to a socially defined purpose, supported by accountability mechanisms requiring reporting of social-value outcomes rather than solely financial performance (Battilana & Lee, 2014). Such provisions are necessary to ensure that hybrid enterprises remain aligned to their stated social mission and are protected from mission drift driven by investor expectations or market pressures, consistent with stakeholder-oriented governance (Freeman, 2010).

Policy incentives could also target hybrid finance and impact investment ecosystems, particularly through tax exemptions, social-investment accreditation or blended finance initiatives that reward organisations demonstrating credible social outcomes (Littlewood & Holt, 2018). These financial mechanisms could play a critical role in enabling long-term sustainability, particularly in environments historically shaped by donor-funded NGO activity rather than market-based social enterprise (Rivera-Santos et al., 2015).

At a regional level, ECOWAS and regional development bodies could support coordination of legal reforms and cross-border recognition of hybrid entities. Comparative evidence suggests the value of regionally informed frameworks that build on shared institutional conditions across West Africa while respecting national legal variations (Khanna & Palepu, 2010). Such cooperation would enable the gradual formation of a West African social-enterprise ecosystem, strengthening regulatory legitimacy, public trust and investment confidence.

Taken together, these reforms represent a shift from informal hybrid practice to formal legal recognition and institutionalisation, enabling social enterprises to achieve sustainable social value while retaining financial viability. Grounded in regional realities, these recommendations provide a pathway for legally embedding hybrid organisational models and support the long-term development of social enterprise ecosystems across West Africa.

Doctrinal Implications for Corporate Purpose

Doctrinally, both acts rely upon traditional company-law concepts of corporate purpose and fiduciary accountability, which continue to prioritise institutional categories established for commercial corporations and non-profit organisations. The absence of explicit hybrid-purpose clauses means that directors remain bound by orthodox corporate-purpose reasoning rather than social-value obligations. Without statutory revision, social enterprises will rely on private governance mechanisms rather than public legal duties to sustain mission integrity.

Contribution to Knowledge

This article contributes to knowledge by advancing a hybrid comparative–integrative framework that explains how institutional and corporate-law environments shape the viability and sustainability of social enterprises in West Africa. The study extends hybrid organisation and institutional theories by demonstrating how hybrid missions emerge in advance of legal recognition and how institutional voids constrain mission-driven governance and social-value accountability in African contexts. Empirically, the article provides one of the first

comparative analyses of Nigeria and Ghana's legal frameworks in relation to hybrid social enterprise forms. Conceptually, it develops regionally informed legal pathways for embedding hybrid purpose, governance and sustainability within future statutory design. Together, these contributions move beyond descriptive legal comparison towards a theoretically grounded and policy-relevant account of social-enterprise regulation in West Africa.

CONCLUSION

This article has examined how corporate law and institutional frameworks in Nigeria and Ghana shape the development and sustainability of hybrid social enterprises. The comparative analysis demonstrates that although both jurisdictions provide multiple legal vehicles through which socially oriented organisations may operate, neither has formal recognition of hybrid purpose, nor statutory mechanisms that integrate social mission with commercial activity. As a result, hybrid organisations must improvise within legal categories originally designed for either charitable or commercial purposes, creating institutional voids that constrain mission alignment, governance, and financial sustainability (Khanna & Palepu, 2010).

The integrative synthesis identified three institutional requirements for hybrid social enterprise development in West Africa: legal mission recognition, embedded governance and accountability mechanisms, and sustainability-oriented revenue provisions. These requirements form the basis of a regionally informed legal pathway that reflects African institutional realities while promoting mission-driven, financially viable hybrid forms. The analysis, therefore, contributes to global debates on hybrid organising by demonstrating how hybrid ventures can emerge in advance of legal frameworks, yet remain dependent on institutional adaptation for long-term sustainability (Battilana & Lee, 2014).

For policymakers, the article highlights the need for statutory reform that formally embeds hybrid purpose, safeguards against mission drift, and incentivises long-term value creation. At the regional level, coordinated policy development could promote cross-border learning within ECOWAS and accelerate recognition of hybrid models across West Africa. For researchers, the findings suggest an important future agenda exploring how legal reforms might influence impact investment, community governance, and beneficiary accountability in African social enterprises.

In sum, the article moves beyond descriptive comparison to articulate an integrative institutional direction for supporting sustainable social enterprise growth in West Africa. By linking legal analysis, institutional theory and hybrid organisation perspectives, the article demonstrates the importance of designing legal frameworks that recognise dual-purpose organisations and embed social value at the heart of enterprise governance.

Authors' Contributions:

Olusola Sam-Sorungbe: Conceptualisation; Methodology; Formal analysis; Investigation; Theoretical framework development; Comparative legal analysis (Nigeria and Ghana); Writing – original draft; Writing – review and editing; Supervision; Project administration.

Dr Daniel Duker: Conceptualization; Formal analysis; Doctrinal legal analysis; Validation; Writing – review and editing; Policy and corporate law interpretation.

Dr Charles Boadi: Formal analysis; Investigation; Contextual and institutional analysis (Ghana); Writing – review and editing; Validation; Regional policy insight.

Rahul Raj: Literature review; Methodology support; Data curation; Thematic synthesis support; Writing – review and editing; Referencing and manuscript formatting.

Dr Mukta Jamwal: Conceptual contribution; Theoretical refinement; Writing – review and editing; Critical evaluation of governance, sustainability, and social value dimensions; Validation.

All authors have read and approved the final manuscript and agree to be accountable for all aspects of the work, ensuring its accuracy, integrity, and scholarly rigour.

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ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue II February 2026

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