

Who Qualifies as a Corporate Social Responsibility Stakeholder? Assessing Tanzania's Legal Regime Against International Standards

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Abstract

It has been challenging for businesses to identify relevant stakeholders for corporate social responsibility. This article assesses how current laws in Tanzania identify stakeholders and whether such identification aligns with international frameworks. The article adopted doctrinal research to critically examine the structure, certainty, and scope of laws in identifying relevant stakeholders. Then, the article comparatively analysed the laws of Tanzania and their alignment with international frameworks. It is found that current laws identify government actors, employees and potential victims of business activities as relevant stakeholders based on the impact and inclusive bases. However, such identification falls short of international standards because it is narrow-based, government-centric, ambiguous, and lacks a requirement for regular review and updating. Consequently, other relevant stakeholders, including consumers and local communities, are often excluded from corporate social responsibility, ultimately diminishing their role in promoting responsible business practices for sustainable development in Tanzania.

Keywords: *Corporate Social Responsibility, Stakeholders Identification, and Stakeholder Engagement.*

1.0 Introduction

Corporate Social Responsibility (CSR) is a currency for modern business, investment, and sustainable development.¹ The effectiveness of CSR activities, however, depends on the engagement of stakeholders.² Stakeholders play different but complementary roles to ensure the CSR initiatives become meaningful and impactful.³ Therefore, stakeholder

¹ L. Zu, 'From corporate social responsibility (CSR) to sustainable development: The role of the United Nations' in *Responsible Management and Taoism, Volume 2: Transforming Management Education for Sustainable Development Goals (SDGs)*

² K. Lopatta, et al., 'Stakeholder Engagement and Corporate Social Responsibility (CSR) Performance: International Evidence' (2017) 24(3) *Corporate Social Responsibility and Environmental Management* 199.

³ *Ibid.*

engagement is crucial to promoting responsible business practices. Nonetheless, identifying stakeholders with whom the companies may engage has never been an easy task for CSR stakeholders.⁴ The reason is that it is not clear legally who qualifies as a relevant stakeholder for CSR purposes. As a result, CSR stakeholders cannot certainly establish whether they are recognised and protected by the laws. The failure to develop the statutory recognition and protection of stakeholders diminishes their role in promoting sustainable and responsible business practices.

CSR is a growing phenomenon in Tanzania and is largely voluntarily regulated in non-extractive sectors and legally regulated in extractive sectors.⁵ The growth in CSR is attributed to an increase in research on the subject.⁶ While existing studies address CSR matters differently,⁷ The legal identification and prioritisation of stakeholders for CSR activities, as well as benchmarking against international CSR frameworks, are missing. Consequently, the voice and role of stakeholders in fostering CSR practices in Tanzania are limited because companies are not engaging with them. This is because it is unclear legally who the CSR stakeholders are and their roles in holding companies accountable for the environmental and social impacts of their business operations.

In response, this article applies doctrinal research to assess how the laws in force in Tanzania currently identify CSR stakeholders and whether the legal identification of stakeholders aligns with international frameworks. The objectives of this article are three. First, to examine the legal framework governing CSR in Tanzania. Another aim was to identify relevant CSR stakeholders within this legal framework. The last aim is to determine whether the legal approach to identifying CSR stakeholders in Tanzania aligns with international CSR frameworks. The key guiding questions are two. Who qualifies as a CSR stakeholder under the laws

⁴ J. F. Vos, 'Corporate social responsibility and the identification of stakeholders' (2003) 10 *Corporate Social Responsibility and Environmental Management*.

⁵ W. Maliganya and G. Bulengela, 'Rethinking the Practices of Corporate Social Responsibility in the Mining Sector for Sustainable Development in Tanzania' (2025) 15(1) *Journal of Management and Science* 102-114.

⁶ B. Lougee and J. Wallace, 'The Corporate Social Responsibility (CSR) Trend' (2008) 20(1) *Journal of Applied Corporate Finance* 96-108.

⁷ H. Aguinis and A. Glavas, 'What We Know and Don't Know About Corporate Social Responsibility: A Review and Research Agenda' (2012) 38(4) *Journal of Management* 932.

governing CSR in Tanzania? Two, does the legal approach of identifying CSR stakeholders in Tanzania align with international CSR frameworks.?

Due to the absence of a comprehensive law regulating CSR activities across all sectors in Tanzania⁸, it isn't easy to identify and protect CSR stakeholders, ensuring that CSR practices become meaningful and impactful. This article, which addresses the legal identification of stakeholders in Tanzania and its alignment with international frameworks through doctrinal research, is of great importance. Its importance lies in the fact that it highlights legal gaps and inconsistencies in the statutory recognition and protection of CSR stakeholders. Eventually, this article advocates for a more integrated and coherent CSR legal regime that identifies and protects CSR stakeholders. Besides, businesses operating in Tanzania are engaging globally in trade and investment due to globalisation. As a result, they are required to comply with international CSR standards such as stakeholder engagement. This article assesses whether the legal environment for identifying CSR stakeholders in Tanzania aligns with international CSR frameworks. Hence, the article assesses whether Tanzania's legal regime is keeping pace with global expectations and informs necessary reforms.

The article consists of various sections. Section 1 introduces the subject of the article and its justification. Section 2 reviews the relevant literature on the legal identification of stakeholders for CSR purposes. The essence of this article is to identify research gaps that it addresses. Section 3 describes the methodological approach adopted in this article to assess the legal frameworks for identifying CSR stakeholders and to determine whether these frameworks align with international standards. Section 4 provides international frameworks relevant to identifying stakeholders for CSR purposes. Section 5 examines the current legal framework governing the identification of CSR stakeholders in Tanzania. Section 6 argues whether the CSR legal regime in Tanzania aligns with international CSR frameworks. Section 7 identifies the legal gaps for identifying CSR stakeholders. Section 8 presents conclusive remarks.

⁸ S.G. Lauwo, *et al.*, 'Corporate Social Responsibility Reporting in the Mining Sector of Tanzania: (Lack of) Government Regulatory Controls and NGO Activism' (2016) 29(6) *Accounting, Auditing & Accountability Journal* 1038 <https://doi.org/10.1108/AAAJ-06-2013-1380> accessed 17 July 2025

2.0 Corporate Social Responsibility

The subject of stakeholder identification attracts research interests. This is because businesses interact with a diverse range of stakeholders in their operations. Hence, accurately identifying the relevant stakeholders with whom companies should engage in planning, decision-making, and executing CSR projects is a complex and challenging task. This section of the article reviews existing studies on stakeholder identification to identify research gaps that this article aims to address. Hence, this section reviews relevant literature in three categories. These are conceptual, empirical and theoretical reviews.

Stakeholders are persons or entities that can affect or be affected by the company's decisions and operations.⁹ Stakeholders denote persons or entities having an interest in any decision or activity of an enterprise.¹⁰ The interests create a relationship between stakeholders and the organisation.¹¹ This relationship can be either informal or formal. The relationship created by this interest exists whether or not the parties are aware of it. The essence of stakeholders in CSR lies in the fact that they shape the reason and manner through which companies carry out responsible business practices.¹² Stakeholder's shape CSR practices through their interests, expectations and influence.

Stakeholders can be either internal or external.¹³ The categorisation depends on how the persons or entities are tied to the company operations. If they are within the company and their interests are aligned with the company's operations, they are considered internal stakeholders.¹⁴ The internal stakeholders include employees, executives and shareholders. If they are outside the company but can be affected by

⁹ V. Gaur, 'Understand your stakeholders' (2013) 2(1) *International Journal of Advancements in Research & Technology* 1.

¹⁰ ISO 26000, Clause 2.20.

¹¹ *Ibid.*, Clause 5.3.2.

¹² S. D. Dmytriyev, et al., 'The relationship between stakeholder theory and corporate social responsibility: Differences, similarities, and implications for social issues in management' (2021) 58(6) *Journal of Management Studies*

¹³ A. L. Franklin, 'Identifying stakeholders' in *Stakeholder Engagement* (Springer International Publishing 2020) 19.

¹⁴ L. Azevedo, 'Communication with Internal and External Stakeholders' in *Crisis Communication Planning and Strategies for Nonprofit Leaders*.

or influence company activities, they are considered external.¹⁵ The external stakeholders include consumers, local communities, government and its agencies, and suppliers.

Stakeholder identification is a foundational step in achieving the success of CSR projects.¹⁶ Poor identification of relevant stakeholders often leads to inadequate CSR practices.¹⁷ In contrast, strategic and effective stakeholder identification makes CSR programmes inclusive, sustainable and impactful.¹⁸ Hence, there is a close link between the inclusivity and sustainability of CSR programmes and stakeholder identification and engagement. The process of stakeholder identification varies greatly. The determinants of stakeholder engagement variation are socio-economic, legal, and cultural contexts.¹⁹ As a result, a company may not always be aware of all its stakeholders, although it should attempt to identify them. Similarly, many stakeholders may not be aware of the potential impact of an organisation on their interests.

Studies demonstrate that Tanzania has witnessed significant growth in CSR awareness and practice over the past decade.²⁰ According to Fulgence, the demands of international and domestic stakeholders have driven this growth.²¹ However, Rugeiyamu indicates that the prevalent sectors include mining²², manufacturing²³, banking²⁴, tourism²⁵, and

¹⁵ S Graham, 'The influence of external and internal stakeholder pressures on the implementation of upstream environmental supply chain practices' (2020) 59(2) *Business & Society* 351.

¹⁶ N. Glaveli, 'Corporate social responsibility toward stakeholders and customer loyalty: Investigating the roles of trust and customer identification with the company' (2021) 17(3) *Social Responsibility Journal* 367.

¹⁷ M. Ying, *et al.*, 'How do stakeholder pressures affect corporate social responsibility adoption? Evidence from Chinese manufacturing enterprises in Ethiopia' (2021) 14(1) *Sustainability* 443.

¹⁸ M. Jeriji and W. Louhichi, 'The relationship between poor CSR performance and hard, negative CSR information disclosures' (2021) 12(2) *Sustainability Accounting, Management and Policy Journal* 410.

¹⁹ J. Kujala, *et al.*, 'Stakeholder engagement: Past, present, and future' (2022) 61(5) *Business & Society* 1136.

²⁰ W. Maliganya and G. Bulengela, *supra* (n. 3).

²¹ S. E. Fulgence, 'Corporate Social Responsibility in Tanzania' in Stephen Vertigans, Samuel O Idowu and René Schmidpeter (eds), *Corporate Social Responsibility in Sub-Saharan Africa* (CSR, Sustainability, Ethics & Governance, Springer 2016) 111-152.

²² P. M. Manyanki and E M Msoka, 'Human Rights and Environmental Justice in Tanzania: Legal Responses to Mining and Land Disputes' (2025) 9(2) *Journal of African Interdisciplinary Studies* 88-103.

telecommunications.²⁶ Community welfare has been the dominant focus of most CSR projects in Tanzania. Mbirigenda and Msoka note that CSR endeavours in education, health, environmental conservation, and infrastructure development are common in the country.²⁷ Therefore, the extent and manner in which businesses from different sectors have undertaken CSR initiatives are significant enough to attract research and regulatory interests in Tanzania.

Nevertheless, Gillo and others note that current CSR practices reveal a neglect of certain aspects, such as access to clean water and sanitation.²⁸ This neglect is due to the high costs that businesses may incur in such elements.²⁹ Moreover, CSR practices are not effective. Mbirigenda highlights misuse and malpractice³⁰, inconsistent practices³¹, gaps between CSR commitment and implementation³², and misalignment of CSR projects and stakeholders' needs and interests in CSR practices.³³

²³ E. L. Mwansasu and L R Mwangike, 'Environmental Sustainability Practices in Supply Chains and Manufacturing Firms' Performance: Evidence from Tanzania Breweries Limited' (2025) 8(1) SEISENSE Journal of Management 1-16.

²⁴ Q. Mawinda and O. Swalehe, 'Impact of CSR Practices on Bank Financial Performance: The Case of NMB Bank, Tanzania' (2024) 23(3) IUP Journal of Bank Management 52-71.

²⁵ S. J. Suluo, *et al.*, 'Corporate Sustainability Practices in Tourism—Evidence from Tanzania' (2023) 20(5) Tourism Planning & Development 747-768.

²⁶ H. A. Rugeiyamu, *The Impact of Corporate Social Responsibility on Financial Performance of the Telecom Companies: Case Study of TIGO Tanzania* (PhD thesis, The Open University of Tanzania 2020).

²⁷ S. K. Mbirigenda and C. T. Msoka, 'Community Development Through Corporate Social Responsibility: Some Issues from Selected Companies in Tanzania' (2015) 6(1) Syllabus Review 99-125.

²⁸ I. O. Gillo *et al.*, 'Barriers to Corporate Social Responsibility Implementation in Tanzania: Evidence from the North Mara Gold Mine' (2024) 14(2) African Journal of Development Studies.

²⁹ *Ibid.*

³⁰ S. Mbirigenda, *Corporate social responsibility in Tanzania: experience of misconception, misuse and malpractices in Contemporary Concerns in Development Studies: Perspectives from Tanzania and Zambia* (2015) 100.

³¹ F. M. Philip, *Regulation of Corporate Social Responsibility Practices in Tanzania* (Master's Degree Dissertation, The Open University of Tanzania 2019).

³² S. K. Mbirigenda, *Corporate Social Responsibility Management Systems in Tanzania: Opportunities, Challenges and Prospects for Local Communities' Participation in the Decision-Making Processes* (PhD thesis, University of Dar es Salaam 2015)

<http://localhost:8080/xmlui/handle/123456789/3380> accessed on 2nd April 2025

³³ D. Jamali and C. Karam, 'Corporate Social Responsibility in Developing Countries as an Emerging Field of Study' (2018) 20(1) International Journal of Management Reviews 32-61. See also, A. Chauhan, 'The Positive Impact of Corporate Social Responsibility: A Study of CSR in India' (2020) 11 Indian Journal of Positive Psychology 237.

Despite the growth of CSR, stakeholders face challenges in developing, deciding, implementing, and evaluating CSR plans and projects. This challenge arises from the uncertainty surrounding the legal identification of stakeholders that companies may engage with, as well as the stakeholders' understanding of their roles and legal position in promoting responsible business practices in Tanzania. However, existing studies have underexplored the question of who qualifies as a relevant stakeholder for CSR purposes under the current legal framework, as well as whether such a framework aligns with international CSR frameworks in terms of identifying relevant stakeholders. This article contributes to the existing legal scholarship by addressing the earlier-mentioned gap through an analysis of current legal frameworks, examining how they identify relevant stakeholders for CSR purposes and their alignment with international standards.

The effectiveness of stakeholder identification depends on several theoretical foundations.³⁴ Stakeholder theory asserts that since enterprises comprise various parties, there is a need for enterprises to consider the interests of all stakeholders, not just shareholders. Freeman articulated stakeholder theory in 1984.³⁵ Stakeholders refer to all individuals or entities that are affected by the activities of an enterprise.³⁶ It underscores that stakeholder become relevant when they are affected by or have the potential to affect corporate actions. It is pertinent to stakeholder identification based on the influence corporate actions have on people or entities, or the influence they have on corporate actions. Stakeholder theory defines who qualifies as a CSR stakeholder. Stakeholder Salience Theory postulates that there are three bases through which stakeholders are identified and prioritised.³⁷ These are power, legitimacy and urgency.³⁸ Power denotes the ability of the stakeholders to influence the

³⁴ S. Agarwal, *CONCEPTS AND THEORIES OF CSR* (12 May 2024) SSRN <https://ssrn.com/abstract=4902862> accessed 21 July 2025.

³⁵ R. E. Freeman, *Strategic Management: A Stakeholder Approach* (1984).

³⁶ A. Russo and F. Perrini, 'Investigating Stakeholder Theory and Social Capital: CSR in Large Firms and SMEs' (2010) 91(2) *Journal of Business Ethics* 207.

³⁷ L. R. Serna, *et al.*, 'Stakeholder identification and prioritisation: The attribute of dependency' (2022) 148 *Journal of Business Research* 444 <https://doi.org/10.1016/j.jbusres.2022.04.062> accessed 21 July 2025.

³⁸ Wageningen University & Research, *The Stakeholder Approach to Corporate Social Responsibility: A Vision for Sustainable Development* (WUR 2003) <https://edepot.wur.nl/201400> accessed 21 July 2025.

firms. Legitimacy refers to the perceived appropriateness of the stakeholders' claims.

Urgency refers to the sensitivity of stakeholders' issues about time. Mitchell, Agle and Wood articulated stakeholder salience theory in 1997.³⁹ The relevance of stakeholder salience theory lies in the fact that it outlines a dynamic method of stakeholder classification and provides a rationale for why some stakeholders are prioritised over others. Resource-Based Theory posits that enterprises often depend on external resources to operate.⁴⁰ Hence, they must interact with stakeholders who have control over the resources on which the enterprises depend.⁴¹ This is relevant to the article because it provides a basis for stakeholder identification, which involves control over critical resources. It also demonstrates the essence of stakeholder engagement for securing the resources enterprises depend on for their operations. This article adopts the stakeholder theory because it provides a framework for who qualifies as a stakeholder in CSR activities. This can guide the analysis of current laws to determine how they identify relevant stakeholders based on the stakeholder framework and whether the legal identification aligns with international standards.

3.0 Methodological Approach

This article assesses how the current legal frameworks in Tanzania identify CSR stakeholders and whether these legal identifications align with international standards. Hence, the focus is on the CSR legal regime in Tanzania and its alignment with international standards in identifying stakeholders. The objective of this article necessitated adopting doctrinal research to systematically analyse the laws and determine their certainty and scope for identifying CSR stakeholders.

Procedurally, the article accessed relevant CSR laws from the *TanzLII*. Then, the author extracted relevant provisions that identify CSR stakeholders. Next, the article analysed the provisions in terms of determining how they identify CSR stakeholders. The article also accessed international CSR frameworks from the official website of the

³⁹ R. K. Mitchell, *et al.*, 'Toward a Theory of Stakeholder Identification and Salience' (1997) 22(4) AMR 853.

⁴⁰ G. Hooley, *et al.*, 'Competitive positioning and the resource-based view of the firm' (1998) 6(2) *Journal of Strategic Marketing* 97.

⁴¹ TheoryHub, 'Resource-Based Theory' (TheoryHub, 2025)

<https://open.ncl.ac.uk/theories/4/resource-based-theory> accessed 21 July 2025.

respective institutions, such as UN Treaty Series, OECD, ILO, and ISO. The article identified the updated framework files from the website and downloaded them. The article also reviewed the status of the frameworks in terms of their ratification and applicability to Tanzania. Thereafter, the article extracted the relevant provisions dealing with stakeholder identification and analysed them to establish principles enshrined that govern stakeholder identification.

Analytically, the article employed legal textual analysis, utilising the rules of statutory interpretation. The purpose was to determine the effectiveness of laws in identifying CSR stakeholders. Moreover, the article comparatively analysed how the provisions of Tanzanian laws for CSR stakeholder identification align with international standards enshrined in international frameworks. The essence is to determine how far international standards have influenced the laws of Tanzania, and where the laws fall short in terms of identifying CSR stakeholders. This article employed textual, comparative, and thematic analyses to achieve its aim of assessing the legal frameworks for identifying CSR stakeholders.

4.0 International CSR Frameworks on Stakeholder Identification

The increased importance of multinational enterprises and their growing power and influence since the 1960s and 1970s raised questions about their governance. The United Nations (UN) attempted to address this question at the global level. Still, it was the Organization for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO) that adopted two critical instruments in this area: the OECD Guidelines for Multinational Enterprises (OECD Guidelines)⁴², adopted in 1976, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), adopted in 1977.⁴³ Later, the United Nations developed two critical frameworks relevant to responsible business practices: the United Nations Global Compact (UNGC) in 2000 and the United Nations

⁴² OECD (2023), *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*, OECD Publishing, Paris, <https://doi.org/10.1787/81f92357-en>.

⁴³ International Labour Organization, *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* (Geneva, 2006, amended 2022) https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_emp/%40emp_ent/%40multi/documents/publication/wcms_094386.pdf accessed 17 July 2025

Guiding Principles on Business and Human Rights (UNGPs) in 2011.⁴⁴ In 2010, the International Organisation for Standardisation (ISO) developed guidance on social responsibility, known as ISO 26000.⁴⁵

Collectively, the frameworks are voluntary but influential in CSR practices worldwide. Enterprises worldwide are not legally bound to adopt them but choose to do so to demonstrate their commitment to fair, ethical, transparent and responsible practices. The international CSR frameworks are voluntary in respecting state sovereignty and legal systems and accommodating industrial diversities. Additionally, the evolving nature of CSR underscores the need for international CSR frameworks to be voluntary, enabling gradual standardisation of responsible business practices. While there are many international CSR frameworks, this article focuses on the ILO Tripartite Declaration, the OECD Guidelines, the ISO 26000, and the United Nations Guiding Principles on Business and Human Rights. Although international frameworks address many aspects of CSR, this article explores relevant principles applicable to CSR stakeholder identification. These are:

4.1 Impact-Based Identification

The international CSR frameworks do not establish a direct, impact-oriented basis for identifying CSR stakeholders. Actual or potential adverse effects of business decisions and operations serve as the basis for stakeholder identification. Principle 18 of the UNGPs requires enterprises to identify stakeholders based on the principle that they are individuals and groups whose activities may harm them. Likewise, Paragraph A14 of the OECD Guidelines identifies stakeholders as those whose interests are directly or indirectly affected by the enterprise. Similarly, Clause 5.3.2 of the ISO 26000 recognises stakeholders as those affected by the decisions or activities of the organisation. Analogously, Paragraph 10(e) of the ILO Tripartite Declaration uses the impact of activities on workers and other social actors.

⁴⁴ Office of the UN High Commissioner for Human Rights, *Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework* (OHCHR 2011) https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf accessed 17 July 2025.

⁴⁵ International Organization for Standardization, *ISO 26000:2010 Guidance on Social Responsibility* (ISO 2010) https://documentation.lastradainternational.org/lisidocs/3078-ISO%2026000_2010.pdf accessed 17 July 2025

4.2 Inclusive-Based Identification

Inclusivity and breadth are the key principles for identifying relevant stakeholders for CSR purposes. CSR stakeholder identification must be inclusive enough to accommodate all relevant stakeholders. This is evident in Clause 5.3.2 of the ISO 26000, which lists a wide range of possible stakeholders. Equally, Paragraph A14 of the OECD Guidelines denote inclusivity through all affected interests or persons. Principle 18 of the UNGPs emphasises the protection of those whose rights may be at risk. Paragraph 10(e) of the ILO Tripartite Declaration refers to workers and representative organisations.

4.3 Rights and Interests Oriented Identification

Another significant principle applicable to identifying stakeholders for CSR purposes is the consideration of rights and interests. International frameworks define stakeholders as those whose rights or interests may be affected by a business's decisions and operations. While Clause 5.3.2 of the Iso 26000 includes both legal and moral claims of persons, Principle 18 of the UNGPs focuses on human rights. Likewise, Paragraph A14 of the OECD Guidelines accommodates the interests of affected parties. The affected interests may include both social and environmental interests. In contrast, paragraph 10(e) of the ILO Tripartite Declaration centres narrowly on labour rights and protections. Hence, to identify relevant stakeholders, companies must consider those whose rights or interests may be affected by their decisions and operations.

4.4 Context-Based Identification

The contexts of businesses and their operations differ, so does the stakeholder identification for CSR projects. The international CSR frameworks establish that the nature, context, and scope of business organisation and relationship should inform the process of stakeholder identification for CSR purposes. Clause 5.3.2 of the ISO 26000 recognises that various factors determine whether stakeholders are relevant or not. The factors include sector, scale and geography of the business operations. Similarly, Principle 18 of the UNGPs requires businesses to determine relevant stakeholders and other relevant parties, especially in the context of human rights. Likewise, Paragraph A14 acknowledges that stakeholder identification must be done in light of the situation and structure of the enterprise.

4.5 Dynamic and Ongoing Process

The international frameworks acknowledge that the process of identifying relevant stakeholders for CSR purposes is dynamic and ongoing. This means businesses must regularly review and update their stakeholder identification process to account for changing circumstances. Clause 5.3.2 of the ISO 26000 requires periodic review of stakeholder relevance. Principle 18 of the UNGPs indicates that risks and affected stakeholders may change over time. Hence, it necessitates regular reassessment. Paragraph A14 of the OECD and Paragraph 10(e) of the ILO imply adaptability through ongoing due diligence.

4.6 Legal Regime on CSR Stakeholder Identification in Tanzania

While CSR practices are largely voluntary in Tanzania, the extractive sectors are subject to legal regulation. However, there are general laws whose provisions may apply to stakeholder identification for CSR purposes. The key statutes forming part of this article for scrutiny include the Constitution of the United Republic of Tanzania⁴⁶, the Companies Act⁴⁷, the Mining Act⁴⁸, the Environmental Management Act⁴⁹, and the Mining (Corporate Social Responsibility) Regulations.⁵⁰

Article 21(2) of the Constitution is very relevant to the identification of stakeholders for CSR purposes. The Constitution recognises the principle of public participation in matters that affect the people of the country. Accordingly, every citizen has the right to participate in the process.⁵¹ This implies that the Constitution supports inclusive stakeholder identification, although it requires statutory implementation.⁵² The constitutional identification of stakeholders is general because it is not operationalised for CSR purposes.

Section 136 of the Mining Act is fundamental to CSR planning for the mining sector in Tanzania. It outlines procedures and requirements when developing a credible CSR plan. It identifies relevant stakeholders that mineral rights holders may engage with when creating a CSR plan. The

⁴⁶ [Cap 2 R.E. 2002].

⁴⁷ [Cap 212 R.E. 2023].

⁴⁸ [Cap 123 R.E. 2023].

⁴⁹ [Cap 191 R.E. 2023].

⁵⁰ [G.N. No. 409 of 2023].

⁵¹ The Constitution, Art 21(2).

⁵² *Ibid.*, Art 21(1).

relevant stakeholders identified under Section 136 of the Mining Act include local government authorities, the Minister for Local Government and the Minister for Finance.⁵³ However, host communities are recognised as stakeholders because their priorities are taken into consideration when developing a CSR plan.⁵⁴ However, the term 'host communities' refers to the inhabitants of the local area in which mining operation activities take place.⁵⁵ Hence, stakeholder identification is geographically grounded and government-led, as evidenced by the identified stakeholders.⁵⁶

Besides, Section 186(1) of the Companies Act identifies stakeholders based on their interests. It requires the directors of the company to consider the interests of both the members and the company's employees. Hence, the relevant stakeholders are members and employees of the company. This does not account for external stakeholders, such as consumers and suppliers, because it focuses solely on internal stakeholders. It limits the stakeholder identification to the members and employees.

Moreover, Regulation 4(1) of the Mining (Corporate Social Responsibility) Regulations requires the involvement of street or village councils in the preparation of the CSR plan. This involves councils where the mining activities take place. The essence of council participation is to ascertain the priorities of the host communities to take into account when preparing a CSR plan.⁵⁷ Moreover, the priorities of the host communities must be deliberated and approved by the Ward Development Committee before being submitted to the Councils for approval.⁵⁸ There is a need for a CSR Expert Committee in every council to scrutinise CSR plans, oversee implementation, and provide consultancy services for CSR projects.⁵⁹ Hence, the stakeholders identified therein include street/village councils, Ward Development Committee, CSR Expert Committee and host communities.

⁵³ The Mining Act, s 136(1).

⁵⁴ *Ibid.*, s 136(2).

⁵⁵ *Ibid.*, s 136(5).

⁵⁶ *Ibid.*, s 136(1).

⁵⁷ The Mining (CSR) Regulations, Reg 4(2).

⁵⁸ *Ibid.*, Reg 4(3).

⁵⁹ *Ibid.*, Regs 5, 6 and 7.

Furthermore, Section 89(1) of the Environmental Management Act prescribes public participation in Environmental Impact Assessment (EIA), an essential CSR component. It identifies relevant stakeholders as 'especially those likely to be affected by the project being the subject of an Environmental Impact Assessment study or review. 'It outlines three methods for identifying the relevant stakeholders.⁶⁰ First, circulation of the EIA Statement for written comments from various institutions and government agencies. Second, public notification. Third, solicitation of oral or written comments by any appropriate means from the people who will be affected.

Therefore, the CSR legal regime in Tanzania identifies relevant stakeholders through a local government-led approach. This involves the involvement of local government authorities in determining the priorities of the host communities, approving, and overseeing the implementation of CSR. However, the legal identification of stakeholders is geographically narrow, excluding non-local stakeholders who are nonetheless affected, and there are no continuous mechanisms for updating the list of stakeholders.

5.0 Alignment of Tanzania's CSR Legal Regime with International Standards

This section examines whether the CSR legal regime in Tanzania aligns with international standards regarding the identification of CSR stakeholders. The alignment between Tanzania's CSR legal regime and international standards for identifying stakeholders for CSR purposes indicates substantial alignment and partial alignment.

Since CSR is a global phenomenon in modern business and investment undertakings, there are international frameworks that exist to regulate it.⁶¹ The regulation is broad in terms of the subjects covered in the global frameworks. One of the regulatory aspects is stakeholder engagement. However, engaging stakeholders has been difficult due to companies' failure to identify relevant stakeholders for engagement regarding CSR undertakings. To address the challenge, international frameworks, through

⁶⁰ The Environmental Management Act, s 89(2).

⁶¹ N. Pisani, *et al.*, 'How Global Is International CSR Research? Insights and Recommendations from a Systematic Review' (2017) 52(5) *Journal of World Business* 591
<https://doi.org/10.1016/j.jwb.2017.05.003> accessed 17 July 2025.

their provisions, enshrine principles to govern CSR stakeholder identification. These include impact, rights and interests, inclusivity, contexts and dynamism. These principles are enshrined under Clause 5.3.2 of the ISO 26000, Principle 18 of the UNGPs, Paragraph 10(e) of the ILO Tripartite Declaration, and Paragraph A14 of the OECD Guidelines.

Since the ILO Tripartite Declaration is not a treaty, ratification is not required.⁶² However, Tanzania has endorsed the ILO's Declaration and core labour standards through its laws, such as the Employment and Labour Relations Act and the Labour Institutions Act. The UNGPs are soft law with no requirement for ratification.⁶³ While Tanzania acknowledges UNGPs in discourse, it has not adopted a National Action Plan on Business and Human Rights. However, it has a National Action Plan for Human Rights. The OECD Guidelines for Multinational Enterprises bind OECD members and non-members through declaration⁶⁴; however, Tanzania is not an adherent country. The ISO 26000 is a voluntary standard; the Tanzania Bureau of Standards (TBS) refers to ISO norms, but there has been no formal adoption of ISO 26000. Therefore, the international standards are not legally binding.

Tanzania is not obligated to ratify or adopt them; however, as part of the international community, Tanzania participates in global efforts to promote responsible business practices for sustainable and inclusive development. Tanzania has taken legislative and institutional steps to align with aspects of internationally recognised standards, especially in extractive industries and environmental governance. Legislatively, Tanzania has enacted the Mining Act⁶⁵, the Petroleum Act⁶⁶, the Tanzania Extractive Industries (Transparency and Accountability) Act⁶⁷, and the Mining (Corporate Social Responsibility) Regulations⁶⁸, which have CSR-specific legal obligations in the extractive sectors. Moreover, Tanzania has provisions in its Constitution⁶⁹, the Companies Act⁷⁰, and

⁶² The ILO Tripartite Declaration, Paragraph 7.

⁶³ The UNGPs, General Principles, pg 1.

⁶⁴ The OECD Guidelines, Foreword.

⁶⁵ The Mining Act, s 136.

⁶⁶ The Petroleum Act, s 222.

⁶⁷ The Tanzania Extractive Industries (Transparency and Accountability) Act, s 15.

⁶⁸ The Mining (Corporate Social Responsibility) Regulations, reg 4.

⁶⁹ The Constitution, Art 21(2).

the Environmental Management Act⁷¹ that may apply to CSR-related endeavours, although not directly in non-extractive sectors. Institutionally, Tanzania has vested government authorities with the role of overseeing and supervising CSR endeavours, including stakeholder identification. These include the local government authorities⁷², the Tanzania Extractive Industries (Transparency and Accountability) Committee⁷³, the Mining Commission⁷⁴, the National Environmental Management Council⁷⁵, Ministers for Minerals, Minister for Finance and Minister for LGAs.⁷⁶ Besides, Tanzania became an EITI-compliant country in 2009.⁷⁷ The participation shows her commitment to disclose information on revenue, contracts, and CSR. EITI requires multi-stakeholder governance. This is based on paragraph A14 of the OECD Guidelines and UNGPs on business transparency.

Section 89 of the Environment Management Act primarily reflects five basic principles for stakeholder identification as enshrined in international frameworks. It identifies the public as a stakeholder for EIA. The EIA is a critical component of CSR's environmental aspect. However, the provision qualifies the public to identify the relevant stakeholders through those likely to be affected. It also outlines mechanisms to identify relevant stakeholders, such as public notices, solicitation, and circulation of EIA statements to the public to invite comments. The provision aligns with inclusivity through public participation, impact-based through those likely to be affected, contexts through EIA and dynamic through different mechanisms. Therefore, section 89 of the Environmental Management Act aligns with the most robust frameworks for identifying affected stakeholders.

Similarly, Section 136 of the Mining Act and Regulation 4 of the Mining (Corporate Social Responsibility) Regulations reflect the impact, as well as the inclusive and context-based identification of stakeholders, for CSR purposes in the mining sector. The alignment manifests through the

⁷⁰ The Companies Act, s 186.

⁷¹ The Environmental Management Act, s 89.

⁷² The Mining Act, s 136(4) and the Mining (Corporate Social Responsibility) Regulations, reg 4.

⁷³ The Tanzania Extractive Industries (Transparency and Accountability) Act, ss 15 and 16

⁷⁴ The Mining Act, s 24.

⁷⁵ The Environmental Management Act, ss 83 and 89.

⁷⁶ The Mining (Corporate Social Responsibility) Regulations, reg 9.

⁷⁷ <https://eiti.org/tanzania> accessed on 23rd July 2025.

obligation for mineral rights holders to develop a CSR plan while consulting Ministers for LGAs and Finance⁷⁸, local government authorities, to identify priorities of the host communities⁷⁹, deliberation and consideration through the Ward Development Committee⁸⁰ and the CSR Expert Committee.⁸¹ Hence, they accommodate localised, community-level stakeholders, but don't address broader interest groups or long-term review processes.

Likewise, Article 21(2) of the Constitution of the United Republic of Tanzania enshrines the principle of public participation. This principle is relevant in determining who qualifies as a stakeholder, as it accommodates the impact, inclusive, and rights-based bases for identifying stakeholders. It establishes a constitutional right for all citizens to participate in decisions affecting them. The bases accommodated are applicable in CSR matters. Thus, the constitutional alignment with international standards is broad in scope but not operationalised for CSR stakeholder identification specifically.

However, section 186 of the Companies Act offers a partial alignment because it accommodates the rights and interests based on the performance of company functions. This is based on the fact that directors are duty-bound to consider the interests of both members and employees. This is not inclusive because it accommodates only internal stakeholders. No recognition of external stakeholders.

At this juncture, this article argues that the CSR legal regime in Tanzania aligns partially with the principles for identifying stakeholders for CSR purposes as prescribed in international CSR frameworks. The legal identification of stakeholders for CSR purposes in Tanzania is impact-based and inclusive at the community level. However, it falls short of aligning with dynamic, systematic, and rights-based identification beyond local communities, as per international CSR frameworks.

6.0 Legal Gaps for CSR Stakeholder Identification

This article assesses how the current legal frameworks identify relevant stakeholders for CSR purposes in Tanzania and whether they align with

⁷⁸ The Mining Act, s 136(1).

⁷⁹ *Ibid.*, s 136(3)

⁸⁰ The Mining (Corporate Social Responsibility) Regulations, reg 4(3).

⁸¹ The Mining (Corporate Social Responsibility) Regulations, reg 7.

international CSR frameworks. The assessment reveals the following gaps.

First, *narrow identification of stakeholders*. Section 186 of the Companies Act⁸² identifies only members and employees; hence, consumers and local communities are excluded. Section 136 of the Mining Act⁸³ and Regulation 4 of the Mining Corporate Social Responsibility Regulations⁸⁴ identify host communities indirectly through local government authorities. As a result, the effectiveness of CSR practices may be compromised due to the non-inclusion of relevant stakeholders and the failure to consider their interests and expectations.

Second, *government-centric identification*. Section 136 of the Mining Act⁸⁵ and Regulation 4 of the Mining Corporate Social Responsibility Regulations⁸⁶ address Ministers for LGAs, Minister for Finance, LGAs, Councils and Ward Development Committees as stakeholders involved in the CSR plan. All these are government-led institutions. Thus, individuals and local communities have limited access to CSR stakeholders. The implication is that CSR stakeholder identification becomes a top-down process because it vests power in the government-led actors. The interests of the communities may not be represented well during stakeholder engagement for CSR purposes.

Third, *no requirement for ongoing and dynamic stakeholder identification*. The CSR legal regime in Tanzania lacks a provision that requires businesses to continuously review and update their lists of stakeholders, even though business operations may change and new impacts may emerge. As a result, the stakeholder identification based on the existing legal provisions becomes a static exercise. This detaches the sustainability aspect of CSR from the shifting social and environmental conditions, as new stakeholders and their concerns may be overlooked.

Fourth, *ambiguous identification*. Some statutes dealing with CSR define and identify stakeholders ambiguously. For example, section 89(1) of the

⁸² [Cap 212 R.E. 2023].

⁸³ [Cap 123 R.E. 2023].

⁸⁴ [G.N. NO. 409 of 2023].

⁸⁵ [Cap 123 R.E. 2023].

⁸⁶ [G.N. No. 409 of 2023].

Environmental Management Act⁸⁷ establishes that the public may participate in the EIA by including 'especially those likely to be affected by the project'. The quoted statement leaves room for interpretation by the person responsible for enforcing the provision. As a result, some vital project victims may be left out of participating in the EIA. Moreover, section 89(2) of the Environmental Management Act empowers the NEMC to circulate the EIA statement for comments from various institutions. However, the term "various institutions" may be subject to subjectivity, as what amounts to multiple institutions is uncertain. Consequently, it creates an open interpretation for the one deciding what institutions to include or not. Therefore, using ambiguous terms when defining and identifying stakeholders for CSR may challenge the enforcement of statutory provisions, as it gives discretion to the enforcer. Eventually, inconsistencies may occur, and some critical stakeholders may be excluded from the process. As a result, efforts to foster responsible business practices may be debilitated.

7.0 Conclusion

Stakeholder engagement plays a crucial role in the success of CSR initiatives, as it ensures that CSR efforts are relevant, credible, sustainable, and aligned with both business objectives and societal expectations. However, without clear and coherent criteria for identifying relevant stakeholders, the effectiveness of stakeholder engagement becomes blurry. The clarity and coherence of the criteria depend on the structure, certainty, and scope of the legal frameworks governing stakeholder identification for CSR purposes. This article assessed how the CSR legal regime in Tanzania identifies relevant stakeholders and its alignment with international CSR frameworks. The assessment drew on doctrinal research, supplemented with comparative legal analysis, as the subject requires a critical examination of CSR-related laws and their alignment with international standards regarding stakeholder identification for CSR purposes.

The assessment reveals that while Tanzania has made significant strides in identifying relevant stakeholders for CSR purposes in the extractive and environmental sectors, due to the impact and inclusive bases accommodated in its legal regime, it is appropriate for CSR. Nevertheless, Tanzania's CSR legal regime only partially aligns with the core principles

⁸⁷ [Cap 191 R.E. 2023].