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## **FIDUCIARY CAPITALISM AND THE MANAGEMENT OF ECONOMIC INTERESTS IN THE NOLLYWOOD INDUSTRY: CALL AGAINST INFRINGEMENT**

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### **Abstract**

The research explores how fiduciary capitalism can be applied to safeguard the economic foundations of Nollywood. As the world's second-largest film industry by output, Nollywood makes a substantial contribution to Nigeria's GDP, yet it remains exposed to challenges such as piracy, weak intellectual property protections, and unstable financing systems. Using a survey of 370 participants across Nigeria, the study employed both descriptive and inferential statistical methods to assess how infringements affect the industry's sustainability. Results indicate that fiduciary capitalism rooted in stewardship, accountability, and stakeholder protection—can enhance Nollywood's economic resilience by ensuring fair remuneration, attracting international investment, and boosting global competitiveness. The findings highlight the pressing need for stronger copyright enforcement, improved institutional governance, and fiduciary oversight to safeguard both creators and investors. Embedding fiduciary principles into Nollywood's financial and governance structures offers a pathway to sustainable growth, reduced infringement, and the consolidation of its role as a leading global creative industry.

**Keywords:** Infringement, Fiduciary Capitalism, Management, Economic Interest, Nollywood,

### **Introduction**

Fiduciary capitalism is a business model, which when applied to media economies and management of intellectual property such as copyright, is built on the principle that those who manage capital must act in the best interest of the ultimate owners of that capital (Clark & Monk, 2017). Fiduciary capitalism, an economic system is where institutional investors, such as media managers exercise stewardship over capital with a duty of care to protect, safeguard and grow the wealth of their investors. In the context of creative industries like Nollywood, fiduciary capitalism emphasises responsible investment, governance, and protection of intellectual property (IP) rights to ensure sustainable growth and equitable distribution of economic benefits (Olubi, 2025).

The call against infringement in Nollywood is not merely about protecting creative rights, it is about safeguarding the economic interests of all stakeholders under the principles of fiduciary capitalism, stronger IP laws, responsible investment practices and institutional stewardship which are essential to ensure Nollywood's continued growth and global relevance. As Nollywood evolves into a multi-billion-dollar industry, fiduciary principles become crucial in safeguarding investments, ensuring fair compensation for creatives and protecting against piracy and IP theft.

Nollywood contributes significantly to Nigeria's GDP, generating over \$6.4 billion annually and producing more than 2,500 films per year (Business Day NG, 2025). It is the second-largest film industry globally by volume, with increasing global recognition through streaming platforms like Netflix and Prime Video. Despite this growth, the industry suffers from weak financing structures, piracy and copyright infringement, which undermine investor confidence and creative sustainability (Nairametrics, 2025; Haynes, 2016).

Rampant piracy drains billions from Nollywood annually, discouraging investment and demoralizing creatives (Babaleiye & Adekunle, 2024). Poorly drafted contracts and weak enforcement mechanisms lead to exploitation of creators (Nairametrics, 2025). Nigeria's copyright laws remain under-enforced, leaving Nollywood vulnerable to organized piracy networks. Institutional investors can demand stronger governance and IP protection as a condition for funding. Fiduciary actors can lobby for reforms in copyright law enforcement to safeguard economic interests. Adoption of fiduciary principles ensures long-term financing structures that prioritize creative rights and economic sustainability. By protecting intellectual property (IP) and enforcing fiduciary responsibility, Nollywood can attract more international investment and partnerships.

### **Statement of the Problem**

The absence of fiduciary capitalism—an investment and governance framework that emphasises stewardship, accountability and protection of stakeholders' economic interests has left Nollywood vulnerable to exploitation. Rampant copyright violations and intellectual property theft drain resources from producers and investors, while poorly enforced contracts expose creatives to economic insecurity. International corporations and streaming platforms, though initially supportive, have shown inconsistent commitment to Nollywood, further highlighting the fragility of its economic foundation. Without fiduciary oversight, the industry risks becoming a creative powerhouse without economic resilience, where infringement silences innovation and discourages long-term investment.

Adejoh (2026) studied the Effect of Piracy on the Sustainable Development of the Book Publishing Industry in Nigeria, qualitative survey, using census study was adopted, findings showed strong correlation between book piracy and the death of the industry. Adejoh et al (2025) studied Artificial Intelligence (AI), Incidence of Copyright Infringement and Revenue Loss in the Nollywood Movie Industry in Nigeria: Issues for Ethical Usage, established that the use of AI has exacerbated the fight against copyright infringement, thereby creating revenue loss in Nollywood industry. Adejoh &

Ibrahim (2024) evaluated Copyright Infringement, Media Economy and Returns on Investments: Challenges and Prospects for the Nigerian Film Industry. While previous studies were concerned on the book industry, AI and Copyright infringement generally, this study focuses on the fiduciary management and governance of the Nollywood industry.

### Research Objectives

1. To examine how poor fiduciary capitalism principles and governance, affect the management and safeguarding of economic interests in the Nollywood industry.
2. To analyse how infringement (piracy, copyright violations, and intellectual property theft) is implicated on the Nollywood's economic sustainability.

**Research Hypotheses:** This study adopted both the null and alternate hypotheses to reduce bias and subjectivity in data gathering and analysis.

1. Poor fiduciary capitalism principles and governance affect the management of economic interests in the Nollywood industry.
2. Poor fiduciary capitalism principles and governance do not affect the management of economic interests in the Nollywood industry.

### Significance of the Study

This study is significant because it addresses the urgent need to protect Nollywood's economic interests through fiduciary capitalism principles and governance structures. By highlighting the dangers of infringement and proposing fiduciary-based solutions, the research contributes to:

1. **Policy Development:** Offering insights for policymakers to strengthen copyright enforcement and investor protections. There is also significant contribution to knowledge.
2. **Industry Sustainability:** Providing frameworks for long-term financing and equitable compensation for creatives and global competitiveness.

### Literature Review

This section deals with conceptual review, empirical and theoretical reviews

#### Conceptual Review

##### Fiduciary Capitalism

Fiduciary capitalism is the concentration of corporate ownership in the hands of fiduciary institutions, which are legally bound to prioritize beneficiaries' interests. Fiduciary (or fiducial) capitalism refers to the system in which large institutional investors, such as pension funds, mutual funds, and insurance companies, dominate corporate ownership and governance, guided by fiduciary duties of care, loyalty, and honesty (Filson & Abor, 2023). It emphasises that these investors must

act in the best interest of their beneficiaries while considering broader social and environmental impacts (Adejoh, 2026).

### **Review of Empirical Studies**

Sean (2017) investigated *The Role of Copyrights in Creative Industry Development* and highlighted that creative sectors including; music, film, television, and publishing—serve as key drivers of the knowledge economy. These industries generate high-quality employment, stimulate above-average economic growth, and support sustainable development. Beyond their economic contributions, the study stressed their importance in shaping public dialogue, advancing democratic governance, fostering social cohesion, encouraging inclusion, and contributing to cultural identity and human well-being. Through a comparative analysis of Nigeria, India, and China, the research also uncovered notable contextual variations across the three countries.

Erick (2014) investigated the Nigerian film industry (Nollywood) and found that it produces approximately 50 movies per week, ranking second only to India's Bollywood and ahead of Hollywood in terms of output. Despite this productivity, revenues from Nollywood remain significantly lower than those of Bollywood and Hollywood, which recorded box office revenues of \$1.6 billion and \$9.8 billion respectively in 2012, compared to Nigeria's \$600 million, much of which was generated from the African diaspora. The study further highlighted Nollywood's contribution to employment, with over one million people engaged in the sector (excluding piracy-related activities), making it the country's second-largest employer after agriculture. However, Nollywood's informal structures such as verbal contracts, cash-based transactions between filmmakers, producers, and marketers, and weak copyright enforcement have resulted in frequent disputes and lawsuits.

Nwachukwu et al. (2020) conducted a study titled *The Impact of Piracy on Economic Prosperity in the Niger Delta Region of Nigeria*, focusing on how piracy influences local economic outcomes. Using a structured questionnaire administered to 186 residents, the researchers analyzed data with SPSS version 26.0. Descriptive statistics were applied to profile respondents' demographics, while regression analysis tested the proposed hypothesis. The findings showed that piracy significantly undermines economic prosperity in the Niger Delta. Although their work was geographically confined to this region, the present study broadens the scope to encompass Nigeria as a whole. Employing a survey design, it will integrate both questionnaires and in-depth interviews to collect data. Additionally, the research will examine broader dimensions such as the social and psychological effects of copyright infringement, the impact of digitalization, law enforcement and criminal justice challenges, and the absence of domesticated international copyright treaties.

## Theoretical Framework

### Fiduciary Capitalism Theory of Corporate Social Responsibility

Corporations are bound by a fiduciary duty to maximise profits and enhance stakeholder wealth, a principle often referred to as shareholder value theory, profit maximization, or the profit motive. According to Asemah et al. (2017).

Fiduciary capitalism maintains that a company's sole responsibility to society is to generate profit for its shareholders, provided it operates within the legal and ethical boundaries of its environment. The theory rests on the notion that corporate executives act as agents with fiduciary obligations to the owners of the firm. It asserts that the primary social responsibility of business is profit-making, with the ultimate aim of increasing shareholder value. Consequently, organizations are not expected to assume responsibility for environmental care or social welfare, as these duties fall to the government.

Friedman (1970) famously argued that businesses are not "Father Christmas" and should not provide social amenities. In this view, any social initiatives undertaken by companies are justified only if they contribute to shareholder wealth, making shareholder enrichment the ultimate measure of success. Friedman remains the leading proponent of this perspective, emphasizing that businesses should use resources to increase profits while adhering to fair competition and avoiding fraud or deception. Applied to the media sector, particularly Nollywood, this framework underscores the need to curb infringement and incentivize creative talent in order to attract foreign direct investment.

### Methods

The study employed a survey research design. Surveys are typically used to describe or explain situations, phenomena, or events, with the data collected serving as evidence to support these explanations or descriptions.

### Research Design

The researchers adopted a quantitative approach for both data collection and analysis. This design has been successfully employed in prior studies, including those by Adejoh, Jimoh, Muktar & Nasidi (2025), Allen, Ekwenchi, Odogwu & Umeh (2016), Falaye & Okwilagwe (2016), and Anyaegbu, Umejiaku & Masigwe (2016), all of which generated reliable data through its application.

### Population of the Study

The researcher considered the entire Nollywood industry in Nigeria as the study population. To ensure relevance, participants directly affected by or with experience of piracy were included. Available records indicated a membership of 10,000 individuals, which was adopted as the population base for the research.

### Samples Size

Using the Krejcie and Morgan (1970) sample size determination formular, the sample size for this study comprised of 372 drawn from the population above  $\frac{x^2NP(1-P)}{e^2(N-1)+x^2P(1-P)}$ .

### **Sampling Techniques**

Researchers relied on the non-probabilistic sampling technique. Snowball sampling technique was applied, since the researcher had no direct contact with the respondents, and had to rely on the WhatsApp's link of the president of the Movie Producers' Association of Nigeria to get the instrument delivered to the respondents. Purposive sampling was also used, since respondents must be copyright owners or other category of stakeholders in the Nollywood, who are victims of infringement in order to qualify as respondent.

### **Research Instruments**

Data were collected from 370 respondents across Nigeria through a structured online questionnaire administered via Google Forms.

### **Validity of the Instrument**

The research instrument was subjected to thorough validation procedures. Senior academics evaluated its content to establish content validity, while a language expert reviewed it to confirm face validity and ensure clarity of communication. This dual validation process guaranteed that the questions were appropriately designed, that the intended meaning was accurately conveyed, and that respondents' interpretations aligned with the objectives of the study. As a result, the instrument was deemed fit for scholarly use, enhancing both its reliability and its capacity to generate credible data.

### **Administration of Research Instrument/Data Gathering**

Following validation, the instrument was administered by the researcher through the President of the Movie Producers Association of Nigeria, who subsequently disseminated the survey link across the association's professional platforms.

### **Procedure of Data Presentation and Analyses**

Data obtained through the structured online questionnaire (administered via Google Forms) were analyzed using both descriptive and inferential statistical techniques. Respondents' demographic information was examined through frequencies, percentages, and tabular presentations, while the research questions were addressed using t-tests, means, standard deviations, correlations, and regression analyses. The Statistical Package for the Social Sciences (IBM SPSS, Version 31) served as the analytical tool for the study.

**Results**

**Respondents' Categories**

**Table 4.1:** Distribution of the respondents by categories

Items	Frequency	Percentage
Copyright owner	69	18.6
Distributor/Actor	47	12.7
Producer/Distributor/Marketer	83	22.4
Copyright/Producer/Distributor/Actress	97	26.2
Actor	33	8.9
Actress	41	11
<b>Total</b>	<b>370</b>	<b>100</b>

The table above, shows a significant representation of the respondents. Respondents' categories and distribution of participants were formulated based on their career affiliations which aggregated to showed 370, respondents were allowed to select category(ies) that applied to them. The implication of this figure is that some of the samples or respondents studied play dual or multiple roles in the Nollywood industry. For example, it was possible for a copyright owner to equally be a producer or a distributor/marketer. From the statistics above, Copyright owners represent the largest proportion, with 188 respondents, which accounts for slightly more than half of the total sample. This is good for the study as they are likely to share first-hand experience on the implications of copyright infringement on their economy, social situation etc.

**Table. 3 T-test on Fiduciary capitalism principles and the management of economic interests in Nollywood.**

Variable	N	Mean	SD	df	t	p-value	Remark
Fiduciary Capitalism and the management of Economic interest	370	34.63	5.492	369	121.286	0.000	Reject H <sub>01</sub>

**N=number of responses, Mean=average of number of responses, SD= Standard deviation, df= degree of freedom, and p-value = is the level of acceptance region.**

Table 3 presents the results of a t-test assessing the applicability of fiduciary capitalism principles in strengthening the management of economic interests within Nollywood. The computed t-value of 121.286, with 369 degrees of freedom, is substantially high, while the corresponding p-value of 0.000 lies far below the conventional significance threshold of 0.05. These statistical findings necessitate the rejection of the null hypothesis (H<sub>01</sub>), which asserted that fiduciary capitalism principles could not be applied to enhance the economic management of Nollywood.

### Hypothesis Testing

Poor fiduciary capitalism principles and governance do not affect the management of economic interests in the Nollywood industry.

**Table 4. Regression Analysis on the implications of Poor Fiduciary capitalism principles and the management of economic interests in Nollywood**

Sources of Variation	Sum of Squares	Df	Mean Square	F	Sig.	Remark
Regression	5338.815	1	5338.815	339.340	0.00	Reject $H_0$
Residual	5789.715	368	15.733			
Total	11128.530	369				

The regression analysis produced statistically significant results, with an F-value of 339.340 and a p-value of 0.000, which is well below the accepted significance level of 0.05. This outcome necessitates the rejection of the null hypothesis ( $H_0$ ), which maintained that weak fiduciary capitalism principles have no impact on the management of economic interests within the Nollywood industry.

### Implications of the Findings

The study establishes a statistically significant effects of copyright violations on financial instability in Nollywood, confirming how infringement directly undermines fiduciary capitalism, declined revenue or profit margins, and lack of investors' confidence.

### Discussion of Findings

Drawing on survey data, the findings of this study highlight the significant economic impact of copyright infringement on Nollywood. Results reveal a strong positive correlation between infringement, weak fiduciary governance, and financial losses, evidenced by a correlation coefficient ( $r$ ) of 0.843. The associated p-value of 0.000, well below the 0.05 threshold, confirms the robustness of this relationship. Respondents consistently acknowledged that the industry's diverse funding sources including personal savings, loans, joint ventures, government support, and foreign direct investment remain highly vulnerable without effective copyright protection and fiduciary oversight. This outcome aligns with Sean (2017), who emphasized that inadequate intellectual property frameworks hinder investment in Nigeria's creative industries, and with Erick (2014), who argued that piracy discourages both local and foreign financiers. Within the framework of fiduciary capitalism, these patterns illustrate how weak enforcement perpetuates unequal economic relations, leaving Nollywood producers to absorb financial risks while piracy networks and informal markets benefit from capital flight.

Respondents also emphasised that copyright violations directly erode industry revenues and profit margins, undermining the financial sustainability of Nollywood businesses. This supports Orikhogba's (2015) observation that intellectual property theft diminishes the long-term profitability of creative enterprises by depriving them of their rightful returns. Reduced cash flow, poor profit

margins, and declining investor confidence, as highlighted by the data, illustrate what Felipe et al, (2021) terms the “commodification of labor without protection,” where cultural workers produce value but lack mechanisms to safeguard it in capitalist economies. The diminished attractiveness of Nollywood to foreign investors echoes Uchenna’s (2017) finding that piracy distorts Nigeria’s media economy by reducing the credibility of the industry in global markets. Such outcomes can be interpreted through the fiduciary governance structures, which highlights how ownership structures, weak copyright systems, and reliance on informal financing constrain the ability of media industries in the Global South to accumulate capital and scale sustainably.

Another critical theme in the result is the distortion of consumer behaviour and market pricing caused by piracy. The widespread availability of pirated content depresses the prices of legitimate products and reduces patronage, creating a highly uneven playing field. This finding is in consonance with Adejoh, et al (2025) account of piracy as an alternative distribution infrastructure that competes with, and often outpaces, formal markets in terms of accessibility and affordability. For Nollywood, this translates into a consumer culture where piracy is normalised and even preferred, undermining the industry’s capacity to extract value from its intellectual property. Again, from a Political Economy of the Media perspective, these dynamics highlight class relations: consumers, constrained by economic realities, turn to cheaper pirated alternatives, while producers suffer financial losses, thereby deepening inequality within the cultural economy.

The broader consequences of these economic pressures include business failures, liquidation and rising unemployment, with ripple effects on the wider socio-economic environment. This is consistent with Okon’s (2020) assertion that piracy not only undermines the creative industry but also destabilises the broader labour market and contributes to insecurity by eroding legitimate job opportunities. Through the lens of Political Economy of Media Theory, such outcomes reveal the fragility of media industries that operate in contexts where enforcement mechanisms are weak, capital is scarce, and informal economies dominate. In Nollywood, copyright infringement is not merely a cultural nuisance but a systemic economic threat that compromises the sector’s ability to contribute meaningfully to national development.

Taken together, the findings affirm the study’s theoretical triangulation. Fiduciary Capitalism Theory highlights the structural imbalances in capital and revenue generation that render Nollywood financially vulnerable, it explains how weak copyright frameworks, ownership patterns, and dependence on informal financing undermine the industry’s fiduciary governance and sustainability. Digital Piracy Theory demonstrates how technological innovations and cultural practices of piracy create parallel economies that distort markets and limit Nollywood’s economic potential. Collectively, these perspectives underscore that copyright infringement in the digital age is not merely a legal or technological problem but a deeply embedded political-economic challenge with far reaching ramifications for Nigeria’s cultural and socio-economic development.

## Conclusion

The findings of this research confirm that fiduciary capitalism principles are both relevant and applicable to the management of economic interests in Nollywood. The statistical evidence demonstrated that infringement through piracy, copyright violations, and idea theft significantly undermines the industry's sustainability and investor confidence. However, when fiduciary principles are applied, they provide a framework for responsible investment, equitable compensation, and stronger governance. Nollywood's economic potential is vast, but without fiduciary oversight, it risks remaining a creative giant with fragile economic foundations. Therefore, the adoption of fiduciary capitalism is not only desirable but necessary to safeguard the wealth of stakeholders, protect intellectual property, and ensure long-term resilience in the global creative economy.

## Recommendations

1. Policymakers should prioritize reforms that enhance the enforcement of intellectual property laws, ensuring that piracy and infringement are effectively curtailed.
2. Nollywood financing structures should embed fiduciary principles, requiring investors and managers to act in the best interest of creatives and stakeholders.
3. Encourage collaborations with streaming services and international corporations under fiduciary agreements that guarantee fair compensation and protect creative rights.

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