
Corporate Citizens, Colonialists, Tourists or Activists?

Ethical Challenges Facing South African Corporations in Africa

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Since the country's first democratic elections in 1994, South African corporations have steadily increased their investments and operations in other parts of Africa. The South African economy is by far the dominant economy on the African continent, illustrated by the fact that, although the South African population constitutes only 5% of the African population, the country contributes 30% of the continent's combined GDP. Given this dominance, there are interesting similarities between global multinational corporations and their impact on the rest of the world, and South African corporations and their smaller-scale impact on the rest of Africa. The degree to which South African corporations in African host countries manage to balance their primary economic roles with their social involvement (e.g. through local corporate social responsibility programmes) and their political involvement (e.g. through using direct access to government ministers or even heads of state) has an impact on how they will be viewed by their hosts. A matrix is introduced to describe these roles as those of corporate citizens, colonialists, activists or tourists. Donaldson and Dunfee's concept of integrated social contracts theory (ISCT) is particularly suited to provide guidance on ethical issues in international business. Its application can assist South African corporations to engage all stakeholders in host countries in an ethical manner.

- Business ethics
- Corporate citizenship
- Economic colonialism
- Social contract theory
- Hyper norms
- Moral free space

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SINCE THE FIRST DEMOCRATIC ELECTIONS IN SOUTH AFRICA IN 1994, SOUTH African corporations have steadily increased their investments and operations in other parts of Africa. Currently, only six of the top 100 companies listed on the JSE (Johannesburg Securities Exchange) do not have a clear African focus. For example, Shoprite Checkers is the biggest food retailer on the continent with more than 70 shops in 14 countries, MTN is the leading mobile phone service provider in Nigeria, Rwanda, Uganda, Cameroon and Swaziland, and SABMiller, the second-largest beer brewer in the world, is the market leader in all 13 African countries where it has operations (Van der Walt 2004: 56).

Many South African corporations have encountered resistance in African host countries, quite often because of aggressive management styles or because of accusations that they put local enterprises out of business. On the other hand, there has been a fairly predictable stream of complaints from South African corporations about corruption in these host countries, and the implied conclusion (often not acknowledged) that they are ‘forced’ to lower their own ethical standards to stay in business (the classic ‘When in Rome . . .’ argument).

Four senior executives from four large South African companies were interviewed during June 2004 to gauge their perceptions about the relative ethical standards in different parts of the world: South Africa, the rest of Africa and Western Europe. One corporation is a local subsidiary of a global corporation, one is a local unlisted corporation, one is a local corporation with a primary listing offshore and one is a local listed corporation. Using a ten-point scale, where 1 indicates ‘highly unethical’ and 10 ‘highly ethical’, the four representatives clearly positioned the rest of Africa as the most unethical, Western Europe as most ethical, with South Africa somewhere in between.¹ The detailed ratings are displayed in Figure 1.

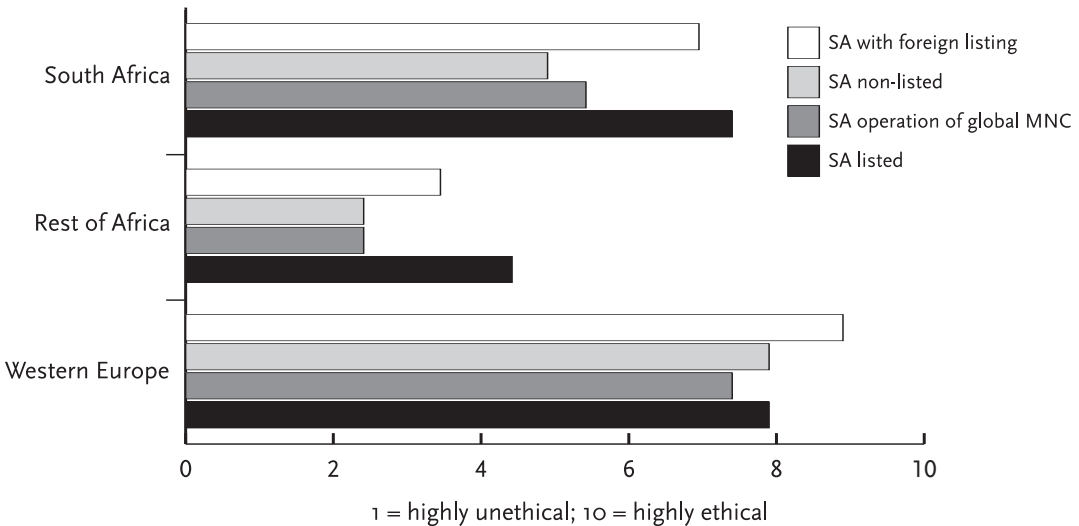


Figure 1 ETHICAL RATINGS BY SENIOR EXECUTIVES

¹ It should be noted that, when asked to rate the rest of Africa, one corporation highlighted Botswana as a highly ethical country, on par with any western European country.

This paper attempts to move beyond the unproductive mode of mutual accusations of unethical behaviour towards an approach that will acknowledge differences in style and approach but—more importantly—accept certain core values that will provide a moral threshold for all contexts. This approach is based on the integrated social contracts theory (ISCT), developed by Tom Donaldson and Thomas Dunfee of Wharton University and presented in detail in their book, *Ties that Bind: A Social Contracts Approach to Business Ethics* (1999). ISCT is discussed in more detail later.

The South African economy in context

The South African economy is the dominant economy on the African continent, illustrated by the fact that, although the South African population constitutes only 5% of the African population, the country contributes 30% of the continent's combined GDP (gross domestic product) (Van der Walt 2004: 56). As was mentioned above, South African companies have steadily increased their investments in other parts of Africa. This trend is not restricted only to large multinational corporations. Box 1 lists the major South African investors in other parts of Africa (Thomas 2004: 37).

It is interesting to compare the similarities between the economic dominance of South Africa on the African continent and the global dominance of the United States of America. Figures 2 and 3 display the top ten economies in Africa and the top ten economies in the world in terms of GDP (2003 figures supplied by the World Bank; numbers in brackets indicate the country rating in terms of size²).

The dominance of the South African economy in sub-Saharan Africa is even more pronounced, with the country's GDP constituting almost 40% of the combined GDP of sub-Saharan Africa. However, the South African economy remains relatively small in global terms. The size of the world's number one economy is almost 70 times as large as that of South Africa, the 29th largest economy in the world. South Africa's GDP is in the same league as that of Hong Kong, Finland and Greece.³ However, within the confined context of the African continent it is not surprising that South African corporations often receive the kind of attention usually reserved for American multinationals on the world stage. As can be expected, the large South African corporations often find themselves in positions where they have political clout.⁴

The position of South African companies in this regard is no different from the political power that other multinational corporations can exert, with the exception that, in Africa, South African corporations operate from a position of 'being part of Africa'. There is no doubt that this phrase is often abused, yet it is powerful, especially when some corporations also have ownership and management structures that are representative of South African demographics. However, even these companies often follow the traditional route where expatriates are largely white and male. One explanation that was offered for this phenomenon is that South African companies need all their black managers at home to meet employment equity targets!

With regards to South Africa's position in terms of foreign direct investment (FDI), Thomas (2004: 5) explains the contradictory, dualistic position of South Africa: it is competing as one of 53 African states to attract FDI to the continent, but at the same time is actively investing in other African countries, 'where their actions and the conditions

2 www.worldbank.org/data/databytopic/GDP.pdf

3 www.worldbank.org/data/databytopic/GDP.pdf

4 The political power of companies is often illustrated by comparing the size of global companies to the GDP of countries, and is not addressed in detail in this paper.

- ▶ Absa Bank
- ▶ Airports Company of SA
- ▶ ADS
- ▶ AECI
- ▶ African Explosives Ltd
- ▶ African Gem Resources
- ▶ Africa Media
- ▶ African Life
- ▶ Alexander Forbes
- ▶ Altech
- ▶ Anglo American
- ▶ AngloGold
- ▶ AngloPlatinum
- ▶ Anglovaal Mining (Avmin)
- ▶ Aquarius Platinum
- ▶ Arivia.kom (Denel, Eskom, Transnet)*
- ▶ AST (Vodacom)
- ▶ Autopax (Translux, City-to-City)*
- ▶ Barloworld
- ▶ BHP Billiton
- ▶ BKS Global
- ▶ Bosch
- ▶ Coca-Cola Sabco
- ▶ Comazar (Spoornet)*
- ▶ Concor Construction
- ▶ Council of Geoscience
- ▶ CSIR*
- ▶ Development Bank of Southern Africa*
- ▶ De Beers
- ▶ Debonair's Pizza†
- ▶ Denel*
- ▶ Dimension Data
- ▶ Dunns
- ▶ Ellerines/FurnCity
- ▶ Energy Africa
- ▶ Eskom Enterprises (incl. EE-Telecom.)*
- ▶ Face Technologies (arivia)*
- ▶ FNB (First Rand)
- ▶ Game
- ▶ Goldfields
- ▶ Gray Advertising
- ▶ Grinrod
- ▶ Grinaker LTA
- ▶ Group Five
- ▶ HSRC*
- ▶ Industrial Development Corporation (IDC)*
- ▶ Illovo Sugar
- ▶ Impala Platinum
- ▶ Imperial Car Rental
- ▶ Investec
- ▶ Iscor
- ▶ JD
- ▶ JHI Real Estate
- ▶ JSE
- ▶ Kumba Resources
- ▶ Legacy Hotels and Resorts
- ▶ Liberty Bank
- ▶ Lonmin
- ▶ Massmark: Makro, Game, Cash & Carry, Shield
- ▶ McCormack Developers
- ▶ Mechem (Denel)*
- ▶ Megasave (Shoprite)
- ▶ Metorex
- ▶ Metro Cash & Carry (Metcash)
- ▶ MRI
- ▶ MTN
- ▶ Multichoice
- ▶ Murray & Roberts
- ▶ Mustek
- ▶ Mvelaphanda Holdings
- ▶ Nampak
- ▶ Nandos†
- ▶ National Ports Authority*
- ▶ Netcare
- ▶ Nedcor
- ▶ New African Capital
- ▶ Nexsa (Nuclear Energy Corporation of SA)
- ▶ Orbicom (MTN)
- ▶ Pep Stores (including Ackermans)
- ▶ PetroSA
- ▶ Pick 'n' Pay (including Score)
- ▶ Plessey
- ▶ Portcon (Transnet)*
- ▶ Protea Hotels
- ▶ Protekon (Transnet)*
- ▶ Pretoria Portland Cement
- ▶ Profurn (JD Group)
- ▶ Randgold Resources
- ▶ Rand Merchant Bank (FNB)
- ▶ Rand Water
- ▶ South African Airways
- ▶ SABMiller
- ▶ Sappi
- ▶ Sasani
- ▶ Sasol
- ▶ Shoprite Holdings
- ▶ Siemens
- ▶ Southern Mining Corporation
- ▶ Southern Sun
- ▶ Spoornet*
- ▶ Stanbic Africa (Standard Bank)
- ▶ Stanlib
- ▶ Stauch Vorster
- ▶ Steers†
- ▶ St Elmo's†
- ▶ Sun International
- ▶ Supreme Furnishers
- ▶ Sybase
- ▶ Telkom*
- ▶ Tongaat-Hulett
- ▶ Transhex
- ▶ Transnet*
- ▶ Transtel (IT)*
- ▶ Transwerk*
- ▶ Truworths†
- ▶ TV Africa
- ▶ Umgeni Water
- ▶ Unitrans
- ▶ V&A Waterfront
- ▶ Viamax*
- ▶ Vodacom
- ▶ Woolworths†
- ▶ Yale Security Group Africa

* Parastatal † Franchise

Box 1 MAJOR SOUTH AFRICAN INVESTORS IN OTHER PARTS OF AFRICA

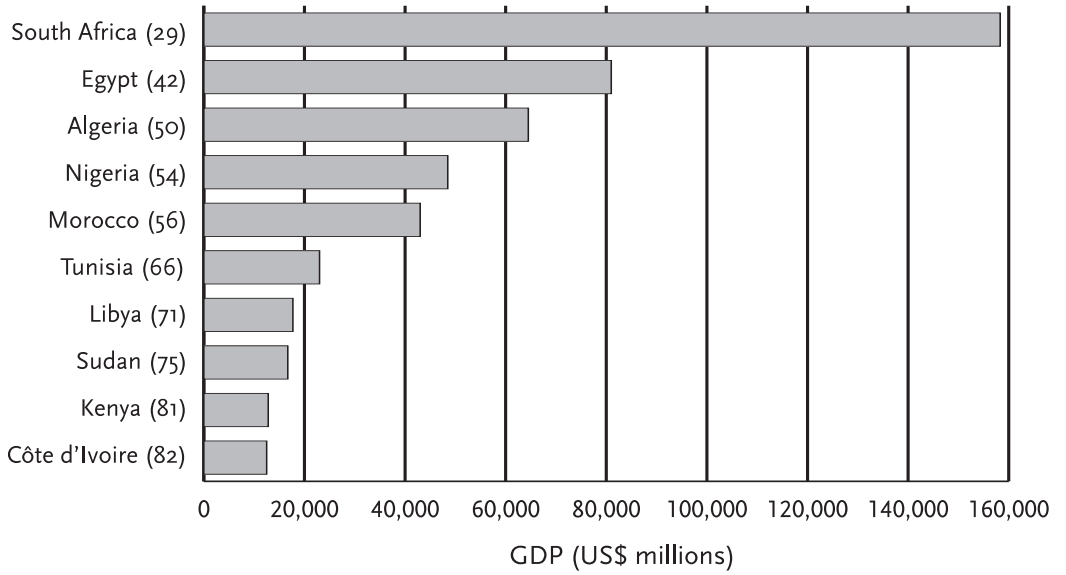


Figure 2 TOP TEN ECONOMIES IN AFRICA

Source: World Bank

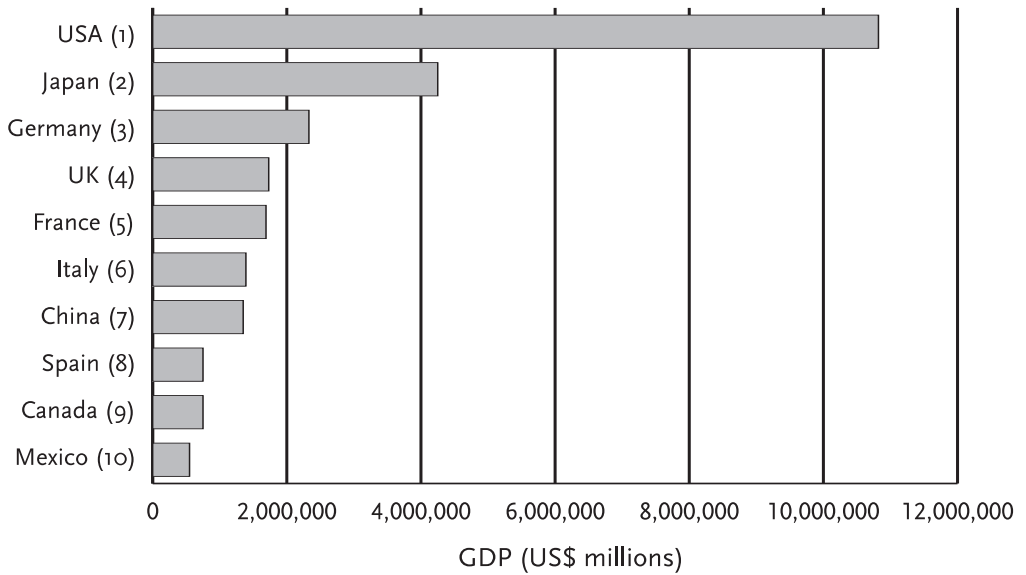


Figure 3 TOP TEN ECONOMIES IN THE WORLD

Source: World Bank

on which they enter frequently give rise to critical reactions from local interests in the receiving economies’.

Citizens, colonialists, tourists, activists

The degree to which South African corporations in host countries manage to balance their primary economic roles with their social involvement (e.g. through local corporate social responsibility programmes) and their political involvement (e.g. through using direct access to government ministers or even heads of state) has an impact on how they will be viewed by the different stakeholders in host countries. By plotting the degree of social responsibility displayed by corporations against the level of their political involvement in host countries, a matrix has been developed in terms of which corporations can be described as corporate citizens, colonialists, tourists or activists (Fig. 4).

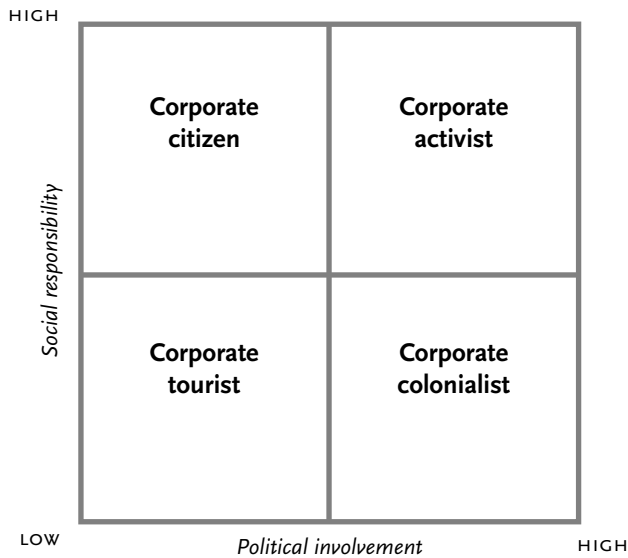


Figure 4 PLOTTING SOCIAL RESPONSIBILITY AGAINST POLITICAL INVOLVEMENT

Corporate citizens are viewed as responsible corporations that want to make a real and lasting contribution to the countries and communities within which they operate—sustainable corporations with a commitment to social responsibility as well as environmental integrity. Corporate citizens are defined by Michael Hopkins (1999) as companies that are ‘concerned with treating the stakeholders of the firm ethically or in a socially responsible manner’. Hopkins further states ‘the aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for its stakeholders both within and outside the corporation’. Corporate citizens have high levels of social involvement, but stay away from involvement in the political process. Their intention is to profit from new markets, but they enter into such markets with a sense of humility and respect for local customs, traditions and even competitors.

Corporate colonialists follow strategies similar to the doctrine of economic colonialism: that is, acquiring ‘colonies’ or regions as a source of profit, without any real regard

for the well-being of those regions. Economic colonialism is defined as an attempt ‘to control another nation’s economy. States can directly exert influence through economic policy and economic aid; however, economic colonialism may be most effective when applied indirectly through multinational corporations that invest in the key industries of targeted nations.’⁵ Early examples of corporate colonialists were the charter companies, such as the British South Africa Company formed by Cecil John Rhodes, which was formed with the blessing of the British government. This company had its own army and police force—even its own flag and logo with the motto ‘Justice, Commerce, Freedom’. A very crude indicator of the approach followed by corporate colonialists in Africa is the following quote from Rhodes:

Africa awaits us still, and it is our duty to seize every opportunity of acquiring more territory and we should keep this one idea steadily before our eyes that more territory simply means more of the Anglo-Saxon race, more of the best, the most human, most honourable race the world possesses (Davidson 2003: 9).

Corporate tourists are companies that establish a quiet presence in host countries without much social or political involvement. This approach could be the result of a specific conservative strategy to ensure an easy exit if things go wrong or could be as a result of a lack of strategy altogether. Either way, the position resembles that of a tourist who is there to look around and stay a while, but can easily pack his or her bags at the slightest hint of trouble.

Corporate activists have the most problematic position on the grid. This is illustrated by the fact that the concept of an ‘activist’ evokes both positive and negative emotions, depending on the audience. Actively participating in both the social and political components of a host country seems problematic and the gut reaction is negative: the rule of thumb seems to be that corporations should become involved at the social level, but should refrain from playing a political role. Yet, to refrain from political interventions sometimes causes even more problems for corporations, as was experienced by Shell in Nigeria during the 1990s, when there was enormous pressure on the corporation to intervene in the political process to save the life of Ken Saro-Wiwa. This issue remains important even today, and, with reference to the Saro-Wiwa issue, the corporation maintains its policy position not to become involved in domestic politics, as opposed to making its views known on human rights matters. The following is an extract from Shell Nigeria’s website⁶ (my emphasis):

In November 1995, leading Ogoni activist Ken Saro-Wiwa, MOSOP’s leader, and eight others, were convicted and later executed on charges of incitement to murder. Some have said that SPDC [Shell Petroleum Development Corporation] did nothing to stop this. On the contrary, the facts are that, despite Ken Saro-Wiwa’s criticisms of Shell in general and SPDC in particular, **we said that he had a right to freely hold and air his views.** During the trial, we consistently and **publicly stated that all the accused had a right to a fair legal process.** After the trial verdict was announced, Cor Herkstroter, the former chairman of Royal Dutch/Shell Group, also sent a personal letter **appealing** to the Nigerian Head of State to **show clemency on humanitarian grounds.** Regrettably, despite our appeal and those of others, the executions went ahead . . . **Like all Shell companies world wide, SPDC cannot interfere in domestic politics. But the company can, and does, make its views known publicly on human rights matters.**

An interesting example of a corporate activist is The Body Shop International. This activist role—albeit somewhat watered down currently—is neatly summarised by one

⁵ encyclopedia.thefreedictionary.com/Economic%20colonialism

⁶ www.shell.com/home/Framework?siteId=nigeria&FC2=/nigeria/html/iwgen/issues_dilemmas/ogoni/ken/zzz_lhn.html&FC3=/nigeria/html/iwgen/issues_dilemmas/ogoni/ken/dir_kensaro_2703_0956.html

of the corporation's values:⁷ 'We believe that it is the responsibility of every individual to actively support those who have human rights denied to them'. It is interesting to note how The Body Shop responded to the Saro-Wiwa crisis in Nigeria. The following paragraph is taken from the corporation's website:⁸

[In 1993] The Body Shop began campaigning in support of Ken Saro-Wiwa and the Ogoni people of Nigeria, who were protesting against the economic exploitation and environmental destruction, caused by the Nigerian military dictatorship and multinational oil companies such as Shell. In 1995 when Ken Saro-Wiwa and eight other Ogoni activists were sentenced to hang, The Body Shop was at the forefront of international efforts to save their lives. This climaxed when The Body Shop organised for Ken's son to attend the Commonwealth Heads of Government meeting in New Zealand to press leaders to act. Following the barbaric execution of Ken Saro-Wiwa on November 10, 1995 The Body Shop redoubled efforts to bring about change in Nigeria.

One of the easiest—and seemingly most acceptable ways—in which large corporations become involved in the political process, is through contributions to political parties. In South Africa many corporations made contributions 'in support of democracy' to political parties before the 2004 elections. By way of example, SABMiller, the second-largest beer brewer in the world, donated R5 million to the six largest political parties in South Africa in its last financial year—this amount was distributed proportionately according to the support that these parties received in the 1999 elections.⁹ In addition, a similar sum was spent on contributions to the campaigns and office-running costs of elected officials in the USA, and some donations were made in Central America for municipal and presidential elections in El Salvador. According to SABMiller's annual report, the donations were made to those supporting the beer industry in US states that permitted such donations.¹⁰ The corporation defends its position by explaining that it should be 'active in protecting our legitimate business interests'. The general policy of the group is that it makes only exceptional political donations, in accordance with local laws. Other South African companies that made political donations during the last year included Anglo American, Standard Bank, AngloGold, Liberty Life, Kumba and Sanlam.¹¹

When trying to assess the role of the corporate activist, it seems that there are certain occasions when it could be argued that there is a moral *obligation* on a corporation to become involved in the political process. It is not clear whether such a responsibility would arise only when there is evidence of a violation of a hyper norm (the moral threshold to be discussed in the next section). What is clear is that the current levels of involvement in the political process are far higher than the levels of disclosure about such involvement. Increased disclosure should be encouraged and will assist further research and debate on this topic.

Integrated social contracts theory

Regardless of their position on the grid, many corporations still get caught in unproductive mutual accusations of unethical behaviour. One way out of this conundrum is

7 More information available at www.thebodyshopinternational.com/web/tbssl/values.jsp.

8 www.thebodyshopinternational.com/web/tbssl/values_dhr_campaign.jsp

9 Report by Charlotte Mathews in *Business Day*, 29 July 2004.

10 www.sabmiller.com/SABMiller/Our+responsibility/Social+review

11 Companies such as SABMiller find themselves in the contradictory position that, because of their high levels of disclosure, they are often cited as examples when discussing controversial issues such as this. While the disclosure should be applauded, it is critical to deal with the issue itself and disclosure as two separate activities.

through the application of integrated social contracts theory (ISCT), developed by Tom Donaldson and Thomas Dunfee of Wharton University. This theory is particularly suited to provide guidance on ethical issues in international business (including social and political involvement of corporations), and in essence suggests the following:

- ▶ There is an absolute moral threshold (so-called hyper norms) that would apply anywhere in the world.
- ▶ Large corporations should have respect for local customs and traditions, without transgressing this moral threshold.
- ▶ Context matters when deciding between right and wrong. Although this might seem like a relativist escape clause, it highlights the fact that there are rarely easy ethical decisions to be made in the complex global marketplace. If applied in conjunction with respect for hyper norms and local customs, it does not lead to relativism.

ISCT has been described as a position that lies midway on the spectrum of moral belief, separating relativism from absolutism.¹² This approach assumes that there is something called ‘moral free space’, where stakeholders—for example, South African corporations and their host countries and communities—can negotiate micro social contracts that would determine what should be regarded as ethical and unethical. One of the consequences of ‘moral free space’ is that two conflicting conceptions of ethics can sometimes both be valid, depending on the situation. Therefore, if there is no absolute right or wrong (absolutism), yet relativism is avoided, what is the solution? ISCT combines two types of contract theory: micro contracts can be negotiated between or within specific groups or communities, while a universal macro contract ensures a level of consistency in the sense of providing the absolute moral threshold mentioned earlier. According to Donaldson and Dunfee, this approach holds fundamental truths to be relevant while allowing for legitimate differences within business communities and between historical theories. It also avoids the difficulty of the vagueness of macro contracts, while at the same time avoiding the problem that a micro contract can be morally out of bounds: for example, when a local community comes together and develops a contract that excludes members of a certain race or religion from that particular community.

Using the same thought experiment as the traditional social contract arguments of Locke, Rousseau, Hobbes and Rawls, the question that is posed by Donaldson and Dunfee focuses on how economic participants would define business ethics, instead of the classical question of what citizens would require of the government and how they would define political justice. The experiment assumes a group of imaginary contractors who are rational and knowledgeable. Departing from the classical social contract, Donaldson and Dunfee do not assume that these contractors are ignorant of all facts about themselves—they (the contractors) simply do not know in what economic communities they are members and they do not know their own level of personal wealth. It is also assumed that the contractors all have an underlying sense of right and wrong with which they were brought up. It is argued that these imaginary contractors will soon confront the fact that it is impossible to obtain consensus on a *single* morality as the framework for global economic ethics. The question then remains: how will they find a basis for agreement? Donaldson and Dunfee (1999: 28) argue that the following core assumptions will be accepted by all contractors:

¹² Donaldson and Dunfee (1999: 23) describe the full spectrum as ranging from extreme relativism through cultural relativism, pluralism (ISCT), and modified universalism to extreme universalism (absolutism).

- ▶ All humans are constrained by bounded moral rationality; that is, humans are constrained by physical and psychological limits—they make mistakes, and existing ethical theories are not always sufficient to resolve difficult ethical dilemmas.
- ▶ Higher-quality and more efficient economic interactions are preferable to lower-quality and less efficient economic interactions.
- ▶ All things being equal, economic activity that is consistent with the cultural, philosophical or religious attitudes of economic actors is preferable to economic activity that is not.

Given these assumptions, Donaldson and Dunfee (1999: 46) argue that the hypothetical contractors will agree on the following macro social contract as the minimum terms for economic ethics:

- ▶ Local economic communities have moral free space in which they may generate ethical norms for their members through micro social contracts.
- ▶ Micro social contracts must be grounded in consent—individual members should have the right to exit: for example, a disgruntled employee who objects to a corporation's human rights policies in developing countries has the right to resign and find employment elsewhere.¹³
- ▶ In order to become obligatory (legitimate), micro social contracts must be compatible with hyper norms.
- ▶ In cases of conflicts among norms, priority must be established through the application of rules consistent with the spirit and letter of the macro social contract.

Hyper norms are defined as 'key limits on moral free space' (Donaldson and Dunfee 1999: 49), constituting principles so fundamental that they are discoverable in a 'convergence of religious, political and philosophical thought' (Donaldson and Dunfee 1999: 50). Different categories of hyper norms are identified: structural (e.g. the duty to develop and fulfil obligations in connection with social structures that are efficient in achieving social goods), procedural (e.g. rights of voice and exit) and substantive (e.g. promise keeping, respect for human dignity). Evidence in support of hyper norm status includes widespread consensus that a principle is universal, when the principle in question is a component of a well-known global industry standard or supported by major non-governmental organisations, known to be consistent with major religions or major philosophies and supported by the laws of many different countries (Donaldson and Dunfee 1999: 60). Using international bribery as an example, Donaldson and Dunfee (1999: 61) demonstrate the process of identifying hyper norms:

A manager for an airplane manufacturer makes/is considering a payment of \$5 million to go personally to the Minister of Defence of a developing country to 'win' a contract for jet fighters.

It is not necessary to identify the full range of hyper norms applicable to all forms of bribery. The question instead is whether a hyper norm applies to this particularly egregious form of the practice. Transparency International, the OECD, the OAS, the Caux Principles, laws in numerous countries . . . leaders of major accounting firms . . . major religions . . . and major philosophies all support a presumption that this practice violates a hyper norm.

¹³ Given high levels of unemployment in both developed and developing countries, this right is clearly more complicated. Especially in developing countries, employees are quite often in a position where they have many dependants and no job security; it would therefore be extremely idealistic to expect them to resign from a job for moral reasons when they know they are unlikely to find alternative employment.

Finally, in applying ISCT to the ethical decision-making process, the following steps should be followed:

- ▶ Identify all the relevant stakeholders.
- ▶ Identify the relevant hyper norms (there is not a definitive list of hyper norms; the quest for such a list would resemble an absolutist approach).
- ▶ Determine that key norms are *authentic*; that is, there must be evidence that the norms are supported by a clear majority.
- ▶ Determine that the authentic norms are *legitimate*; that is, not in conflict with any hyper norm.
- ▶ Resolve conflicts if and when they arise through rules consistent with the spirit and letter of the macro social contract.

Guidelines for South African corporations

The decision-making process above seems rather abstract and theoretical. However, it is possible for South African corporations with continent-wide operations to apply this in a practical way. This should be done both individually (e.g. through changing existing ethical policies or developing new policies) and collectively (e.g. through the involvement of organised business structures such as chambers of commerce, trade associations, as well as government agencies that focus on trade and investment activities).

To kick-start the process it would require a few pioneering organisations to take the lead and open up the debate with the relevant stakeholders. It would be preferable for these pioneers to come from the private sector itself. However, this role could also be fulfilled by academic institutions or other non-governmental organisations. If this process can commence under the auspices of the New Partnership for Africa's Development¹⁴ (Nepad) it would add to the credibility of its outcome.

Three critical requirements for success, based on the basic tenets of ISCT, are:

- ▶ Consensus on what the most important hyper norms are for the African continent.
- ▶ Increased knowledge about legitimate local customs and a change to a management style that would respect such customs. This can be accomplished through proper stakeholder engagement processes and by actively encouraging employees at all levels to challenge their own preconceived ideas.
- ▶ Development of moral sensitivity among all staff, moving away from rigid compliance-based ethics programmes to ones that would support the approach that context matters when making ethical decisions. This would require a radical shift in mind-set for many corporations and a move to a values-based approach, where trust—both internally and externally—will be critical for success.

14 The New Partnership for Africa's Development is a pledge by African leaders, based on a common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development, and at the same time to participate actively in the world economy and body politic. Nepad is anchored on the determination of Africans to extricate themselves and the continent from the malaise of under-development and exclusion in a globalising world. For more information, see www.nepad.org.

A typical process for a corporation that would like to implement this approach would be to:

- ▶ Take a measurement of the existing norms within the organisation, as well as of the norms and customs that prevail within a particular country or range of countries.
- ▶ Codify these norms in a code of ethics or a code of conduct (or review any existing document). This document has to reflect the agreed hyper norms and should provide detailed guidance on the ethical behaviour expected of employees.
- ▶ Implement the code through an effective training and communication campaign aimed at developing moral sensitivity and decision-making skills, rather than simply a working knowledge of what is and is not allowed within the organisation.
- ▶ Provide ongoing support through the establishment of an ethical infrastructure (e.g. an ethics custodian and an ethics helpline) as well as ongoing stakeholder engagement.

It is unlikely that the majority of corporations with African operations will embrace this approach in the short term. Rather, there is a need for a number of successful case studies and a clear demonstration of the benefits associated with this approach, for both corporations and their hosts. Hopefully successful corporations will serve as role models for others, and ensure long-term, sustainable changes in the behaviour and attitudes of others.

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