

Introduction

Something to believe in: creating trust to create hope

We have quoted in this book a small part of a speech made by the Vice President (now President) of South Africa on the occasion of the inauguration of the South African Constitution in 1996, and it seems an appropriate introduction to a set of diverse pieces on trust at the beginning of the 21st century:

But it seems to have happened that we looked at ourselves and said the time had come that we make a super-human effort to be other than human, to respond to the call to create for ourselves a glorious future, to remind ourselves of the Latin saying: *Gloria est consequenda*—Glory must be sought after! (Vice President Thabo Mbeki, 1996).¹

If there is a unifying theme to this book it is that nihilism can have its day, *but we believe that humanity has much good work to do*: good work to save ourselves from each other and to recreate our relationship with planet Earth. There are pieces in praise of chocolate and fair trade, chapters about responding to the needs of women workers in factories, stories explaining the state of our corporations, and exhortations to think again about sustainability. The work in this book is also of diverse geographic origin, with writers and experience coming from Australia, Canada, Ghana, India, Lebanon, New Zealand, Nicaragua, the Philippines, Sri Lanka, South Africa and the United Kingdom (UK). And there are examples of change in action: in progress towards place, structures and institutions that can construct trust. We trust that this is a book of hope and new energy.

1 The full text of Mbeki's speech is available at www.polity.org.za/html/govdocs/speeches/constmbeki.html.

Decisions and choices

But to begin at the beginning. How might you know whether you have picked up a good book? How do you know if what you are holding in your hands and weighing up is something that you might find valuable or interesting or whether it is a bit of resource consumption too far? We imagine that you've made some decisions and choices about whether this is going to be a valuable book for you already. How can you be clear about what these decisions were based on?

Perhaps the publishing house is one from which you had previously had another good read? Maybe you're just genetically predisposed to picking up books with blue covers? Or did the names of the authors ring bells in distant parts of the mind? Maybe it was the price? Maybe the book was an unexpected gift, which now finds you at this point? Or did the title or the position on the bookshelf or in the catalogue affect your perspective?

In the decision to open up the book we suspect that at some point you would have interacted with at least one 'community of interest', an organisation or some individual. You may have even engaged a bit with the 'more-than-human world' to come to the decision. And your engagement with these actors would, at some point, have involved the game of trust.

It seems to us that a lot of 'trust-work' is both invisible as well as unnoticed in the individual and collective conscious awareness. While we are acting on the unspoken confidence we have in the shop or bank to accept our bank card or cash, we are equally blind about the implicit trust we hold that our bodies will keep on choosing to breathe. And while we are hoping that our e-mail messages are being sent across the ether and that the governments around the world will keep collecting their taxes and doing their duties (or not as the case may be), we are also maintaining unnoticed faith that the sun and the ecosystems will keep on working their bright magic for us.

Yet we are always forced to enter into the arena of trust. Playing the games of trust (rather technically labelled 'building social capital' in some circles) is incredibly fundamental to how we go on in our everyday lives. So the question that we have in our minds now is not 'are we going to play?' but instead 'how are we going to choose to play?'

Making it up as we go on

The initial stimulus for putting this book together came from a special issue of *The Journal of Corporate Citizenship* (Zadek and McIntosh 2002), which was devoted to issues of transparency, accountability and governance. We have taken a couple of articles that were submitted for that publication and added a number of others—some specifically commissioned for the book and others drawn from a range of other sources.

In particular, for a number of these chapters we have drawn directly from recent research work in which the New Academy of Business has been involved. This

includes an international action research project, conducted in partnership with United Nations Volunteers (UNV) (in Brazil, Ghana, India, Lebanon, Nigeria, the Philippines and South Africa), research with women workers conducted for the UK Department for International Development in factories and plantations of Nicaragua and another project involving collaboration with The Energy and Resources Institute (TERI) Europe and local partners in Bangladesh, India and Sri Lanka.

As editors we feel we have played a fairly light hand in this gathering, collating and ‘mixing’ process. This is not to say that we have had no influence on the form of the book—even in choosing to work with each other we entered into a pact about how we might draw the book together. However, we have not tried to fashion a single editorial story or a specific theory of trust, transparency, accountability and governance from these pieces. They may perhaps tell one, but that will probably come from the junction of your reading combined with our telling. So, we are not sure how you will want to read this book. Perhaps you will want to go through each part in order or perhaps you will start at the end and go back; or you may want to pick or devour.

Although we might be challenged for failing to possess a theoretical core, we are happy to start with a question: How can we create organisations, institutions, groups and societies that can nurture trusting relationships with one another and among individuals?

Part 1: ‘Through some looking glasses’

The first part is entitled ‘Through some looking glasses’. In this part you will find some short, thought-provoking pieces about the issues of trust, belief and change. We hope they provide some valuable historical points of reflection as you wonder about your own trust-work.

As noted above, in May 1996 Thabo Mbeki gave an address entitled ‘I am an African’ on the adoption of the new South African constitution. As the people, country and continent continue their historic journey in shaping their future, we present a shortened extract of his speech in ‘Something to have struggled for and now to believe in’.²

We then proceed to a piece by Malcolm McIntosh entitled ‘PlanetHome’. Malcolm wonders whether ‘tolerance may then be thought of as the *realpolitik* of love’ and recalls the powerful call of Gregory Bateson ‘to learn to think in a new way’, where we, along with the planet and all of its web of relationships and energies, come together to form the universe.

Taking on a theme where the webs of natural life may be considered as the ground of our experience and trust, Mary-Jayne Rust elaborates on a relationship between the trust we have within our inner worlds—within our bodies—and problems of mistrust in wider social spheres. In the chapter entitled ‘From terrorism to

2 www.polity.org.za/html/govdocs/speeches/constmbeki.html

trust: trusting our nature?’ she connects our failed attempts to achieve trust in societies with our attempts to ‘transcend sensuality and instinct’ of the body and the physical and mental efforts to colonise, dominate and arrogantly govern other peoples and the Earth.

Bringing to focus another great civilisation, we offer Viraal Balsari’s exploration of some of his understanding of trust in the context of Indian business. In ‘Partnering trust: India’s corporate social responsibility heritage’, Viraal touches lightly and succinctly on some important precedents for corporate governance in the subcontinent, including the ancient *bhagyadari* system and Gandhi’s evocative trusteeship model and on an emergent home-grown corporate social responsibility (CSR) agenda.

Reconnecting with the earlier theme from Malcolm’s chapter, we include a passage from E.M. Forster called ‘Tolerance’. Taken from a 1941 BBC radio broadcast, which later appeared in a set of essays entitled *Two Cheers for Democracy*, the piece was originally written at the beginning of the Second World War. It is an appeal for humility and understanding: ‘“Love is what is needed,” we chant, and then sit back and the world goes on as before.’ E.M. Forster, an author but also one of the founders of Liberty (formerly the Council for Civil Liberties) says ‘surely the only sound foundation for a civilisation is the sound state of mind’.

Part 2: ‘How could it be possible to believe in our corporations?’

In the second part of the book we ask the question: ‘How could it be possible to believe in our corporations?’ It is a question that has been on numerous lips for decades and will no doubt remain there. In Part 2 we explore some of the diverse approaches that people across the world, from Ghana to the UK and Australia and from South Africa to Bangladesh, are using to open the space for creating business that are able to create trust. A theme that emanates strongly in these explorations is the call to work for deeper, more systemic changes to current ways of understanding and undertaking business.

Emerging from research conducted by the New Academy of Business in collaboration with United Nations Volunteers and the Association of Ghana Industries, Joe Boateng describes the emergence of a civil-society movement aimed at developing responsible business practices in a heavily industrialised region of Greater Accra, Ghana. In ‘Demanding corporate responsibility is the key’ he describes the role of youths in the region volunteering their time to mobilise a movement calling companies to account, where no such movement previously existed.

In ‘Corporate responsibility: the emerging South Asian agenda’, Ritu Kumar starts with a comment that the region experiences ‘globalisation’ in one continent. She points out that one can experience three generations of the corporate responsibility agenda across South Asia: the first agenda of conflicts between communities and companies over natural-resource control, the second regarding the environmental and social limits to industrialised growth and the third generation

concerning product and service consumption. The interplay between these generations results in the kinds of example from Bangladesh, India and Sri Lanka that Ritu cites, examples that provoke us to notice non-West-centric perspectives on corporate responsibility.

Making specific reference to the outcome of an Anglo-American model of corporate governance in Australia, Scott Bourke and Neil Béchervaise explore ‘Corporate governance, shareholder interests and managerial accountability in turbulent times’. Scott and Neil consider corporate governance schemes, such as incentive compensation, and wonder about the possibility that they may have ‘compromised or undermined the governance of the firms that have collapsed’. The chapter points towards a ‘fundamental organisational conflict of interest’ and denial about the alignment between shareholders and managers—that is, principles and agents—in the Anglo-American model. Working with the philosophy of Thomas Kuhn’s notion of ‘normal science’, Scott and Neil connect these problems of governance to the hegemony of market-based economic thinking, which shelters the current mental models of executives, regulators and politicians from noticing the need for systemic change.

In ‘Strange bedfellows make for democratic deficits’, Matthew Hirschland starts his chapter by referring to the art of another philosopher from the West in the 20th century, Karl Polanyi. Matthew wonders whether a second ‘Great Transformation’ between the movements of economic liberalism and social protection is under way, this time focusing on business as the locus for change. He explores the role of voluntary mechanisms for governing the social outcomes of business activity. Matthew delineates three areas of CSR activity: partnership-type arrangements; socially responsible investment initiatives; and code-making, reporting and monitoring regimes. He then poses a fundamental question about how transparent and democratically accountable these voluntary attempts at social protection really are.

Roger Warren Evans suggests a need to move beyond the voluntary mechanisms between business and civil society by exploring ‘The rise of the “abdroids”’. Arguing that ‘contemporary society is now riddled with the phenomenon of artificial personality . . . a cancer eating away at the body politic, negating personal responsibility, facilitating tax evasion, undermining moral imperatives’, Roger suggests that a legal direction is required for recreating trust between companies and society. Read the chapter to find some fascinating suggestions about redefining and renewing the underlying deal between society and its organisations.

In the final piece of Part 2, Juliet Roper, Eva Collins and Mike Pratt describe the decision of the Waikato Management School in New Zealand to move their guiding vision towards education for sustainable development. ‘Changing focus: a business school for sustainable development’ retells something about the organisation’s path to this new vision. This chapter and the work of business schools, such as Waikato and the New Academy’s own teaching work,³ evoke once again Gregory Bateson’s notion of learning to think in new ways in order to transform our worlds.

3 For example, a master’s in Responsibility in Business Practice run in collaboration with the Centre for Action Research in Professional Practice at the University of Bath, UK; see www.bath.ac.uk/carpp/msc.htm.

Part 3: 'Auditing for whom?'

In the third part, 'Auditing for whom?', we have brought together a number of perspectives and cases on the practice of 'auditing', a phenomenon that has been described by Michael Power (1997) as a ritual of verification central to the creation of trust in societies. We share a desire that this process for the creation of trust and evaluation be seen as a 'form of giving, rather than just measuring'.⁴

In 'Love in a time of chocolate', Adrian Henriques takes passion as his starting point for an introduction to social auditing. Chocolate arouses passion. It is sexy, addictive and part of many of our lives. Tracing supply chains, reassuring customers and rewarding producers is central to the new world order of transparency, accountability and improved governance. Ethical supply chain management could be seen as the essence of globality—our ability to think over the horizon and keep 'the other' present in every bite.

We return to Southern Africa in 'Trouble at the Hard Rock Café' with a case study about 'conflict diamonds' as both a business and a development issue in Africa and internationally. Ian Smillie and Ralph Hazleton tell the story of these gems, the hundreds of thousands of diggers and the efforts to create a global certification scheme to regulate the industry, by preventing the sale of conflict diamonds in formal commercial establishments.

Addressing the issue of to whom and how this form of 'giving' through evaluation should be directed, Marina Prieto explores the impact of codes of conduct on the lives of women workers in Nicaraguan plantations and factories. In 'In search of transparency: corporate codes of conduct and women workers in Central America', Marina suggests women workers—the intended beneficiaries of codes—are unable to engage with the process of change in business practices, which the monitoring process is supposed to elicit. She notes that lack of change on the ground is easily hidden by the incredible power imbalances, demands for strict confidentiality and commercial arrangements that dominate these practices. Marina calls for the replacement of commercial auditing firms with local monitoring groups with a passionate and well-argued reminder that auditing needs to be recreated as a practice in the service of the women workers.

The following chapter, 'Voluntary governance or a contradiction in terms', agrees with Smillie and Hazleton that the huge challenge of ending corruption, theft and smuggling that continue to fuel the illicit trade in conflict diamonds worldwide may not be alleviated by a purely voluntary mechanism. In this chapter, Simon Archer and Tina Piper explore the voluntary quality of codes of conduct in the range of regulatory initiatives and existing law. Here you can learn about the lack of complementary 'stick' to the 'carrot' of voluntary governance through codes of conduct, since 'there is no evidence of their enforceability in traditional legal forums, the courts, arbitration, mediation or other dispute-resolution procedures'. Simon and Tina finish their chapter with recommendations that could enhance the accountability and transparency of corporate conduct.

4 Susan Goff, Founder and Director of CultureShift Pty Ltd.

We close this part with Rupesh Shah's 'The auditor has no clothes', which attempts to deconstruct the widely assumed possibility of objectivity in the practice of auditing. He explores how 'recourse to being objective is no longer useful in a search for legitimacy (or validity) and corporate accountability' and offers alternative practices of critical subjectivity for auditors and other expert 'evaluators' to consider as they seek to legitimate their practices.

Part 4: 'New initiatives'

In Part 4 we present a number of 'New initiatives' and cases where alternative forms of accountability, transparency and governance are being fostered. Drawing on the New Academy's research in the Philippines and Lebanon as well as other international cases from South Africa and New Zealand, this part offers some different ways of thinking about the practice of creating trust in society.

The first chapter in this part, coming from the New Academy of Business project with United Nations Volunteers, explores how a joint venture in the Philippines between La Frutera Inc. and the Paglas Corporation has provided economic opportunities to local communities and former soldiers of the Moro Islamic Liberation Front in Muslim Mindanao. In 'In the business of making peace' Charmaine Nuguid-Anden shows how this venture, through the charismatic vision of Datu Toto Paglas, a local community leader, has helped to promote prosperity and overcome conflict in the area.

In 'Corporate responsibility in New Zealand: a case study' Bob Frame, Richard Gordon and Ian Whitehouse present a perspective on the development of responsible business practice in New Zealand. As members of Landcare Research, they explore their work with a number of companies in New Zealand and they offer a generic framework for corporate responsibility developed locally. The framework describes five different business paradigms, from 'business as usual' to 'restoration', which are presented as being played out in terms of issues of transparency, accountability, governance and sustainability.

In the third chapter emerging from the work of United Nations Volunteers with the New Academy of Business, 'Reforming government, working with business', Lubna Forzley describes the work of a ministry in the Lebanese government—the Office of the Minister of State for Administrative Reform—in engaging with the private sector and reforming its own administrative capacity for the benefit of the country's citizens.

Mark Swilling and Eve Annecke, in 'Living and learning in Stellenbosch, South Africa', describe the emerging form and governance structure of the Lynedoch EcoVillage. As an adventure in building a safe and diverse community around a 'learning precinct' in a country that is working on its parallel rebuilding odyssey, this chapter suggests some of the practicalities of developing locally grounded forms of governance.

In the final chapter in this part, David F. Murphy connects back to Malcolm McIntosh's theme that the 21st century may be the century of governance. 'It's the

film that matters, not the photo: good governance in development co-operation' explores how the quality of governance is becoming recognised as both a condition and a foundation for sustainable development. The photographic metaphor offers a useful perspective on the issue of governance, challenging us to wonder whether 'good governance should be seen as an absolute norm or an emergent process'.

Concluding stories

We have chosen to conclude the book with a tale. The story is called 'Under the Trumpet Flower' and was written by Adbul Cader Riswana, Ismael Ashraff, Jinutheen Rasmina, Kanathan Dinojit and Stepan Sampath. These five children are from Batticaloa, a war-affected region in Sri Lanka's Eastern Province. They have been part of a project called the Butterfly Peace Garden of Batticaloa since September 1996. The project has brought together children from various ethnic and religious groups and created a journey and space through which they are able to construct a new peace for their country. Part of this reconstruction effort has come in the form of a collection of stories by the children and others in the local community called *Blood of the Mango*, retold in English by Paul Hogan. The cover illustration for this book, by S. Shanthiepan, also comes from the energy of this project.

In Richard Rorty's exploration of justice and democracy, he calls for more stories and less grand theory, because 'to retain social hope, [people] need to be able to tell themselves a story about how things might get better, and to see no insuperable obstacles to this story's becoming true' (Rorty 1989, cited in Reason 2003). Ben Okri (1995) says, 'stories can be either bacteria or light; they can infect a system, or illuminate a world'. The director of the Butterfly Peace Garden, Father Paul Satkunanayagam, suggests that 'by speaking with such exuberance and joy the children open a space where they can heal, one often denied them by hurried, heedless and fearful elders'. With peace in Sri Lanka being built step by step, the garden goes on and a second collection of stories, *Cuckoo in the Jam*, has also been published.

We believe that the stories told by the lives of the children in Batticaloa and in their tale of 'Under the Trumpet Flower' offer some wonderfully generative beginnings and we are extremely grateful to the children for allowing us to exploit their creativity here.

A model of trust?

In our different worlds we seem to be quite prone to capturing our rather wild and naughty feelings, emotions, relationships and values. We commodify them and return them to others, neatly packaged as fully controlled and controllable artefacts, complete with yellow-coloured price tags. To be sure, the existence of this

book has done something akin to this already and *trust* (along with its twin, *mistrust*) is surely ripe for such packaging by some experts.

But we have wondered whether it is so important to get the meaning, value or significance of trust honed down to a one-line definition, a series of indicators or to develop a 'four-by-four matrix' for engaging in trusting relationships? Could we instead just learn to go on by trying to bring trust to the front of our individual and collective minds a bit more, holding it there lightly as something worth paying attention to; noticing and appreciating how it is providing energy, creativity and peace?

This book is an attempt to bring together some stories on trust and we hope that you will benefit from reading them. Throughout the process of bringing it together there have been moments where we did not know or fully understand one another's motives, there were conversations where doubts were discovered but not expressed, and silences where doubts were expressed but not discovered. We cannot say that we discovered *the* truth about trust, transparency, accountability or governance or even that we managed to create a purely trusting work environment in the writing of this book.

One of the hardest things that we find is to open ourselves up to learning and trusting those who are most marginalised: the poorest and those without voice and the least able to put on masks of expertise. Perhaps we can invite you to continue the attempts of the children of the Butterfly Garden to tell a new story by exploring how we can trust ourselves and one another more, reaffirm our lived experience and notice the ground we walk upon.

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