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**KEY NOTE ADDRESS AT THE OFFICIAL LAUNCH OF  
THE UNIVERSITY OF STELLENBOSCH-ED CENTRE  
FOR BUSINES IN SOCIETY**

**4<sup>TH</sup> MARCH, 2011-03-03**

**VENUE: UNIVERSITY OF STELLENBOSCH, SOUTH AFRICA**

## **TOPIC: MORAL LEADERSHIP OF BUSINESSES FOR SUSTAINABLE DEVELOPMENT IN AFRICA**

**Respected Dignitaries,**

**The Vice Chancellor, Directors, Members of the Advisory Council, Professors, Business representatives of the Private Sector and Civil Society Organisations, Public Policy Actors, Faculty colleagues and members of USB-ED, Participants, Distinguished Ladies and Gentlemen**

I consider it a great honour and tremendous privilege for me to receive the invitation extended by the Director of Centre on behalf of Management and Members of Council to attend the official launch of the USB-ED Centre for Business in Society as Guest of honour and present of the Key Note speech at this occasion taking place here in Stellenbosch, today the 4<sup>th</sup> of March, 2011.

I come with blessings and greetings from Nigeria, Africa's giant nation on the West Coast of the continent, statistically regarded as the most populated black nation on earth. Within the African continent, Nigeria has a realistic count of over 180 million people, three times the population of South Africa; speaking over 250 languages, with well over 270 tribes, the largest being the Hausa, Igbo and Yoruba. A multi religious and multi ethnic nation, Nigeria emerged from colonial Britain as an independent country on 1<sup>st</sup> October 1960. It is a developing nation, with democratic ideals, enormous potentials of wealth in both mineral and human resources, still waiting to be adequately applied for the good of Africa's children who live in that part of the continent.

Nigeria shares with South Africa a responsibility to economic and political leadership and service within the African continent. As humanity enters a new stage with accelerated processes of transition to a new period in world history, we are all acquainted with the new buzzword since the late 1990's

of the phenomenon of Globalisation. Globalisation refers to the phenomenon of increasing integration of nation states through economic exchanges, political configurations, technological advance, borderless financial transactions and cultural influences. This reality has made us increasingly aware of Africa's place within the community of nations of a degree of social inequality and poverty which we do not want and which is indeed harmful both to the victims, the poor in our many countries, and also to the human and structural perpetrators of this poverty. There is an agreed global village but majority of citizens particularly from Africa do not have a door to enter into this global space. And this is what must change.

South Africa and Nigeria acting in collaboration with other countries can bring about this much desired change for the better, at least within their own countries and sub regional zones within the African continent. The role of Business as a calling and a practical activity could provide the much desired moral leadership for sustainable development which Africa needs.

As we launch this programme, my mind goes to the scenes most of us have been witnessing in the last weeks, brought to us through the means of modern communication, the Radio and TV screens, showing life witness accounts of the dramatic events taking place in Northern Africa and the growing Uprisings of People in these regions through a generally peaceful revolution for change in Tunisia and Egypt and a struggling attempt for same in the entire Arab world and the Middle East, led by the people, particularly with women and youth at the centre.

These events correspond to the much researched results of the influence of ideas on history. People themselves are rising up to take their own destinies into their hands because their perceived leaders have misled, abused and denied them these rights for far too long. People everywhere desire to share the fruits of globalisation such as human rights and freedoms; participation in managing their own decisions and democratic ideals within the space of their nations; people everywhere wish for better standards of life and for a higher quality of life, much of which freedoms are possible but have eluded them for far too long.

The time has come therefore for partnerships and collaborations beyond boundaries to intensify to avoid what negative consequences would take place, if such omissions continue. I consider this event of the Launch of the Centre for Business in Society therefore one step in the right direction, for it offers the participants and the society at large, a platform to think future which is to think sustainability and to act ethical in thought and policy which is the guarantee for moral leadership and the common good.

As a Nigerian teacher addressing a South African academic, NGO and business audience, my desire is that the relationship between our countries on mutually beneficial business relations along many fronts, and on items known and even unknown may intensify. The known business areas between our countries stretch into Oil and Gas; Agriculture; Textile and manufacture; equipment leasing; manufacture and infrastructural development; construction and consultancy services; on-going educational and much desired academic co-operation between institutions of higher learning; bilateral and multi-lateral trade and diplomatic ties on all fronts within the continent and beyond.

We are gratefully aware that of all the countries of sub-Saharan Africa and indeed within the Africa Union, South Africa and Nigeria stand as the undisputed economic and political leaders. This position imposes on our countries, including their academic, business and political leadership therefore, enormous responsibilities to share their wealth and knowledge with the other brothers and sisters still struggling to share the fruits of development within their countries, the sub-regions of the continent extending even to those in the Diaspora.

Permit me to single out three key areas for special mention in the collaboration between our countries:

- Telecommunications and the ICT industry, whereby, the South African giant MTN is the single largest provider of telephone services with the biggest GSM Network and provision in Africa, serving over 60 million people in Nigeria, more than the entire population of South Africa (its parent country and ownership parent), maintaining in

Nigeria its largest business concerns, with enormous potentials in income generation, job provision and wealth generation.

- Food provision and equipment leasing and distribution, whereby, South Africa is the largest food supplier of food chains and household utensils and shopping Malls to Nigeria with such large centres for food and equipment distribution in Lagos, Abuja and the over 50 cities of Nigeria including the coal city of Enugu where I reside, supplying virtually every item under the sun, of manufactured goods, trade materials, equipments and household utensils, and having large shopping malls in these cities of Nigeria, with capacities of modern market space of well over 5000 buyers and sellers at the same time.
- Banking and Business services, whereby South Africa with its financial services sector engagements including Banking services provided by STANBIC International PLC; IBTC, ABSA and others have virtually entered the Nigerian banking competition with innovative business models, competitive enough to act as successful stakeholders within that large country and sharing an environment for business opportunities for mutual benefit, if well utilised.

My paper today deals directly with the topic of the moral leadership of the Business community to create sustainable leadership within Africa. It deals with the role of Business in Society and the ethical ingredients which captains of industry, manufacturers, providers of financial services and others must pursue and possess as imperatives for a sustainable future for all. This is a topic of vast significance for it complements the efforts and the moral leadership pronouncements of the Christian Churches exemplified through the Social Teaching of the Catholic Church; Christian Social Principles of Personality, Subsidiarity, Solidarity, Human Dignity and the Common Good. It complements also the legal reasoning of African indigenous traditional societies and communities in their jurisprudence and community consciousness (Ubuntu; Umunna) for businesses as basis for culturally rooted sustainable development.

The establishment of the Centre for Business in Society within the University of Stellenbosch and the USB-ED programmes comes with expectations and answers to such questions that bother on the scope, role, purpose and the ethical issues emerging from a proper and well understood *Sitz-im-Leben* of this thematic, namely the concern of Business in Society, especially at a time of ethical relativism, selfish and egoistic tendencies, large spread utilitarian philosophies, the syndrome of “*might is right*” and belief in “*survival of the fittest*”, the cliché that states “*Business is Business*” whatever this might mean, devoid of its moral character and purpose which is the value added in a modern society.

It is my own strong desire at this occasion to add my humble opinion to the universal desire for the African Voice to be heard. This will allow its much respected original traditional and cultural values to be known, researched upon and made subjects for teaching, training and research in universities within Africa today and indeed, worldwide. Humanity at its present historical epoch seems to have run out of comprehensive answers to the questions facing mankind at this time, questions that bother on justice, fair play and a correct understanding of the dignity of the human person in a balanced and peaceful universe. The wars, tragedies and crisis which nations States experience worldwide are indices of a vacuum in both thought patterns and action points due to failures and gaps in the leadership of these nations, an ethical and moral vacuum in the world of business and the public sector. There is a yawning gap for available models that can guarantee a safer, enduringly happy and sustainable healthy earth for all the inhabitants of the world, both in the present and the future.

The leading Western philosophies and political practitioners, upon whom depended the destinies of peoples since the past five hundred years and their collaborators in the Asian world have led mankind, albeit falsely and therefore unjustly, from one ideology to the next, all in the search for a new world Order: (slavery, colonialism, capitalism, communism, racism, imperialism, socialism, fascism, fundamentalism, religious bigotry, and even atheism). They have all failed.

Recently, we have shared the consequences of the woeful failures, particularly in the developed industrialised countries of big businesses, banks and corporations due to a moral gap and the irresponsibility of the economic and political leadership in these countries. This has led to job losses, investments and old peoples retirement pension funds; shameful collapses of multinational companies, economic depression and worldwide financial meltdown, occasioned by fraudulent businessmen with Ponzi-scheme mentality like Bernard Madoff, ENRON and Lehman Brothers amongst many others. But what or more appropriately, who is to blame?

*The ENRON debacle for example is not just the story of a company that failed. It is the story of a system that failed. And the system did not fall through carelessness or laziness; It was corrupted. Enron provides an example of what happens when corruption leaks into and becomes part of the corporate culture. It showcases all that is bad and ugly in the capitalistic system known as the free market. The deeper meaning in this catastrophic collapses of large numbers of companies is the fact that any system or governing structure is only as good as the people who administer it. In the case of ENRON and others, the need for morally informed corporate governance, founded on solid ethical principles has been quite clear.*

The Macro and Micro-economic survival of several nations world over has suffered under these situations and the poorest of the poor, particularly those living on the African continent, who did not cause these problems, have borne the brunt of the greatest negative consequences and effects of this crisis. Nations have gone bankrupt and the situations of Iceland, Greece and others continue to elicit wonder on how it could happen at all? In responding to the vocation of business and commerce, one assumes the obligations of moral leadership associated that vocation. They include accountability; honesty and transparency in governing the corporation.

*Abdicating such leadership in attempting to cover up poor management decisions is something that cannot stand if our society is to be free and virtuous. But the failures of many Corporations recently such as ENRON are not an indictment of Business, or even of big business a whole. To the*

*contrary, corporations have the potential to meet societal needs that no other entity – especially one that is tax payer funded – is able to address. It is possible to be serious about being profitable and also serious about social responsibility, despite all the rhetoric on either side.*

In setting up the Centre for Business in Society here in this beautiful city of Stellenbosch, one is passionate to expect authentic research efforts that expose and include, African cosmology and values applied to modern business concerns within society. Such results would contain the wisdom found in traditional society and the African spirit of inclusion not exclusion; communality not individuality nor egotism; solidarity and subsidiarity principles; the acceptance of win-win-scenarios in inter-business relations; respect for the environment and preservation of the earth; the regard and introduction of the discipline of Business Ethics as the most pragmatic response to modern issues of sustainability and the corporate governance function since Business covers areas within the private and public domain.

My contention is that the rediscovery of African ethical values and its interaction and re-introduction within the space of already existing meltdown paradigms would expand the scope of ongoing debate and bring to the fore of academic and practical discourse, values and information that could enhance humanity's search for pragmatic and moral leadership.

They include wide ranging topics such as the entire dimension of ownership and management structures within the economy; the place of our African traditional values applied to modern issues of economic sustainability; matters of Business Ethics which is key in any society; issues of justice; the guidelines for Corporate governance of institutions whether private or in the public sectors of the economy.

## **Guiding Principles for the Role of Business in Society – Responsibility and Sustainability**

### **1. Business exists to be sustainable**

It is normal for Businesses to understand their fundamental role in society as working to help create wealth (prosperity) by making profitable

investments in the short and long terms. This aim is not enough. It is suggested that Sustainable Wealth generation be made an aim by placing the human being at the centre. “*Man is the author, the centre and the end of all social and economic life*”, to quote the documents of the Catholic Vatican Council, Gaudium et Spes, 1965, No 2. This is enhanced by an understanding of development as integral, not simply wealth generation, profit making or increased shareholder value.

## **2. Companies are part of Communities**

In local environments, wherever they operate, Businesses and Companies are part of Communities. If they consider themselves “offshore” or Trans-national”, they act irresponsibly.

## **3. People form the basis for Sustainable Corporate Agenda**

Companies perform well if they have a MARKET Focus that includes the PEOPLE as part of their Business Priorities. To make the primary Mission of Business PROFITS BEFORE PEOPLE is today no longer a sustainable Corporate Agenda. Short Term Profit must not mean Long term Loss. Corporations and Businesses survive in a climate where they co-operate with communities in other areas of life.

## **4. Core Values**

Integrity, Trust, Rule of Law, Transparency and Honesty remain virtues, which corporations can and ought to adapt as CORE VALUES for long term business activities. Bribery and corruption are short term without long term gain. Support for Dictators end in a blind alley.

## **5. Minimise harm, maximise Business Corporate Culture**

Measures that provide a healthy workplace, environmental protections, safety standards, rights of employees ensure that the environmental impact

of what is done is minimised. This is carried out through charitable activities, today known as corporate social philanthropy and responsibility, in areas such as medical science; diseases control and cure HIV ARV drugs provision for infected persons to mention but a few.

## **6. New Technologies**

Businesses and Corporations must engage in Research and further products development with processes that guarantee higher value; affordability; ever better performance and greater consumer efficiency and benefits. New technologies can help societies in unimagined ways.

## **7. The Social Fabric**

Corporate citizenship involves contributions to the social fabric where a company operates through job creation, skills enhancement, knowledge transfer, education and capacity building of the host community to mention but a few. The measure of a Business is in its Corporate Social Responsibility, culture and contribution to the Social fabric. These include: Peoples promotion; Environmental protection and investments into the host community development programmes.

## **8. Corporate Citizenship**

Businesses are citizens wherever they operate with rights and duties. Corporate citizenship is freedom plus responsibility – a tall order indeed – that helps a firm or business operate in such a way that maximises benefits and minimises harm.

## **9. Ethics**

Businesses are founded on a sustainable path if they are ethical, that is rational in their options of short term benefits or long term survival with a good reputation by following and internalising the rules. Corporations need an ethical foundation to operate meaningfully, and these have to promote life, serve life, enhance life, promote solidarity, communal values, shaping

of attitudes towards the respect of human rights and dignity and the observance fundamental freedoms.

## **10. Ability to Close Shop**

The rule must not be or remain, namely: *If you cannot beat them join them.* Rather the rule must be: *If you cannot beat them, CLOSE SHOP.*

Companies must have the ability and moral audacity to withdraw from environments where they are prevented from being socially responsible – This is the really TALL ORDER for many do not and thus, they survive in the short term and collapse in the long term, having hurt humans and society and not having remained sustainable and ethical in the long term.

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