

# Ubuntu as an Ethical Framework in Business Ethics for African Socio-Economic Development

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**Abstract:** Contemporary business trends in Africa portray a spate of paradoxes in her socio-economic development. For instance, there is a rapid increase of international interventions and establishment of multinational corporations as a result of globalization; yet not much of this has been domesticated. Industrial and infrastructural developments are sprawled around us; yet unemployment is on the increase. While financial institutions and government agencies take capricious interests and levies in businesses; the human community and environment are left out in tatters. The media advertises business via any means possible, ignoring questions about moral values of individual persons in the society as well as companies that drive the economy. These happenings, no doubt, raise genuine cause for concern as it threatens African indigenous morality. This is a pointer to the fact that there is something lacking. That desideratum is a unifying business ethic. This paper is a research that attempts to fill that ethical gap. It is considered that the philosophical concept of *Ubuntu* – an African traditional philosophy of social existence is essential. It supports and encourages integral human development, and as such can serve as an ethical ideal in an ever-dynamic business operation in Africa.

**Keywords:** Ubuntu, Business, Ethics, African, Development

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## 1. Introduction

A well administered business organization ultimately contributes in setting a nation on the pathway to economic development. This is because the socio-economic growth of a nation is, in the final analysis, dependent on the way businesses both in the public and private sectors have contributed to a nation's GDP. At various levels, the question of how best to administer a business has occupied the mind of various scholars over the years. Various approaches have been adopted as reliable panacea to the problems encountered by business corporations. Most prominent among those approaches is the stakeholder approach. A significant aspect of business ethics over the years is the protection of stakeholders. The absence of stakeholders in a given business organization sets such business on the path to underdevelopment. It suffices to know that Africa's socio-economic development is basically dependent on the extent to which partnership is established and enhanced among business corporations. Thus, there must be a business ethic that provides the moral imperative necessary for sustainable

development of African economic institutions. But, there is no gainsaying that African socio-economic development is still a mirage, even in an era of the big socio-economic idea such as the NEPAD (New Partnership for African Development) which ought to be an opening for resources flow: both aid and trade-related, and an attempt to re-envision development partnership on the basis of good governance within Africa. [1] Being sensitive to the high rate of poverty, conflict, insecurity, unemployment, low level of capitalization, and even the economic impacts of the COVID-19 pandemic, NEPAD aims to achieve the overall 7% annual growth necessary for Africa to meet one of the Millennium Development Goals (MDG) which is to at least half its poverty. Yet, it is an inexplicable paradox that in the face of this 'big idea', and in the midst of rich and endowed countries on the African continent, Africans are the poorest of the poor. To be sure, despite Botswana's strong economic growth which has sustained the world's highest real GDP growth and GDP per capita growth rates over the last 35 years [2], it is riddled with poverty whereby 47% of her citizens live below the poverty line. One of the reasons given

for this is unequal distribution of resources.

In recent times, Nigeria is encompassed by a deteriorating security situation which has a gruesome effect on businesses. From endemic rural and urban poverty to high rate of unemployment; from debilitating youth unemployment to low industrial output; from unstable and deteriorating exchange to high inflation rate; from inadequate physical and social infrastructure to very large domestic debt and rising stock of external debt [3]. The imminent implications of this are weak economic institutions and distressed corporate organizations. These poor socio-economic conditions, more often than not, attract the intervention of multinational institutions, aid agencies, foreign governments, international NGOs and international donors. These institutions are essentially colonial in character and orientation. The terms and conditions by which they partner with Africa are apparently un-African and unequal. They pay the piper and determine the tune while the Africans are subjected to mere spectatorship in a business partnership which is meant to be mutual. One can easily suspect a crisis of socio-economic development as none of these foreign business agencies have come up with a lasting solution to the African economic predicament. By and large, a moral dilemma creeps in: Should Africa depend on a foreign business ethics or rely on her indigenous socio-cultural moral framework?

It is on this basis that we want to forward herewith the idea of *Ubuntu* as a business ethic that could salvage Africa from socio-economic underdevelopment. To do this, we want to, first of all, critically assess the relationship between business ethics and socio-economic development in Africa. By that we intend to show in clear terms the supposed shortcomings of business ethics in not meeting the demands of most business corporations in Africa; and why we think the adoption of Ubuntu as a moral framework in understanding business activities within Africa will fare better.

## 2. Business Ethics and Socio-Economic Development in Africa

Central to the dynamism and vitality of marketing institutions in most nations are business ethics which serves as a stepping stone to the nation's socio-economic development. The concept of business ethics connotes an ethics in business as the ethics of business. Also, the fact that ethics in business entails applied ethics in which emphasis is laid on business ethical activities in the business world. Ethics, when applied to the business world, would interrogate questions encompassing the morality and nature of a business endeavor, code of practice in the business community, rules of engagement as established by legislators and regulatory agencies over the business as well as the question acceptable paradigm for the ethical evaluation of a foreign investment [4].

For a business to develop, it needs to include in its development goals some moral values that would regulate human behavior in such a business environment. To this

extent, business ethics has been defined to cover: the determination of the right or wrong way of doing business, issues surrounding the safety of the worker, employment conditions, accounting practices, remuneration, competition, consumer protection, government business policies and the environment [3].

Etymologically, the term 'business ethics' is a combination of two words: "business" and "ethics". But, the semantic function of 'business ethics' is to describe ethics as applied to the business world in which business decisions are judged right or wrong. Ethics is derived from the Greek word *ethos* which means custom or habitual way of doing something. Hence, ethics is the branch of philosophy that studies the morality of human actions; that is, the way humans ought to behave. Ethics also has to do with the determination of the standards and morality of human actions with an emphasis on what ought to be – the ideal [3]. When applied to business organizations, the idea of business ethics comes to play.

Business ethics, as a practice, can be traced back to antiquity in the writings of Plato and Aristotle. It extends, as well, to the modern philosophical reflections of Karl Marx and John Rawls. Traditional philosophers such as Plato, Aristotle, Aquinas, and Kant discussed issues of right and wrong in economic activities. They did examine specific business ethics puzzles, including the ethics of the profit motive, just price in trade, usury in lending, and ethics in negotiation [7]. From this, it can be implied that business ethics suggests the study of the ethical dimensions of organizational activity on the systematic, organizational and intra-organizational levels [8]. Moreover, business ethics focuses basically on what is good and right in a particular economic activity, where an organization engages in a moral analysis and assessment of such economic activities [8]. Business ethics can be understood in two senses: narrow and broad business ethics. In the narrow sense, business ethics is understood as 'corporate ethics' as applicable to business organizations [9]. But, in the broad sense, business ethics covers the socio-economic aspect of life. Here, business ethics deals with the individual decision-making of economic actors (such as managers and employees), the shaping and conducts of economic organizations, business-related public policies, economic systems, and global economic and financial institutions. In this paper, the broad sense of business ethics is what is relevant.

## 3. Existing Frameworks of Business Ethics

Given that this study is aimed at proposing *Ubuntu* as a business ethics for Africa's socio-economic development, it is important to highlight a few such existing frameworks of business ethics that are critical to this study. These frameworks of business ethics are: the Marxian Approach, globalization, ethical decision-making, the utilitarian approach, Sternbergian approach and Aristotelian virtue theory. As the work progresses, the shortcomings of these

frameworks shall be portrayed to demonstrate why an African socio-cultural framework: *Ubuntu* is necessary.

### 3.1. Classical Marxian Approach

The Classical Marxian Approach is also referred to as Classical Marxism. It is attributed to Karl Marx. It claims that specific forms of human agency and social structure (the forces and relations of production) have explanatory primacy in shaping the constitution and dynamics of social systems [9]. It proposes that whatever we have as a socio-economic system in general or business organization in particular stems from the dialectical interplay between human agency and social structure. Here, society is viewed as constituting the basic structures of inorganic matter to the higher strata of mind, self and society. The ontological status of each of these levels is understood by its possession of discrete autonomous causal properties and conditional effects, and each arises once a given complexity of interaction at an anterior or underlying level of organization is reached [10]. This suggests a dialectical materialism in which a given social organization reaches its full realization to the extent to which it creates a balance between material needs and personal needs. In short, one's personal needs are attained as soon as one's material needs are addressed. This is because due attention is given to the balance of powers inherent in both socio-economic realities. While the human infrastructure is enamored and enhanced by fulfilling the individual's basic needs such as food, shelter, clothing, security and employment, the material needs are, to a large extent, met. Moreover, the tendency towards these basic needs shapes the perception and behavior of the individual and even determines socio-economic and business policies.

This classical Marxist approach ultimately promises some spate of holism in which individuals are inserted involuntarily into patterned and enduring social relationships which exist independently of their will, shape their actions and consciousness in determinate ways which offer resistance even to concerted collective efforts to alter or transform them [10].

### 3.2. Globalization

Economic policy makers, business managers and multinational corporations have unconsciously modeled their economic principles along the path of globalization. Here, globalization is considered to be a framework upon which the economic destinies of nations rest. This is because as the linkages and interconnections of nation-states intensify owing to the process of modernization and technological progress in this era of globalization, the economic goals of individual nation-states homogenize and crystallize into a moral corpus that will serve self-same global interest. McGrew notes that globalization involves a multiplicity of interconnections and linkages that transcend national boundaries, and throws up a social milieu in which events and decisions in one part of the world reverberates in communities across the globe [11]. Meanwhile, as conceived

by the IMF, globalization means more integrated goods, services and capital markets. It is the free movement of capital, goods and services across national boundaries [11].

However, situating Africa in the globalized economy portrays Africa as still basking in underdevelopment even in the globalization process. Being aware of this, Igbafe alluded to this when he noted that even with globalization in vogue, the dominant nations of the world which control technology and global commerce still lord it over Africa. Despite globalization, the economic exploitation of Africa by the West has not abated [11].

So, although globalization enables freedom in various economies of the world, yet some economies are free but everywhere in chains. Here, one meets a paradox; a transition from global age to global cage! It is our view that the notion of liberalization of economies, an immediate or remote implication of globalization which involves allowing certain individuals to determine market prices, demands and supply of commodities, will lead to sundry forms of global injustice, exploitation and economic imperialism. Some oil rich nations like Nigeria will produce yet rot in poverty. We wish to note that Nigeria needs to reformulate its economic policies and philosophies to suit the poor masses and encourage what can be referred to as "democratic economy" not economic democracy. The former means that the people have the right to determine prices of commodities based on their immediate predicament with the aim of putting an end to poverty. The latter is largely political wherein the economic leaders based on their profession adopt a policy that they consider suitable for the people. Here, one expects cases of ethnicity, religious sentiments, corruption, arbitrary increments, class conflict and even gender politics to play out.

### 3.3. Ethical Decision-Making Approach

The ethical decision making approach claims that businesses thrive based on actions and decisions taken by the company which stresses the importance of accountability, and the dauntless necessity of the force of moral principle governing large international corporations. The importance of the ethical decision making approach is that the corporate ethics through which business organizations conduct their affairs had considerable economic and social consequences [11]. This approach is conscious of the fact that given the internationalization of businesses, there tends to be less accountability – that business is spread across the world and no longer rooted in a single community that can be held responsible by its singular jurisdiction [11]. Hence the assertion by Cadbury that in a localized business there were very strong local pressures, providing feedback, more or less, on the actions and decisions taken by the company [11].

Ethical decision-making is, therefore, essential for the growth of a business. The failure of a business to address ethical problems in its operations could lead to substantive issues legally and financially. The consequences could come in the forms of big losses or dramatic business failures, and could even take up to a decade to manifest. Short term unethical gains seldom pay in the long run [11].

But it does not mean that ethical conduct necessarily leads to a successful business either. There are replete cases where acting ethically has led to business losses. A bambara nut cake (okpa) trader who mixes various other condiments like flour (which is unethical) to increase the quantity of the cake will of course have more customers than the honest trader who just bakes the bambara nut cake without any additives. The latter tends to lose more customers than the former. There are many such examples in the Nigerian market and business environment. Taking a moral decision is usually uncomfortable to some business people especially in an era of high competition in businesses. Moreover, the ethical decision-making approach falls under the weight of its argument. If accountability is a moral principle that businesses must adopt, then the possibility of accountability in large international corporations is questionable. How can one ascertain the accountability of the ten largest corporations of the world that have about 4.3 million employees? Nevertheless, attempts to ensure such accountability through the ethical decision-making approach often fail due to the occurrences of diverse interests shown by shareholder groups and by government themselves, in ethical and environmental issues [12]. The passing of the Foreign and Corrupt Practice Act in the United States is an instance of government intervention in private businesses to check unethical conducts. It is a novel development in the business world.

### 3.4. Sternberg's Approach

Sternberg's approach begins with a critique of the very idea of business ethics. It did question the very idea of business ethics, noting that business ethics is either only theoretical or impossible in practice. Sternberg noted that most of what is masqueraded as business ethics is often the sanctimonious criticism that is easily dismissed [13]. Although Sternberg initially queried whether a separate ethics was necessary for doing business apart from the general ethics that regulate human conduct, she nevertheless outlined key parameters for establishing business ethics. Key among the parameters is relevance. The ethical questions must be asked by a relevant authority or individual. The questions must be relevant to the business. In addressing the ethical questions, cultural, economic, technical, and physical constraints relevant to the business should be factored in [14].

### 3.5. Aristotelian Virtue Approach

One important focus of virtue ethicists is the desirability of one's character traits rather than one's personality trait. Virtue ethicists provide a list of virtues such as: courage, temperance, wisdom, and justice. Virtue ethics gained popular expression in the *Nicomachean Ethics*. In particular, the Aristotelian Virtue approach shows a connection between his concept of virtue (*arête*) and happiness (*eudaimonia*). Here, virtue is viewed as a necessary (but not sufficient) condition of attaining a fulfilled life. For one to be fulfilled, one must always exhibit excellent character traits. These

traits are what Aristotle understands as virtue. However, in *eudaimonia*, one seems to have attained a fulfilled life as a result of having achieved one's full potential [15]. Now, one's skill or virtue (*arête*) is needed for one to achieve one's full potential. In Ethics, Aristotle distinguished between two kinds of virtue namely, moral virtue and intellectual virtue. Moral virtue was the balance between two vices calculated by the Golden Mean. According to Hughes, some belong to one's moral character (for example, courage, or generosity), and others to one's skill at thinking (such as being good at planning, or quick to grasp the point of something) [15]. Of course, the latter refers to intellectual virtue.

The Aristotelian virtue ethics is relevant to the business world especially in terms of a statement of business values or codes of conduct which involve complying with rules, regulations and general principles. In business organizations, virtues are construed as values established to prohibit behaviors that will give a bad reputation to the business organization. To such an extent, they place checks on the character traits of employees, stakeholders, suppliers, consumers, and the general management of the business organization.

A fundamental problem with this approach is that it is self-centered and/or one-sided in the sense that the codes of conduct are written based on the personal principles of the CEO, executives, and other key stakeholders of the business. This gives room for arbitrariness in making business decisions and an absolutist tendency in determining the structure, content, development and application of business ethics. Moreover, the self-centeredness of this approach tends to create room for privatization policies which have been the focus of neo-liberal economies. These neo-liberal economic policies include: free market system, privatization, globalization, deregulation, austerity and reduction of government spending in order to increase the role of the private sector in the economy and society [16]. These policies are appealing when viewed at the face level but they are ultimately rooted in Western imperialist agenda. This approach, in the long run, would lead to market fundamentalism, inequality, imperialism and political opposition. Scholars such as Amartya Sen, Noam Chomsky and Pope Francis I have strongly criticized neoliberalism.

But, one problem with the aforementioned frameworks is that they engender economic policies that give room to economic superiorization whereby the logic of development of the wealthy is regarded as superior and acceptable at the detriment of the middle class and lower class. By and large, the rich get richer and the poor poorer. This can be found in Mexico and some South American countries like Brazil, Argentina as well as some European and Asian countries. It is as a result of such shortcomings and the need to situate African socio-economic reality on the path of positive development that *Ubuntu* is proposed as an African ethical framework for the development of business corporations. It is our argument that if *Ubuntu* determines the socio-economic policies of business corporations in Africa, it will not only unify the activities of African business corporations but will

also address the concrete problems of hunger, poverty, unemployment, insecurity, disease, high mortality rate, ethnic and religious crises.

#### 4. Ubuntu as Socio-Economic Framework: An Analysis

Etymologically the term *Ubuntu* is derived from two Nguni (isiZulu) words *ubu* (action or capacity) and *ntu* (being). Hence, it is a unique and unifying capacity of being in which being is dynamic rather than static. Here, a form of action is implied but this action is positive, dialogical and persistent. This means that in the process of being, action is necessary in order to stir or trigger action in another being. This announces the reality of a being that is characterized with otherness because others are essential in the actualization of (one's) being. This actualization is a continuation of the preeminence of being. The preeminence of being is that through the activities of the human person the true meaning of being is realized. Hence, *Ubuntu* is linked to the Nguni aphorism: *Umuntu Ngumuntu Ngabantu*, which can be translated as "a person is a person because of or through others" [17]. In most African languages, the concept of *Ubuntu* denotes dynamism in being, a process of being, becoming, existing in a state and giving birth to a new state being. It is not static. It essentially is and becomes at the same time [18].

Thus, *Ubuntu* can be described as the capacity in an African culture to express compassion, reciprocity, dignity, humanity and mutuality in the interests of building and maintaining communities with justice and mutual caring [29]. It is basically a humanistic philosophy which represents an African conception of the human being, and his/her relationship with the community that embodies the ethics that define Africans and their social behaviors [18]. This is the extent to which an African philosophy of social existence enables the derivation of socio-moral values. In fact, *Ubuntu* by such an implication is an ethical framework which aids the understanding of individuals at every level of society. It takes into consideration the complementarity inherent in African life and being expressed in their constant dialogical relationships and social arrangement. By this expression, we should also recognize that the forces of life manifest themselves in an infinite variety of contents and forms [19]. This means that the traditional African does not think of himself alone. His/her thinking is characterized with manifold 'aboutness' [19]. In other words, *Ubuntu* – its socio-cultural dimensions should be adopted and should be considered as such as something critical in any organization operating in Africa [20]. The *Ubuntu* ethical framework thus takes into consideration that Africa has unique and whole socio-cultural settings that are people centered. The ethos pervades leadership, employee welfare, family systems, and corporate governance [21].

Deriving its socio-economic orientation from the works of African scholars such as Leopold Senghor, Amilcar Cabral

and Julius Nyerere, *Ubuntu* proposes an unbiased ethical paradigm that is not only concerned with African socio-economic wellbeing but also extends to other regions of the world. In fact, the [African] village is meant to be part of a virtuous circle of ever increasing exchanges between city and country; between industry and agriculture [21]. *Ubuntu* envisions a global economic institution in which every individual is a stakeholder. This is because it is an ethics of interrelationships, situated in a communitarian social fabric of caring and sharing. *Ubuntu* may equal, and even exceed, socialist notions of a 'radical egalitarianism' [21].

From the foregoing, it is clear that adopting *Ubuntu* as a business ethic will help bridge the gap between the affluent and the poor; the shareholder and non-shareholding stakeholder; the elites and the common man; the developed and the underdeveloped; western individualism and African communalism. It will create a business corporation with a human face in which 'being' takes pre-eminence over having. This is because the wellbeing of the human person is considered to be central to any profitable business activity. With this, the growing consensus of private property, capitalist relation, and pervasive inequality, is brought to a halt while sundry economic predicaments like food insecurity, hunger, unemployment, disease, high mortality rate, and inflation are adequately managed.

#### 5. Conclusion

What has been established thus far is that the thriving western business ethical frameworks are anti-African socio-economic development paradigms which have enveloped Africans and the African business corporations in utter stagnancy and economic regression. We think this must have influenced the founding of African Development Bank (ADB) and various Afrocentric business institutions which supposedly incorporate African traditional socio-economic values. *Ubuntu* would usher in afrocentric consciousness in business managers, stakeholders, shareholders, producers, and even political leaders who are set on a revivalist mission in revamping the African economy [21]. What is business without love for the other; care for the wellbeing of the other; and without the satisfaction of the consumer? Should one enrich oneself at the detriment of the customer or should one structure one's business in such a way that both producers and consumers mutually benefit? *Ubuntu* will not only affect our socio-economic value but also our socio-economic mind-set which will largely transform our behaviors within and outside the business world.

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