

# PAST TENSE = FUTURE SENSE: APPLYING AFRICAN COSMOLOGY TO MODERN ISSUES OF SUSTAINABILITY AND CORPORATE GOVERNANCE

**Abstract:** This paper puts forward the traditions of Igbo people, in this context Igbology, with its 'Omenala Criteria' and 'Umunna Concept', as a practicable philosophy and African contribution towards building a more sustainable and humane economy.

## 1.1. Igbo 'Omenala' & African Wisdom 'I Am Because We Are'

The African philosophy and culture, which is one of community, is well expressed in the phrase 'I am because we are, and since we are, therefore I am.'<sup>1</sup> This is a cardinal point in understanding an African view of the relationship between private and public interests, or between individual, personal priorities and the common good. According to J. S. Mbiti, the African communal consciousness means that: "only in terms of other people does the individual become conscious of his or her own being, his or her own duties, his or her own privileges and responsibilities towards himself or herself and towards other people. When he/she suffers, he/she does not suffer alone but with the corporate group. When he/she rejoices, he/she rejoices not alone but with his/her kinsmen, neighbours or relatives whether dead or living. When married, he/she is not alone neither does the wife belong to him alone; so also the children belong to the corporate body of kinsmen even if they bear only the father's name. Whatever happens to the individual, the individual can only say 'I am because we are, and since we are therefore I am'."<sup>2</sup>

In other words, any young person who consciously cuts off from the community and develops as a successful individual personality in the western European sense, is no longer a person in the African sense no matter the degree of individual prowess.<sup>3</sup> If such an individual is to survive to some degree, the person must quit the village and begin existence somewhere else. No matter how prosperous such a person eventually becomes, one is presumed to miss something in one's personality when existing apart from the community. It is only in re-establishing the link with one's kith and kin, which is actually part of oneself, that one can once more be a person i.e. the 'full self'.<sup>4</sup>

<sup>1</sup> Mbiti, J. S., *African Religions and Philosophy*, Heinemann, 1975, p 108-9

<sup>2</sup> *ibid.*

<sup>3</sup> Note the thoughts of F.H. Bradley in this regard: 'The will of the whole knowingly wills itself in me; the will of the whole is the will of the members and so in willing my own function, I do know that the others will themselves in me. I do know again that I will myself in the others, and in them find my will once more as not mine, and yet as mine...I am morally realised, not until my personal self has utterly ceased to be my exclusive self, is no more a will which is outside others' wills, but finds in the world of others nothing but self.' Bradley, F. H., *Ethical Studies*, Essay Ii: Why Should I Be Moral? Clarendon Press, Oxford, 2<sup>nd</sup> Edition, 1927.

<sup>4</sup> Ike, O. 'Tradition, Toleranz und Diskurs', *Kongress Paper: Ethik in der Demokratie – Demokratie in der Ethik, der Internationalen Vereinigung Deutsch-sprachige Moralthologen und Sozialethiker*, Muenster, Germany, 1997.

According to F. H. Bradley's reflections, deriving from Hegel's, and published as 'Ethical Studies' in 1927, it is the ability to 'Realize yourself as the self-conscious member of an infinite whole, by realizing that whole in yourself' which best captures the essence of a moral person. His essays 'Why should I be moral?' and 'My Station and its Duties' were referred to by John Rawls in his 'Theory of Justice'.<sup>5</sup> Bradley writes: 'when that whole is truly infinite, and when your personal will is wholly made one with it, then you also have reached the extreme of homogeneity and specification in one, and have attained a perfect self-realization.' Bradley's thoughts align with African thought when he says: 'I am morally realized, not until my personal self has utterly ceased to be my exclusive self, is no more a will which is outside others' wills, but finds in the world of others nothing but self.'<sup>6</sup>, thus establishing for us the moral consciousness of the individual in his/her existence as a part of the community. It is this communal sense and attitude to life of the Igbo which Nzomiwu describes thus: "Man becomes who he is only through his relationship with others. His individuality can be understood in and through his social relations. Being in a community is a constitutive element of the human make-up."<sup>7</sup> The African wisdom thought 'I am because we are, and since we are therefore I am' forms the core of the African communalist philosophy herein considered. We should in considering the relationship between the individual and community in the context of Igbology note that:

1. the typical African wisdom thought is "It belongs to me but I belong to the community"<sup>8</sup> ensures that property and ownership rights, which existed and were respected, were limited by overall social concerns and communal purposes which profited every member of the community, beyond the immediate family to include the kith and kin. This sense and recognition of community found expression in the daily lifestyle of people where loyalties of kinship, clanship, language, culture, politics, religion and economy converged to create social groups recognized as stakeholders;

2. this principle or sense of togetherness extends to include both the temporal and the spiritual sphere: "Not only the living but also the living dead, the ancestors, the Supreme Being, and the entire spiritual world. There is no room for rugged individualism as every person is related to the other, making possible a deep common solidarity and loyalty. Even natural objects are seen as interrelated as symbols of each other."<sup>9</sup> Igbology typically recognizes 3 levels of existence which refer to the past, present and future generations i.e. the past ancestors, the present living and the future yet unborn generations; as well as nature, the environment, in its concept of stakeholders.

<sup>5</sup>Rawls's theory of justice revolves around the adaptation of two fundamental principles of justice which would, in turn, guarantee a just and morally acceptable society. The first principle guarantees the right of each person to have the most extensive basic liberty compatible with the liberty of others. The second principle states that social and economic positions are to be (a) to everyone's advantage and (b) open to all. Both principles are asserted in traditional Igbo society and economy; cf Rawls, J. A Theory of Justice, Oxford University Press/Harvard University Press, 1971

<sup>6</sup>Bradley, F. H., Ethical Studies, Essay II: Why should I be Moral? Clarendon Press, Oxford, 2<sup>nd</sup> Edition, 1927, p 80

<sup>7</sup>Nzomiwu, J. P. C., The Moral Concept of Justice Among the Igbos, 1977, Lateran University Rome, p 39.

<sup>8</sup>Ike, O. Freedom is more than a Word; On Potentialities for Development in African Culture; CIDJAP Press; 1998

<sup>9</sup>Gaba Publications, Human Response to the Call of God, in Spearhead 1979, no 58, p 27

## 1.2. Introduction & Context

The three levels of existence in 'Igbology' offer an important principle and philosophy in understanding the interplay between community and individual; forces of nature and nurture; religion and business; the environment and humanity; and generally helps us better understand various factors and values that ensured sustainability and stakeholder participation among the traditional Igbo people. It continues to provide a valuable foundation for problem-solving in modern times.

According to Igbology, sustainability would be defined in the continuity of historicity, understood as past present and future. Looking at the past as the guarantor of the present and the basis for the future provides strong arguments and long term foundations for a more grounded and rational basis which seeks to promote a sustainable world for everybody. In this context, sustainability is defined as: building upon the resources and heritage of the past generations, to meet needs of the present generation without compromising the ability of future generations to meet their own needs.<sup>10</sup>

This is Igbology derived from the Omenala, linking the past, present and future in one continuum. Igbology thus offers a basis for considering cultural (past), social (present) and ecological (future) dimensions of sustainability. This corresponds to the findings of the Frankfurt Hohenheim Guidelines and the work of other rated and respected schools of thought.<sup>11</sup>

The individual exists, with property rights, within  
a social context – Respect for the individual.  
The individual exists as part of the community,  
not apart of it - basis for Social Responsibility.  
Responsibility to the ancestors and yet-unborn –  
basis for Continuity and Sustainability.

<sup>10</sup> Nnoli-Edozien, Ndid, Doctoral Thesis 'Ownership and Management Structures of Traditional Igbo Business with inherent values of solidarity and subsidiarity: African Values Applied to Modern Issues of Sustainability and Corporate Governance, August 2006, Frankfurt University, Germany. cf also, for the sustainability definition without a 'past' dimension, World Commission on Environment and Development. Our Common Future. Oxford: Oxford University Press, 1987

<sup>11</sup> Project Group, Ethical-Ecological Rating/oekom Research AG (eds.), Ethical Ecological Rating: The Frankfurt–Hohenheim Guidelines and their Implementation via the Corporate Responsibility Rating, (Schriftenreihe zur oekologischen Kommunikation, 8), 2<sup>nd</sup> extended edition, oekom Verlag, 2003 Responsibility to yetunborn & 'I am part of present living Individual & Property Rights

## **Figure 1: THE 3 LEVELS OF EXISTENCE IN IGBOLOGY AND AFRICAN COSMOLOGY**

African Philosophy teaches that the individual exists within the context of his social existence, with responsibility at 3 levels of existence: the present-living (the community, to whom the individual 'belongs'), the living-dead (ancestors from whom tradition and culture derives i.e. continuity), and the yet unborn (ensuring the sustainable management of resources today with future generations in mind).

*Source: Ndidi Nnoli-Edozien*

### **1.3 Ownership & Management Structures in Traditional Igbo Business**

The Igbo<sup>12</sup>, of Eastern Nigeria, are recognized amongst the most entrepreneurial in Africa. As a people and culture, the Igbo believe strongly in the right of private and communal ownership of property as a way to connect people to their Creator, to their economy, to their community, to their workplace, environment and to each other. Ownership was understood in a sustainable manner, such that the interests of the ancestors, the future generations and the present living members of society were considered integrally and concurrently.<sup>13</sup>

Among the traditional Igbo, land, human resources and material wealth (capital) signified more than just factors of production. Land, for instance, was a goddess 'Ala' 'Ani' – "the Earth Deity". It was the earth deity who determined customs and traditions ('Omenala'), a transgression of which ('Nso Ala') was punished by 'Ala'. This was an intrinsic element of Igbo culture that has been carried over to the present-day. In the case of the Igbo, the ancient African wisdom 'I am because we are, and since we are therefore I am' is embodied in the concept of 'Omenala', meaning the laws and customs of the land. The Igbo people, one of the many ancient African cultures, is used here as a case study to demonstrate the practical translation of African communalism into the world of business and how this served the purpose of ensuring the sustainable and socially responsible ownership and management of factors of production and natural resources including land, capital and labour.

#### **1.3.1 Communal Ownership Concept**

One of the most fundamental cultural, social and economic realities in Igbo culture, as is found in many other African societies, is the basic understanding of property as a natural right and therewith a human right, for the satisfaction and protection of the needs of the individual, the family and the clan as a whole. Property is seen as the basis of wealth and the Igbo tradition of communal ownership makes everybody a stakeholder and not just strangers in their own community. Although an individual has the right to own property, and in fact does own some property, it is the family and the entire community which ultimately owns the individual because he or she is tied to this community in an intrinsic manner. In traditional society, whatever the individual acquired as private property (farm products, animals, skills, utensils, clothing) was based more on the right of 'access' and of 'use' in a proximate but not ultimate sense.<sup>14</sup> Igbo culture and tradition understood ownership to mean the possession, authority and control of and over something by an individual, a community and the ancestors, which implied a spiritual bond. The destiny of the individual and the community was often interlinked.

<sup>12</sup>The Igbo people are of Bantu stock, share a contiguous geographical area, speak variations of the same language and share a common culture, occupy the area known as Igboland. Located on the western coasts of Africa, Igboland exists within the Nigerian polity, politically carved out by the British Empire at the height of its colonial might. Archaeological evidence suggests that this Negro race may have originated in the area along the latitude south of Asseler regions and Khartoum in Sudan, and migrated to their present location in the third millennium before Christ. Evidence has it that for over 4000 years now, the area referred to as Igboland has been inhabited by these people. The Igbo people number about 50 million people worldwide. cf Afigbo, A, Ropes of Sand, Studies in Igbo History & Culture, Oxford University Press Ltd, 1981, pp 6 ff; cf Ike, O & Edozien, N.N. Understanding Africa Traditional Legal Reasoning, Jurisprudence & Justice in Igboland; 2001, p 20 ff; cf Isichei, E. A History of the Igbo People, The Macmillan Press Ltd, 1976, p 3ff; cf Uwalaka, J. Igbos, To be or not to be; 2003.

<sup>13</sup>Ike O. & Nnoli-Edozien, N., Understanding Africa, Traditional Legal Reasoning and Jurisprudence, 2001, CIDJAP Publications.

<sup>14</sup>Ike, O & Nnoli Edozien, N. Understanding Africa op. cit. p 106

Several important elements of traditional ownership principles emerged:

a. All natural resources belong to Chukwu (the Supreme God) who ceded management thereof to 'Ala', the earth deity. The ancestors were thought to have obtained the 'traditions and customs of the land' (referred to as Omenala) from 'Ala'. A modern interpretation of this may be the acknowledgement of nature and natural resources, including air and water, as a gift to be used, managed and held in trust. This is an important element often lacking in modern business management where the pursuit of private interests inadequately recognizes responsibilities towards the use of natural resources. There is an urgent need for businesses to manage with greater responsibility the natural resources which actually belong to the entire human community.

b. Property relations in traditional Igboland were guided by a philosophy that supported the common good. As such, absolute ownership of land and other means of production was discouraged. This was an important factor in ensuring the sustainable use and management of natural resources, and the protection of the stakeholder interests at three levels of existence

– the present-living (stakeholders in the community and society in general),

– the living dead (cultural heritage passed on through the ancestors) and

– the yet-unborn (future generations).

c. The Igbo 'Omenala' was handed on from generation to generation like the earth 'Ala' upon which the Omenala was anchored. As such, the responsibility to preserve and sustain the tradition of the Igbo and natural resources, including land, for future generations was taught and understood as an intrinsic part of being a community member with the rights of usage of land: that is the conduct of business and daily life. Modern businesses often neglect their responsibilities as members of their immediate communities and the global community. The rights of usage of natural, human and capital resources should be accepted together with implied responsibilities towards the providers of these factors of production, whom we call stakeholders. The stakeholders of a business include the host community, the host country and

associated society, culture and environment. In an increasingly global world, it is easier for companies to shirk responsibilities being 'foreign' business. This has had significant and disastrous consequences and there is need to emphasize the moral obligations of capital, and address the increasing imbalance between the three factors of production: land, labour and capital. Business decisions should not be taken solely in the interests of rewarding the providers of capital with a higher rate of return at all costs.

d. Since private property was necessary for the security, life and survival of the family it was understood as a "social mortgage", emphasizing the right of access to which every member of the community was entitled. This meant that in traditional society, ownership had an intrinsically social function, which it has retained till date. The division of 'haves' and have-nots' in society was avoided by ensuring every member of the community had access to factors of production, including land, according to their need and entrepreneurial ability. The exclusive usurping of property rights by a few lucky, enough to access capital, and corresponding marginalization and exploitation of the rest of society was generally not possible.<sup>15</sup> This ensured equity in economic affairs, since opportunity and access for all was guaranteed.

e. The individual was recognized as deriving his/her existence and relevance as a member of the community. In other words, wealth had significance when it was used responsibly to further community interests and not hoarded only for individual use. This furthered social responsibility at the individual and corporate level.

f. The concept of communal ownership of land by the Igbo did not usurp individual ambitions, entrepreneurship and skill. Rather individual enterprise was promoted among the Igbo and business prowess was recognized by a large number of titles including that of 'Di Ji' awarded to highly successful yam farmers. Titles, such as the "Ozor Ttitle" were also awarded in recognition of an individual's social responsibility, acclaiming the person as a valuable member of the community. This ensured a healthy balance between individual freedom and enterprise, with overall progress of the community and its members.

g. Finally, the Igbo cosmo-vision had an attitude to wealth and capital, to life and the environment, to the firm and business which made all members of the community stakeholders; yet respecting individual enterprise, initiative and reward for hard work.

### 1.3.2 Participatory Management Concept

Traditionally the Igbo practiced subsistence agriculture and each family farmed enough to feed themselves. The excess produced was traded in the market, processed or used as raw material for manufacturing or other enterprise. As such, despite being a primarily agrarian economy, the scope of Igbo enterprise included manufacture, trading, arts and craft, and food processing. Other important vocations of the Igbo include medicine, religion, public speaking, dispute resolution and

traditional jurisdiction. In all of these, a purely individualistic or western liberal capitalist cosmology was absent. The family, in its extended form, was the co-owner, with the individual, of specific goods in the community and therefore acted and co-managed on behalf of the individual in matters of specific ownership such as land, a primary factor of production other than labour. Capital was understood as a factor of production that evolved out of human work, transforming natural resources such as the land in agriculture. The entire way of life of the Igbo reflected a communal approach including marriage rites, child birth or the upbringing of children, name-giving ceremonies, religious

<sup>15</sup> Rawls, J. A Theory of Justice, Oxford University Press/Harvard University Press, 1971

rites, age-grades, women groups, education, human work, polygamous families, clan and lineage traditions. Even the art of war and peace-making, traditional political organizations and environmental matters, trade relations, commerce and enterprise, skills acquisition, communal agriculture and harvesting of products of the land, rituals of prayer and ancestral worship, oral literature and proverbs, tragedies, sickness and death – all appeared to be moments of community sharing, partnership and interrelationship.

Some features and advantages of the participatory management approach of the traditional Igbo include:

- a. Members of the extended family were empowered as stakeholders and coowners of the individual and his/her enterprise, and participated actively at different levels in the management of the political, social, cultural and economic life of their community. As stakeholders, they were coresponsible for the business success alongside community life, ensuring that both business interests and public interests were upheld by persons who had a stake in both.
- b. In a traditional context, employees of the business were usually members of the host community or the extended family. Given the recognition of the community as a stakeholder of the business, every worker was also stakeholder and co-owner of the business in which he/she worked. This implied certain rights, as well as responsibilities, including to the fruits of one's labour, other than the agreed wages. With a certain sense of ownership, productivity and innovation was increased for the good of all.
- c. All work had value in this traditional community. There was no great distinction between the employer and employee, for indeed, the employer was at the same time an employee. Usually all ate and lived together. The worker was not simply a factor of production, but recognised as comanager and co-owner of the business. This had a significant impact on regard for the dignity of the worker who was first and foremost a human being, not just an asset or liability to be acquired or discarded at will or for a price.

d. The recognition of stakeholders, as well as practice of communal ownership and participatory management, did not undermine individual rights and enterprise. Abhorrent is a Marxist interpretation of the Igbo as collectivistic in terms of ownership or management. The big yam farmers 'Di Ji', for instance, were individually recognised and highly respected in Igbo society, and also retained all their rights as individual entrepreneurs. This recognition of individual prowess, ensured respect for entrepreneurship and hard work, yet co-management principles kept the rich and powerful with their ears to the ground, close to the people and responsible to the community due to their daily interaction and active involvement in the business with other stakeholders.

e. The "we" consciousness and the "I" consciousness was interchangeably used and management was on the whole participatory. The mentality of working in an enterprise where one is co-owner, and therefore comanager, increases commitment and long-term thinking as opposed to the short-term thinking of a worker who is 'following orders' or pursuing selfish interests regardless of consequences to the public good.

f. As a member and part of the community, social responsibility of the business is assured. The individual does not exist apart from the community and would not harm himself, and therefore the business should not harm the community which is an extension of the individuals managing it. Often, modern business is alienated from the community and environment in which it operates, and thus feels no responsibility to it.

g. Win-win scenarios are created between private and public interests when stakeholders are recognised and actively involved in management at different levels. One of the advantages is a better understanding of the key and necessary business issues at all levels, including social, cultural and environmental issues which could escape an internal business perspective. Other gains include knowledge of best practices as to how to go about solving local problems and the assurance that one has co-workers and stakeholders beyond the business interested in its long-term sustenance.

h. There was a clear division of roles in traditional society. The communal spirit and solidarity among the Igbo society ensured that none went hungry. The elderly who were unable to work due to poor health or generally reduced energy levels and had no-one to care for them (eg an elderly widow with no children) were taken care of by the community.

i. The Igbo word 'Ogbenye', translated into English as meaning 'poor' ('ogbe' 'nye' meaning 'neighbour give'), denoted persons who were unable to support themselves and thus were supported by 'neighbours' or community members. This was a popular and accepted practice among the Igbo. Thus effective social welfare systems existed to cater for the marginalized, recognised as the responsibility of the community.

j. Laziness was abhorred as every able bodied was expected to fend for themselves. If persons were not entrepreneurial they were expected and able to fend for themselves by labouring on someone else's farm to earn their keep, which included some of the produce of their labour, or they were allowed to 'harvest' the left-over crop from farms after the 'official' harvest had been completed. Productive workers were able to obtain capital and land from the community in order to establish their own enterprise after proving themselves. This applied to persons without the initial means of production, including immigrants eg people who had fled to (or been captured by) neighboring villages due to warfare in their town. Thus everyone, able-bodied, was empowered with the means to care for themselves and their families, and the opportunity for personal development and entrepreneurship.

k. The traditional Igbo practiced communal harvesting and pooled labour for the execution of various economic activities. This meant that different groups assisted each other in business assignments that were too much for the owner(s) of the farm to handle alone. These fostered sturdy norms of generalised reciprocity: I'll do this for you now in the expectation that down the road you or someone else will return the favour. Such generalised reciprocity breeds trust, which in turn lubricates social life, promoting the values of co-operation alongside competition, to serve the greater good of all.

l. The possibility and practice of pooling labour where required among the Igbo increased productivity and created a healthy interdependence amongst economic actors in the community. It also provided a safety net for the poor harvest of some, who were paid with some of the produce harvested from larger farms where they worked, as well as opportunities for the exchange of know-how and the development of best practices. Pooled savings also ensured that as groups of entrepreneurs saved together, access to larger amounts of capital was possible to boost entrepreneurial activities. Finally, a sense of solidarity was fostered in the community through opportunities for shared work, co-ownership and co-management.

### 1.3.3 Solidarity and Subsidiarity Values

The Igbo attitude to the ownership and management of wealth and property exposes a deeply spiritual, yet secular understanding of the interconnectedness of the 'universal destination of created goods'. The traditional Igbo interplay of the secular and sacred, ensured that ethical considerations were an intrinsic part of economic life for the Igbo. Deriving from the traditional Igbo ownership and management traditions are the humanist principles of solidarity and self reliance (subsidiarity), which manifest as guiding principles and as the starting point for a modern economy. In traditional society, there was a profound sense of the sacred intrinsically woven into society's communal way of life. This is a characteristic generic to Africans, who are said to "...eat, drink, work, bathe and dress religiously."<sup>16</sup>

The Igbo view life as a continuum that extends beyond the demise of the material self. Central to this religious world view is the belief in Chukwu (Chi Ukwu – the great God), who is the author of life and is the absolute owner of all things that exist in all

creation. Chukwu sometimes described as Chineke, the 'Creator, Osebuluwa – 'who fashions and carries the world'; owns and sends the rain, makes the crops grow, owns all things and is the source from which people derive their Chi (destiny, soul, luck, identity).<sup>17</sup> Since the Igbo believe in Chukwu as merciful, they believe Chukwu allows lesser spirits, the dead ancestors (living dead) and mankind manage the created universe.

What emerges from this Cosmo vision is interconnectedness between the spiritual realities and the material; between the sacred and the secular; between the past, present and future. It is an integral worldview where although God is the absolute owner, human beings and other spirits are delegated to act on behalf of Chukwu in the ownership and management of worldly goods. As such, the communal ownership structures and corresponding participatory management practices of the Igbo were embedded in specific ethical value propositions. These can be found in the principles of subsidiarity and solidarity, which provide for us an overlap with Catholic Social Thought in the body of which these principles are expressly defined. According to these ethical principles of subsidiarity and solidarity as embedded in the Igbo worldview: a. Subsidiarity implies that each person (private interest) exists individually and that small groups or levels of authority have competencies of responsibility at that level; The classical definition of this principle is found in the Papal Encyclical 'Quadragesimo Anno' (QA) of Pope Pius XI as:

*"Just as it is gravely wrong to take from individuals what they can accomplish by their own initiative and industry and give it to the community, so also it is an injustice and at the same time a grave evil and disturbance of right order to assign to a greater and higher association what lesser and subordinate organizations can do. For every social activity ought of its very nature to furnish help to the members of the social body, and never destroy or absorb them... Therefore, those in power should be sure that the more perfectly a graduated order is kept among the various associations, in observance of the principle of 'subsidiary function', the stronger social authority and effectiveness will be, the happier and more prosperous the condition of the state."* <sup>18</sup>

The principle of subsidiarity presupposes the principles of solidarity and the common good, but is not identical with them. That society must help the individual is a clear statement of the solidarity principle which emphasizes mutual connection and obligation. The distribution and delimitation of the competence to be considered in this help fall to the subsidiarity principle.

<sup>16</sup>Mbiti, J. op. cit.

<sup>17</sup>Ike, O. & Nnoli Edozien, N.; Understanding Africa, op. cit., p 22/23

Igbo names which express the principle of subsidiarity include:

*Nkem di rim – May what is mine be left to me;*

*Nke onye diriya – May each one's rights be accorded to him/her;*

*Ya bara onye, bara onye – Let each person have his/her own progress and wealth;*

*Egbe bere ugbo bere – Let the kite perch, and let the eagle perch also;*

*Nke si ibe ya ebela nku kwaa ya – If anyone refuses the other the right to perch, let its wings break;*

*Isi kote ebu ya gba ya – The head that disturbs the wasp should be stung by the wasp (and no other).*

b. Solidarity implies that the individual exists in a community, and being its member, is indissolubly linked to the destiny of that community and society (public interest), thus matters not solvable at the individual level would be carried to this level.

This infers the principle of solidarity, as the unanimity of attitude or purpose between members of a group or class captured in the slogan “all for one, and one for all”. It expresses the reality of one human family, whatever the national, racial, religious, economic or ideological differences in an increasingly

interconnected world of global dimensions. Actually, John Paul II in one of his writings<sup>19</sup> projects the image of a global society based on solidarity. Thus it refers not only to the “internal level of every nation” but, analogously to the solidarity between nations and peoples as well. This, it says, calls for a fundamental ethical concept of a human culture in which the quality of the whole can only be derived from respect for all individual persons, societies and peoples. “...There must be complete respect for the identity of each people with its own historical and cultural characteristics... Both peoples and individuals must enjoy the fundamental equality which is the basis for all to share in the process of full development.”<sup>20</sup>

*Igbo names which express the principle of solidarity include:*

*Igwe bu lke – Community is strength;*

*Ibe ji ako – Wisdom lies in the community;*

*Ife adi ka ora – There is nothing as good as the community;*

*Nwanneamaka – kinship (brotherhood and sisterhood) is beautiful;*

*Uba di mma – the more people we are, the better;*

*Azu bu lke – Strength comes from supporters behind us.*

1.4 Ethical Challenges of Modern Business according to Igbology Theories of economic development have often neglected the cultural and spiritual, dimension of human person. In the complexity and sophistication of our modern economy it is possible to have lost track of the basic and simple values that give life meaning, including ethics. One of the principles thus violated in modern business structures is the principle that the economy does and must exist for the human person, not vice versa.<sup>21</sup> Here, the simple values of solidarity and subsidiarity as practiced in the communal ownership and participatory management structures of the traditional Igbo offer practical insights:

<sup>18</sup> Pius XI, *Quadragesimo Anno*, May 15, 1931, (AAS 23, 1931).

<sup>19</sup> John Paul II, *Sollicitudo Rei Socialis*, 1988, No 33, paragraph 7 (AAS 80).

<sup>20</sup> *Ibid.*

<sup>21</sup> *Catechism of the Catholic Church*, 1994, n. 2426

1. the human person is the center, purpose and end of all economic activity. As such, wealth and property rights could exist within the context of a social function. On the contrary, industrialization processes reduced the human person to a cog in a giant wheel of so-called 'progress'. Today, computerization, mechanization, cost-cutting and profit-seeking renders the human person dispensable as 'labour', a factor of production like any other asset, when considered to be 'redundant'. This is a problem that must be addressed.

2. Through more equitable access to factors of production and opportunities for personal development at all levels, people could be encouraged to accomplish more using their own initiative and energy where possible. For example Microfinance has been recognized as a powerful tool for promoting wide scale development, with credit repayment rates of 98 percent, a testimony to the potential impact of this principle. In traditional Igbo land, co-ownership implied co-management responsibilities, so also did co-management imply co ownership, with positive implications for all concerned. The possibility of managers becoming genuine stakeholders and co-owners in the business could significantly improve the congruence between private (manager) and business interests.

3. In Igbo business, the fruits of labour recognized and rewarded a host of stakeholders from co-laborers who obtain a portion of the yield; the community members all of whom partake in the celebration of harvest; young entrepreneurs and hardworking laborers who may obtain capital to start their own enterprise; nature which is identified with Creation, worshipped and allowed to regenerate, and natural resources sustained. As such, business can function effectively as a community of persons, working in solidarity towards a greater good. In modern businesses the same principles could apply if workers and managers could be regarded as co-owners (stakeholders) in the business. This concept of co-ownership could be extended to other stakeholders who would reap their 'benefits' as 'royalties', 'miles', 'bonuses', 'discounts', etc. This is a practice already successfully implemented at a superficial level today. Those recognized as stakeholders, identify with the business interests, and the business better understands its stakeholders' interests. This clearly serves to align business and public interests, including social, cultural and environmental issues that arise in the short, medium and long-term.

#### 1.4.1 Corporate Governance Issues

Corporate Governance is the modern term used to define the way businesses are directed and controlled.<sup>22</sup> In modern corporations today, even the question of balancing the private interest of business is being called into question, namely between the interests of the shareholders (owners) and the managers (employees of the owners with the task of managing the business). Scholars have identified that the establishment of modern corporate structures, such as the limited liability and public liability companies, led to the separation of ownership from control i.e. from management.<sup>23</sup> This in turn precipitated the issue of aligning managerial interests

<sup>22</sup> Cadbury, A. Corporate Governance and Chairmanship: A Personal View, Oxford University Press, Oxford, 1992 cited in Solomon, J. and Solomon, A. Corporate Governance and Accountability, John Wiley and Sons Ltd, 2004, pp2ff

<sup>23</sup> cf Berle, A. and Means, G. The Modern Corporation and Private Property, New York, 1932; cf also Smith, A. The Wealth of Nations, Ward Lock, London, 1838; Solomon, J. and Solomon, A. op. cit.

with the interests of 'shareholders' typically understood as the 'owners' of a business. This problem was referred to as the 'agency' problem by the authors Berle and Means, who referred to a situation where the true owners of the companies, the Shareholders, lost control due to the wide dispersion of ownership of the business.<sup>24</sup> Adam Smith, recognized as the 'father' of capitalism, himself noted in his discussion of joint stock companies, that directors would be less concerned with someone else's investment than they would be about their own and that this situation could easily result in 'negligence and profusion' in the management of company affairs.<sup>25</sup> Case studies of failed businesses that abused shareholders and public trust abound, including the famous examples of Enron, Maxwell and Barings.<sup>26</sup> Since corporations need funding to grow and given the potential capital requirements of corporations today<sup>27</sup>, the owners of firms may not easily be realigned with the managers of firms. However, as the Igbo traditional ownership and participatory management structures show, the following practical possibilities exist:

a. Managers may be empowered to become co-owners of the businesses they manage;

b. Owners and managers alike may be encouraged to recognize the existence of stakeholders other than themselves, and to engage these stakeholders, which include employees, consumers, suppliers, host communities and the environment, to identify interests that serve the interests of the business and the general public.

c. In balancing business interests with public interest, stakeholders may be recognized to exist at three levels:

i. The present-living, meaning the community in which the business operates, the employees who work within the corporation, the suppliers, the consumers, the environment, and the entire world community.

ii. The living dead, meaning the cultures and ancient traditions of the people in whose communities the businesses operate, as well as where they market their goods and services. This would mean recognition of our heritage from previous generations, and include respect for the diversity and plurality of the world.

iii. The yet-unborn, meaning responsibility towards future generations, particularly in the use of the world's natural resources and therewith a recognition that ownership of these natural resources cannot be absolute. It would also recognize the responsibility of every business to the sustainable management of nature's gifts.

<sup>24</sup> *ibid.*

<sup>25</sup> *ibid.*

<sup>26</sup> Solomon, J. and Solomon, A. *op. cit.*, pp 31ff

<sup>27</sup> The budget of Shell Petroleum Development Corporation (SPDC), for instance, exceeds that of the entire West African national budgets combined; cf. Bread for the World Publication, 2003.

#### 1.4.2 Sustainability Issues

The core idea of sustainability was originally applied to natural resource situations, where long term environmental preservation was the focus. Today, the term is applied in many disciplines including economic development, environment, food production, energy, consumerism and lifestyle. Basically, sustainability refers to doing something with the long term in mind and decisions made with a consideration of human activities into the future. The goal is typically towards preserving quality interactions with the local environment, the social system and the economy. An example is where communities seek economic development approaches that benefit the local environment and quality of life. Thus 'sustainable development' provides a framework under which communities can use resources efficiently, create efficient infrastructure, protect and enhance the quality of life, and create new businesses to strengthen their economies. On the other hand, a 'sustainable community' is achieved by a long term and integrated approach to developing and achieving a healthy community, by addressing economic, environmental, social and cultural issues.

Fostering a strong sense of community and building partnerships and consensus among key stakeholders are also important elements. Gradually, policies of nation-states and activities of the various levels of any society, including corporations, are measured against their sustainability – a term that raises controversy<sup>28</sup> as well as challenges present generations to meet the needs of today without the ability of future communities to meet their needs. This involves taking account of the costs to the environment and depletion of natural resources, to the economic cycle of production which is the use and disposal of products that can be maintained indefinitely without denuding resources or damaging the environment or society. The International Union for the Conservation of Nature had initiated, since 1980, the development of the concept of sustainability which was later to be taken up by the Brundtland Commission in 1987. In these schools of thought, sustainability is defined as “meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.”<sup>29</sup>

A new dimension in sustainability discussions is the impact of decisions and actions by practitioners on the cultural and religious aspects of people's lives<sup>30</sup>, which may have consequences in terms of guaranteeing the harmony and balance of society. This has led to a fundamental recognition that respect for the cultural rights of communities and individuals are a necessary ingredient for sustainability.<sup>31</sup> This is an area where the traditional Igbo recognition of 3 levels of existence, referring to the present, future and past generations, offers additional insight into developing a more comprehensive concept of sustainability. The Igbo acknowledged the living dead, the ancestors, as the source of language, laws, ancient wisdom, symbols and other intangibles which provided society with its characteristic cultural values and which gave life meaning. These norms, structures, behavioral patterns, attitudes and ideals

<sup>28</sup> Hoffmann, J. Nachhaltigkeit – Anspruch und Wirklichkeit, op. cit.

<sup>29</sup> World Commission on Environment and Development, Our Common Future, Oxford/New York/Toronto, April 1987, 8

<sup>30</sup> Project Group, Ethical-Ecological Rating/oekom Research AG (eds.), Ethical Ecological Rating, Ibid.

<sup>31</sup> Ibid.

formed the basis upon which society developed, and the present generation rightly acknowledged its debt to past generations for this. The challenge of such a thought pattern to the various western philosophical schools of thought, such as idealism, rationalism and empiricism, is to position the life experience of the Igbo against the abstract theoretical and logically conceivable notion in western cultures by individual philosophers. Herein lies a difference in the search for the foundation for ethics in universal categories vis a vis the concrete historical experience of life in Igbo society – past, present and future.

### 1.5 Conclusion

“I am because we are, and since we are therefore I am”<sup>32</sup> describes the typical wisdom thought of the African people. In terms of property, this meant “It belongs to me but I belong to the community.”<sup>33</sup> As a result, property and ownership rights were limited by overall social concerns and communal purposes, which profited every member of the community. Among Igbo businesses, ownership and management structures are carried on through such principles that encourage the dignity of the human person, solidarity, subsidiarity and the common good. In other words, communal ownership structures allowed individual usage and access, so that no member of society was disenfranchised, while participatory management principles ensured that the employee was a co-owner of the means and factors of production. This resulted in a balanced attitude to property which emphasized both private and public rights and responsibilities.

The African philosophy of “I am because we are, and since we are therefore I am” thus clashes with the values of a world economy dominated by the liberal capitalist worldview, where the human person has become a factor of production, labour; a cog in the wheel of the production process, where the interests of stakeholders – other than shareholders- are neglected and side-lined. The many questions raised by the latter disposition, including ‘what is the responsibility of businesses and their managers to shareholders, and stakeholders?’; ‘what mechanisms could be put in place to guarantee a balance between the pursuit of private interests of management or shareholders and public interests including those of the environment, society, host communities, employees, etc.?’”, do not arise as such where the responsibility of businesses and individuals to stakeholders is recognized and acted upon. In recognizing the existence of stakeholders to include shareholders, employees, host communities, customers, suppliers, the environment as well as society and humanity at large, businesses could and should realign their private interests to ensure that sustainability (at the cultural, social, environmental and economic levels) becomes an agenda alongside that of profit-making.

Finally, traditional African economies, with communal structures, implied certain ownership and management structures which promoted social responsibility, equity and sustainability. These structures, which promoted equitable access instead of accumulation of wealth, have been criticized as being the cause for why Africa has not been able to launch herself economically on the world stage. Refuting this

<sup>32</sup>Mbiti, J. S. African Religions and Philosophy, op. cit.

<sup>33</sup>Ike, O. Freedom is more than a Word; On potentialities for Development in African Culture; CIDJAP Press; 1998

critique is not the object of this paper. Rather it is to say that the African concept of communal ownership and participatory management structures put forward a business model that promotes sustainability and balances private (business) and public interests. It would be seen that there was a tension between the individual and the community on matters of ownership in the Igbo culture. Indeed, this tension did, and does still, exist. However, a balance was sought for and achieved in such a way that individual ownership of property was a natural, valid and necessary expression of the right to acquisition.

Possession and control did not however assume an absolute dimension but were restricted within the limits imposed by their social function. This original African tradition of communal ownership does in fact correspond to a Christian conception of the world and of life. Writing in *Laborem Exercens* in 1981, John Paul II states that “Christian tradition has never upheld the right to private property as absolute and untouchable. On the contrary, it has always understood this right within the broader context of the right to common use of the goods of creation. The right to private property is thus subordinated to the right to common use and to the fact that goods are meant for everyone.”<sup>34</sup>

The Igbo understanding of ownership is practically demonstrated in the life of its people centuries before this Christian teaching was formulated. In summary, this research examines ownership and management structures of traditional Igbo businesses based on ethical values of subsidiarity and solidarity. It understudies and promotes African traditional values which, applied to modern issues of sustainability and the corporate governance function, offer as a solid basis to establish a fair and sustainable future for individuals, communities and societies.

In this context, I argue that our generation would do better by building upon the resources and heritage of the past generations, to meet needs of the present generation without compromising the ability of future generations to meet their own needs

<sup>34</sup>John Paul II, Encyclical Letter *Laborem Exercens* (On Human Work), 1981, n. 14.

<sup>35</sup>Nnoli-Edozien, Nnoli, Doctoral Thesis ‘Ownership and Management Structures of Traditional Igbo Business with inherent values of solidarity and subsidiarity: African Values Applied to Modern Issues of Sustainability and Corporate Governance, August 2006, Frankfurt University, Germany. cf also, for the sustainability definition without a ‘past’ dimension, World

Commission on Environment and Development. Our Common Future. Oxford: Oxford University Press, 1987