

*Economic Imperatives and Ethical Values in Global Business*, by S. Prakash Sethi and Oliver F. Williams

Reviewed by [James Armstrong](#) in the [January 17, 2001](#) issue

Apartheid in South Africa was a 20th-century equivalent to the three and a half centuries of slavery in America. This brutal system of racial apartness came to an end during the final decade of the 20th century, when Wilhelm de Klerk, the then president of South Africa, lifted the ban on the African National Congress and more than 30 other organizations, freed Nelson Mandela from prison in 1990 and canceled the Population Registration Act, the cornerstone of apartheid, in 1991.

Just as the U.S. religious community had been rent over the slavery issue in the 19th century, so too was the South African religious community divided over apartheid. The Dutch Reformed Church of South Africa (white) rationalized and justified apartheid as God-ordained. The South African Bishops Conference of the Roman Catholic Church and the South African Council of Churches condemned it.

The international religious community was outraged by South Africa's racist policies and practices. The World Alliance of Reformed Churches suspended white South African Dutch Reformed churches (three separate denominations) from membership. The World Council of Churches, a longtime foe of apartheid, played a significant role in sensitizing and involving its member bodies. In the U.S. the National Council of Churches, the Roman Catholic Church and individual Protestant denominations denounced apartheid and urged concrete actions such as sanctions and disinvestment. The Interfaith Center on Corporate Responsibility (an arm of the NCC, with Catholic participants) was effectively aggressive in confronting and challenging U.S. business interests in South Africa.

Leon Sullivan, a civil rights warrior, Baptist preacher and General Motors board member, came to occupy center stage in the conflict when he authored a "set of six principles . . . that called for, among other things, the elimination of all types of discrimination between White and Black workers; the recognition of Black unions; and [the provision of] help for Black communities in areas of education, health care and other support services." On March 1, 1977, Sullivan announced that 12 major U.S. corporations had signed on and agreed to abide by the code of conduct defined

by the six principles. By 1982, 146 companies were signatories. By 1993, as pressures mounted and companies withdrew from South Africa, the number of participating companies decreased to 50.

S. Prakash Sethi and Oliver F. Williams's book on the antiapartheid movement and the birth and gradual modification of the Sullivan Principles is a monumental achievement. Sethi and Williams have spent more than 20 years in and out of South Africa, interacting with business leaders, union officials, lawmakers and government functionaries, researching the issues, interviewing the primary actors, consulting with ethicists, and spending endless hours with critics and apologists alike. Sethi is University Distinguished Professor at Baruch College, City University of New York. He is currently adviser to the secretary general of the United Nations on international codes of conduct. Williams has served on the national advisory board to the Sullivan Principles and was a member of the UN's observation mission to South Africa for the historic 1994 elections. He is presently director of the Notre Dame Center for Ethics and Religious Values in Business.

The amplifications of the Sullivan Principles over the years applied increasing pressure on the South African government. The signatories, for the most part, resisted politicization of the principles; e.g., "asking companies to press for the abolition of the laws and regulations that constituted apartheid." They had signed on because of the perceived threat of communism and the mounting pressure of American critics of South Africa's policies. Most of them had become reluctant participants in a program designed to oppose a government that had earlier proven to be a very valuable partner. But following Anglican Bishop Desmond Tutu's formation of his "Tutu Principles" in 1983, emphasizing the political nature of the apartheid struggle and downplaying the relative value of economic issues, Sullivan felt compelled to follow suit.

Sethi and Williams acknowledge the weaknesses and failures of the Sullivan Principles. Explaining the limitations of the program, they suggest that the monitoring system eventually became its "Achilles heel." In part this was due to the inability of Sullivan and his religious advisory group to watchdog the companies effectively. Even more, it was due to the lack of strict and even-handed oversight by the Arthur D. Little, Inc., consulting firm and its point man, Reid Weeden. The ranking devices were too soft and general. There was a reluctance to pit the companies against one another in matters of implementation and performance.

And the companies themselves dragged their feet. Their auditing practices were not uniform or consistent. More important, the companies failed to significantly implement those principles that called for the employment and upgrading of black employees, and for training programs that would prepare blacks for leadership positions. But despite their limitations and flaws, the principles "constituted the first voluntary codes of ethical conduct that were applied under realistic operating conditions and that involved a large number of corporations, recipient constituencies, and an institutional framework for project implementation, monitoring, and performance evaluation."

Sethi and Williams include two application/implementation studies of the principles, one probing Eli Lilly and Company, the other describing the responses of the Ford Motor Corporation in South Africa. These two chapters are instructive and helpfully detailed. In providing a context for their assessment of the principles, the authors discuss the Reagan administration's policy of "constructive engagement." They conclude that it proved to be anything but constructive and did not effectively engage the South African government, nor did it even attempt to engage the country's disenfranchised black majority.

Of special interest to *Christian Century* readers will be the central role Sethi and Williams ascribed to the religious community in the downfall of apartheid and the evolution of the Sullivan Principles. They provide an overview of South African church strategies and offer a brief history of church activism and a year-by-year chronology of South African church involvement. They outline the response of American churches and discuss the key roles played by individual churchpeople around the world.

Sethi and Williams's one regrettable omission is that they make no mention of the September 1985 Kairos Document, "Challenge to the Church: A Theological Comment on the Political Crisis in South Africa." A 25-page critique of South African "church" and "state" theology, it was a courageous and prophetic "challenge to action" signed by 151 South African church leaders representing a spectrum of traditions from Anglican and Roman Catholic to Baptist and Church of God.

Though this is an expensive book, it is a fundamental resource and belongs on the shelves of seminary and university libraries, in ecumenical, denominational and world mission offices, and in the hands of those who would be informed about one of the most important global-justice issues of the 21st century.