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IIDE Proceedings 2014 ~ Introduction: Social Change In Our Technology-Based World

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1. *Introduction*

This book contains the research papers presented and thoroughly discussed at the *19th Annual Working Conference of the IIDE* held in May 2014. These conferences are a collaborative effort of senior researchers and PhD students from different universities in different countries with a shared interest in normative aspects of the ongoing development and social change of our technology-based world. An integrative framework has emerged in previous research collaboration that enables us to map the contributions from the various disciplines – such as philosophy, engineering, information systems, management science, systems thinking, and development studies – in a coherent vision. Therefore it is useful to introduce first this integrative framework before we

present an overview of the papers.

2. *Integrative framework*

With slight exaggeration, one can say that change is the only constant factor in today's society where everything is in flux – continuing change seems to be a basic condition for living in modern times. This extreme dynamics and even fluidity of society (Bauman 2000) is directly related to the complex of Science, Technology and Economy since the Industrial revolution of the 19th century in Europe. In the past decades the study of this complex has become a vast field of interdisciplinary research with many ramifications and approaches (see e.g., the *Encyclopedia of Science, Technology and Ethics*)

To understand social change in a technology-based society requires first of all a conceptualization of the main terms "technology" and "society". One should realize however that in fact both terms are container concepts or collective names and do not refer to a specific object. Furthermore one has to be aware that by distinguishing between such a thing as "technology" on the one hand and "society" on the other, one might already start from a false view on technology, namely as something that is separate from society. Aiming for an integrative vision of technology and society one should take into account that technology is about people and thus part of society and not like a meteorite that impinges from outside on our human lives and society. "We know that technology does not determine society: it *is* society. Society shapes technology according to the needs, values, and interests of people who use the technology." (Castells and Cardoso 2005: 3)

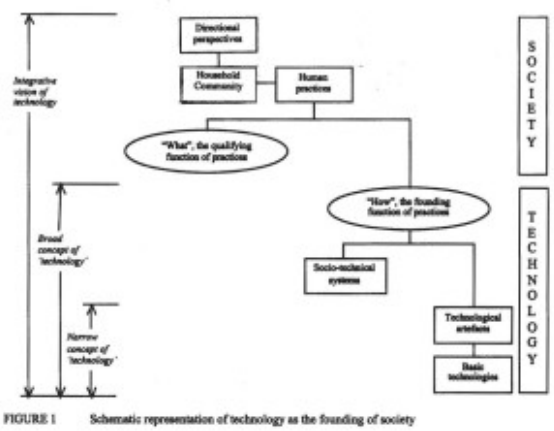

FIGURE 1 Schematic representation of technology as the founding of society

Figure 1.

Figure 1 provides a schematic representation of an integrative vision, in which the lower part of the diagram represents "technology" and the upper part "society". In our everyday language technology usually refers to material artefacts such as a cell phone, car, laptop, etc. Usually we are not aware that each of these artefacts is for its functioning dependent of a comprehensive system: e.g. for the use of a car we need a system of roads, petrol stations, legal regulations, and numerous other amenities. Characteristic of modern science-based technology is that a fundamental transition has taken place in the relation between technology and society, namely from technology that consists of separate artefacts in the hands of individuals to technology as a total environment in which we live. This new relationship between technology and society concerns the "how" or foundation of the various human and social practices in which our daily life unfolds. These practices have become dependent for their realization on organized "socio-technical systems", such as transport from the mobility system, medical support from the health care system, schooling and training from the educational system. The transition from a traditional to a modern society thus goes along with a fundamental and irreversible change of our living environment. Technology has become a new habitat for people, a technotope.

This fundamental transition to a modern technological world has also profound implications for the economic sphere of society and for politics. Referring to Figure 1 one could say that the socio-technical systems that provide the foundation for societal life in its variety of practices also include the economic and political dimension. By way of example let me mention here the health care system. Since about the nineteen eighties the economy of health care has become a recurring matter of public debate. The point I want to make here is that traditionally the ethical relationship of medical practice between physician and patient has been dyadic. This situation has changed profoundly since this relationship is intertwined within a broader nexus in which several other parties are involved. This means amongst other things for the physician that his obligations to each patient have to be balanced in a network of competing obligations and conflicting interests (see e.g. Haavi Morreim 1991).

Let us now turn our attention to "society" at large, the upper part of the diagram. Through the centuries, the household has been the fundamental building stone of human society – in the household and the family the exchange between the generations and the care for each other takes place. The fabric of society around

the household has fundamentally changed since the rise of the industrial revolution. While the household as the fundamental unit of society persists, a broad range of human practices has differentiated itself gradually from the household, a process that began with the organization of labour and the technical production in the factory. The challenge for social change in a modernizing society can now be understood as the dual task to preserve the household as the ethical core of society and at the same time to open up the household and the potential of the various human practices for the benefit of society. This means that shaping of the "how", the technical-organizational founding of society, should enable concretisation of the specific "what" of each domain of human life along with the sustenance of healthy households in society.

It is hard to ignore that people's behaviour pattern varies between different regions and with distinct cultural backgrounds. The role of culture and religion is therefore a hotly debated issue, in particular related to economic development of a society. In recent years the debate has been triggered by the study *Culture matters: How values shape human progress* (2000) edited by Harrison and Huntington and some later publications. In the scheme of Figure 1 the role of culture and religion for the development of our technology-based societies is accounted by "directional perspectives". Traditionally the household and the local community play a key role in the transfer of basic cultural values and a directional perspective on human life and world from one generation to the next. In a differentiated society the human practices have to play a complementary role in the transfer of specific values, or echoing MacIntyre (1981: 178), in developing and maintaining the so-called 'internal goods' of these practices.

3. *Overview*

The research papers in the following chapters of these Proceedings cover a variety of issues that can be mapped in the here discussed relationship between "society" and "technology". It makes sense to introduce each paper briefly by looking at them through the lens of Figure 1. The first five can be assigned to the upper part of this figure, while the following six primarily have to do with the bottom part.

The papers of two South African colleagues from NorthWest University, *Michael Heyns* and *Mark Rathbone*, focus on two important human practices and institutions of modern society, namely the university and the commercial enterprise. Rathbone contributes to the issue of corporate social responsibility

(CSR) of the business venture, while Heyns gives in his paper a critique on 'academic capitalism in the new economy', a valuable input to a topical debate about the entrepreneurial university. One can say that both papers struggle with the "what", the qualifying function of the respective practices of business and academic life. It is interesting to note that the topic of these articles share a general concern of today about the relation between "economy" and "society", however the public debate about business life and the academy seems to point in opposite directions. While CSR stresses the social dimension of the business enterprise, 'academic capitalism' pulls the university as a societal actor more into the economic sphere. These opposite tendencies can be understood as a symptom that our societies are struggling with the compass for its future.

The papers of *Attie van Niekerk* and *Lindile Ndabeni* have to do with the complex interactions between the modern technology-based world and more traditional part of society in South Africa. Referring to Figure 1 one could position their research in the upper part, in particular the linkages between the two blocks at the left side, "household, community" and "human practices". The work of *Attie van Niekerk* and the Nova Institute is a search for practical answers for the sustainability of endangered communities in South African townships. The paper published here is the result of contract research executed in some South African townships. The purpose of this research is to determine the overall quality of life of households in order to establish a base line for future interventions and social change that aim to improve the situation in these communities. *Lindile Ndabeni* from Tswhane University of Technology discusses in his paper the role of the informal sector in South African society and focuses on an evaluation of some critical factors for an inclusive economic development.

The area of systems thinking, management science, and information systems has been a focus at previous AWC's. The papers by Darek Haftor and his graduate students, Natallia Pashkevich and Erdelina Kurti, provide a fresh input in these Proceedings.

Natallia Pashkevich and *Darek Haftor* analyze the current debate about the effects of digitization on society, especially the future of labor in economic production. They discuss how the introduction and use of contemporary Information and Communication Technologies (ICT), may give rise to automation of a large variety of work-tasks, and as a consequence induce unemployment. As new kinds of jobs are created simultaneously when old jobs disappear, the key

question is whether there will be a net positive of new jobs created or not. After exposing us to the various theoretical considerations of this question, the authors move on with the discussion to a higher level of consideration and ask whether we should aspire for providing everyone with a job at all, or if we should reset our perspective to regard ICT as a tool of liberation of humans from their jobs and thus enabling for societies where humans do not need to work for a living.

Darek Haftor and *Erdelina Kurti* present an investigation into some central aspects of the nature, or ontology, of the social, particularly with regard to social relations. They argue that the frequently assumed conception of the social, such as companies, families and even countries, is often based upon a view of the social as a '*system*', where the model of a system is derived from the biological world. To remedy the limitations of this systemic conception, the authors experiment with two alternative conceptualizations of the social. Firstly is the notion of '*assemblage relations*' and then comes the notion of '*encaptic relations*'. While the latter two clearly overcome some of the limitations of the systemic conception, and thereby do more justice to our empirical experiences of the social, they still need further conceptual elaboration.

The two successive papers contain results of the latest research of senior researchers from Sweden and North America.

Fabian von Scheéle and *Darek Haftor* focus in their paper *Cognitive time distortion as a source of risk in economic organization* upon human experiences of temporality, or time, and their relations to economic risks in organizations. They firstly establish a clear distinction between psychological time and physical time, which gives rise to their notion of cognitive time distortion. This distortion is then related to the conventional economic calculus of revenues, costs and profits of an economic organization. In the latter, two kinds of risks are identified as sources of economic inefficiencies. By addressing these risks the manager may now reduce these inefficiencies and thereby increase output quality, employee wellbeing, and economic performance.

Anita Mirijamdotter and *Mary Sommerville* present in their paper an interesting application of Informed Systems Methodology (ISM) to North American academic libraries. With an explicit emphasis on using information to learn, 'soft' systems design tools aid co-creation of communication systems and professional practices that enable information sharing and knowledge creation processes. When

contextualized by local values, experiences, and purposes, the ISM fosters organizational transformation and creative innovation

The final three papers make an explicit connection with Dooyeweerdian philosophy that often has served at the AWCs as a common ground in the interdisciplinary excursions and the thinking through of normative questions concerning technology and society.

Andrew Basden argues that affordance is attracting considerable interest but poses significant philosophical challenges that have to be addressed. The paper discusses how Dooyeweerd's philosophy can very readily address these challenges. According to Basden affordance can be related to Dooyeweerd's 'oceanic' idea of meaningfulness. This provides a workable definition of affordance as the relationship between two ways of being meaningful (two aspects). Besides general theoretical considerations about the notion of affordance, Basden's paper also discusses some practical applications.

Maarten Verkerk's paper is an interesting attempt to bridge the gap between philosophical concepts and the thinking of engineers. It is the outcome of intensive dialogues between a Dooyeweerdian philosopher and engineers about concrete design problems. It seems that a necessary condition for success is that both parties are really interested in each other and are willing to take a step into "the other world". Referring to Figure 1 one could say that concepts from the upper level of Figure 1 trickle down into the world of engineers. In this process these concepts are repacked into the language of engineers. Similar to Triple P in management (People, Profit, Planet), the Triple-I model is launched: the 'I' of 'intrinsic' refers to the inherent normativity of the user practice, the 'I' of 'inclusive' to the presence of justified interests of different stakeholders, and the 'I' of 'idealistic' to the values or dreams that play a role.

Darek Haftor provides a critical assessment of the Triple-I model as proposed by Verkerk. He argues that while that effort is much needed and welcome, it manifests some fundamental flaws that need remedy. He suggests avenues for further development of the Triple-I model by drawing on several decades of experience from systems thinking. In all this, Haftor identifies one feature of the model as particularly important and promising, namely its attempt to operationalise Dooyeweerd's theory of individuality structures and the concept of qualifying function. The latter concept is of help to think through important issues

of normativity in the design process of complex systems.

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IIDE Proceedings 2014 – A Transcendental Inquiry Into 'Academic Capitalism In The New

Economy’

Photo: The old main library. flickr.com

The aim of this essay **[i]** is to investigate and evaluate the ideas transcendental to the notion of ‘academic capitalism in the new economy’. Ideas that will get attention are firstly structure and direction, which broadly indicate the nature that the analysis and evaluation of ‘academic capitalism in the new economy’ will take. A second and narrower focus on ‘academic capitalism in the new economy’ is to label this phenomenon as an idea-framework that moulds the universities of our times. A third distinction is to identify in the core of this framework the constitutive goods that particularly give structure and direction to the idea of the university. In the case of ‘academic capitalism in the new economy’, the concepts of ‘profit’ and ‘economic growth’ are identified as constitutive goods. It will be argued that this idea-anatomy prepares the arena for the deformation that sets in when the constitutive good of an entity like a university is not internal to that entity but instead a totalitarian constitutive good is imposed from outside.

1. *Introduction*

Lynch (2006:4-5) takes note of the phenomenon of ‘academic capitalism in the new economy’**[ii]** when she observes that “there is an ongoing movement to define education as a tradable service”, an undertaking which is very much part of the “ideology of the World Trade Organisation”. The reason for this, she says, is “quite simple”: It is estimated that in the year 2000 already, “education was a $2 trillion global industry” with the perspective that it has the potential for profitable returns among those who can afford to pay for it. More than six hundred “for-

profit" higher education institutions were operating at that time, which should give a clear indication that for-profit trading in higher education is making huge strides forward. Rhoades and Slaughter (2004:37-38) report about the American situation that the profit motive is not only part of private 'for-profit' universities but that "the ascendance of neo-liberal and neo-conservative politics and policies" caused a shift in "government investment in higher education to emphasize education's economic role and cost efficiency". This leads to what they call "academic capitalism in the new economy", which is the tendency where non-profit public universities also "develop, market and sell a wide range of products commercially in the private sector as a *basic source of income*".

The justifiers of the neoliberal academic capitalism are disposed to link with the anti-ivory tower sentiment about universities. Charles Taylor points out that already in early modernism, Francis Bacon argued that science which is not in the service of bettering the plight of humanity, is without value. Bacon's argument can be seen as the cradle of a "model of science whose criterion of truth would be instrumental efficacy" in the service of "the production of life in ever-greater abundance and the relief of suffering on an ever-wider scale" (Taylor 2003:104-105). According to this anti-ivory tower sentiment universities should link with the main concerns of society and not withdraw in practicing science for its own sake. A foremost issue of this nature for current society is the neoliberal emphasis on economic growth and profit and the application of the latter obsession, justified by the good-sounding notion of innovation in universities.

Some, however, object to this emphasis inherent to 'academic capitalism'. By also referring to the instrumentalist revolution that Bacon initiated, Goosen (2011:491,496), for example, emphasises that modernity and eventually postmodernism reduced life to a purely instrumentalist, utilitarian and pragmatic affair. For universities it means emphasis on practical issues such as profitability with a simultaneously marginalisation of the old *telos* of the academic world, namely the cultivation of a theoretical life. In this process, knowledge became exclusively a human means to yield power and thus to subject reality to human control.

The encroachment of academic capitalism put us before a dilemma: It seems, on the one hand, that this new emphasis is here to stay because it gives the instrumental promise of financial security and even wealth to universities. On the other hand, it can be asked whether this development is acceptable if it means

that the historically developed academic identity, which emphasises education and scholarship, will be the casualty when the university becomes yet another manifestation of the market. The first dubious horn of this dilemma will be explored in more detail as the economistic motive that conditions the academic capitalist identity and practice. The last section of the essay will nevertheless give some attention to a truly academic motive for universities as well.

The two fundamental questions of this chapter/paper are the following: What is the anatomy or structure suggested by the transcendental ideas underlying the notion of 'academic capitalism in the new economy'? A closely related question will concern the direction of the ideas underlying 'academic capitalism in the new economy, and thus the way that these ideas should be evaluated.

The three main objectives of this paper will therefore be to firstly develop the conceptual tools, which include the concepts 'strong evaluation', 'frameworks', 'structure', 'direction' and 'constitutive goods' (sections 2 and 4), which secondly, can be used to analyse and criticise the structure inherent to 'academic capitalism in the new economy' (sections 3 & 5), with the third objective to briefly suggest an alternative to the latter notion (section 6).

This inquiry will elaborate on concepts developed by Canadian philosopher Charles Taylor. It will be argued that Taylor's 'tools' make a transcendental inquiry**[iii]** possible of the ideas behind academic capitalism (i.e. an inquiry into the anatomy of the ideas of academic capitalism). Taylor develops a vocabulary whereby questions are posed about the historically developed ideas that condition our being human. In this paper these concepts and questions will be applied to the search for identity by the university in the context of the 'new economy'. It is nevertheless important to point out that Taylor's concepts will be used insofar as it fits the non-reductionist approach that will ultimately be the paradigm of the inquiry below**[iv].**

2. *'Strong Evaluation' and Frameworks'*

As is indicated above, the first investigative step is to develop the conceptual tools that can be used to analyse the foundational ideas behind academic capitalism. Since the concept 'structure and direction' will take a pivotal position in the investigation below, it needs to be explained briefly. Firstly, the concept 'structure and direction' represents the broad ontological distinction we need to analyse and evaluate what happens to the universities of our age.

The sense that will be attached to the concept is widely used in the non-

reductionist approach of Reformational Philosophy. Wolters (1988:49) explains that 'structure' indicates "the constant creational constitution of any thing, what makes it the thing or entity that it is". He adds that 'structure' is an alternative attempt to give a name to the "reality that the philosophical tradition of the West has often referred to by such words as substance, essence, and nature". 'Direction', on the other hand, indicates the "distortion or perversion" as well as the "restoration" of this 'structure'. When entities live up to and are transformed in the direction of their normative structures, a positive direction is realised. It is nevertheless also possible to indicate and criticise a "misdirected, abnormal, distorted" direction that an entity like the university can take. Therefore, to articulate the 'structure' of the entity called the university, represents an attempt to indicate what is constant, unifying, normative as well as identity- and function-conferring to this institution. This structural dimension has a direct influence on the direction of universities: The structure sets the aim for the direction that universities should strive for in their functioning. As will be argued below, a proper direction will only ensue when the structure relied upon is truly that of being a university. If the structure is projected from another identity and thus external to the university, it will probably lead universities on the road to deformation.

A link can be made between the concept 'structure and direction' and Charles Taylor's notion of morality. Taylor (1989:3-4) firstly distinguishes what he calls the "narrow focus" of morality. This narrow focus is about "our obligations to other people" and includes issues like "justice and the respect of other people's life". This narrow focus is for Taylor only one of "three axes" of "moral thinking". The other two axes are about "our sense of what underlies our own dignity", and "questions about what make our lives meaningful or fulfilling", that is about "the nature of the good life". It is especially the latter idea that indicates for Taylor the broad understanding of moral ontology and which he (Taylor 1989:92) uses in "a highly general sense, designating anything considered valuable, worthy, admirable, of whatever kind or category". Taylor's 'narrow' concept of morality coincides with the juridical and ethical aspects of reality, while his broader concept could be expressed with more comprehensive concepts that attribute a structure and direction to reality. For the purposes of this study the potential of this ontology to describe and evaluate the structure and direction of the idea of academic capitalism will be explored.

With these distinctions as a background, a concept that Taylor (1989:4) sees as

central to both his narrow and broad senses of morality, namely "strong evaluation", can be considered. Strong evaluations involve human "discriminations of right or wrong, better or worse, higher or lower", with the understanding that these discriminations are to some degree independent of subjective evaluations (desires, inclinations or choices) and in fact give standards by which subjective evaluations can be judged. Taylor seems to be sensitive to the idea of a given structural and normative dimension of reality because he sees these evaluations as not being subjective, which suggests they set given standards. What is abundantly clear is that strong evaluations have for Taylor a directional function because they help us to discriminate between right or wrong, etc. In fact, it can be argued that the concept of strong evaluation harbours within itself the relationship between the concepts of structure and direction because a strong evaluation can be seen as the structural standard that human beings articulate (positivise) and employ to distinguish between a good direction and deformation of an entity like the university. Taylor's identification of standards can, however, not be seen as overtly confessing a divine structure – it also leaves the door open for a human constructionist project. He nevertheless suggests that interpretations about the structure of an entity like the university will follow a pattern that is not the result of pure fiat.

In light of these distinctions it can be noted that universities are increasingly under pressure to function according to a set of strong evaluations prescribed by current culture that gives a particular structure and direction to the university as an institution. It has already been mentioned that Goosen (2013:491) observes that the classical *telos* (strong evaluation) for universities, namely a 'theoretical life', is marginalised in favour of so-called practical values. With regard to the latter he mentions 'access', 'international reputation', 'public image', 'the establishment of networks', 'outcomes', 'strategic management', 'competitiveness', and 'profitability'. It will indeed be argued below that among these values, 'competitiveness' and 'profitability' in particular set the tone in a culture dominated by an economistic framework.

The concept 'framework' that was mentioned in the previous sentence, suggests that dominating strong evaluations do not operate in isolation. Strong evaluations that portray a kinship to each other in many instances become a seemingly internally coherent idea-framework which is difficult to resist. It is therefore significant that Taylor (1989:27-29,30) points to the embeddedness of strong evaluations in such a framework. He reiterates the function- and identity-

conferring (structure) but also the very strong directional nature of such a framework. Frameworks, like the strong evaluations that populate these frameworks, are not fully inventions of ours but our "answers to questions which inescapably pre-exist for us, independent of our answer or inability to answer". Human beings, and one can add universities, give their "framework-definitions" as answers to these questions and thus structure life and reality with these idea-frameworks. The emphasis on the question-character underlines for Taylor the directional nature of frameworks. One can say that humans are challenged by these questions to give direction to their lives because a framework is "the horizon within which I am capable of taking a stand" on questions about "what is good or bad, worth doing and what not, what has meaning and importance … and what is trivial and secondary". Negatively formulated: If people or universities lose this horizon "they would be at sea". They would experience an "identity crisis, an acute form of disorientation".

The saliency of the values of competition and profitability is mentioned above. Indeed, Jochen Röpke gives a horizon or framework of strong evaluations seemingly valid for the so-called entrepreneurial university that links with this set of evaluations. Röpke (1998:1-2) claims that the "future of high-wage economies … depends critically on … freedom to innovate: to create new markets". With this he indicates two strong evaluations of proponents of academic capitalism, namely 'free markets' (i.e. the 'competition' dictum) and 'innovation'. He emphasises the relevance of these evaluations for universities by saying that the "new quality of international competition changes the role and function of universities and research systems dramatically" and that "innovation itself depends on the creation … of new knowledge". In addition to these two evaluations, he argues that "the practical application of this new knowledge … is the foundation of growth in mature economies". 'Economic growth' and the creation of 'applicable knowledge' at universities are furthermore combined with the former two strong evaluations in the following quote from Röpke: "Since a technologically advanced and open economy can only compete by creating new product and technology cycles, the creation and diffusion of the knowledge on which these recombinations are based, has become a factor of utmost importance."

To summarise: Röpke gives 'strong' value to the concepts 'free markets' (or 'competition'), 'innovation', 'practical and applicable knowledge', as well as 'economic growth'. Set in a framework or horizon of strong evaluations they are nothing less than the content of his vision of the structure and direction for the

university demanded by the framework of ‘academic capitalism in the new economy’.

3. *A ‘Framework’ for Academic Capitalists*

One of the aims identified in the introduction of this essay, is to get clarity about the for-profit identity (structure) and orientation (direction) that our culture prescribes by means of the framework of ‘academic capitalism in the new economy’ to universities. It is therefore necessary to briefly describe the neoliberal framework (i.e. the idea of the ‘new economy’) in which universities most likely find themselves.

Steger and Roy summarise the history of this framework as follows: Neoliberals accused Keynesian egalitarian liberalism or controlled capitalism which reigned globally from 1945 to the middle 1970s of “crippling government regulation, exorbitant public spending, and high tariff barriers to international trade” and that these conditions “led to high inflation and poor economic growth”. The neo-liberal accusations and proposed reforms gained dominance in the 1990s. This dominance drew an amount of criticism since the global economic crisis of 2008-9 (Steger and Roy, 2010: location 490,497-499).

Steger and Roy (2010: location 506-510) describe neoliberalism as an ideological system (i.e. structure- and direction-giving framework) of “widely shared ideas and patterned beliefs” that function as a conceptual map which guides people by offering them “a more or less coherent picture of the world as it is, but also as it ought to be”. This kind of framework especially has a strong directional role since it “encourage[s] people to act in certain ways”, “legitimize[s] certain political interests” and “defend[s] or challenge[s] dominant power structures”. In the case of neoliberalism the directional power entities are primarily “executives of large transnational corporations” which “saturate the public discourse with idealized images of a consumerist free-market world”, which supposedly will bring about “a better world”.

What are the strong evaluations that populate this neoliberal framework? A foremost evaluation is the kind of human being that is desired. According to Steger and Roy, Adam Smith set the tone for not only classical *laissez-faire* economics but also for neoliberalism, by operating with the “image of *homo economicus* – the outlook that people are isolated individuals whose actions reflect mostly their material self-interests”, as well as the “economic model” of “the self-regulating market” (Steger and Roy 2010: location 403-406,501-504).

Steger and Roy (2010: location 530-535) describe this human being, when active as a state official, as "the transformation of bureaucratic mentalities into entrepreneurial identities where government workers see themselves no longer as public servants and guardians of a qualitatively defined 'public good' but as self-interested actors responsible to the market and contributing to the monetary success of slimmed-down state 'enterprises'". Goosen (2011:491) quotes a senior South African professor who prescribes a similar transformation for academics: "The old goal of the academic world, namely to cultivate a theoretical life, should be substituted for the need to develop networks aimed at the self-centred interests of the now fully privatised academic".

In order to achieve this aim, a specific mode of governance is needed for all social institutions. According to Steger and Roy (2010: location 522-530) the entrepreneurial mode of governance valid for the state, for instance, subscribes to the values of "competitiveness, self-interest and decentralization" which should manifest in practices of "individual empowerment and the devolution of central state power to smaller localized units". Embracing neoliberal management values for the state entails that the public good should not necessarily be pursued by "enhancing civil society and social justice". The strategy emphasis is rather on the employment of "governmental technologies that are taken from the world of business" such as "strategic plans", "risk-management schemes" that will create "surpluses" as well as "cost-benefit analyses and other efficiency calculations". This way of governance emphasises "the shrinking of political governance" (Steger and Roy 2010: location 522-530).

For Rhoades and Slaughter (2004:53) the new economy prescribes something similar for universities, namely decentralisation that should lead to "a model of reduced complexity of academic work". This implies "breaking down the interconnected activities of professors and the discretion that they exercise in enacting their craft into discrete, delimited parts". This model of governance demands from universities to "prioritize budgetary, economic and strategic issues in the processes that surround building, investing in, restructuring and de-investing in academic programs". This implies, Rhoades and Slaughter (2004:38) say, an "increasingly corporatized, top-down style of decision making and management", which means that "managers exercising greater strategic control over the direction of colleges and universities" and that staff members "increasingly become 'managed professionals'". This corporate way of managing, they conclude (2004:53), means that "to simply play by the well-established capitalistic rules of the game is to cede academic control over the curricula".

In summary, it can be said that the strongly evaluated neoliberal idea of the self-interested individual prescribes for universities an entrepreneurial mode that manifests itself especially in the way that these institutions are governed. In this new mode of governance, competitiveness and decentralisation (fragmentation?) are employed to probably enhance economic growth and profitability, which implies nevertheless the breaking down of the collegial way of interaction between academics and putting the authority for academic matters in the hands of managers who govern academia increasingly according to economic targets.

4. *Structure and Direction and 'Constitutive Goods'*

The framework or ideology of neoliberalism ostensibly leads to a practice in universities where management have a determining directional role and increasingly relies on the self-centred behaviour of ordinary academics. Management justifies this approach with the notion of an entrepreneurial ethos/direction aimed at values like competitiveness and profitability. The impression is that this ethos results in less control by academics over academic affairs**[v]**. In order to get clarity about this direction, the influence of the strong evaluations (competitiveness, profitability etc.) behind this direction needs to be explored.

The strong evaluations that structure and direct an entity like a university are usually hierarchised in the framework in which they are embedded. According to Taylor (1989:62,92-93) people tend to be moved by a variety of "life goods" (strong evaluations) but usually identify one of them as "the most important and serious one". This supreme good can be any "action, or motive, or style of life", or "feeling" or "mode of life", which can be described as "qualitatively superior". People strongly evaluate, for instance, "the value of self-expression, of justice, of family life, or the worship of God, of ordinary decency, of sensitivity" and so on; "but they consider one of these – perhaps their relation to God, or justice – as of overriding importance".

Such a supreme good clearly plays a directional role. Taylor (1989:42) therefore describes his notion of a supreme good with the image of spatial orientation. The "need to be connected" with what we "see as good, or of crucial importance, or of fundamental value", is "one of the most basic aspirations of human beings". Taylor (1989:45) argues that this need to be in contact with the good can be more or less satisfied in our lives. However, the orientation metaphor makes it especially an issue of yes or no; not how near or far we are from what we see as the good, but rather the direction of our lives, towards or away from it. Taylor

(1989:63) explains that although all the goods a person subscribes to, give direction to one's life, it is the "yes/no" commitment to some highest good that is "utterly decisive for what I am as a person". This kind of supreme good clearly plays a strong directional role in the lives of people and the existence of entities like the university. It is nevertheless also important that Taylor foresees that this supreme good also has a structural function. Taylor (1989:93) uses the role that Plato gives to rationality to explain the structural function he has in mind: For Plato to "be rational is to have a vision of rational order". This is to refer to "a cosmic reality, the order of things" and "the key to this order is the Idea of the Good itself". Taylor calls this supreme good a "constitutive good" or a "moral source" because it "constitutes the goodness of some action or motive". In other words, lower-ranked life goods depend on "some feature of the way things are, in virtue of which these life goods are goods".

It is important to point to and underline the close connection between the two functions of supreme sources here: A constitutive good will not command directional authority if it is not also seen as thoroughly conferring identity (structure) to the entities under its influence. Taylor's concept of "constitutive good" therefore has both directional and identity-giving functions**[vi]**. It is nevertheless very important to make a distinction between structuring and directing functions, as Wolters (1988:50-51) and Hart (1984:312-313) do. This distinction is important to avoid the trap of labelling some aspect, dimension or good of reality as the source of evil. It should be noted that a hierarchical dualism usually originates when evil is projected on some aspect of life (i.e. the lower part of a dualism) and the other part is deified. When this happens, evil and goodness are reified and not seen as the direction that some entity or structure is taking. This is, of course, to deny the fundamental goodness and thus equal value of all aspects of life or goods as well as the equal potential of all aspects to be corrupted or deformed.

Taylor (1989:218,516) points to naturalism which argues that in rejecting religion it gives nature its due and thus subscribes to the idea of the equal goodness of all aspects of reality. However, according to Taylor, this affirmation of nature is historically dependent on the notion of a primordial divine affirmation of creation, which is given in the repeated phrase in Genesis 1: "and God saw that it was good". Taylor (1989:13-14) even argues that this affirmation of creation and an eventual affirmation of ordinary life "has become one of the most powerful ideas in modern civilization". Taylor (1989:13-14,23,81,83,211-213,215,218,235) points

out that a hierarchical distinction (dualism) was made in antiquity between ordinary life (i.e. especially the life of production and reproduction, of work and the family) and the elitist, aristocratic values of contemplation and citizenship. The dualism between ordinary life and the aristocratic ethos was vindicated in antiquity by a hierarchical ontology. The Reformation changed this by sanctifying ordinary life, by asking whether a person's life before God is "worshipfully and in the fear of God or not". This implied a rejection of the elitist morality that excluded ordinary life from a higher moral position. Although Taylor agrees that this was a step forward, he also points out that the "affirmation of ordinary life" gradually became secularised and that the fully naturalist version "denounce all qualitative distinctions" for being "blind to the dignity and worth of ordinary human desire and fulfilment". Life "according to nature" meant that the satisfaction of biological needs became a moral obligation in itself. The ironical implication was that especially Christianity, which was the originator of the "affirmation of ordinary life", is attacked by naturalism for having moral ideals that lay "a crushing burden on those in whom it inculcates a sense of sin".

The implication of Taylor's observation is that naturalism is in danger of subscribing again to the hierarchical dualism of antiquity, but now turned upside down: Ordinary life becomes a moral project of a much higher order than activities associated with the aristocratic ethos or Christian morality. Once again some part of life is seen as higher and more important than the rest, with the rest even suspected of being the source of wickedness. The important point we have to take note of is that a constitutive good has very strong directional and identity-conferring functions. If this is combined with the deformational notion of locating the good only in some parts of reality, a constitutive good has the potential to be a good that creates a fixed hierarchical ontology and insists to be the totalitarian source for reality – with the implication that all of reality has to be reduced to this single good. This should not be the role of a constitutive good. Taylor (1989:62) significantly remarks that not all persons give some constitutive good "unflinching priority in their deliberations and decisions". The implication of his remark is that other goods should also be recognised as deserving their proper place. Taylor nevertheless thinks that constitutive goods still have "an incomparable place in their lives" because it "above all other provides the landmarks for what they judge to be the direction of their lives" – landmarks are then that which give structure to life.

How can we reconcile this seemingly paradoxical expectation that all goods are equal and that they all should be strongly valued, with the idea of a constitutive good that has a leading role?

A promising way to articulate this double condition (while indicating an application for our topic) is embedded in Maarten Verkerk's interpretation of the concept of 'social entrepreneurship' that is valid for organisations where 'profit' seems to be the totalitarian constitutive good. Verkerk (2013:9) concludes his argument for 'social entrepreneurship' by explaining that social entrepreneurs regard "profit" merely as "a 'tool' to realize the mission of an organization". With this he implies that the constitutive good of even business organisations cannot be a totalitarian profit motive. Social entrepreneurs are therefore prepared to "accept a below market rate when social or environmental goals have to be met". How does Verkerk get to this conclusion? In his review of the recent financial crisis, Verkerk (2013:3-4) identifies motives like "the absence of rules and supervision", "power and … greed" as causes for the crisis. He therefore remarks "that better rules and supervision are required to prevent next crises and new scandals", but adds that this emphasis "easily can lead away the conversation from another problem – maybe the problem". Verkerk (2013:3) diagnoses the important cause of recent crises as the fact that business enterprises abandoned their "origins". In the terms used thus far, one can say business people deserted the constitutive good for financial businesses of "serving society with good financial services", for example.

Verkerk (2013:4), using a concept which he claims to get from Alasdair McIntyre (although one suspects the Reformational notion of sphere sovereignty in the background), remarks that "practices are about 'internal goods'". These 'internal goods' refer to the values that are realized specifically by that practice. With this, Verkerk identifies a characteristic that seems critical to the nature of constitutive goods, namely that these goods should be *internal* if they want to evade an absolutising and reductionist deformation. Being 'external' is deformative because a good that is appropriate for some other practice, 'y', becomes the constitutive good to which entity or practice 'x' is being reduced. If the constitutive good, on the other hand, is internal to entity or practice 'x', it will be intent on realising what the identity of 'x' is all about. The latter is the core of the idea of sphere sovereignty. Verkerk (2013:4) gives two telling examples of appropriate internal goods, namely that the "internal goods of health care are

cure and care for patients and the internal goods of banking are financial services for citizens and enterprises". Reductionist/absolutised constitutive goods in these instances would be "goods that are external to the values realized by the practice, e.g. prestige, status, and money". It is at this point "where business institutions failed", and which led to financial crises, because the "focus was shifted from 'internal goods' to 'external goods', from excellent services to profits, and from virtues to targets".

5. *Academic Capitalists as Absolutisers and Reductionists*
Is a non-absolutising and non-reductionist approach possible in the neoliberal framework?

The assessment of this issue by culture critics is not positive: Bartholomew (2009:93,105) identifies "an overemphasis on the economic dimension of life" in current culture and refers to consumerism and globalism as examples, which he describes as a culture in which "everything becomes a product that can be bought and sold". Bartholomew (2009:92,103-104) therefore labels economics a modernist grand narrative, which postmodernism tries to decrease into "disconnected fragments and icebergs". This effort, however, does not mean that "modernity has vanished". The economic grand narrative, as it manifests in "consumerist individualism and free-market globalization" moved to the centre of current culture. Steger and Roy (2010: location 519) also indicate this totalitarian role of the neoliberal framework: "… it makes sense to think of neoliberalism as a rather economistic ideology, which, not unlike its archrival Marxism, puts the production and exchange of material goods at the heart of the human experience." Harvard philosopher Michael Sandel (2012:10-11) more recently made a very similar observation, that "we drifted from having a market economy to being a market society". This distinction implies that a market economy is a "valuable and effective tool" to effectuate "productive activity", whereas a "market society is a way of life in which market values seep into every aspect of human endeavor".

Is this absolutising and reductionism also applicable to academic capitalism? In his description of the situation in which universities find themselves, Vale (2011:31) remarks about this context that money is "the only goal in global society". This implies that "economics, not state politics nor the morality that the church had preached in earlier ages, would chart the course of human events". Vale's remark implies that an economistic view of the university is not the first

instance of deformation of the university. Indeed, statism was also practiced in an earlier dispensation by the state, and is still part of the agenda of the South African state**[vii]**.

Proponents of academic capitalism also confirm the 'seeping of market values' into universities:
Etzkowitz (2004:65), for instance, is convinced that the "capitalization of knowledge" will be "the heart of a new mission for the university, linking universities more tightly to users of knowledge and establishing the university as an economic actor in its own right". To realise this, Etzkowitz (2004:65,76) sees the so-called entrepreneurial university as "the latest step in an academic progression". In his interpretation of the history of the university he identifies a first revolution, namely the adding of research as academic task. This, he says, "disturbed the taken for granted assumption of the university as a single purpose educational institution". Research-oriented innovators reacted to traditionalists' objection in the late nineteenth century that the main task of the university is teaching, by saying that with new knowledge we can "raise the training of the students to a higher level". This higher level is explained by Etzkowitz as a higher level of productivity in which students also do research in the learning process. He anticipates that the second revolution (that is, the adoption of a "mission of economic and social development") will be objected to because it implies that researchers should be involved in "translating the research into a technology and product". Etzkowitz's counterargument is that it is more productive for universities to do the commercialisation themselves than to leave it to independent business enterprises. Already during the 1960s Kerr (2001:xii) predicted that economistic redefinitions will change the nature and functioning of universities: "Old concepts of faculty-student relations, of research, of faculty-administration roles are being changed at a rate without parallel." In fact, Kerr (2001:68) claimed that the "university and segments of industry are becoming more alike" where, for instance, the "professor – at least in the natural and some of the social sciences – takes on the characteristics of an entrepreneur"**[viii]**.

What would the strong evaluation be of overriding importance (i.e. constitutive good) for current universities?

With the broader framework in mind, it can be said that the profit and economic growth motives are probably constitutive goods with a major absolutising and reductionist push in our culture. Almost two decades ago, Hungarian-American

capitalist George Soros (1998) formulated it as follows: “So the hallmark of the current form of global capitalism, the feature that sets it apart from earlier versions, is its pervasive success: the intensification of the profit motive.” He furthermore refers to the “penetration [of the profit motive] into areas … previously governed by other considerations”.

There are indications that this constitutive good assumes even more layers of aspiring constitutive goods beyond itself. Middleton and Walsh (1995:22) point to the modern belief that “a rising standard of living (defined largely in economic terms) is the ultimate goal in human life and the only route to personal happiness and social harmony”. More recently but in more or less the same terms and critical mood, Nussbaum (2010:10, 2011:ix) says that the goal of nations has become economic growth. The objective of many a nation is to “increase its gross national product per capita” as if this measure is “a good stand-in for a nation’s overall quality of life”. It would be possible to probe into a layer of meaning even beyond that of economic growth. The obsession with economic growth and profit is a manifestation of a general modernist preoccupation with progress. And then it is possible to argue, like Goudzwaard et al. (2007:90-91) do, that the belief in “endless progress” is the result of a “dynamistic worldview” which elevated especially economic growth to the status of the “measure of everyone and everything”. However, for the purpose of understanding the strong evaluations of the neoliberal idea of academic capitalism, it will suffice for now to concentrate on our civilisation’s obsession with profit and economic growth.

With some idea of the constitutive good of current culture as a background, we can now turn our attention to the constitutive good(s) that academic capitalism specifically singles out. Some exponents of the entrepreneurial university do have ‘economic growth’ in mind as its supreme source: Clark Kerr (2001:xi-xii) already sensed a crucial link between knowledge and economic growth in the 1960s, when he observed that the “basic reality for the university, is the widespread recognition that new knowledge is the most important factor in economic and social growth”. Kerr explains that this growth is important because if the ideal of economic growth is not pursued, we are heading for the “fall of professions and even of social classes, of regions and even of nations”. More recently, Michael Crow (2008), president of Arizona State University and protagonist of the entrepreneurial university, agrees that “continued economic growth must remain an overarching objective because if we stop growing economically the social

outcomes will be dire … our collective standard of living will decline, our way of life will be threatened". Yusuf (2007:21) explains and emphasises the relevance of this sentiment when he argues that if making a profit and innovation are the main drivers of economic growth, "universities could emerge as the most dynamic transnational entities and a commercial force in their own right". Yusuf (2007:4-6) argues that the lifecycle of consumer products "from introduction to maturity, obsolescence, and withdrawal" is getting shorter and shorter and that therefore "ceaseless innovation" is needed because only then will companies be able to renew their products. But these companies will not attain this innovation on their own. Universities will have to be conscripted to help.

As can be discerned from these remarks, according to the neoliberal framework the constitutive good for universities can be found amongst the related ideas of 'profit', 'economic growth', and 'innovation'. This is also the observation of critics. With reference to the priority in higher education, Rhoades and Slaughter (2004:38) for instance point to the instrumentalist implication of 'profit' when they claim that "revenue generation comes to be prioritized over the core educational activities of the academy". Nussbaum (2010:10) describes the current ideal for universities as "education for economic growth", implying that economic growth should outrank the academic goals of universities. The underlying motivation for this good to be supreme, she argues, is the instrumentalist argument that universities have a fundamental and public responsibility in the general attempt of nations to attain the blissful state of salvation by economics. The effect of this instrumentalism is that the core ingredient of universities has become the view that making a profit from innovative applied science should inescapably become the major rationale for their teaching and research tasks**[ix]**. Indeed, propagators of academic capitalism see economic growth not only as a good that universities should in general contribute to the economy but also as an ultimate ideal to which universities themselves should conform. Such an interpretation of history and a prescription for the road ahead is for instance given by Crow (2008:3-6), who argues that the "ancient Greek academies developed the capacity to understand nature and society … but they were tiny in scale and exclusively 'conservative' ". The "medieval European universities were slightly larger in scale" and it was only with industrialisation in Europe that the transformation of the "socioeconomic and cultural landscape" in the direction of "industrial competition and the emergence of the notion of efficient technology-driven competitiveness" started. He nevertheless thinks that at this stage

“entrepreneurship was still little in evidence” at universities. He therefore thinks the “societal mission of colleges and universities” should “make more of an effort to … educate greater numbers of individuals” to service the “economic dimension”. This is because “higher education is the means by which a skilled workforce is produced and the source of new *knowledge capital* and thus *economic growth*”.

The constitutive good for the framework that can be labelled ‘academic capitalism’ will be found amongst or will be a combination of the closely related concepts of ‘progress’, ‘innovation’, ‘economic growth’, and ‘profit’. The prediction by proponents of academic capitalism is that an increasing pursuance of these goods will unavoidably change the nature and role of universities. They predict and even prescribe the appearance of mass production universities, which primarily prepare a quantitatively large and growing labour force for a growing industry.

6. *Intimations of a non-absolutising and non-reductionist constitutive good for universities*

It should be noted that the drift of my argument is not to simply discredit ‘profit’, ‘economic growth’ and ‘innovation’. In fact, a good case could probably be made for the responsible use of these goods in modern culture. However, if these goods become the *constitutive* goods for our civilization and more particularly for twenty first century universities, we are dealing with an obsession that might deform life and social institutions like universities in many ways. Critics agree that academic capitalism is the direction that universities are taking but remind us that we should look critically at this development.

Rhoades and Slaughter (2004:55-56), for instance, argue that ordinary academics sense that the totalitarian and reductionist penetration of the profit and growth motives in academic affairs will bring about a deformative change that could lead to an identity crisis for universities. They quote an anonymous academic on the increasing commercialisation of education: “Our first priority is our students, not to compete in markets … The minute you get into making a profit, to competing in the market, then you almost change yourself into something you are not.” For Rhoades and Slaughter an alternative to ‘academic capitalism’ is therefore “to simply say that we will not commercialize the curriculum – period”. They express a dual focus in “commitment to both educational interests and to the broad public interest”. The idea of the “broad public interest” can be dubious: If it is simply seen as the interest of the state, a step backwards is given to a constitutive good

prescribed by statism and thus a good outside the university as institution. However, if the "broad public interest" is the interest society has in good education, a step in the direction of an internal constitutive good is given.

Collini (2012: location 61&177) agrees with Rhoades and Slaughter that the appropriate internal constitutive good for universities is in the first place "intellectual, educational, scientific". He elaborates on the description "educational" and adds that it "signals something more than professional training"; and furthermore he says of "scientific" that it "is not wholly dictated by the [instrumentalist anti-ivory tower] need to solve immediate practical problems". Collini (2012: location 51-53, 58-61) observes that "any discussion of the place of universities in contemporary society will inevitably be driven to articulate, in however rudimentary terms, some sense of human purposes beyond that of accumulating wealth". He agrees that one should not "underestimate the expense of these institutions or presume that there is some God-given right for them to be lavishly funded". He nevertheless emphasises that if one tries to make the case for the value and importance of universities, it should be made in terms that "are not chiefly, and certainly not exclusively economic". Strauss expresses the same intuition about the relationship between the constitutive good for universities and the economy of these institutions: It can be the case that universities embark on "entrepreneurial activities" but this should merely be "geared towards the ideal of making the university financially independent – such that the typical task of the university as an academic institution may flourish". However, if the entrepreneurial activities, which are a-typical, are "mistakenly understood to be a typifying characteristic, it would be impossible to identify the difference between the university and a firm" (Strauss 2009:595). According to the first part of Strauss's remark, entrepreneurial activities should be seen as an external good that can nevertheless add something to the proper functioning of universities. In other words, the profit and growth idea can be normal and important if it is in a supportive role to the internal constitutive good of the university. The second part of Strauss's remark therefore suggests that if the entrepreneurial good assumes the position of an internal constitutive good, it will disfigure the identity and functioning of the university. It is therefore significant that Rhoades and Slaughter (2004:41) claim that even "policymakers and businesspersons" think that the "academy does not necessarily best serve its purpose by taking on a short-term, profit-maximizing mentality" but rather that they demand from "higher education to produce well-rounded graduates who

have learned how to think and have sharpened a wide range of communication and writing abilities".

Elaborating on the notion of the typifying task (constitutive good) for universities, Strauss (1998:113-114,117) remarks that "the modern university has emerged as an institution in which structural continuity exists with the origin of the first university of the Middle Ages around the year 1200". This structural continuity indicates for Strauss "a common and underlying constant structural principle". For Strauss the full constitutive 'principle' comprises "the simultaneous presence of two particular facts": The first is the "organization of the university into a specific societal institution", which can be described as the "bringing together of teachers and students". Secondly, the aim of this union is to transfer from teacher to student "scientific knowledge by way of scientific teaching". The combination of these two activities was initially expressed with the term "universitas" but later substituted with the word "academia". Academic activities therefore harbour the constitutive good for the university, which "determines the unique way in which the university as life form functions".
According to Strauss (1998:117-118), it is important for the constitutive good for universities that this "qualifying theoretical-analytical function of the university"**[x]** is as an internal good, and interweaved with aspects external to the university. It is important to identify the existence but also to underline the secondary status of this interweavement with external goods. Interweavement with the faith aspect can, for instance, be seen in the "academic mission (task and credo formulation) of the university". This "peculiar academic confession of faith" should, however, not transform the university into a church.
What then should the result be of an academic mission statement? Strauss's response to this question is that it should clearly be stated that the "theoretical-logical qualification" demands that a university "should express itself in its typical teaching and research activities". Negatively, this entails that "inherent … limits of competence … exist for the academic activities of the university". For instance, "the university cannot act as an economic institution, political action or religious grouping".

How do universities live up to this ideal? An overview**[xi]** of the vision (in most cases primary) and mission (in most cases secondary) statements of some South African universities do not yield a very optimistic result: None of these universities put the union between students and teachers or the transfer of

science and scholarship from lecturers to students in a very prominent constitutive position. In most cases education is valued in a secondary position, and some universities do not even recognise this identity-function on a secondary level. The second activity that identifies a university – namely science, scholarship and research – is recognised by most of these universities in their primary vision, but mostly in vague references to "knowledge" or with a very strong emphasis only on research. It is disheartening that the foremost academic capitalist strong evaluations, 'excellence' and 'innovation', have some popularity for a position in the constitutive good of universities. Other constitutive goods with an academic capitalist background that also make appearances are 'progress' and 'globalisation'. In some cases, social engagement also receives a prominent place in the constitutive good of their universities – with the implication that the anti-ivory tower argument should get primary attention, which leaves these constitutive goods open for academic capitalism or statist interference with academia.

7. *Conclusion*

The argument in this essay can be summarised as follows:

'Academic capitalism in the new economy' (which manifests inter alia in the ideas of for-profit universities and the so-called entrepreneurial university) is becoming very prominent. Proponents of this construct link it with the anti-ivory tower argument about the university. However, the objection by critics is that this argument leads to an instrumentalism that marginalises the historically developed identity of the university as an institution where science and scholarship should be cultivated and educated. The aim of the paper was to map and evaluate the transcendental anatomy of the idea of academic capitalism in the new economy.

This was done firstly by developing the conceptual tool 'structure and direction'. 'Structure' can be seen as that which prescribes the relatively constant identity of an entity like the university. 'Direction' is the realisation or lack of realisation of this structure in actual universities. A second step was to point out that Charles Taylor's concept of 'strong evaluation' especially captures the close interplay between structure and direction: A strong evaluation can be seen as the relatively constant standard that humans employ to distinguish between a good direction and the deformation of some entity like the university. A third conceptual tool that was developed, is that the strong evaluations that give direction to some entity tend to form (coherently populate) a framework or horizon.

In the terms of these concepts, it can be said that our civilization increasingly

operates with a neoliberal framework for universities that is dominated by the strong evaluations of ‘economic growth’ and ‘profitability’ and increasingly marginalises the ideas of ‘education’, ‘theory’, ‘science’ and ‘scholarship’. It is possible to give even more transcendental steps backward and point out that neoliberalism strongly evaluates the idea of *homo economicus*, which aims to transform all social roles (including that of being an academic) according to the pattern of a self-interested individual who is responsible primarily to the market. This prescribes for institutions an entrepreneurial mode of operation and governance, where competitiveness and decentralisation (fragmentation) are employed, ostensibly to create a less complex environment that will enhance profitability. In the academic world this implies nevertheless the breaking down of the collegial way of interaction between academics and putting the authority over academic matters in the hands of managers who increasingly govern academia according to economic values.

A fourth conceptual tool that is borrowed from the work of Charles Taylor suggests that the neoliberal framework has a core of ostensibly preferred strong evaluations. In fact, Taylor suggests that usually one strong evaluation, which can be called a constitutive good, with a prominent structural and directional function, is usually in the centre of a framework.

Although this constitutive good harbours in itself both the functions of structure and direction, it is also necessary to emphasise that in non-reductionist framework the two functions should not be confused with each other. This distinction is important because the directional act of valuing strongly some good should not develop into a totalitarian good valid for all of reality. If the latter directional move is made, it usually leads to all kinds of deformations of reality. A hierarchised dualism is usually the first result: this is where one good forms the higher and more strongly valued part for all of reality. All other goods are then seen as being of a lesser value or even as the source of evil. In other words: The result of dualisms is usually the deification of and thus totalitarian role of one good, which immediately implies that all other goods should be reduced to this absolutised good.

How then can the idea of the equality of all goods be reconciled with the notion of a constitutive good? The idea of sphere sovereignty, developed by Reformational Philosophy, suggests that a constitutive good is that which gives a very distinctive structure and direction to some entity, but that this does not mean that this good is valid for all of reality. Another way of expressing the same idea is that a first

test for a constitutive good is that it should be inherent to and valid for only the nature of a particular entity and not a good from outside that tries to give structure and direction not only to that entity, but to all of reality.

In light of this consideration the neoliberal concept of academic capitalism, with its overemphasis of economic matters, cannot be seen as a non-absolutising and non-reductionist approach in the spirit of sphere sovereignty. Furthermore, profit and economic growth seem to be the totalitarian constitutive goods for our civilization and indeed also for universities. It is expected from universities not only that their research should in the first place produce innovations that could lead to economic growth, but also that they should contribute a large labour force that can yield economic growth. Universities should therefore constantly aspire to become quantitatively bigger in order to produce this labour force and technological innovations.

This paper therefore concurs with critics who reject the notion that the constitutive good for universities should be that of 'profit' and 'economic growth'. As an alternative, a constitutive good that focuses on 'education', 'science' and 'scholarship' should be promoted. It can be conceded that concern with external goods like that of the economy will play a role in the functioning of universities. This role, however, cannot and should not be that of the primary structuring and directional constitutive good.

NOTES

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ii. 'Academic capitalism in the new economy' is a phrase borrowed from Rhoades and Slaughter (2004). It captures the common denominator, namely an obsession with the motives of 'profit' and 'economic growth', of a number of related recent models for the university ('for-profit universities', 'mode 2 universities' and the so-called 'entrepreneurial university' – the latter is referred to and briefly defined in the last paragraphs of section 2). This obsession is also the hallmark of the cultural motive (the economism of neoliberalism) from which these models originate.

iii. 'Transcendental inquiry' implies here an investigation into the historically developed ideas behind a university, and which conditions current notions and practices of being a university.

iv. This non-reductionist approach is something that I first encountered in Reformational Philosophy. Reformational Philosophy is still the benchmark for my

use of the concepts and ideas of Taylor.

v. A thorough inquiry into these impressions will have to stand over until another paper.

vi. According to the Reader's Digest Universal Dictionary "constitutive" can be defined as that which makes "a thing what it is"; what is "essential" to an entity; but to be constitutive is also to have the "power to institute, establish, or enact" – that is, to give direction to this entity.

vii. Strauss (1989:118) describes a longstanding practice in South Africa of viewing the university as a "legal entity which is a complete state creation". The demand to universities to see themselves as constituted by some other societal institution with constitutive goods foreign to the university is thus not unknown in the history of the idea of the university.

viii. The instrumentalist logic behind this transformation into entrepreneurs and clients/customers seems simple enough: "If private enterprises must nurture innovation and enhance productivity in order to survive in the competitive marketplace, why shouldn't government workers [or academics] embrace neoliberal ideals to improve the public [or university] sector?" (Steger and Roy 2010: location 537).

ix. This is also the conclusion (and critical remark) of the Consensus study on state of the Humanities in South Africa: Status, prospects and strategies (2011:38-42,56). Lynch (2006:6) reports that the same thing happens in policy documents in Ireland, where "the development of society is equated with economic development and the latter is focused primarily on science and technology".

x. Since the concept 'scientific' plays a crucial role in the description of 'academia', Strauss (1998:115) elaborates on the distinction between "science/theory formation" and "non-scientific (non-theoretical) activities". He describes science/theory formation with the concept "abstraction" but then specifically "aspect abstraction" or "modal abstraction". The latter distinction will take much more space to explain than what is possible here. It is nevertheless important to distinguish scientific abstraction from 'everyday' abstraction where "certain universal characteristics" are also elevated and combined to form concepts like "human being, tree, horse, motorcar, etc.". The characteristic of "theoretical thought", in distinction is when certain aspects of reality are focused on, for instance its spatial, kinematic and physical way of being.

xi. The following is an overview of the content of the vision (in most cases primary) and mission (in most cases secondary) statements of various South

African universities, as they appear on the websites of the respective universities (information about websites can be found in the section on 'References'): The North-West University emphasises the pursuit of excellence, innovation and knowledge in its vision, while a balance between teaching and research, sound management, transformation, local engagement, and being internationally recognised gets secondary attention in a mission statement. The University of the Witwatersrand identifies as its foremost objective that it wants to be a research-intensive university. The university intends to achieve this goal (on a secondary level) by pursuing intellectual excellence, international competitiveness and local relevance. This secondary level also creates room for competitive education and high academic standards, public engagement and global partnerships. Stellenbosch University gives pre-eminence to inclusivity of all individuals, with innovation being future-focussed. Issues like social justice, the development of Africa, learning and teaching, innovation and creativity, diversity, and synergistic networks get secondary place in its mission statement. Pretoria University wants to be a leading research-intensive university in Africa that is recognised internationally for its quality, relevance and impact, and also for developing people, creating knowledge and making a difference locally and globally. In its secondary mission statement it gives attention to what the university sees as their core functions of research, namely teaching and learning. On this secondary level the university also states that it wants to engage with society and communities. The University of Kwazulu-Natal pursues a vision of being the "premier University of African Scholarship". The secondary mission statement emphasises excellence and innovation in research, as well as societal engagement and transformation. In its mission statement the University of Cape Town gives priority to having global networks and connections. With these connections as vantage point the university wants to give attention to research and scholarship in key issues of the natural and social worlds, delivering internationally recognised and locally relevant qualifications and pursuing social issues like engaged citizenship, social justice, diversity and transformation.

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IIDE Proceedings 2014 – Corporate Social Responsibility, Deconstruction And Justice: A Response To Campbell Jones And Richard T. De George

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The purpose of this article **[i]** is to develop an experimental model of deconstruction in CSR in order to attempt to bridge the aporia between the CSR of Jones and De George. Jones advocates the importance of deconstruction in CSR, while De George is suspicious of the perceived relativism and undecidability of deconstruction. It will be argued that this perceived aporia between Jones and De George develops, because it is overlooked by both, that the normative foundation of deconstruction is rooted in the appearance of the other as a function of justice. The appearance of the other decentres business and challenges modernism's fragmentation and reduction of reality. This is

highlighted in Derrida's deconstruction of the gift in which business is not only a commercial function, but linked to society as a whole and therefore has a responsibility as an agent of social transformation. Deconstruction in CSR will be illustrated in the case study of Royal Bafokeng Platinum.

1. *Introduction*

The debt crisis of 2008, corporate scandals and environmental disasters related to business activities have emphasised the importance of corporate social responsibility (CSR) as a means to encourage good corporate citizenship. Good corporate citizenship assumes that business has a responsibility in society. This means that business will not harm society or the environment and assist in transforming society. This can be done by business by means of using their wealth and expertise to improve the lives and circumstances of people and by addressing injustices like socio-economic inequality. Corporate citizenship affirms the complex nature of corporate responsibility that encompasses a wide range of stakeholders in the local and global context e.g. Stakeholder theory**[ii]** (Freeman 1984). In this context, some scholars have argued that deconstruction, and specifically the work of Jacques Derrida in terms of the ethics of irreducibility, responsibility and justice, may be insightful to CSR in the global business context of cultural and religious diversity by challenging the limits of traditional CSR (Rendtorff**[iii]** 2008, Jones 2007, Woermann**[iv]** 2013). Limits refer to the focus of deconstruction on the inability of language to articulate the full complexity of reality (Melchert 2011:700). The optimism that articulation is possible, is a legacy of the reductionist trend of modernism and science that is evident in traditional CSR (Woermann 2013:98). Traditional CSR is rooted in the assumption that profit is the main agenda of business and the focus of social responsibility and ethical decision-making. Therefore, universal normative foundations are required to provide homogenous and predictable outcomes that sustain the status quo. According to this view, business only has a commercial function in society and the interaction of a business with employees, clients, producers, shareholders and communities is ultimately to increase profits and has very little to do with justice and social transformation, except indirectly though compliance to legal and other demands of society. Thus, traditional CSR is a phenomenon of modern culture that perpetuates a reductionist and fragmented view of reality and society in which business mostly focusses on profit and compliance, as if business is not linked to all other aspects of society (Taylor 2003:1-12). This fragmentation does not imply that traditional CSR is redundant and irrelevant, or, that deconstruction

is against traditional CSR. Deconstruction reveals that business is more intertwined with society and cannot be limited to profit-making alone, or that transformation is only the responsibility of government. Deconstruction uncovers the tensions within traditional CSR between business as commercial function and agent in social transformation. This tension is due to the fragmented view of reality of traditional CSR that limits business to profit-making, while excluding the possibility of other functions. This is highlighted by Derrida's deconstruction of the gift that views business as a commercial enterprise and social institution for the benefit and transformation of society. Thus, deconstruction acknowledges the complex and socially connected status of business in society and that business is an agent of social transformation, amongst others.

The problem is that the role of deconstruction in CSR is aporetic**[v]** and under negotiation because of the criticism, from traditional CSR theorists, who claim that deconstruction undermines the integrity of CSR because of the perception, amongst others, that deconstruction is relativist and lacks a normative foundation for business decision-making. Therefore, some scholars embrace deconstruction and explore the possibilities it has to offer CSR; while others are sceptical and view aspects like irreducibility as a danger to responsible business practices. In this study, the focus will be limited to the research of Campbell Jones that explores the opportunities that deconstruction has to offer CSR to become an honest practice that reveals the aporetic nature of CSR; and Richard T. De George's traditional**[vi]** CSR, that responds with extreme suspicion of deconstruction because of its perceived inherent undecidability and relativism that undermine the commercial function of business. The conflicting views on deconstruction of Jones and De George highlight the (im)possibility of normative foundations in CSR. In other words, the problem is that, according to Jones, the suspension of normative foundations of traditional CSR and the elusiveness of decision-making are important contributions of deconstruction; while De George rejects deconstruction because it undermines the possibility of universal normative foundations and decision-making in CSR. Thus, the question remains whether deconstruction has a normative foundation that can contribute to justice and transformation.

The hypothesis of this study is that the appearance of the other as a function of justice and transformation is the normative foundation of deconstruction that is imbedded in the practice of CSR. In other words, deconstruction in CSR can

decentre traditional CSR, thus, opening the possibility that business can be a function of justice and social transformation. This outcome is possible if business is viewed as an integral part of society and important agent, amongst others, in social transformation. Although Jones's aporetic position has a more holistic view of business in society, he unfortunately does not explore the constructive dimension of deconstruction as a function of justice and social transformation in his article. It will be argued that a key strength and normative aspect of deconstruction comprise the possibility of transformation with the appearance of the other. However, for business to contribute to social transformation, the normative dimension is located on the margin, the other, beyond the centre of society. If the other is merely an aspect of society, it leaves little room for transformation. The other then becomes one among many other stakeholders. Social transformation is far more inclusive and affects society as a whole and business as an aspect of society when the other appears. This is the strength and normative aspect of deconstruction. Recognition of the other creates the possibility of justice and change. This hypothesis is presented with the full awareness that the reference to normative foundations is already under the sway of deconstruction itself. However, it will be argued that the sway of deconstruction is rooted in the possibility of justice that is beyond the finality of the law. Deconstruction highlights that CSR is an immanent event and that the normative foundations of CSR are embedded in this event through the appearance of the other that transforms society. Thus, deconstruction resists stakeholder engagement that attempts to manage CSR by means of erasing stakeholders who appear and challenge the status quo. The inconsistencies that result from the appearance of the other is the basis of justice that challenges the law and results in the possibility of social transformation and CSR that is practiced with philosophical integrity (Rossouw 2008). Thus, deconstruction has a constructive dimension that will highlight that CSR is an immanent phenomenon that is able to critically manage the inconsistencies and peculiarities of real situations by engaging the other without regressing into the safety of universalism and reductive rationality. In other words, deconstruction highlights that CSR is an act of hospitality that welcomes the other as a function of justice and critically manages the complexity of stakeholder engagement. In order to develop this constructive view of deconstruction in CSR, a clear heuristic definition of justice in CSR is necessary to assist practical implementation and decision-making. In other words, the appearance of the other as a function of justice is the normative dimension in CSR. However, this notion of justice must be clearly articulated to

assist business to be conducted in a transformative manner. Thus, the following heuristic definition will be proposed that will form the basis of an experimental model of deconstruction in CSR: CSR is a critical immanent event that has the possibility of social transformation through the engagement with stakeholders in order to challenge the traditional functioning and decisions of business. In other words, CSR can be a function of justice and social transformation.

In section one of this study, is a discussion of the article of Jones entitled Friedman with Derrida (2007) that highlights the positive contribution of deconstruction. Secondly, follows a discussion of De George's criticism of Jones and deconstruction in the article, An American perspective on corporate social responsibility and the tenuous relevance of Jacques Derrida (2008). The third section consists of a reflection on the appearance of the other as a function of justice as the normative foundation of deconstruction with special reference to the gift and hospitality; and the implications of deconstruction in CSR for business and society. In section four an experimental model of deconstruction in CSR will be proposed, unpacked and illustrated by a case study of Royal Bafokeng Platinum (RBP).

2. *Campbell Jones*

In the article *Friedman with Derrida* (2007), Jones highlights the contribution of deconstruction to CSR by deconstructing Friedman's shareholder approach to CSR. The shareholder approach of Friedman is usually criticised by stakeholder theorists for reducing corporate responsibility to profit-making and compliance to laws and regulations (Stone 1992:442-443). Friedman is synonymous with the following quote that appeared in a 1970 New York Times Magazine that describes CSR in a "free society": "There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud" (Friedman 1962:133; 1970:126). This highlights the role of compliance in the law of shareholder CSR. However, according to Jones (2007:514), this quote is often misused by representatives of the stakeholder theory to construct a shareholder/stakeholder dichotomy. The problem is that this opposition between shareholder/stakeholder perspectives forms the basis of a binary opposition in which one view is prioritised over the other (Jones 2007:514). Friedman's view of CSR, according to Jones, is thus reduced to the title of his 1970 article that appeared in the New

York Times Magazine.

However, in Friedman's 1962 work entitled *Capitalism and Freedom* (1962), the same quote appears with a different context in mind. In *Capitalism and Freedom* (1962) the quote refers to "a free economy", and the 1970 *New York Times Magazine* article uses the quote to describe "a free society" (Jones 2007:515). In other words, Friedman refers to two different things in the two texts but uses the same quote. Further, in Capitalism and Freedom (1962) the quote is followed by the following: "Similarly, the 'social responsibility' of labour leaders is to serve the interests of the members of their unions" (Friedman 1962:133). Thus, in the context of "a free economy" responsibility is divided and represented by two parties, namely: "corporate officials" on the one hand; and "labor leaders", on the other (Jones 2007:517). Therefore, *Capitalism and Freedom* (1962), does not contain a unified view of CSR, as is suggested by Friedman in the *New York Times Magazine* article. CSR involves at least two sets of responsibilities that are in tension with each other. In other words, to reduce Friedman as representative of a shareholder view of CSR based on this popular 1970 article is misguided, because there is something "subversive" in Friedman's understanding of CSR, as is reflected in *Capitalism and Freedom* (1962).

The point that Jones attempts to make is that there is a deconstructive movement in Friedman's texts that destabilises the neat reductionist boundaries that are erected by the binary strategy of stakeholder theorists. Jones (2007:521-522) concludes: "The point, rather, is that whether we like it or not, Friedman is in deconstruction. Friedman's text struggles with a set of claims and counter-claims that are inconsistent and at odds with themselves" (Jones 2007:521-522). In other words, Friedman is demonised by stakeholder theorists in order to emphasise the importance of their positions. This is the crucial contribution of deconstruction according to Jones: "Deconstruction involves not avoiding such tensions or seeking to make them manageable…." (Jones 2007:522). Thus, deconstruction emphasises the fact that decisions are "difficult and not reassuring" because they always remain under negotiation and are at most preliminary (Jones 2007:522). This important aspect of deconstruction, according to Jones (2007:518), has been widely used in management and organisational studies. However, in business ethics**[vii]** and CSR, little attention has been paid to the possible contribution of deconstruction (Jones 2007:519). According to Jones, this is an oversight because deconstruction can be helpful when "negotiating with contamination" by

"showing, documenting, and demonstrating the instability of specific boundaries" (Jones 2003:520). Deconstruction has the ability to reveal the complexity of reality without ending with reductive methodologies. Deconstruction deals with the dynamic and temporal nature of reality. Jones (2007:520) highlights that "deconstruction is not a 'method' that could be 'applied' to another object". Deconstruction "*is* applied; it is always 'at work'" (Jones 2007:520). Deconstruction is radically located in time and space. It is radically immanent. It is something that happens when theories, models and applications are created. The moment we write an idea, deconstruction is at work in the negotiation between the inside and outside of the boundaries we need in order to articulate our thoughts. Thus, deconstruction is not an instrument of modernity with methods to provide clear calculations to problems faced by business. It rather prepares business for the transformational process involved in CSR because "deconstruction is always already at work" (Jones 2007:521). Jones (2007:523) notes that deconstruction is at work in the "already contested and aporetic space of CSR".

The active presence of deconstruction in CSR is an honest acknowledgement that the universal foundations of traditional CSR implodes under the strain of reality brought about by the appearance of the other. Deconstruction is an honest acknowledgement of the tension already at work in CSR (Jones 2007:524). Jones (2007:524) notes that the question of the other, is related to the work of Levinas**[viii]** and his critique of Heidegger's understanding of responsibility from the perspective of the subject. Responsibility, according to Levinas, is relational**[ix]**. Jones (2003:227) stated in an earlier study that it "….involves a recognition and openness to the face of the Other, which entails as Derrida puts it, 'a total question, a distress and denuding, a supplication, a demanding prayer'" (Jones 2003:227). Deconstruction exceeds "calculation of advantage, of expectation of reciprocity and of reasons…." (Jones 2003:228). Deconstruction "proceeds not from an autonomous subject, but at the point at which the autonomy of the subject collapses". Responsibility, according to Jones (2007:524), "involves a response to a call from the other person and that justice involves the impossibility of negotiating the demands of more than one Other, Derrida poses the questions of responsibility in terms of 'whom to give to'". Openness to the other is the basis of honest CSR practices because deconstruction is the emergence of "undecidability" as a characteristic of ethics, politics and justice (Jones 2007:524-526). Jones (2007:516) states that in the work of Derrida,

responsibility is not positioned in the space of certitude but undecidability. “One is only responsible when one is not sure if one has been responsible” (Jones 2007:526). Thus, CSR is not to “get on with the business of responsibility”, rather, responsibility is when “impossibility, radical undecidability and the lack of coherence at the heart of CSR become a priority”, according to Jones (2007:526-528). In other words, the other continuously appears as part of society (e.g. stakeholder) by challenging business without reaching a point of finality.

Jones (2007:514) is very optimistic about the contribution of deconstruction as a means, amongst others, to engage aporia present in CSR (e.g. the tension between shareholder and stakeholder CSR); and, as a means to understand the limitations of CSR. Jones embraces deconstruction as a means to maintain the philosophical integrity of CSR by arguing that deconstruction expands the limits of responsible business practice. This is done by the appearance of the other that requires further ethical reflection which goes beyond the traditional limits of CSR like the avoidance of risk, amongst others. In other words, deconstruction is critical of the reducibility of traditional CSR. Deconstruction challenges traditional CSR and its universal foundations that focus on increasing profitability and limiting the risk of corporate scandals. Jones tests the limits of CSR, which may seem to reach a point of implosion by decentring the notion of responsibility by the proliferation of stakeholder engagement beyond traditional boundaries. However, the crucial aspect of deconstruction is the assumption that the appearance of the other is already happening and destabilising tradition CSR. Deconstruction through engagement with the other is already transforming business. Thus, the challenge of deconstruction is unavoidable, according to Jones, to honestly acknowledge the aporia already present in CSR and to refrain from reductions and calculations that support the short-term goals of business. This reference to honesty is important because it is reminiscent of the virtue ethics of Aristotle, but this aspect is not developed as a foundation for CSR. For Jones, foundations remain elusive and therefore CSR is aporetic. Unfortunately, Jones does not develop a normative

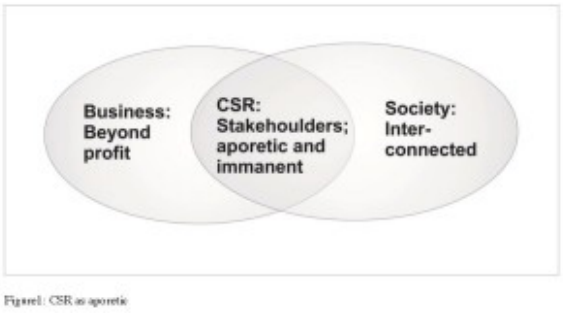

Figure 1: CSR as aporetic

aspect or stipulate how responsibility and the other can provide a normative foundation for justice and transformation in the practice in his aporetic CSR (*See Fig. 1*). For Jones, the other appears as stakeholders who challenge business to move beyond a commercial function. The radical aspect of the other as a change to society as a whole and business specific, as a function of justice and transformation remains undeveloped. In Jones's article the face of the other becomes an abstract concept that destabilises business activity and may result in the spectre of relativism. These aspects of undecidability and relativism take centre stage in De George's criticism of Jones.

De George, in the article *An American perspective on corporate social responsibility and the tenuous relevance of Jacques Derrida* (2008), is critical of Jones's optimism of the usefulness of deconstruction for CSR. De George's critique of Jones starts by focussing on the contextual differences between business ethics and CSR in the United States of America and Europe. He argues that the social dimension of European business may be more open to the role of deconstruction. Next, De George contextualises Friedman's shareholder CSR in an attempt to highlight the inconsistencies of Jones's deconstruction of Friedman that ends in undecidability and relativism.

In the United States, according to De George (2008:74), the focus of business ethics is on individual morality and ethical theories like those of Kant, Mill, Aristotle, Rawls, pragmatism, feminism, theories of rights and justice. In Europe, corporations are integrated into the social fabric of society and employees receive more social benefits (De George 2008:74). The difference between CSR in the United States of America and Europe, according to De George (2008:80), has to do with the structure of society. De George (2008:80) notes that in the United States of America the focus is on the individual and "the actions of individual corporations or business executives" (De George 2008:80). This differs from

Europe that has a stronger social focus reflected in the structure of society and "the business-government relation" (De George 2008:80). In other words, the focus of deconstruction on social issues and justice is probably more adapted to the European context. According to De George (2008:80), the task of deconstruction of looking for "hidden contradictions" in foundational structures, characteristic of Western thought since the Hellenistic times, is an attempt to undermine accepted beliefs and presuppositions of business in the United States of America. De George (2008:80) notes that this demonises deconstruction as the antagonist of what is acceptable. Therefore, the agenda of deconstruction is foreign to the context and seems like an attempt to undermine the value of business in the United States of America. The negative effect that deconstruction may have on business highlights De George's traditional view of CSR that is rooted in individualism and free-market capitalism.

De George (2008:75) argues that the 1970 article of Friedman is a response to ideas related to the development of CSR in the United States of America that goes beyond a reductive focus on profit. Rather, it was influenced by contextual events like World War II, environmentalism and the Vietnam War. Friedman responds to these events in his 1970 article in order to give a "… voice to a number of business people who felt an incompatibility between their business responsibilities and the new demands that were being thrust upon them" (De George 2008:76). Friedman, according to De George (2008:76), therefore argued that economic, legal, social, environmental and other expectations that are demanded by society go beyond the purpose of business. The strategy of De George is to undermine the argument of Jones in terms of its subjectivity and failure to deal with the historical situation to which Friedman responds. From this, De George's focuses on globalisation and diverse social expectations and the opportunism of interest groups that may use CSR for political gain.

De George (2008:76) notes that although moral and ethical responsibility always remains the same no matter what culture or context the business operates in, globalisation changed the way CSR functions. The reason for this is that CSR is context specific and reflects the "expectations and demands of the societies in which the corporations are found and/or where they operate" (De George 2008:76). CSR is influenced by the demands that society places on business as a result of "conventional morality" that goes beyond the law (De George 2008:77). Thus, stakeholder engagement has to deal with societal differences that may be

the result of history, culture, gender, geography and other factors. According to De George (2008:77), the difficulty that corporations face is to make a distinction between societal expectations and what is written into law. CSR is complicated by the role of interest groups who use sophisticated rhetorical mechanisms that manipulate businesses to support their particular agendas, although it may not seem to be in the general interest of business or society to do so. The expectations that business has to deal with may be those of minorities who because of their influence, force business to adhere. Thus, societal expectations may be opportunistic and in many cases beyond the expectations of law. Deconstruction and the role of the other support the opportunism of minorities (De George 2008:77). This, according to De George (2008:77), is clear from the example of pharmaceutical companies that refuse to provide anti-retroviral drugs to Africa while they publish glossy magazines promoting CSR**[x]**. The problem, according to De George (2008:77), is that it is unfair to make these companies solely responsible for the burden of HIV/AIDS (De George 2008:77). De George is correct that opportunism and the politics of interest groups may detract from CSR. However, it is an open question whether deconstruction and the other can simply be reduced to opportunism.

The universalism of traditional CSR becomes more apparent in De George's criticism of the lack of normative foundations of deconstruction and the danger of undecidability present in Jones's deconstruction of Friedman's shareholder CSR (De George 2008:81). De George (2008:81) states that the deconstruction of Friedman by Jones evokes and provokes. It evokes Hegel's master/slave dialectic and Marx by claiming that Friedman presents two responsibilities in *Capitalism and Freedom* (1962) namely, corporates and labour unions that emphasise the socialist context of European CSR. The article also provokes by claiming that "Friedman does not know what he is talking about" when referring to a "free economy" and "free society" (De George 2008:81). However, according to De George (2008:81), this provocation is a subjective and inaccurate interpretation of Friedman because the reference to a "free economy" and "a free society" in terms of shareholder responsibility, is the "same whether one speaks of a free economy or of a free society, which for him requires a free economy" (De George 2008:81). Thus, it is misleading, according to De George (2008:81), to refer to a slippage or lapse in Friedman's use of the quote that refers to shareholder responsibility.

Positively, De George (2008:81) acknowledges that the binary strategy between

labour and capital used by stakeholder theorists is exposed by Jones. However, this is as far as he is prepared to go because according to him, the notion of the other and social change is beyond the purpose of CSR. De George (2010:200) states that "… although corporations are created to serve the common good, it does not follow that an appropriate end of every corporation is the improvement of general welfare, except by its appropriate business-related activity" (De George 2010:200). Thus, direct social change is beyond the responsibility of corporations. Justice and transformation is the responsibility of individuals and governments. CSR focuses on containment, according to De George (2010:201). CSR is a mechanism to limit the harm that corporations may cause society and the environment in their business activities. Corporations are mainly indirect agents of change by complying with the legal and policy demands of a society (e.g. Broad-Based Black Economic Empowerment (B-BBEE) in South Africa). In other words, corporations mainly have a commercial function in society. Corporations are separate entities with the purpose of profit-making, and CSR is a way of enhancing the business objectives of corporations with the least harm to society. This reflects the modern tendency of traditional CSR that fragments society and CSR. Traditional CSR has to do with corporations and not justice or social transformation because corporations are not viewed as agents of transformation in society.

The traditional CSR of De George follows the fragmentary view of society that consists of various components of which business is a part. This traditional perspective of De George is emphasised by his criticism of deconstructions, perceived relativism and undecidability. De George (2008:83) is unnerved by the fact that Derrida does not have an ethical theory in line with classical modern ethicist (e.g Kant, Mill, etc.). De George (2008:83) opines of Derrida, "His aim is not to explain and justify any existing morality, conventional or otherwise, or to propose an alternative morality". According to De George (2008:83), Derrida disrupts traditional ethics (Aristotle, Kant, Mill, Marx and Rawls), because he questions foundationalism that results in the absence of "rules to follow or duties prescribed" (De George 2008:82). In other words, for De George, deconstruction is a disruptive philosophy that undermines the normative foundations of ethics and CSR because it does not offer universal answers to ethical problems. The consequence is that CSR and business are left with more questions than answers. However, this inclination to provide answers is an attempt to stabilise and re-assure business of the corporate agenda of CSR. This re-assurance highlights that

business aspirations are the central agenda of CSR. Thus, the relativism of deconstruction has practical implications for business because it is not clear that "…. Derrida recognizes any objectively right action, and hence one is always unsure because there is nothing to be sure about" (De George 2008:82). It seems that, according to De George (2008:81-82), deconstruction may lead to CSR that succumbs to "undecidability". De George (2008:82) states, "The unsettling aspect of the act of deconstructing, however, is that we seem never to get an answer, and that whenever we arrive at an answer we are assured that it must be wrong. This makes informed action difficult, if not impossible, and reduces those in business who have to make decisions, or their critics, to the position of an undecided Hamlet". In other words, deconstruction embraces undecidability at the expense of decisions, action and conclusions.

However, according to De George (2008:82), the "task of CSR is a different task, namely influencing those in business to act in a way that is more positive in its effects on human beings, on the environment, on the common good than is often the case ….". The aim of CSR is "tampering the destructive and rapacious tendencies of unregulated big business, and has had some success in curtailing some practices harmful to people. To the extent that if it has had any success in improving the lot of human beings, CSR is a positive force in the business arena, even if poorly understood by its practitioners, even if rife with irresolvable conflicts, and even if it is in the process of deconstructing itself" (De George 2008:83). Therefore, the challenge that CSR must be open to the other makes little sense because businesses are "… engaged in production and exchange. For profit organizations are by definition self-interested entities. They are not formed to give away what they produce as gifts. They do not open themselves up hospitably and risk being taken advantage of by anyone who chooses to do so" (De George 2008:84). According to De George, the other is the antagonist of business and CSR. Business has a commercial function in society and therefore the other only interferes with this function.

Figure 2: CSR as compliance to the law

To conclude, De George (2008:85) states that Jones "wants to change business practices with respect to exploitation, pollution and other areas". However, "his adherence to Derrida's approach does not permit such wholesale condemnations or judgements about what is right and wrong" (De George 2008:85). Jones is "against business ethics", according to De George (2008:85). The undecidability and relativism of deconstruction are major problems for De George (Woermann 2013:103). The reason for this is that it lacks clear normative guidelines for application and is more orientated to social issues like in the case of business in Europe. Another aspect that De George raises is that, although deconstruction contributes to philosophy and literary theory, it is in conflict with liberal ideas of business practices e.g. self-interest and profit. In other words, De George's fragmented view of society, the yearning for universal values, and decidability reflect a traditional view of CSR. CSR contributes to the function of business to make profit and compliance to legal directives (*See Fig. 2*). In the next section, it will be argued that the normative foundation of deconstruction is the appearance of the other as a function of justice and social transformation. This will become clear in the deconstruction of the gift and hospitality as key concepts that Derrida uses to discuss the economy, thus addressing the criticism of De George.

	Campbell Jones	Richard T. De George
Business	Beyond profit	Profit
Society	Interconnected	Functional units
CSR normative foundation	Aporetic	Law and compliance to universal principles
CSR practice	Undecidability, changeability	Calculation, predictability
CSR agent	Stakeholders	Shareholders

Figure 3. Comparison of the CSR of Campbell Jones and Richard T. De George

4. *Deconstruction in CSR and Justice*

The conflicting views on deconstruction of Jones and De George highlight the (im)possibility of normative foundations in CSR (*See fig. 3*). On the one hand, Jones is critical of the universal normative foundations of traditional CSR that fails to respond to the other, and on the other hand, De George attempts to selvage traditional CSR because of its usefulness for business. The absence of universal foundations in deconstruction is his major criticism of deconstructions in CSR. Thus, the question is whether deconstruction has a normative foundation that can contribute to justice and transformation.

Jones focuses on the ability of deconstruction to expand traditional notions of responsibility that reduce stakeholder interaction to universal categories. Thus, deconstruction assists CSR to be practised with honesty. Honesty refers to the acknowledgement that reality is complex and cannot be reduced to universal categories. Honesty requires ethical reflection within the situation and the ability to manage inconsistencies and tensions. In other words, for Jones the level of honesty is what separates traditional CSR from deconstruction because universalism and rationalism are tools to reduce the complexity of stakeholder interaction. However, Jones does not delve into the philosophical challenge of deconstruction that deconstructs traditional CSR, society and business. This challenge is rooted in the normative foundation of deconstruction that focuses on the transformation of business and society beyond the fragmented**[xi]** view of reality and society that forms the foundation of traditional CSR. Thus, the perception remains that deconstruction can be viewed as an antagonist of business, rather than an inspirational moment of change and justice.

De George is suspicious of the possible lack of normative foundations of deconstruction because it may undermine the usefulness of CSR for business**[xii]**. De George associates responsibility with individuality, rationality and universalism as the basis for stakeholder interaction. However, at a philosophical level this perspective is rooted in modernism and a fragmented view of reality that separates business and society**[xiii]**. Thus, responsibility is bracketed in terms of the rational engagement that has the potential of positively affecting the moral behaviour of business because business is part of society in general, and is more than a profit-making machine with no possible role in social transformation.

At this point it is crucial that Derrida’s view of responsibility is explored in order to ascertain whether deconstruction does provide normative foundations for

change. It will be argued that deconstruction highlights the fact that justice as a function of the appearance of the other is the normative foundation for social transformation that is imbedded in the practice of CSR. Although Jones develops the role of deconstruction as an honest CSR practice, he fails to develop the role of deconstruction as a means to transform fragmentation the fragmented view of society that reduces business to a commercial function. Thus, the normative foundation of deconstruction that decentres business and the fragmentation of modernity are not explored. This process of decentring views business as an integrated part of society with the ability to participate in social transformation and justice. The discussion of deconstruction, its view of the economy and justice in the next section will reveal that deconstruction in CSR is a critical immanent event that has the possibility of social transformation through the engagement with stakeholders that challenges the functioning and decisions of businesses.

4.1 *Deconstruction, justice and social transformation*

Deconstruction is mainly associated with the work of Jacques Derrida and post-structuralism (Melchert 2011:700-703). Deconstruction developed as a linguistic theory that aims to reveal the limits of metaphysics**[xiv]**, associated in Western culture with logocentrism**[xv]** – the presence of the spoken word. The priority placed on presence in Western culture is also highlighted by the notion of *dasein* or "being here" of Heidegger. Derrida highlights that presence is only constructed on the basis of the absence of the other. In other words, any text is an ideological construction with a central thrust or strategy that marginalises the other. The aim of deconstruction is to reveal this hierarchical construction of reality that is reflected in linguistic reality. For example, the patriarchal gender role of male/female is built on the priority given to the male side of the dichotomy. Deconstruction interrupts this construction by emphasising the presence of the female or other. Thus, deconstruction is a moment of justice that exposes patriarchal gender stereotypes. This has important implications for applied ethics, because there is a critical moment that incorporates justice as a means of transformation in the process of ethical decision-making. In other words, applied ethics is not merely understood as the practical implementation of good moral practices. It actually goes a step further by revealing and transforming unjust moral practices, thus expanding applied ethics and its philosophical integrity. In this regard, the entry of the other is the normative foundation for justice and the constructive basis for transformation.

Derrida (1972:xiv) highlights the constructive dimension of deconstruction by stating that it "…is not a form of textual vandalism designed to prove that meaning is impossible. In fact, the word 'de-construction' is closely related not to the word 'destruction', but to the word 'analysis', which etymologically means 'to undo'-a virtual synonym for `to de-construct'. The deconstruction of a text does not proceed by random doubt or generalised scepticism, but by the careful teasing out of warring forces of significance within the text itself. If anything is destroyed in a deconstructive reading, it is not meaning but the claim to an unequivocal domination of one mode of signifying over another" (Derrida, 1972:xiv). Deconstruction is not rooted in abstraction but the singularity of a contextual event. In terms of the example of patriarchy, deconstruction is activated in the event of patriarchal gender stereotyping by the male/female dichotomy. The aim of deconstruction is to reveal the marginalised other in the construction process. Thus, deconstruction is immersed in the singularity of a particular situation.

The situational aspect of deconstruction highlights the complexity of reality as its starting point. This reality cannot be reduced to ethical calculation, because it is a human reality that is continually challenged by the face of the other. It is immanent, involved in the here and now of the situation, and the faces of all involved. It does not succumb to generalisation or universality. However, it is in the moment that the face of the other appears as critical intervention in the ideological strategies of the centre. Justice acknowledges that the hierarchical engagement between centre and margin can only be transformed when the other appears. Thus, justice resides in the "disjuncture of the ethical relation with the Other" (Woermann 2013:113). The appearance of the other requires a decision to respond or refrain from responding. Woermann (2013:116) states that justice is the "moment of decision". Thus, De George's criticism regarding the danger of undecidability and relativism of deconstruction is undermined. Woermann (2013:107) states that deconstruction is "not a relativist stance, but a modest stance geared towards openness for otherness". This notion of justice has the constructive potential to bring about transformation in society. Deconstruction does not succumb to relativism, as may be inferred from Jones's aporetic CSR. It has a constructive moment of justice that results in social transformation. This transformational aspect is clearly introduced in the deconstruction of the gift.

4.2 *The gift and hospitality*

The gift is important because it reflects Derrida's view of the economy. The gift, according to Derrida (1991:18), consists of a binary relationship between giving as an act that perpetuates the economic cycle, and giving as an act of intervention without re-appropriation in the economic cycle – a moment of justice. The former refers to giving that pre-empts a response from the receiver. This response stimulates the economic cycle. It is a gift that is not a true gift in the Kantian sense (Goosen 2007:179). The true gift is transcendent. A gift is a sacrificial act that is beyond self-interest (Goosen 2007:179). Goosen (2007:180) notes that this perspective denies all forms of reciprocity and interdependence. The gift is a sublime-unilateral event in which the subject becomes a passive recipient (Goosen 2007:181). In other words, it is giving without expectation of a response. Derrida (1991:18) states that "the gift is precisely, and this is what it has in common with justice, something which cannot be reappropriated". In other words the gift is an act of justice. Thus, the "…'idea of justice' seems to be irreducible in its affirmative character, in its demand of gift without exchange, without circulation, without recognition of gratitude, without economic circularity, without calculation and without rules, without reason and without rationality" (Derrida 1991:55-56). However, this gift is not the result of duty. It happens with the appearance of the other. The presence of the other triggers the gift and the possibility of justice. Caputo (1997:149) notes that "justice is the welcome given to the other in which I do not, as far as I know, have anything up my sleeve; it is hospitality…". Thus, the narcissism of the economic cycle is interrupted by the appearance of the other that requires hospitality.

Hospitality transcends the boundaries of communities by opening up traditional ideas of inside and outside – it is when the other is recognised. Recognition makes intervention and hospitality possible. It emphasises that the arrival of the other results in transformation and the re-evaluation of limits – inside and outside. It transforms the inside. Derrida (1995:199) refers to this as hospitable narcissism. Derrida (1995:199) states that there are various degrees of self-love or various economies of narcissism – "There is not narcissism and non-narcissism; there are narcissisms that are more or less comprehensive, generous, open, extended….". The more "comprehensive narcissism" is hospitable narcissism, thus, "…one that is much more open to the experience of the other as other" (Derrida 1995:199). Caputo (1997:149) refers to "hospitable narcissism" as "interrupted and ruptured narcissism". The appearance of the other interrupts "uninterrupted narcissism" or contemptible crude self-interest. The point is that all love starts from self-love. It

makes love of God and the other possible – "a movement of narcissistic reappropriation" (Derrida 1995:199). Without this reappropriation, the relation to the other will be destroyed. What is necessary is "a movement of reappropriation in the image of oneself for love to be possible.… love is narcissistic" (Derrida 1995:199). Therefore, for the gift to remain a gift, the narcissism of the cycle must be broken by what is absent – giving without self-interest, a moment of madness or sacrifice when the other enters the cycle and disrupts the narcissism. It is the moment when the gift is given without reappropriation – forgetting that a gift was ever given. The economic cycle and hospitality is crucial for a gift to be a gift. The one cannot exist without the other because the economic cycle without intervention becomes narcissistic and self-destructive. The implication is that the gift annuls itself because the moment the gift is a function of a reciprocal cycle, it is no longer a gift (Derrida 1991:11-12). Then the gift turns to poison – die *Gift vergiftet* (Caputo 1997:141). In the same way giving without response destroys the gift. When everything is a gift, the gift disappears and the gift is annulled. However, the appearance of the other is bound to time and space – it is an immanent or contextual event. It also contains a transcendent aspect reflected in the sacrificial act of giving that happens when the other appears. Stoker and Van der Merwe (2012) refer to this paradoxical character of deconstruction as immanent transcendence. The appearance of the other as a function of justice is a normative aspect that requires a decision – hospitality. This is beyond the stakeholder engagement of Jones that results in undecidability. It is a transformational moment. Thus, deconstruction highlights the possibility that business is not limited to the economic cycle and profit-making because business without hospitality, will destroy the aims of business. Business is part of society and has a role to play in justice and transformation. The role of justice and transformation with the appearance of the other has important implications for CSR as a vehicle for change.

4.3 *Deconstruction in CSR*

Contemporary CSR theory emphasises the role of stakeholder engagement. In other words, it highlights engagement with the other. The problem is that rationalism and universalism result in CSR that does not invoke change and justice. It affirms business as usual. In other words, CSR and stakeholder engagement can become a self-serving programme that does not bring about transformation. This may be the unfortunate implication of Jones's aporetic CSR that results in no transformation because of undecidablity or strategic

stakeholder engagement (Porter & Kramer 2006). Paine (2003:327) warns that this approach conceals a dangerous undertow. “On the surface, ethics appears to be gaining importance as a basis for reasoning and justification. At a deeper level, however, it is being undermined. For implicit in the appeal to economics as a justification for ethics, is acceptance of economics as the more authoritative rationale. Rather than being a domain of rationality capable of challenging economics, ethics is conceived only as a tool of economics”. CSR becomes an institutional tool that affirms institutional values. The gift that transforms nothing is a clear departure from the economics of Adam Smith that highlights that both sympathy and self-interest are the basis of a moral society (Sen 1999:27-28).

Moriceau (2005:97) states that institutionalising CSR into a series of measures, standards and ratings is turning investors and directors away from the faces of stakeholders. CSR is emptied of its quality of commitment, and of a certain kind of responsibility towards issues in society. This is exacerbated by the sway of modernism that passes social responsibility on to specialised entities. In other word, standardisation and specialisation are increasing the distance between companies, investors and other stakeholders. The problem, according to Moriceau (2005:97), is that the construction of stakeholder types is already alienating because it constructs a common type. However, responsibility is singular, facing someone. “It is something eminently singular, a proper noun rather than a common noun” (Moriceau 2005:97-98). Traditional CSR constructs universal types of stakeholders that may result in depersonalisation and the error of omission of stakeholders that fall outside the constructed categories. The face of the other is erased and constructed into a controllable essence. Thus, responsibility becomes abstract, sterile, predictable and decidable. Traditional CSR can reduce reality, humanity and life to matters of mechanical processes, complying with a tick-list and prescribed functions of responsibility without changing anything. However, undecidability, as is the case with Jones, may lead to malaise without transformation. Facing the other challenges business; it requires interruption and the gift as a hospitable response to the chaos of injustice. The appearance of the other requires a decision that has the ability to transform society and the lives of people. It does not remain in a space of undecidability. It requires reflection, balancing goals and guidance. This decision does not involve calculation according to modern rules, but rather engagement and hospitality. The decision “remains to be invented, to be brought into existence. Deciding means producing a possibility” (Moriceau 2005:100).

Deciding is ethical and deals with the complexity and impasses of reality. Thus, CSR and the contribution of deconstruction fail if they are not located in the present, singularity of the situation in which transformation happens.

However, according to Derrida (1995:199), the other is already present in the situation. Hospitable narcissism is what makes the economy possible and at the same time interrupts it as an act of justice. Deconstruction in CSR decentres business and transforms society as a continuous act. It is not about CSR that advances the programme of the corporate business or a space of malaise. It is CSR that has the possibility to expand the scope of business beyond self-interest (Rendtorff 2008, Paine 2003). In other words, the other appears and interrupts the narcissism of traditional CSR. According to Derrida, this is an act of madness, because it interrupts the economic cycle or the strategic goal of business with a gift – the Kantian transcendental moment. The interruption implies that business is an important aspect of society and agent of social transformation. However, the moment of interruption does not arrive out of guilt. It arrives as a consequence of the interconnectedness of society and the singularity of the event. The tension between the economic cycle and hospitality erupts. The economic cycle deconstructs under the fragility of its narcissism. In this way, CSR has the potential to bring about social transformation. The traditional CSR of De George is from the centre that limits transformation, because business must act in favour of the common good of society that is universally prescribed and ends in the good of business – profit. On the other hand, Jones's aporetic CSR may end in a sterile acceptance of the status quo. The problem with these perspectives is that they ignore the fact that change does not occur because of agreement about the common good of society or the complexity of the present. Change is the result of the appearance of the other from the margin that challenges society as a whole. Thus, CSR is an act of justice because deconstruction does not lead to undecidability and relativism. Woermann (2013:109) states that "Derrida's project – which focuses on different (better) ways of being – is at odds with the traditional way of doing business ethics (as exemplified by De George's position), which is essentially a way of downplaying differences in the name of a common ethical experience, a common moral foundation". Deconstruction contains a normative moment when the other appears as a function of justice. Thus, CSR is a critical immanent event that has the possibility of social transformation through the engagement with stakeholders who challenge the functioning and decisions of an organisation. The implication is that the subject and in the case of CSR, the

corporation, is decentred, because society is decentred by the other. The corporation is organically part of society and an agent of justice when it recognises the face of the other. In other words, justice and social transformation are the centre of deconstruction in CSR. The practical implications of the deconstruction in CSR will be unpacked in the next section with reference to Royal Bafokeng Platinum.

5. *Unpacking Deconstruction in CSR*

The definition of CSR proposed in section four highlights four salient aspects, namely: immanence, criticism, engagement and transformation

5.1 *Immanence of CSR*

CSR is immanent and focuses on concrete situations and the complex social relations between different contexts. Deconstruction in CSR is suspicious of general models of CSR that focus on calculation and abstraction which bracket the impact of business on society. It deals with the complexity of the situation and the presence of outliers, randomness and the unexpected. However, it is also not consumed by complexity that can lead to undecidability. Thus, it suggests that not only is historical data relevant in stakeholder engagement, but that current information and events need to be added to make decisions (Woermann 2013:146-147). The focus shifts from accuracy and predictability to understanding stakeholder relations and society. It involves the ability to recognise stakeholders and the power relations that are present. The mistake to reduce an ethical dilemma to ordinary business is often made without realising that it is a problem with serious risks that cannot simply be rationally calculated. Traditionally, business will only engage certain more powerful stakeholders directly, while underestimating others like wage earning workers. Business may view some stakeholders as dispensable. Moriceau (2005:97) views this failure of recognition as the root cause of institutional CSR. However, it also does not engage to the point of malaise. It rather identifies social hierarchies and then acts constructively to transform oppressive situations. Therefore, deconstruction in CSR implies that this model has to be adjusted in terms of the circumstances that arise because power relations continually shift. In other words, stakeholder relations are dynamic because of the interrelationship between stakeholders and the appearance of the other.

5.2 *CSR is critical*

CSR is critical because the event is the point of departure. It does not negate the

complexity of the situation with a general notion of the common good of society. It acknowledges that the interests of minority groups in society are crucial for social change and that laws need to be engaged and evaluated. Woermann (2013:108) notes that "…. the task of deconstruction is to challenge law in the name of justice and ethics". Thus, justice is also linked to the moment because the law is never permanent, it is always a "partial and incomplete model of justice" (Woermann 2013:111). In other words, CSR is a critical practice that functions contextually and deals with particular situations, histories and social relations. This has the potential to challenge and change business as a function of social transformation (Paine 2000). It does not accept that the status quo is the only possible way for business and social responsibility to function. It accepts that any discourse or corporate structure is constructed with a particular aim and agenda. These aims and agendas of CSR need to be constantly re-evaluated because of social transformation from the margin.

5.3 *Engagement in CSR*

CSR is about engagement with stakeholders and the other. Engagement with the other is not directed at only the self-interest of business as a short-term project for maximising profit, it acknowledges the impact of business on society. In other words, engagement means that CSR cannot be reduced to abstract calculations to determine the benefits for business or malaise. On the contrary, CSR is a transformational activity that envisions the long-term sustainability of business in society through face-to-face engagement. Thus, engagement reflects an openness to the other that may transform the functioning and decisions of business and society because business is an integrated part of society. Irresponsible functioning and decisions of business relate to practices that exclude stakeholders and the other through oversight or business strategies that aim to exclude *disruptive* elements in society. This includes stakeholders who challenge the status quo e.g. societal interest groups. In other words, engagement highlights openness and the possibility of change. These are stakeholder not usually focussed on by CSR because of their low probability risk. However, they can have a high impact on social transformation and justice. Engagement is active and immanent and requires the patience to listen to the story of the other. It is not about calculation. It is personal and concerns human interaction, dignity and respect. Thus, engagement is about respect for the history, motivations, interests, emotions, fears and expectations of society.

5.4 *CSR is transformational.*

It affirms that the agents of change are not only individuals and governments. Business as a part of society can also be an agent of change. However, change does not come about through ideas related to the common good and laws. Change is a function of engagement with the other. Thus, change through engagement is transformational. It is a process that takes place over time. It requires continuous engagement. It is about the awareness of the preliminary nature of decision-making and the need for evaluation. The process is open-ended because life is open-ended. It affirms that mistakes can be made. Thus, even mistakes become part of the narrative of engagement with the opportunity to learn from the process.

Figure 4: Deconstruction in CSR

5.5 *A possible model of deconstruction in CSR*

Although Jones refers to the fact that CSR is a perpetual state of deconstruction, this aspect is not developed as a means to highlight the role of the other as normative foundation for CSR. A closer reading of the deconstruction of the gift and the role of hospitality is helpful to develop a model of CSR and the role of deconstruction that goes beyond a mere state of aporia and undecidability. In the case of De George, the engagement of business and society remains limited to the function of business to employ members of society and make profit. CSR in this case can then be reduced to compliance to universal principles instituted in laws that govern society and protects citizens from abuse. Any business practice that makes profit through illegal means is irresponsible and unethical. Jones argues that this view of CSR does not take the aporetic nature of CSR into consideration. Laws are never final and universal principles remain under negotiation due to the challenges of contextual differences and the presence of stakeholders not being

considered. The responsibility of business cannot be limited to profit and compliance to the law because interaction with stakeholders is always under negotiation and goes beyond the limitations of laws and regulations. In other words, society does not merely consist of functional units, but is dynamic because of the appearance of the other that is the nature of CSR. The problem is that this can be perceived as undecidable and lead to malaise with no transformation. However, according to Derrida, business has to be inherently hospitable to sustain the economic cycle. This expands the role of the other beyond a societal function. The other appears and transforms society and business. The other is not merely an aspect of society, according to Jones. The other is a function of justice and a normative aspect of the engagement of business and society.

5.6 *Royal Bafokeng Platinum*

The platinum industry and the formation of Royal Bafokeng Platinum**[xvi]** are a good examples of deconstruction in CSR:

In the 1924's, Hans Merensky discovered the Merensky Reef in the Bushweld Igneous Complex – the world's largest known deposit of platinum group metals (PGMs). Historically, this was a significant time in South Africa between the Natives Land Act of 1910 and the formation of the Republic of South Africa. The Natives Land Act led to ownership of land being transferred from the British to Afrikaners. This had direct implications for the Royal Bafokeng Nation (RBN), a community of approximately 300 000 Setswana-speaking people, whose land is situated on the Western Limb of the Bushveld Igneous Complex. The 'platinum rush' that ensued with Merensky's discovery resulted in major mining companies stripping the RBN of their mineral wealth through the 20th century. The disempowerment of the RBN was within the legal parameter of apartheid policies and favoured mining companies. Legally, these companies functioned within the parameters of the law and the common good of society.

However, legal responsibility was based on a limited understanding of responsibility that excluded marginalised stakeholders or the other who were disposed of their land. These excluded voices became an increasing disruptive element in South Africa society and business. Although CSR was a foreign concept in the early parts of the 20th century, the deconstructive social forces were already present. Resistance to apartheid led to the transformation of South African society and business. This had a major impact on the mining activities of Anglo Platinum that mined the platinum that belonged to the RBN. The RBN laid

claim to the wealth produced by these mines. This resulted in negotiations between Anglo Paltinum and the RBN. The result was that in 2002, the Royal Bafokeng Resources (RBR) was set up to manage the community's mining interests. In 2004, Royal Bafokeng Finance (RBF) was established to develop a diversified non-mining asset base for the RBN. In this year, a 50/50 joint venture was entered into with Anglo Platinum with respect to the Bafokeng Rasimore Platinum Mine (BRPM). In 2006, RBR and RBF were merged to form the community-based investment company, Royal Bafokeng Holding (RBH). Continued stakeholder engagement between Anglo Platinum and RBH, that represented the financial interests of the community, led to the restructuring of 50/50 joint venture with Anglo Platinum in order to transfer control of BRPM to RBR. NewCo Platinum was established and incorporated as a subsidiary of RBH. NewCo was renamed RBPlat in June 2010. The BRPM JV restructuring transaction involved a change in the participation interests of the JV from that of joint control (50% RBR and 50% Rustenburg Platinum Mines, a wholly-owned subsidiary of Anglo Platinum) with Anglo Platinum as the operator, to RBR holding the majority interest (67% RBR and 33% RPM) and operating the JV operations. This transaction became effective on 7 December 2009.

The significance of this example is that the history of the RBPlat has led to a view of CSR that embraces social transformation to address colonial and apartheid injustices. Today in 2014, the significance of this process of deconstruction in CSR is bearing fruit. Since nearly the beginning 2014 workers of the three major platinum companies Anglo Platinum, Lonmin and Impala Platinum are striking for higher wages. This is one of the worst and most protracted strikes in the history of the platinum industry and many in the industry argue that it is the result of legacy issues linked to colonialism, apartheid and inequality in South Africa. Interestingly, since 2014 there has been no strike at RBPlat. What is clear is that the transformational engagement between AngloPlat and the RBN that went beyond traditional stakeholder engagement, led to a hospitable response to the legacy of colonialism and apartheid. Engagement with the RBN (the other) was therefore a response to the need for social transformation in the South African society. The implication is that this is transforming the community and is beneficial to the stability and profitability of RBPlat – the gift.

6. *Conclusion*

In this study it was argued that the CSR of Jones and De Georges represents an

impasse in CSR because of the (im)possibility of foundations for CSR. This (im)possibility is addressed by the appearance of the other as a function of justice that highlights business as an agent of justice and transformation. Thus, deconstruction has a constructive dimension that transforms traditional CSR. This constructive dimension is the basis of an experimental model of deconstruction in CSR. Deconstruction in CSR is an interconnected and inclusive model that changes and adapts with the appearance of the other. Aspects of this model are clear in the case study of Royal Bafokeng Platinum in which case social transformation due to the legacy of colonialism and apartheid, resulted in a hospitable response from business.

NOTES

i. *Mark Rathbone* – Faculty of Economic & Management Sciences, School of Business Management, (Potchefstroom Campus), North-West University, Potchefstroom, South Africa, mark.rathbone@nwu.ac.za

ii. The stakeholder CSR of Freeman (1984) must be distinguished from the shareholder CSR of Friedman (1992). Shareholder CSR highlights profitability as the main social responsibility of business. Stakeholder CSR identifies various stakeholders with which business need to interact like local communities, employees, environment, etc. In this regard, shareholders are just one of the stakeholders.

iii. The paper of Rendtorff is an attempt to deconstruct the tension between business as profit-making endeavour and business as philanthropy with the help of the philosophy of responsibility of Derrida (2008:1).

iv. Woermann (2013) is of the opinion that deconstruction helps CSR to become more honest by moving beyond reductionism associated with traditional ethics and CSR.

v. The word aporia was developed from the Greek aporia that means impasse, difficulty of passing, lack of resources, puzzlement. In the Platonic sense it is associated with the dialogues of Socrates that ends in puzzlement. For Aristotle it rather refers to a problem to be solved. In contemporary literature, it is closely linked to post-structuralism and Jacques Derrida who refers to the binary oppositions and paradoxes that are present in writing. These aporia need to be revealed in writing to discover the voice of the other or those aspects that are not central to the strategy of the text.

vi. Woermann (2013:98) notes that "De George's position is indicative of traditional conceptions of CSR, and what is lacking in these conceptions is a

critical reflection on (as opposed to merely a comparative account of) how our theories and embedded practices shape our views of morality and responsibility (as enacted in CSR)".

vii. The limited focus on deconstruction in business ethics is discussed by Jones (2003:223-248) in the article "As if Business Ethics Were…Possible, 'Within Such Limits…..".

viii. Jones (2003:226-228) explores the implications of Levinas' thought in the work of Derrida more fully in the article "As if Business Ethics Were Possible, 'Within Such Limits"… (Jones 2003). "Levinas argues that, 'before' Being, one is always in a social world , always in relation with other people. So for Levinas the relation to the Other comes before Being, and hence Levinas posits the primacy of ethics over ontology, ethics being not simply a branch of philosophy but first philosophy"(Jones 2003:226)

ix. See Derrida's discussion of Levinas in the The Gift of Death (1995)

x. This example is used by Jones, Parker and Ten Bos in For Business Ethics (2005) as case study of deconstruction in CSR (De George 2008:77).

xi. It is clear that the focus of deconstruction provides an alternative to the malaise associated with modernism. Taylor (2003:1-12), for example, identifies three dimensions of this malaise – individualism, instrumental reason and political apathy. Many regard individualism as the finest achievement of modern civilisation (Taylor 2003:2), but the right to choose and freedom from the "great chain of Being", has a flip-side. It also leads to "disenchantment", lack of purpose and lack of passion – "…the dark side of individualism is a centring on the self, which both flattens and narrows our lives, makes them poorer in meaning, and less concerned with others or society" (Taylor 2003:4). The fragmentation of individualism severs the organic interconnectedness of society and business. The part has to fulfil a function and is not able to contribute beyond that function in social transformation and justice. This has the negative effect of political apathy and business that can be become narcissistic.

xii. Woermann (2013:114) notes that, according to De George, "Derrida's ethical relation is incompatible with the logic of organisations, defined as profit-making entities".

xiii. Traditional CSR like the model of Schwartz and Carroll functions with clearly defined categories of economic, legal, ethical and philanthropic responsibilities that can reduce the importance of ethics as a "nice to have" (Woermann 2013:134).

xiv. Derrida (1982:213) states: "Metaphysics – the white mythology which

resembles and reflects the culture of the West: the white man takes his own mythology, Indo-European mythology, his own logos, that is, the mythos of his idiom, for the universal form of what he must still wish to call Reason".

xv. The notion of Heidegger of dasein ("being here") is the foundation for reflection and meaning that is explored by structuralism (Melchert 2011:700-703). In other words, understanding is not linked to authorial intent or interests. Rather, understanding is dependent on the text that is present. This emphasises the linguistic and grammatical reality that is contained in the text. According to Derrida, this fixation on presence is part of the Western philosophical tradition going as far back as Plato – "…from Plato to Hegel (even including Leibniz) but also…from the pre-Socratic to Heidegger, always assigned the origin of truth in general to the logos: the history of truth, of the truth of truth, has always been…the debasement of writing, and its repression outside 'full' speech" (Derrida 1976:3). Derrida refers to this fixation as logocentrism or the immediate rational presence of truth in consciousness that is articulated in spoken words (Derrida 1972:xiv, 1976:11). In other words, writing is secondary because it is less trustworthy and more likely to be open to distorted interpretations. This is a fallacy because all reality is structured by language or texts. According to Derrida (1976:11), the priority given to speech is misleading because of the interdependence of speech and writing – speech is writing in oral form and vice versa. In other words, logocentrism disguises the violence of construction and reduction of reality. It serves power and ideology in the name of justice and liberty.

xvi. The information was obtained from the website of Royal Bafokeng Platinum http://www.bafokengplatinum.co.za/a/history.php.

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IIDE Proceedings 2014 ~ The Cultural Basis For A Sustainable Community In A South African Township

Map: www.rainbownation.com

The article reflects on the cultural basis for building sustainable communities, based on research the writer carried out with the Nova Institute in four South African townships. Changes in personhood and the sense of community are discussed, with the focus on two aspects of traditional African culture: enjoying communication with others for its own sake, as described by Steve Biko, and becoming a person by fulfilling your duties to the community, as described by Polycarp Ikuenobe.

1. *Introduction*

Towards the end of June 2014, after five months, the strike of more than 70 000 workers at the platinum mines in the Rustenburg area came to an end. It was the longest labour strike in the country's history. During these five months workers did not receive salaries, which resulted in hardship for them, their families and the businesses that depended on them. One of the mines is the Lonmin platinum mine at Marikana, where 34 miners were killed by the police during a strike in August 2012.

The communities around the mines represent a typical picture: in many parts of Africa people flood to cities, towns and huge industries and mines in search of work, and end up in sprawling informal settlements, or as it is popularly called, squatter camps. There is not enough work for all who come. In Africa urban populations have almost trebled in the past 50 years, with informal settlements or slums as the dominant form of urban growth (Sapa 2013).

A problem that has to be faced is that countless efforts to improve the quality of life in Africa have not been very successful. Martin Meredith, in his book *The*

state of Africa, wrote that, since political independence, "… more than USD 500 billion of Western aid has been sunk into Africa, but with little discernible result". To this figure must be added the income from resources such as oil and mines that did not benefit the vast majority of the population (Meredith 2005: 683).

In August 2014, Zimbabwean President Robert Mugabe became chairperson of the 15-member Southern African Development Community (SADC), where he is a popular figure. Mugabe has a policy of rejecting foreign aid from the West, and in his opening speech at the SADC he urged southern Africa to reduce its dependence on foreign aid (Munyaka 2014).

The question is: what resources, both material and immaterial, are available within Africa itself to improve the quality of life, especially of the poor? And how should we understand the popularity of Mugabe in the region's official development institution, given the fact that he severely damaged the modern economy of his own country? Is there an understanding of what development should be that is different from the understanding of development in the West?

Not only politicians, but also academics plead for an approach that makes use of Africa's own resources. In 1976 Wole Soyinka of Nigeria, who later won the Nobel Prize, pleaded for "the apprehension of a culture whose reference points are taken from within the culture itself …. African academia has created a deified aura around … intellectualism (knowledge and exposition of the reference points of colonial cultures). To the truly self-apprehending entity within the African world reality, this amounts to intellectual bondage and self-betrayal." (Soyinka 1976: viii). And more recently Barry Hallen objected to the extension of a Western philosophical tradition into the African context: "Africa still waits to be discovered, to speak, to be understood" (cf Hallen 2009: 61, 62).

In this article, attention is given to the cultural and mental basis that is available in four townships in 2013, with which dignified, healthy and sustainable communities can be built. Do we find in the poor communities themselves the reference points for a form of development that is not experienced as alienating? Is the Western philosophical tradition sufficient to understand this African context, or do we need an African point of view? Do people find ways to be happy, to support each other and find meaning in their relationships, in the absence of material affluence? Where they manage, with a low ecologic footprint, to live dignified and healthy lifestyles?**[ii]**

This paper does not measure the happiness or the human development levels of

the communities involved. It is an investigation of cultural patterns in comparatively recently urbanised communities.
First, information is given on the research on which this paper is based, and on the communities in which the research was done. This is followed by a discussion of what had become of two aspects of Traditional African Culture in the process of urbanisation. The first aspect is enjoying communication with other community members for its own sake, as described by Steve Biko, an influential Black Consciousness Movement leader who was killed in detention in 1977. The second aspect is the idea that one becomes a person by fulfilling your duties to the community, as described by the philosopher Polycarp A. Ikuenobe. The results of the interviews give a completely different picture of person and community from the traditional picture described by African writers. The discussion of these two aspects is followed by some reflection on the question to what extent the reference points of Western culture are adequate to understand an African community, and what resources are available in the community for authentic development.

2. *The Research on which the paper is based*
This paper is based on research that Nova did in 2013 in four South African townships (eMbalenhle, Lebohang, eMzinoni, KwaDela) in the Highveld of the Mpumalanga province in South Africa. The purpose of the survey was to determine the overall quality of life of households residing in these townships, in order to establish a base line for future projects to improve ambient air pollution and also other aspects of community life.
These townships are located in an area that was occupied by small towns and commercial farms until coal mines, big industries and power stations started to move in during the 1970s, to make use of the coal and water available in the area. All four townships have experienced rapid growth over the past decades. The biggest of them, eMbalenhle, which means “pretty flower”, had a population of 118,889 people in the 2011 Census (Frith 2011) and forms part of the town area of the *Govan Mbeki Local Municipality*. The first town area of this municipality, Secunda, was proclaimed in 1976. It was a completely new town that was built with the purpose to house workers of the second extraction refinery producing oil from coal, after *Sasolburg*. The town Secunda has approximately 20,400 inhabitants. All of this has been built where there were only farms before.
The other towns where the research was done have also experienced rapid population growth. In 1960 the town of Bethal, that was proclaimed in 1880, had

4 018 White, 214 Coloured, 310 Asiatic and 7 446 Black residents (SESA 2:295); in the 2011 Census, the township eMzinoni, which is part of Bethal, had 31 283 residents and the whole of Bethal had 60,779 residents; in 1960 Leslie, that was proclaimed in 1919, had 320 White, 99 Asiatic and 2344 Black residents in 1960 (SESA 6:590); in the 2011 Census, the township Lebohang, which is part of Leslie, had 31,553 residents (Frith 2011).

The research made use of a combination of research methodologies. Extensive questionnaires were conducted with the primary care giver, or the person as close to the primary caregiver as possible, if 1,149 households (eMbalenhle 559; Lebohang 198; eMzinoni 185 and KwaDela 207), who were selected on random basis from the whole population. From this group, 47 were selected, also on a random basis, for in-depth interviews. The number of interviews makes it possible in some cases to conclude statistically that a majority or minority of the whole population adheres to a certain opinion.
The survey of households is based on the premise that quality of life is determined by the interaction between standard of living, perceived well-being and bodily functioning. It is an instrument that Nova developed by applying the needs theory of Manfred Max-Neef to 25 elements of a household, as defined by Nova, to make it possible to measure quality of life in a very comprehensive way, and also to measure the impact of a particular intervention on the quality of life of households. Qualitative methodologies and semi-structured interviews were used in an effort to hear residents' views on a variety of aspects of everyday life as they experience it.

3. *The Idea of Sustainable Communities*
Why would we want to build sustainable communities? Sustainability is important both in the ecological and economic sense. Communities use products that are produced by industries and mines. All of these pollute the water and air and damage the ecosystems and agricultural land, which could make present patterns of living unsustainable in the future. In an economic sense, the residents of informal housing and townships remain vulnerable. Many depend on government grants. These grants have increased from 3 million in 2000 to 15 million by 2011. Close to 60% of government spending is allocated to the so-called social wage package, which has more than doubled in real terms over the past decade. This package includes free primary health care; no-fee paying schools; social grants (most notably old-age pensions and child support grants); free houses for the poor

and the provision of basic services to households, namely water, electricity and sanitation. Many who have, in a money metric sense, moved out of poverty have accumulated huge debts. These measures have reduced poverty, if measured in financial terms: poverty levels remain very high but have dropped from 57,2% in 2006 to 45,5% in 2011 when applying the so-called upper-bound poverty line. The numbers of those living below the food poverty line have dropped from almost 30% in 2002 to 20,2 % or 10,2 million people in 2011 (Statistics South Africa, 2014).

The improvements in income are not sufficiently based on the efforts from within low income communities, but on what people receive from the government and on debt. They may not be sustainable in the case of facing macro-economic pressures.

It is also important to talk not only about society but about *communities*. Community is important from a Christian perspective. Almost 80% of South Africans regard themselves as Christians, and Christ preached loving one's neighbour. It has been argued that the essence of sin in Christian theology is to withdraw from relations, to be curved into yourself (see for example Matt Jenson, 2006: The *gravity of sin. Augustine, Luther and Barth on homo incurvatus in se*). This implies that the Christian should tend to build relations, which would contribute to community building. That is not, however, always the case in modern societies, where people tend to "be yourself" in an individualistic way, rather than seeing themselves as belonging to some or other group (e.g. the essay by Rob Wijnberg 2011: *Hoe erbij horen vervangen werd door jezelf zijn*). In South Africa the withdrawal from relationships with those staying around you is clearly visible. In the suburb where I stay many people have lived for years next to their neighbours without having any idea who they are. While writing this article, the father of a fairly high-income family in a modern South African suburb was arrested for keeping his wife and five children captive at home for more than twenty years, mistreating them violently. Many neighbours and family were aware of what was going on, but did nothing about it. In response to this trend, many churches in the West have rediscovered the importance of the community. In 2005, for example, the Christian Reformed World Relief Committee in the USA launched a series of publications called "Communities First" (Van Groningen 2005).

African tradition is often said to be communal in nature. Steve Biko, one of the

heroes and martyrs of the struggle against apartheid, and still today a strong influence in the search for an authentic African identity, maintained that African society has always been a "Man-centred society" (sic). People would talk to each other, "not for the sake of arriving at a particular conclusion but merely to enjoy the communication for its own sake". Intimacy between friends did not occur, because "in the traditional African culture, there is no such thing as two friends": a whole group of people, who find themselves together, for example because they stay in the same area, are friends. The following quotation is important in the light of the results of research that will be discussed below: "House visitation was always a feature of the elderly folk's way of life. No reason was needed as a basis for visits. It was all part of our deep concern for each other" (Biko1978: 41-42, from a paper that was originally given in 1971).

Many other authors agree. G-C M Mutiso of Kenya wrote: "The community, in African literature, dominates all aspects of African thought. Dances are communal and worship is communal. Property was held communally before the colonial era and there are attempts today to reinstate that practice. This inbuilt bias toward the community means that individualism is always seen as a deviance…." (Mutiso 1974: 83).

From Botswana Gabriël M Setiloane (1986) questions the idea of individualism: "The primary centre of being is the community …. Africans have a tremendous difficulty with the concept índividual. Does such a thing exist?"

Biko's view was not a new idea. In his book *Facing Mount Kenya*, that was first published in 1938, Jomo Kenyatta, who was a leader of the struggle against British colonialism and became independent Kenya's first president, wrote that individualism was associated with black magic. An individual is "one who works only for himself and is likely to end up as a wizard. … there is no really individual affair, for everything has a moral and social reference …. corporate effort is the other side of corporate ownership; and corporate responsibility is illustrated in corporate work no less than in corporate sacrifice and prayer"(1985:119).

In his thorough discussion of African conception of personhood and community, Ikuenobe writes: "…. it is clear that there is a difference between the Western rational, liberal, and individualistic view of a person, and the African collective, communalistic, and normative view of the person." He argues that the group or community "… is not simply the aggregated sum of individuals comprising the community. Instead, the 'we' as used here in African culture refers to 'a thoroughly fused collective 'we'". Somebody becomes a person by fulfilling his or

her duties to the community. This would explain the "… relative absence of grief when a child dies. But when an old person dies, there is elaborate grief …" (Ikuenobe 2006: 54,56,58).
This sense of community is still regarded widely as part of contemporary African philosophy of life (Hallen 2009: 137, 138, referring to well-known writers such as Ramose, Wiredu and Gyekye).

4. *The Impact of Urbanisation on Personhood and Community: Two Voices from South Africa*
The erosion of traditional values was observed already in the 1960's by a Dutch sociologist, Mia Brandel-Syrier, who befriended a number of better-off black residents in a township near Johannesburg. Her research was published in two books: *Reeftown Elite* (1971) and *Coming through.* In search of a new cultural identity (1978).
"*Coming through*" refers to a successful entry into the modern world, or "civilisation", as the "reeftown elite" called modern Western culture. Western civilisation represented the identity people were striving for. "This civilization was for them mainly three things: church, school and town." Those who had entered the modern world did so by successfully coming through these three processes: Christianisation ("where it all started"), education and urbanisation. Those who had done so became the elite, they had arrived at the destination that the others were still striving for (Brandel-Syrier 1978: 8,13).

Reflecting on what she had experienced, Brandel-Syrier argued that education and modernisation had weakened traditional communal awareness "which had given sense and direction to man's life and which had determined man's values and patterned his behaviour. Nothing has come to replace it, and now there's just nothing." For an older generation, Christianity still provided something to hold onto, but "(F)for the modern educated and well-to-do Black the emphasis is now on the external appearance…. For him there is nothing but buyable externality…" To fill this gap, some embrace an "extreme individualism" which leads to competition, strife and rivalry. Others want to revive the "dwindling communal consciousness". But basically, they are available for any strong leader who tells them "what to do, to think, to feel, to like…. they are in fact ready to do and think and feel *anything*…. Inwardly they are not committed to any particular place, job or education, sentiment or attitude, opinion or preference, affection or conviction. There is no necessary connection between their words and their actions. There is

no role consistency, no ego continuity.… they are an easy prey for anyone who wants to use them for his own ends." Similar results of rapid modernisation are found worldwide (Brandel-Syrier 1978: 182 -184).

The former president of South Africa, Thabo Mbeki, came to conclusions that are very similar to that of Brandel-Syrier: the weakening of traditional culture left a gap, Christianity failed to fill the gap and it is now filled by nothing. Mbeki went one step further and tried to present a solution.

Both grandfathers of Thabo Mbeki "built the first schools and churches in their communities, both were devout converted Christians and evangelists, severe in their faith; both were prosperous, hard-working farmers" (Gevisser 2007:4). Mbeki's father, Govan, did not accept either Christianity or his traditional culture: he was a communist, and when he died he wanted to be buried in the dilapidated litter-strewn cemetery at Zwide among the graves of ordinary working folk in Port Elizabeth, and not in his traditional Transkei where his wife still lived. "The iconoclasm of this final wish was profound, a disavowal not only of his marriage but of the traditions of clan and kinship too. It was an active and final assertion that he belonged more to the urban proletariat of Port Elizabeth than to the amaZizi of Mpukane or the Mbeki household of Idutywa" (Gevisser 2007: 768).

Initially, Mbeki followed his father. He accepted communism. In 1976, in Swaziland, he played an active role in converting student refugees from Steve Biko's Black Consciousness thinking to the ANC ideologies (Gevisser 2007: 314; 351). He did not, however, reject Black Consciousness thinking completely, but fused it with the ANC's understanding of international solidarity, making culture a vehicle for the mobilisation of international solidarity (Gevisser 2007: 383). When he returned to South Africa from exile in 1990 he initially made a decision not to go back to his rural roots in the Transkei, but in 1992 he did go "to his father's birthplace for the first time to participate in his uncle's funeral, where he realized how little he knew about the place where he came from, because of the ideology of his parents and the exigencies of struggle and exile" (Gevisser 2007: 590). A few years later he began to talk the language of Black Consciousness. His biographer remarks that Mbeki first started to talk about an African Renaissance at about the same time that he was "called back home" by the elders of the clan. Going to his home made him realise that something had been lost that can be revived. Later on, after 2004, his mother hinted that it was like being "born anew" or "born again" (Gevisser 2007: 16, 781).

In an interview with his biographer Mbeki talked about the lack of a strong value

framework that could give direction to all and keep this divided nation together. After the interview Gevisser (2007: 324) explained it as follows, interpreting and quoting Mbeki, who in turn quoted "the Zambian": "The bleak picture he painted of a decultured South African society was one not only of dislocation but of amorality too. Urban Africans had had their 'cultural base' destroyed, 'and there was no value system which in fact replaced it, except Christianity. But Christianity unfortunately was understood as [no more than] going to church on Sunday. So whereas the Zambian would say, 'You know, the culture of my people does not allow that I do this or that', here that connection to the culture is gone.' And nothing has been put into place to replace it. 'There is no alternative value system, except to the extent that the priest might object or the police might arrest you.' Nothing emanating from within."

It is a vacuum that has economic consequences: Mbeki complained that the people asked for help, but that he can't help them if they don't want to help themselves, and that no growth rate would solve the problem of unemployment because some people are unemployable (Gevisser 2007: 30, 690).
As president, Mbeki often warned against a culture of acquisition. The dream of true liberation is in danger of being replaced by the nightmare of the quest for personal wealth, the "orgy of victory… filling the loneliness with morbid addictions to prostitution and gambling, with the wilful smashing of the fruits of their victory…" He talked of the "demons" that advised us every second: "Get rich! Get rich! Get rich!" In a speech he said: "The meaning of freedom has come to be defined not by the seemingly ethereal and therefore intangible gift of liberty, but by the designer labels on the clothes we wear, the cars we drive, the spaciousness of our homes and yards, their geographic location…" (Gevisser 2007: 694, 695, 764, 765). That is the "buyable externality" that Brandel-Syrier had observed previously, but now in a more advanced and serious stage.
For many of those who flourished in post-apartheid South Africa, the lack of values that Mbeki observed was not filled with the notion of the African Renaissance, but by the consumer culture of a modern global economy. Some combined traditional culture and the consumer culture, as can be seen in Nkandla, the traditional home of president Zuma, where his four wives live, which was upgraded at a cost of R246m, as Public Protector Thuli Madonsela "conservatively estimated" (Vecchiatto and Marrian 2014)

To sum up: from literature we can draw the following picture: traditionally,

people delighted in the relationship with each other as a group, according to many African writers. If we allow for an element of idealising the past, we can still conclude that the traditional African community is or was structured in a communal rather than an individualistic way, and that the moral person in the African view was formed by the normative attitudes, stuctures and principles of his/her community and became a (valuable) person through serving the community. Second, traditional culture has been strongly eroded during urbanisation. Christianity has not filled the gap completely, so that the gap that remains is sometimes described in strong terms, such as "nothing coming from within" and "now there's just nothing". If that happens, there is a tendency to define one's identity by externalities.

5. *Personhood and Community: Voices from within the Communities*

The interviews that Nova did with 47 residents from 4 townships that are near huge industries and mines present a "view from within" on personhood and community.

The general impression one gets when reading the interviews is that respondents are fairly happy and content with their lives, even when conditions are not that good. Joblessness is high. The townships are dirty: the air is polluted, the dustbins are often not collected on time and the waste lays around in the streets, sewage often leaks from the broken pipes into the streets. Many people bathe three times a day, some even four times. And yet interviewees manage to be content in different ways: many have decided that they cannot change things, and that they have to accept things as they are and live with it. Many accept their situation but find strength and consolation in the Bible and in the church, and a positive approach and hope that goes beyond resignation. Others are encouraged by friends or family members.

On the other hand, a significantly large group exhibits the vacuum that Brandel-Syrier and Mbeki spoke about. We now give attention to this group.

5.1 *A person is strongly related to the community?*

The sense of community, as described by Biko and others, can hardly be seen in the responses.

There are the normal problems one can expect, with neighbours who are noisy, their goats that are a nuisance, etc.

Some relate to their neighbours on a polite distance: "I have no problem with my neighbours. When I greet them they greet me back". Another: "I don't have any

problem with my neighbours, but it happens. Sometimes when you speak to your neighbour, she/he has changed for you that day. You greet, no response, so you tell yourself that it is the way the person is and even tomorrow I will wake up and greet my neighbour. I am like that."

Many say that they keep to themselves: "No, I don't talk to people, I just sit here at home alone because even when I look at them I get angry at them.…When they look at me they think this man doesn't have anything." Another: "There is nothing I can tell you about my neighbours. I stay in my house and they stay in theirs."

For one respondent all is well on the surface or the outside, but behind that it is uncertain: "My neighbours are fine, they don't have a problem.… I will say that they don't have a problem I only see them here outside. I don't know how they are inside their houses, I don't go to their houses."

Gossiping was mentioned several times: "… my neighbours are the ones that gossip a lot.… they do gossip and.… the whole town has got criminals." Another: "… they will gossip about you, saying you are teaching your children things which are not good."

When asked about the people they trust, many gave similar answers: "… Ai, I don't trust anyone, you mean the person that I trust, no, I don't have anyone that I trust. Except for the granny that I live with, I sometimes tell her about my issues. My brothers and sisters, no." Another: "A person I trust? I do not trust anyone." Q: "You do not trust anyone at all?" A: "Yes I don't" [laughing]. Q: [Also laughing] "How is that so?" A: "I rather trust my shoe." A: "Your shoe? Rather than trusting another person?" A: "Yes, a person is not to be trusted."

The following response gives a good summary of what many have said. There is neither a good nor a visibly bad relationship, people merely stay a distance from each other: "The time that we get to talk, we talk about good things.… There is no one that I trust except for my child, because she is the one I tell all my problems.… most of the time I don't have a problem with people. I don't spend time with them, I sit in my yard. Even if the people talk badly about me I don't pay much attention, as long as I know I don't speak badly about another person."

There are also those that differentiate between neighbours: "My neighbours are good people, but not all of them, you can count the good ones. There is one that I trust, I can rely on her even if my house burns down, I know that she is the first one that will start putting out the fire… she is a person that makes me happy, she makes me very happy."

5.2 *Service to the community?*

The phenomenon described by Ikuenobe (2006: 56,58, see above), that somebody becomes a person by fulfilling his or her duties to the community, has also disappeared almost completely in significant parts of these townships. When asked to describe their daily routine, many described a day filled with the daily chores in the house, even sleeping during the day to make the time pass. A few examples:

"When I wake up I bath, I wash my face, then I make up the bed, then I clean, then I cook, then if there is laundry I wash it. I clean, then I cook, then I wash the laundry if there is any laundry." Q: "Is that all you do every day?" A: "Yes."

"I wake up and clean and wash the laundry and feed my kids, then from there I would sit with my children and watch TV". Q: "Alright, is there something else that you normally do?" A: "No."

"I am a person who loves TV, who doesn't like walking around, who stays in the house most of the time plus I am not the kind of person with many friends. I prefer sitting alone in the house and watch TV and solve problems because my younger siblings are looking to me…there is no one else they depend on except me."

A pensioner: "When I wake up in the morning, I take a bath. When I finish I would sit down and get some tea, I would drink the tea. If I have to eat then I eat." Q: "Alright, is that all?" A: "Yes." Q: "So, daddy just sits around?" A: "Yes, I sit around, what else can I do?"

"Oh! – [laughter] I just sit and stay at home." Q: "You just sit?" A: "I don't know what to tell you. I just sit alright." Q: "You just sit?" A: "Yes, if I don't have work." Q: "There's nothing you do when you are here at home?" A: "Huh! I clean and cook, and wash clothes." Q: "Is there anything else apart from that?" A: "Mhm-mhm!" (No)

S: "I do spend my day just sitting because I am not working, sometimes to make the day go quicker I sleep and wake up and sleep and wake up in the morning, then I will see the sun set again."

Within the same context, however, it is possible not to be so turned into yourself: "Firstly I wake up and thank for the day – I pray, thank for myself, for sleeping and waking up. When I wake up I first clean then I cook for the school children. Ok, maybe I then during the day when there are no customers I sleep." Q: "Ok, I hear you like netball maybe you can tell me maybe when you train at the netball." A: "We did train early July then we left it as we are restarting again this month."

(She does hairdressing at home for an income, which means she has customers.)

6. *Reflection: What have we observed?*
Working and resting can together be a significant part of a full and satisfying life. About half, however, have described a daily routine that involves little more than doing the daily chores in and around the house, sitting around, sleeping and watching TV. This is not exactly rest from hard and satisfying work, it is often a description of something different: a certain emptiness, a lack of vision for the future. There is little of the capacity for talking to others, little of merely enjoying their communication for its own sake, no evidence of the intimacy with a whole group of people or house visitation or the deep concern for each other that Biko (1978: 41-42) observed in traditional culture.
Churches in townships are often full, and there one finds the communal dances and worship that Mutiso (1974: 83, see above) talked about. For a large group the church does not play a role in shaping daily life, but we also found that the churches do play an important role in the lives of quite a number of residents, and cannot just be written off, as Brandel-Syrier (1978: 182) and Mbeki (Gevisser 2007: 324) had done.

Mbeki wanted to fill the gap in values that he observed with the African Renaissance, the rebirth of traditional culture and values, which did not succeed – but this culture can also not just be written off. African Traditional culture has proved to be very resilient, but there was no sign that property is held communally (Mutiso 1974: 83 and Kenyatta 1985:119, see above). For this group, everything does not have a moral and social reference, nor do they show any sign of corporate effort, corporate responsibility or corporate work (Kenyatta 1985:119). They do not evidence Ikuenobe's moral person "that has been sufficiently equipped by the normative attitudes, stuctures, and principles of his community…. 'a thoroughly fused collective 'we' '… (where) the self is indeed the community" and where one becomes a person by fulfilling her/his duties to the community (Ikuenobe 2006: 54, 56, 58, see above).

In the interviews unhappiness about poor service delivery was mentioned. This has led to numerous protest actions across the country over the last years. These protest actions were often accompanied by burning and looting.
Violence, however, is only one response. The most common and enduring response is to survive by keeping quiet, even ignoring the most pressing problems. Silence is an important coping mechanism. According to the

Mpumalanga Department of Health and Social Development spokesperson Mpho Gabashane, the Gert Sibande district, in which these respondents reside, has the fourth-highest HIV prevalence rate in the country, at 40.5% (ZIWAPHI 2010) – but during the interviews and group discussions nobody mentioned HIV or AIDS. They cope better with it if they do not talk about something against which they may feel powerless.

A report by Statistics South Africa (2012), *Social profile of vulnerable groups in South Africa 2002–2010* finds that household structures are "severely disrupted" and that children are disproportionally affected. However, nobody reported any significant tensions or problems between household members. What we have seen is a condition that is often the result of modernisation. Peter L Berger (1974) called it the "homeless mind", a product of the impact of modernisation on traditional identity.

Can we say that Brandel-Syrier (1978: 182) and Mbeki (Gevisser 2007: 324) are right, that there is nothing left, nothing coming from within? Have these people lost hope?

In his classic book *The nature of mass poverty* the economist John Kenneth Galbraith (1980: 56) describes the phenomenon of *accommodation* of poverty. After a prolonged experience of being poor, perhaps for generations, people accept their condition. "Poverty is cruel. A continuing struggle to escape that is continuously frustrated is more cruel. It is more civilized, more intelligent, as well as more plausible, that people, out of the experience of centuries, should reconcile themselves to what has for so long been the inevitable".

This statement may be closer to the group of respondents that we discuss here, than stating that there is *nothing* left. They do send their children to school. They do wash and clean and cook. But understanding the passivity described by some residents as reconciling themselves to poverty, also called accommodation by Galbraith, may be the extension of a Western insight into the African context, that Hallen (2009: 61, 62) objected against. The continuing struggle to escape poverty that leads to accommodation may suggest a modern context rather than a traditional context. If we try to explain the results of the research with reference points that are taken from within African culture itself we can refer to the African writers, quoted above, who insist that individualism is foreign to African culture. That means that, when the community falls away during urbanisation, what emerges is not the type of individualism that has developed in modern Western culture, where the individual has a strong sense of identity, a strong will and a

strong sense of being the master of his or her own fate. Neither has the fragmented but highly energetic individualism of postmodern culture developed. Modern and postmodern individualism have developed over centuries in Western culture, and will not just appear when traditional African communalism is eroded.
For example: the fact that children go to school does not mean that there is a culture of learning. There is a general lack of interest in good education amongst large sectors of the population: "… the system has failed to reverse unacceptably low exam results or to improve the standard of teaching. The quality of education remains very poor, and the output rate has not improved… challenges include: poor teacher training; unskilled teachers; lack of commitment to teach by teachers; poor support for learners at home; and a shortage of resources in education despite the large budgetary commitments by government" (Matshidiso: 2012).
The absence of a culture of learning is related to the absence of modern individualism. In the 1980's I was teaching at the University of the North, a "black" university under the apartheid policy of the time. The university was a centre of the struggle against apartheid. There was a lot of political protest, but also cultural protest, specifically against the fact that individual success and failure played such an important role in the university. There were numerous strikes with the slogan "Pass one, pass all!" and "An injury to one is an injury to all!" – where *injury* referred to the fact that a certain student had failed a certain test or exam.

In his comments on Biko's view of community in African culture, Andries Oliphant (2008: 219) says that the European city, with its large concentration of people, became "mammoth agglomerations (that) pushed small-scale rural communities and the close association between people that they made possible, to the periphery of society". In these urban areas people are alienated from each other.
Ikuenobe (2006, 60) sees similar developments in other African cultures. Community and personhood are interdependent. Ikuenobe notes that the absence of community would leave a void in the development of the person (quoting Kwasi Wiredu): "Bereft of the traditional underpinnings of this sense of responsibility, city dwellers are left with nothing but their basic sense of human sympathy in their moral dealings with the great number of strangers encountered in and out of the work environment." Ikuenobe comments that this city dweller "has acquired the Western individualistic and atomistic ethos that is engendered by urbanization and modernization".

This last statement needs some clarification. The sense of community was very often not replaced by Western individualism, as has been argued above. What we do see is a significantly large group that exhibits what Ikuenobe (2006: 54, 56, 60) describes as a solipsistic and atomistic self.
The social construct that presents the most life-giving alternative for the present context will most probably have to be constructed with a combination of traditional African and modern Western elements of personhood and community.

In the 1990's Nova did research on coal use in townships. The picture that emerged showed the importance of the coal stove. One mother said: "My coal stove is my life, without it my life would be meaningless because I won't be able to make a warm house, cook, heat water for my children or iron for them." (Hoets 1995). Nova's own research found similar attitudes. One woman said: "Even if there is no food, but there is fire, I am still happy, because the stove brings the family together" (Van Niekerk 1998). In the urban context, where the family is disintegrating, it is very important that they come together around the stove in the evening, where the mother is providing food and family members can tell about the events of the day. This seemed to be a good combination of elements of traditional and modern cultures.
The image that emerges from the present research, nearly 20 years later, is of the mother and children watching TV. The stove, where stories were traditions were passed on and people communicated with each other, has been replaced by the TV. The impact that this will have on family relations, values, and way of thinking still has to be researched.
But the picture we have seen above is not as severe as the picture of life in a trailer park in the USA, as described by Geert Mak. Without exception the residents of this trailer park live inside their trailers, with a TV as their only pastime. A man whose job it is to disconnect and reconnect the cable TV's in these households says that, every day, he finds there people who are dirty, who cannot read, who do not talk to each other and who have few family and friends. Cable TV is a priority, often even more so than food for the children. There is a new class of silent people for whom TV is their complete existence (Mak 2012: 141-142). In the townships discussed in this article people are not dirty, many bath three times a day. Many in the household do talk to each other and take care of their children. The question is how the wider community, such as government, the industry and the churches, should respond.

7. *How should entities outside these communities respond?*

For the authorities, the private sector and civil society the question is how to respond to such conditions. Should an effort be made to restore the traditional community? Is individualism the answer? Is there an ideal combination of the two? Are there other possibilities?

If there are plans to improve the quality of life in these communities, the way in which that is done must be considered carefully. Soyinka's statement (1976: viii) that African culture must be understood by using reference points that are taken from within the culture itself also applies to development: it must come from within the community itself. And Hallen's objection against the extension of a Western philosophical tradition into the African context, also applies to the mere extension of a Western developmental tradition into communities such as these: like Africa, these communities still wait "to be discovered, to speak, to be understood" (cf Hallen 2009: 61, 62).

It means that outsiders should not do things for the community that they can do for themselves; that will only increase the passivity and emptiness. Experience teaches that people often do not take ownership of whatever services, projects or products that are provided for them, if they are made into passive receivers. Before the community can develop towards a better quality of life, it must first understand itself, and speak, and be understood. That requires mutual communication between those inside and those outside the community, until we understand things the same way. Academics, both from within the African communities and context, and those outside of it, must play a role in this process of learning to discover, speak and understand.

8. *Conclusion*

We can conclude that there has been a significant erosion of the traditional communal sense in the townships. This has left a certain void that has been filled by the Christian faith for some, but also by the consumer culture, while many respond with a passive withdrawal into themselves. These responses are found in many combinations. This mixture carries the risk of social unrest that may lead to violence and destruction, and the passive withdrawal is in itself damaging to the quality of life of the whole community. But all is not lost. Some family relations, especially the relation between mother and child, still serves as an important inspiration to maintain a dignified life.

The wider community, such as government, the industry and the churches, should respond to the needs of the people represented by our respondents. But before

doing anything, it is essential to understand the community by using reference points that are taken from within the community itself, not excluding the insights of those who present a view from the outside. The same applies to development: it must come from within the community itself, making use of and strengthening what is there, even if somewhat damaged, such as: the contribution of that part of the community that has managed to overcome or escape the culture of poverty; the Christian faith of many; some elements of traditional culture; the relations between household members that are still providing inspiration; positive relations between some neighbours; the community activities that are going on and the general mood, not of despondence and bitterness, but of happiness and the feeling that life is, after all, good.

NOTES

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ii. The WWF Living Planet Report, 2012, p 60 asks the question: "Is a high level of consumption necessary for a high level of development?" and answers in the negative, cf Fig 39. The Happy Planet Index, which is a project of the New Economics Foundation comes to the same conclusion, for example, Costa Rica's has a high life expectancy, high levels of experienced well-being, and a moderate ecological footprint.

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IIDE Proceedings 2014 – The Informal Sector And Local Economic Developments In South Africa: An Evaluation Of Some Critical Factors

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The importance of achieving the goals of a better life for all highlights a critical need to expand our economic development policy levers. Accordingly, the objective in this paper is to examine the critical link between informal sector and the challenges of development in South Africa. Given the heterogeneous nature of the sector, policy instruments aimed at developing the sector cannot be one size fits all. Finally, this paper reveals a number of concerns which can be addressed in future research including policy guidance and methodologies that can be used to incorporate gender into the overall planning of local economies.

1. *Introduction*

South Africa continues to face key development challenges of poverty, unemployment and inequality. Given the importance of achieving the goals of a better life for all South African citizens, there is a need to explore development alternatives which can lead to a more inclusive form of economic development and economic growth. More specifically, one of the economic sectors that has often been overlooked in economic policy analyses is the informal sector. The increased focus on informal sector is based on the observation that it employs a large number of people and therefore can contribute to poverty reduction. Again, the increased interest in the informal sector is partly driven by an observed increase in the size of the sector. For example, statistics highlight that between 1997 and 2005, about 1.1 million jobs were created in the informal sector (Altman, 2007). Typically, in 2007 it was estimated that there were 3,65 million people in non-agricultural informal employment in South Africa (Wills, 2009). Within the informal sector, street vending remains a dominant form of economic activity. It makes up 15 percent of non-agricultural informal employment, with over 500 000 street vendors in informal employment of whom about 360 000 were women (Wills, 2009). Consequently, the informal sector can be recognised for its

role particularly in addressing the development challenges of poverty and unemployment. However, what needs to be recognised is that the informal sector remains largely neglected within the conventional policy making processes. Indeed, an improved understanding of the nature, workings and potential contribution of the informal sector is critical if we want to ensure a more inclusive form of economic development.

The objective in this paper is to examine the link between informal sector and the challenges of development in South Africa. Likewise, the contention in this paper is that improving the performance of informal sector may contribute to a more inclusive form of economic development. Therefore, the emphasis in this paper is to highlight the importance of expanding opportunities for those that continue to be marginalised within the national economic policy development. Overall, the efforts to improve the performance of informal sector should be seen in light of the potential contribution of the sector in increasing the overall performance of the national economy.

This paper is based on the examination of available material in the form of both published and unpublished sources. In analysing the issues affecting the informal sector, this paper acknowledges that the informal economy cannot be viewed purely in economic terms. Accordingly, the analysis of informal economy in this paper includes history, political, social and economic issues. More importantly, this analysis recognises the interplay between politics and economy as these factors can enhance or constrain development. In terms of its conceptual framework, the paper is located within the systems of innovation which recognises informal sector as an equally important area of economic policy development. Finally, this paper is organised into four strands of material. The first section examines the importance of incorporating informal sector into the overall planning of local economic development (LED). The second section explores the notion of including the informal sector in the national plans that seek to address skills and human resource development. The third strand of material incorporates a gender perspective in the analysis of informal sector. The last section highlights key conclusions which are derived from the analysis of issues in this paper.

2. *The Importance of Incorporating Informal Sector in Local Economic Development Planning*

The analysis in this section contends that the informal sector remains an

important actor in the national systems of innovation and can be a critical instrument of local economic development in South Africa. However, it is worth noting that in the past, local governments in South Africa did not play a significant role in local economic development. They mainly existed as administrative instruments of government. Nevertheless, since 1994 there has been a remarkable transformation in local governance from one which focused primarily on the local provision of services and facilities, to one which stresses the deployment of resources and their mobilization to promote local economic development (Rogerson, 1996). This transformation has been accompanied by other transformational processes, such as globalization, decentralization and democratization of local government. These processes have increased the importance of local governments in economic development. Indeed, local governments are increasingly performing a pivotal role in tackling economic and social problems and in managing processes of economic transformation. Likewise, in many areas of South Africa, local economic development is increasingly linked to economic regeneration especially in the context of economic crises evident in many local economies. For example, the crises in mining have added pressure to already struggling local economies. Typically, this discussion highlights that the path to a more successful LED requires specialized capacity in the form of unique competencies on the part of local governments. Indeed, this specialized capacity can contribute to finding a balance between the objectives and a pro-growth and pro-poor local economic development.

Economic development planning has not been inclusive. Therefore, the need for a more inclusive form of economic development highlights the importance of incorporating the informal sector into the overall planning of local economies. This can ensure that the informal sector becomes a critical actor and beneficiary of a growing national economy. Again, this is particularly important to local economic development particularly due to the employment and income opportunities that are generated through the informal sector. What can be recognized is that the incorporation of informal sector into the broader national economic planning is part of an emerging thinking about development alternatives which seek to expand the number of actors in the national economy.

Since local government is not directly responsible for creating jobs, it can take active steps to ensure that the overall economic and social conditions within the locality are conducive to the creation of employment opportunities (South Africa,

2006). The promotion of legal measures that recognises the informal sector as a critical actor in local economic development will serve to commit local governments to support and facilitate an enabling environment in which informal sector participants can earn a living. More specifically, South African Local Government Association (SALGA) encourages municipalities to be more innovative and to view informal economy as part of local governments' strategies to address unemployment, support livelihood creation, and reduce vulnerability. Consequently, this emerging thinking encourages municipalities to view informal sector development as a key service delivery function. In this emerging context, municipalities need to balance their regulatory function of the informal sector with the need to support livelihoods and employment creation in ways that reflect the agenda of a developmental state (SALGA, 2012).

Table 2-1: Percentage of Informal Activity in Selected Cities

Country	City	Percentage
Benin	Cotonou	61.8 %
Burkina Faso	Ouagadougou	19.9 %
Cameron	Doula	93.2 %
Chad	N'Djamena	57.3 %
Congo	Brazzaville	61.4 %
Cote d'Ivoire	Abidjan	52.3 %
Ethiopia	Addis Ababa	17.4 %
Ghana	Accra	35.8 %
Kenya	Nairobi	2.8 %
Madagascar	Antananarivo	48.8 %
Mali	Bamako	51.0 %
Mozambique	Maputo	3.7 %
Namibia	Windhoek	39.7 %
Niger	Niamey	54.7 %
Nigeria	Abuja	25.0 %
Nigeria	Lagos	11.7 %
Rwanda	Kigali	17.5 %
Senegal	Dakar	16.9 %
Uganda	Kampala	18.9 %

Informal sector is increasingly being recognised for its contribution local development particularly poverty reduction and employment creation (eThekwini Unicity Municipality, 2001). Focusing on the informal sector is increasingly becoming a crucial element in the success of local economic development (LED) strategies. Indeed, LED provides a major opportunity for localities to improve the local economic growth and the performance of the informal sector. Typically, LED strategies and assessments of local economies should also incorporate the needs of the informal sector. Indeed, it is at the local level that the specific constraints affecting specific activities of informal sector can be better understood and effectively addressed. Bottlenecks facing the performance of the sector can be identified and addressed in order to improve its ability to contribute to improved local productive systems which can generate more employment opportunities. Indeed, the informal sector is glaringly visible throughout the Sub-Saharan Africa.

It includes home businesses, domestic workers, street vendors, small-scale artisans, shoe shiners, car repairs, bakeries, and livestock traders and the sector makes a huge contribution to the local economies of Sub-Saharan African countries. Likewise, *Table 2-1* reveals that in Africa informal work is often a dominant economic activity alongside the formal economy (Hobson, 2011). This observation is particularly important where neither the public sector nor the private sector is able to provide enough jobs for the expanding labour force.

In sum, it is becoming more clearer than before that self-employment particularly in the informal sector is increasingly becoming a recognised alternative to growing unemployment, particularly among the youth and the poor (Hobson, 2011). Indeed, the contribution of informal sector to LED will become more glaring as local governments push harder to address poverty, unemployment, and inequality. These local government efforts need to be accompanied by specific policy measures such as skills development.

3. Human Resources and Skills Development

The informal sector especially in Africa tends to be characterised by low levels of education amongst the owners and operators of informal enterprises. This situation tends to impact negatively on the training potential of these participants. Therefore, the efforts to strengthen the skills base of informal sector entrepreneurs can be an important intervention in the development of the informal economy. That is to say, the development of human resources in the sector should be viewed as an attempt to help those who are struggling to create productive employment (Grierson, 1997) and as part of broad national skills development policies.

Training can be used to increase the share of new start-up enterprises in economic activities that can yield higher returns rather than simply flooding product lines with activities that may already have large numbers of participants selling in saturated markets (Liedholm and Mead, 1999). That is to say, there is a need to highlight the importance of using skills development to expand economic opportunities for those that continue to be marginalised in the national economy. Indeed, these efforts should also be seen as part of initiatives that seek to increase the overall performance of the national economy and build a more inclusive and coherent skills development system. in this context, skills development in the informal sector can be used to improve the productivity of informal enterprises.

An important initiative relates to increasing access to vocational training especially for those who work in the informal sector. The vocational training colleges can provide a theoretical content and advanced production techniques for those who are already practically engaged on the job in order to improve their knowledge and learning capacity. This intervention can lead to more improvements in the sector as a whole. At the same time, this can contribute to improving the value and quality of the goods and services that can yield higher profits for the informal entrepreneurs.

The technical college sector can become more aligned to both formal and informal sectors of the economy in ways that improve the quality and outcomes of a broader apprenticeship system. More importantly, an improved access to vocational training can bring the world of training closer to the informal enterprise sector. This can create unique opportunities for those who have dropped out of formal schooling as well as adult workers who often have limited access to training opportunities. Therefore, skilling those in the informal sector can contribute to national objectives of social inclusion and poverty reduction. This is particularly important as vocational training enables individuals to acquire skills or a trade in order to pursue a livelihood. However, the history of many vocational training institutions has been intimately associated with employment in the modern sector or in the government's technical ministries (Pedersen, 1998). Typically, the training for self-employment is often offered outside the formal training systems. Therefore, some weaknesses in the training systems will have to be addressed if vocational training is to benefit the informal sector. More specifically, productive training for self-employment requires hands-on practical skills combined with business skills, which are weak in many training programmes. With inadequate formal training available for the informal sector entrepreneurs, most entrepreneurs learn the necessary skills on-the-job, often from family members or through informal apprenticeship. The problem with traditional practices of training is that they are weak on theoretical content and offer little opportunities for advanced transfer of technology and merely tend to recycle the practical skills already available in local markets (Sverrisson and Pieter van Dijk, 2000; Li and Ye, 2011).

What is emerging from the above analysis is that the subject of technical skills development is central to informal sector development. Developing skills among those who participate in the sector can be one of the significant ways of helping

people move away from subsistence activities and gradually progress towards growth and value add activities without which there can be no real inclusion in the formal economy or value addition in the informal sector (Walther, 2011). That is to say, the efforts that seek to develop the informal sector through skills development should be seen within the context of making the national economy works for all particularly by expanding opportunities for the marginalised groups. Growing economic sectors can be identified where under-skilled people find it hard to find employment.

Informal sector should also be targeted as a significant beneficiary of training programmes that seek to develop skills for the economically active population. This is especially because a high proportion of those working in the sector are often trained by the sector itself without any training subsidies (Walther, 2011). Indeed, in Morocco, where the informal sector accounts for 40% of the jobs in urban areas, about 80.4% of employers or employees engaged in production or services sector did not receive any formal training. Again in Ethiopia where the informal sector accounts for 90% of all labour market activities and jobs, 67.86% of employees in the sector acquired their skills through self-training, 26.88% within the family and 3.54% through apprenticeship or on-the-job training, and only 0.09% received any formal training. Again, a survey of 110 leaders of youth associations from Central Africa showed that 60% of the young people who had Bachelor's or Master's degree enter the labour market by acquiring on-the-job experience or doing an apprenticeship in the informal sector (Walther, 2011). For many higher education graduates for whom it can often take up to three years to enter the world of work, the informal sector constitutes an important avenue through which to find work (Walther, 2011). It must also be highlighted that modern enterprises often have difficulty finding the skills they need from those who are looking for jobs. The reason is that in the majority of African countries, training provided by universities and schools is generally not suitable enough to the needs of productive enterprises. By contrast, training provided by informal sector is context specific and readily applicable to the job. Therefore, linkages between the formal economy and informal sector need to be strengthened for the benefit of the economy as a whole. However, it must also be emphasised that generally, the image that is too frequently conveyed by those outside the informal sector is that this economy constitutes a world of inflexible traditions, repetitive actions and technologies that are generally out of date (Walther, 2011). Consequently, this creates an impression that the informal sector is totally out of

touch with changes in the modern economy. This is in contrast with the real situation in the sector which has entered the digital era of mobile telephones and internet. For example, in Benin some owners of informal workshops, in order to identify the reasons why cars with high-technology have broken down, download control software from the internet for the most recent types of cars and use the information to fix these cars (Walther, 2011).

Generic training that is designed as one size fits all may not be helpful in the informal sector as the training needs of the informal sector tend to be context specific. For example, those who had received least education often want to improve their literacy skills so that they can read the technical instructions of the machines they are asked to install and thus be able to repair them. Again, technical and vocational skills development remains a central concern for those who run production and service units in the informal sector. By contrast, those who are more educated often require access to continuing training which barely features in national training, skills strategies and action plans. These observations highlight that skills development in the informal sector has therefore become an issue which needs to be incorporated into the overall national education and training strategies. Indeed, providing skills for people who run the informal production and service units can generate growth in the local, regional and national economies.

Incorporating the informal sector to the countries' training and skills policies requires a paradigm shift in national training systems. Indeed, the public technical training systems cannot continue to ignore the informal sector. The focus of skills development should extend their scope to include the informal sector as part of efforts that seek to skill a greater number of people. Overall, building capabilities in the informal sector needs to be treated as an integral part of inclusive innovation. That is to say, skills development in the informal sector should be viewed as an innovative effort that seeks to expand opportunities especially those who remain marginalized in the formal economy. More importantly, skills development should increasingly enable informal sector participants to develop their often survival activities into more productive value-add economic activities that enable them to participate in the mainstream economy or enable a transition into a formal employment. More importantly, training those who make their living in the informal sector should be accompanied by additional policy instruments such as improved access to markets

and provision of credit (African Economic Outlook, 2012). However, these policy objectives and policy levers should not be treated as though they are gender neutral.

4. *The Importance of Gender Mainstreaming in Informal Sector Development*
Given the importance and relevance of informal sector to the challenges of development and transformation process in South Africa, the issue of gender cannot be ignored in the analysis of the informal economy. Indeed, the issue of gender in the informal sector has often been overlooked with a tendency to treat the informal sector as though it is gender neutral. In light of the disadvantaged position of women in society, this omission is surprising. Therefore, the rationale for gender mainstreaming is to bring a gender perspective into the broader analyses of informal sector development. Typically, the objective in this section is to raise the level of gender awareness and present the rationales for incorporating gender into informal sector economic development planning. The discussion first part of this discussion provides a descriptive analysis of the participation of women in the sector. Accordingly, the second part of the discussion provides a more analytical approach on the subject of gender and informal sector.

The majority of workers in the informal economy tend to be women (Maseko, Undated; Sofisa, 1991; Wills, 2009). More specifically, it is estimated that about 60 percent of female workers are employed in the informal sector. This observation reveals that female workers tend to be over represented in the informal sector (Blunch et al, 2001). Again, there is a horizontal division of men and women engagements in the sector. For example, very few women are employers in the sector and tend to be involved in small-scale operations. By contrast, men tend to be overrepresented in the top segment of this economy while women remain overpopulated in the bottom segment of the sector. In terms of sub-sectors, women are more likely to be employed in manufacturing, trade, and services than in construction and transport. Again, while women tend to dominate the garment manufacturing and leather sub-sectors, men tend to dominate metal and wood working (Blunch et al, 2001).

Women tend to be in non-wage employment. When in wage employment and irrespective of occupational category or economic activity in the informal sector, they tend to be disproportionately at the bottom of the earnings distribution (Blunch et al, 2001). Indeed, women and girls tend to form the poorest group of

workers in the sector. They are more often employed as wage workers for someone else and have to balance the triple responsibilities of bread-winning, domestic chores, and taking care of children. Furthermore, it has often been observed that while women operate the majority of informal sector businesses, their involvement is often confined to low return activities (Liedholm and Mead, 1999). Again, informal sector enterprises that are run by women tend to exhibit lower rates of growth than those run by men because women dominate the lowest end of the enterprise spectrum which is least profitable. This discussion highlights that the marginalisation of women in society tends to be reproduced in the horizontal division of the world of work between men and women.

As a result of the traditional domestic roles of women as mothers and housekeepers, they lack opportunities to accumulate start-up capital, which is normally acquired through personal savings. Again, women lack a personal asset base which prevents them from meeting the required collateral requirements which are demanded for credit financing by commercial banks. This situation further prevents their meaningful participation in the economy. Taken together, these observations point to the need to incorporate gender into the social and economic policy frameworks that seek to create a more inclusive economy.

A gender perspective on the analysis of informal sector enables us to include both the processes which make women invisible in the economic development discourse as well as the factors which produce and reproduce unequal relations and unequal access to economic and innovation benefits. For example, a gender gap exists between men and women entering and advancing in science and technology. Therefore, there is under-representation of women in the fields that constantly produce innovations and this gap leads to a gender gap in high-tech business creation and innovation activity. Indeed, the exclusion of gender in the analysis of innovation policies prevents many ideas from developing. Consequently, some growth opportunities remain overlooked. Therefore, the inclusion of gender in analysis of informal sector is based on innovation, social, and economic arguments.

On the one hand, there are social justice and human rights arguments that are seek to achieve equality between men and women, and those that seek to promote and facilitate development on the other hand (Hannan, 2000). Indeed, sustainable development can only be achieved if the interests and needs of all groups in society are taken into account and the potential of all groups are released

(Hannan, 2000, p. 1). The marginalisation of women implies that we fail to reap the demographic dividend from this marginalised workforce. Therefore, there is link between gender mainstreaming and effective development (Hannan, 2000). What needs to be emphasized is that the debate should shift from individuals to the system which reproduces these inequalities. Such a focus can make both men and women more visible in the system with their various competencies.

Gender mainstreaming should be recognised and pursued in specific contexts. In the case of LED, obtaining the full participation of women will require overcoming deeply entrenched discriminatory attitudes and challenging of existing power relations between men and women (International Labour Organization, 2010). Since gender roles and their unequal structures are socially constructed, they can be socially deconstructed. Gender mainstreaming in LED implies going beyond increasing women's participation but bringing their experiences, knowledge and their interests into LED planning (International Labour Organization, 2010). Indeed, promoting a gender perspective in employment creation can boost local productivity and enhance demand for goods and services in the local economy (International Labour Organization, 2010).

What is still lacking, however, are methodologies that explicitly incorporate gender perspectives into the development planning of informal sector. Such methodologies can support the achievement of economic policy goals and assist economists in utilizing this form of knowledge in their policy development work. The second challenge remains that of translating research and existing knowledge on gender perspectives into policy, planning and development decisions (Hannan, 2000). Such knowledge can be gleaned from how local projects have contributed to social and economic change. Indeed, the knowledge of gender diversity can be used to improve the performance and outcomes that can be derived from the informal sector.

5. *Conclusion*

Incorporating the informal sector into the countries' economic policies and LED strategies requires a paradigm shift in national economic development planning systems. Indeed, there has been a revival of interest in the informal economy largely due to its increased size and its contribution to efforts that seek to address the challenges of development in South Africa such as poverty reduction, unemployment and economic development. However, the heterogeneous nature of informal sector suggests that policy instruments aimed at the development of

the sector cannot be one size fits all. First, this is because the needs of informal sector participants tend to be context specific. For example, informal sector occurs across various sectors, viz, primary, secondary, tertiary sectors. Second, some informal sector activities are often driven by necessity rather than opportunity motives (GEM, 2011). Thus many survivalist economic activities should be recognised for the role they play in reducing vulnerability particularly amongst the poor. Therefore, single policy prescriptions cannot be successful in the sector as they often disregard specific circumstances of individual establishments and their sectoral variations. Indeed, the heterogeneity of informal sector remains a real challenge for policy makers particularly where they need to balance the need for generalisable policies and those which address spatial and sectoral variations.

The formalization of informal sector activities has been recognized as one of the policy responses to the development of informal sector. However, policy proposals that seek to formalise informal sector activities should be voluntary as some informal sector participants may prefer to remain informal. Consequently, recognizing informal sector in its own right needs to be recognized as a development alternative. What needs to be emphasised is that policy interventions should explicitly seek to transform what are often marginal and survivalist activities into decent work. Therefore, innovation policies should be aimed at improving the performance of informal sector and to enable those who work in the sector make a smooth transition to the formal economy.

Finally, this paper reveals a number of concerns which can be addressed in future research. First, it demonstrates a clear need for empirical studies that can improve our knowledge of the informal economy particularly its contribution to GDP and economic growth. Second, it highlights the paucity of empirical evidence and the need to collect more high quality data on the informal sector in order to enhance evidence base policy development. Third, it discloses that there is still not enough policy guidance particularly at local level on how to promote local systems of innovation that recognizes informal sector as an important area of economic policy development. Fourth, what is still lacking are methodologies that explicitly incorporate gender perspectives into the development planning of informal sector. Fifth, it is the challenge of translating research and existing knowledge on gender perspectives into policy, planning and development decisions (Hannan, 2000). Such knowledge can be gleaned from how local

projects have contributed to social and economic change. Finally, there is lack of research studies that examine the interplay between gender, entrepreneurship and innovation.

NOTE

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