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Will Africapitalism work?

Abstract

Africapitalism suggests a refined capitalist system aimed at achieving collective good unlike the shareholder value maximisation model of Anglo-American capitalism. It emphasises the obligations of the private sector in Africa to pursue socio-economic development. Despite these proposed benefits, this paper queries the functionality of such capitalism. It presents six major criticisms of Africapitalism and argues for a more realistic approach to African development.

Keywords: Africapitalism; Africa; Capitalism; Anglo-American model; Business ethical framework; Ubuntu; Shared value; Critique.

JEL Codes: P1, P12, P5, P51

Introduction

In recent times, attention has focused on how African nations can address their economic and developmental challenges, including poverty, unemployment, insecurity, and a dearth of basic amenities and infrastructure. Africa faces various systemic and institutional challenges, including the relatively disadvantaged position it occupies in the global commerce sphere. Global and regional bodies such as the African Development Bank (AFDB), the Organization of Economic Co-operation and Development (OECD), and the United Nations Development Program (UNDP) have suggested a different pathway for African policy makers to accelerate growth and structural transformation through a more focused private sector participation, including corporate led development strategies (African Economic Outlook, 2015). To this end, there have been several recommendations for a framework that will specifically support the role of African business in facing and transforming Africa's socio-economic realities.

Given historical (colonial) antecedents as well as the current significant foreign aid dependency (and the attendant conditions), Africa has largely adopted and followed the business structure and practice from the West and more developed states. Specifically, in spite of several former French and Portuguese colonies existing in the region, the Anglo-American form of capitalism represent the governance mechanisms adopted by many Sub-Saharan African (SSA) corporations (Okike and Adegbite, 2012; Okike et. al. 2015). Nonetheless, while this form of capitalism may have flourished in the UK and the USA, its fit for Africa and her peculiar economic circumstances has been questioned. Another possibility, in this quest for an appropriate economic system, is Eastern capitalism depicted by the governance structures in Japan and the Asian pacific. While this connotes a more affective structure, sharing some similarity with Africa in her underpinning traditional values and emotive conceptualization, it does not represent a tailored approach against the peculiarities of Africa. Thus, the questions this paper addresses are – (1) which model of capitalism works for Africa? and (2) To what extent will Africapitalism work?

Amidst the several propositions for Africa to achieve its developmental goals, is “Africapitalism” – which poses as the latest response to the call for a capitalism that works for Africa. The Africapitalism project was pioneered by a Nigerian entrepreneur, Tony Elumelu, who is considered as one of the leading canvassers for private sector solutions to Africa's challenges (Edwards, 2013). Africapitalism is a philosophy that embodies the private sector’s commitment to the economic transformation of Africa through investments that generate both economic prosperity and social wealth (Amaeshi and Idemudia, 2015). The nascent literature on Africapitalism emphasises the obligations of the private sector in harnessing the power of the market and the role of entrepreneurs, as agents of change in economic development (Amaeshi and Idemudia, 2015). It thus describes the process by which African businesses meet social and economic needs, by creating goods and services with an innate understanding of the local environment (The Economist, 2014). Africapitalism, therefore, is viewed as an attempt to restore ‘African-ness’ in capitalism, by reflecting the economic and social practices inherent in African tradition and culture (Amaeshi and Idemudia, 2015). As a customised business model, it is based on the pursuance of the collective good, where altruistic/ethical goals, rather than profit maximisation is considered imperative. Consequently, Africapitalism is an emotive linguistic concept, framed around an ethical management structure.

Notwithstanding the ambitions of this nuanced socio-economic philosophy, we argue that a clear objective frame of reference is lacking. Similarly, as ethical issues are contested, ethical decisions, more often than not, defy the clear delineation of what is right or wrong in decision making. This presents a challenge for corporations adopting Africapitalism. Does Africapitalism actually address the exigencies in Africa? Is such a variant of capitalism practicable within a moral framework? In addressing these important queries, we present a critique of the Africapitalism concept. We argue that for Africapitalism to outlive its proposition, there is need for a more critical perspective of its viewpoints and a clearer delineation of the fundamental principles. The Africapitalism concept needs to consider a more legal, formal and explicit context for its practice and operationalization, and for this to happen, there needs to be a more related framework for the conceptual anchoring of Africapitalism.

The rest of this paper is structured as follows: First, we review capitalism models in the West and in the East, in light of the defining features of African business environment, to draw out distinct peculiarities. Next, we examine which capitalism model will work for Africa, especially focusing on the prospects of Africapitalism. Here we highlight six criticisms of Africapitalism which limits its potential. We finally present some recommendations for a more realistic and thorough theoretical crafting of Africapitalism to make its implementation understandable, possible, useful and sustainable.

Capitalism in the West: Assumptions, models, critiques

Western capitalism is an economic system that embraces the liberal economic principles of private ownership, competitive markets, capital accumulation and profit maximization (Zimbalist and Sherman, 1984). With a strong reliance on markets, and the widely held belief that market prices are representative of normative value, the Anglo-American model has been credited with helping to provide an economic platform from which enormous increases in income and wealth have materialized (Baumaol, *et al.*, 2007). In modern times, many countries have experienced rapid gains in their standards of living due to the liberalist free market doctrine. Dorius (2012) postulates that the values and beliefs of Western capitalism are an essential motivating force in the accumulation of national wealth in the contemporary world. In a similar light, the corporate governance structure of companies and the design of corporate mission and organisational goals have also inadvertently followed suit (Adegbite, 2012). However, the Western capitalist movement has also been dogged by controversy (Hardie and Maxfield, 2010). “The major problem inherent in the Anglo-American model of capitalism, is

that managers (including portfolio managers) are subjected to strong pressure to provide returns (profit) to shareholders” (Reed, 2002: 241), a phenomenon which is characterized as market myopia (Blair 1995; Reed 2002). Thus, the notion that the accountability of businesses is to maximize returns to the owner implicitly and perhaps explicitly underlies today’s business goals, targets, objectives and vision statements and more often than not determines the very worth, unit of assessment and the classification of its business activities.

As an economic system, Western capitalism is prone to market failure. Its ideological foundations of profit/value maximization mean the market is inefficient in its allocation of certain goods and resources (Hall and Soskice, 2001). Profit maximizing endeavors and the allocation of resources within the banking system highlight a major area of failing for Western capitalism. Konzelmann, Fovargue-Davies and Schnyder (2012) note that the economic liberalisation, financialisation and globalisational aspects of Anglo-American capital helped to create a perfect storm within the global banking system. Given its focus on profit maximization and its emphasis on the individual rather than the collective, Western capitalism would not be a successful fit in Africa. Many scholars including Blunt and Jones (1997) have asserted that Western approaches to business, leadership, and economic governance are often incompatible with the cultural context of Africa. The cultural background of most African nations makes it very difficult for a complete adoption of the Anglo-American capitalist ideology (Taylor, 2014). Whilst delivering economic wealth for many, the well-documented environmental, economic, and societal failings of the Anglo-American model provide sufficient reason to pause and reflect. Africa’s desire to incorporate altruistic/ethical goals must go beyond the narrowly defined market orientated terms of the West, in order to allow a philosophical space for businesses to act differently in solving Africa’s challenges. We now explore the extent to which Africa can learn from Chinese capitalism, given the modest similarity in history, culture and tradition as well as the growing successes and increasing global influences of emerging Asian economies.

Capitalism in Emerging Asian-Chinese Economies

Today, capitalism in emerging Asian markets denotes a political economy in which the state directs and maintains ownership of key enterprises while employing Western capitalist practices such as competitive market pressures, stock market listings, and material incentives for corporate executives (McNally, 2013). This new form of state capitalism or “state capitalism 2.0”, has seen governments become more sophisticated owners (Chatterjee, 2017).

This revised version of state capitalism is state-steered rather than state-led placing a greater emphasis ‘on public–private collaboration’ (Trubek, 2013). In many emerging Asian economies, governments now prefer to exercise control through share ownership rather than through direct forms of reporting between the SOEs and relevant government ministries. Flying the flag for state capitalism in Asia has been China (Schweinberger, 2014). Now the world’s second largest economy, the Chinese state has transformed its economy through a mixture of market liberalization, international trade and the strategic involvement of the state. Since its transition from a planned to a market economy at the end of the 1970s, China’s growth has been exponential (Lin, 2018). Using corporate business strategies, which are developed in close collaboration with government agencies (Coates, 2006), the Chinese state has now become the largest shareholder in the country’s 150 biggest companies (The Economist, 2012) and an increasingly important component to the stability of the capitalist world economy (Mulvad, 2015). It has also sought to reach out into new emerging African economies, by investing heavily in the region, particularly in the resource rich countries of South Africa, Nigeria, Zambia, Algeria, DR Congo, Sudan and Angola (Geda, 2018). Entries into Africa also reflect the Chinese Government’s increasing desire to “go global” (Brautigam, *et al.*, 2018).

No doubt, the rise of state capitalism in Asia constitutes one of the most significant developments in the world economy in recent times. However, does this change indicate that state capitalism is the future model of economic development or is it yet another example of state-sponsored failure? While many emerging economies have used the power of the state to successfully grow and develop their economies, there are many areas of criticism that hinder the progress of today’s contemporary form of state capitalism. A key factor is the increasingly domineering role of the state. In moves that relate to bygone eras of state capitalism, many emerging economies have sought to embrace the heavy hand of the state. In China, bureaucratic influence in the financial system and tight government controls over the value of the yuan, is creating an economy at serious risk of collapse (Schuman, 2011).

There are also regulatory and governance concerns which could potentially derail state capitalism. In this instance, management theorists have detailed at length the principal-agent problem that sees managers run businesses in a manner that is in line with their own interests and not that of the shareholders and customers they serve (Panda and Leepsa, 2017). Like that of the western capitalist model, state capitalism is also profoundly affected by this problem. In the case of the state, politicians find themselves torn between an array of social and economic

factors that leaves them distracted and unable to exercise proper oversight, leaving corporate boards disorganized and weak (The Economist, 2012). This lack of governance has spillover effects which sees many SOEs devoid of any substantive innovation (Belloc, 2014). While some argue that governments are good at providing the seeds for innovation, they are bad at turning those seeds into bread, given that state capitalism favors well-connected insiders over innovative outsiders (The Economist, 2012).

Ineffective management also renders many SOEs guilty of throwing good money after bad, with studies showing that state companies use capital less efficiently than private ones (Goldeng, *et al.*, 2008). While a lack of cost control may plague many SOEs, it is the capricious nature of the leadership structure in the region that can have an even greater impact on investors. In emerging Asian markets, politicians are often free to suddenly step in and sack senior management or instruct state run firms to lower their prices without any real oversight or restriction (The Economist, 2012). The state capitalist model sees SOEs ultimately responsible to the government which not only owns the majority of the shares but also controls the regulatory and legal system. Another key problem associated with state capitalism is the problematic nature of the countries that it has taken root in. In Asia, China combines admirable mandarin traditions with a culture of guanxi (connections) and corruption. The People's Bank of China estimates that between the mid-1990s and 2010 some 18,000 Chinese government officials and executives at SOEs stole \$123 billion from state coffers (Aredy, 2011). Is this model of capitalism appropriate for Africa?

Which Model of Capitalism works for Africa?

Despite vast swathes of historical/colonial legacies, and differences in structural positions faced by various African economies, the African business model has broadly followed the Anglo-American example (West, 2009). It is however, not a new fact that Africa presents a characteristically different environment for businesses. Largely, within the continent, financial, technological and other infrastructural factors influence the success or otherwise of businesses (Darley, 2003; Lekhanya and Mason, 2014). Also, social, economic and health commitments can substantially moderate corporate governance and business outcomes in Africa (Ntim, 2016; Adegbite, 2015). On the one hand, these factors are helpful in promoting the execution of business dealings. For instance, social engagements such as the pre-AGM meetings in corporations have been noted to foster smooth and quick deliberations in AGMs (Uche and Atkins, 2015). Also, the enforcement of contracts is less problematic as individuals learn to

trust rather than obey one another in contractual undertakings (Uche, *et al.*, 2016). Nonetheless, as good as these features are, they also entail inherent challenges. The differential and disparity in wealth creates strata that unduly impacts corporate mechanisms in Africa (Nakpodia and Adegbite, 2018). Equally, the socio-political history and a multilayer structure in Africa raise different challenges for business education (Nkomo, 2015).

Africa portrays distinct cultural and socio-economic constituents. The role of culture in corporate activities reverberates in a non-negligible manner. Within many economic settings, business management rules and principles still reveal a strong propensity for cultural norms (Ntongho, 2016). As the corporate environments, in Africa, have been largely unstructured as a result of the intermingling of social and cultural exigencies, the governance of businesses has neither assumed a clear form nor philosophy (Seny Kan, *et al.*, 2015). As Rwegasira (2000) states, the environment of Africa yet defies a definitive and conformable corporate governance structure. However, one major consolation is its rapid economic growth, increasing enhanced quality of life, as well as a record level of investment in recent times (Madichie, 2016). To what extent are these business advancements confronting the dire challenges of poverty, weak infrastructure, corruption amongst others?

The exercise of organisational functions needs a framework that will be able to address the nature of the business context and the expectations within this sphere. Africa has been challenged by the embodiment of external variables in business designs, which have failed to define its values (Reed, 2002). In this respect, the capitalism that is interpolated from other contexts, such as in the West and in the East, are noticeably lacking in fully capturing the realities of its business performance (Ojo, 2013; Clarke, 2015). Thus, the existing African business model has not been fully supportive, as business environments usually complement the business ideology in the development of their business paradigm (West, 2009; Munisi and Randøy, 2013). As Barnard, Cuervo-Cazurra and Manning (2017) propose, the challenges and opportunities that African firms face can serve as the basis for extending current theories and models of the firm. Admittedly, the need arises for a framework that can provide the structure within which African businesses can effectively operate.

More so, Africa's history of weak governments, political corruption, and the uneven application of law would imply that the region is susceptible to all that is wrong with state capitalism. As the state capitalist model falls victim to allegations of corruption, financial

recklessness, and a propensity to serve only the political elites, it is imperative that a different form of developmental agenda is embraced in the region. To this end, an appropriate blend of free market ideology, state involvement, and the pursuit of socio-economic developmental goals is needed. From this position, is Africapitalism the capitalist model that is fitting to Africa's circumstance? The next section examines the emerging economic philosophy of Africapitalism and the extent to which it provides the continent with its own indigenous, and contextually relevant socio-economic mindset, armed with the appropriate cultural, economic and moral frames for Africa's businesses to drive Africa's prosperity.

Will Africapitalism Work?

Tenets and Principles

By reflecting the economic and social practices inherent in the African tradition and culture, Africapitalism attempts to restore 'African-ness' in capitalism (Ameashi and Udemudia, 2015). The idea is expected to engender the desired transformational changes of Africa. The Africapitalism concept is an emotive management idea, sharing principles with the African Ubuntu philosophy and the "shared-value" concept of Michael Porter and Mark Kramer. In this respect, the Africapitalism project emphasises collective benefit - the common good - whereby, the advancement of communal good is expected to stimulate business progress (Ameashi and Udemudia, 2015). It attempts to build on other African orientated capitalist studies (Nattrass, 2013) which have sought to forge a social-democratic and coordinated variety of capitalism.

To start with, the African culture is considered as collective rather than individualistic (Mangaliso, 2001; Lutz, 2009; Ncube, 2010). Similarly, the Ubuntu philosophy prioritizes establishing and strengthening relationships (Karsten and Illa, 2005). This relates to the notion that people would contribute more towards the development of the organization, if they feel valued i.e. the philosophy of "I am because we are" (Sulamoyo, 2010: 49). As Nussbaum (2009b: 100) claims; "Ubuntu is the capacity in African culture to express compassion, reciprocity, dignity, harmony and humanity in the interests of building and maintaining community". Human interdependence is thus conceived as the core concept of the Ubuntu view (Mangaliso, 2001). Ubuntu as a guiding philosophy is viewed to hold promise for progressive and ethical change for Africa, which will help put in place leadership structures that are appropriate as well as relevant to the African context (Ncube, 2010: 81). As an indigenous leadership philosophy, the Ubuntu worldview is identified as a legitimate alternative to the Western leadership and capitalism philosophies (Ncube, 2010).

Similarly, the centrality of the shared value concept as noted by Porter and Kramer is that society's needs and interests should be at the core of profit/value maximisation. According to Porter and Kramer (2011), the existing notion of capitalism suggests that businesses contribute to society by making a profit. This, they argue, has prevented businesses from employing their full potential in addressing broad societal challenges. Rather than 'sharing' the value already created, businesses should foster the collective good (Porter and Kramer, 2011). Thus, in a similar vein to the Ubuntu philosophy, the 'shared value' concept stresses collectivism and the enhancement of social welfare. The idea is more about improving the total pool of economic and societal values, rather than solely maximising business value (Porter and Kramer, 2011).

The Africapitalism idea of inclusive and responsible capitalism (Amaeshi and Idemudia, 2015) underscores a similar notion as the Ubuntu and the shared value concepts. In the view of traditional shareholder capitalism, societal needs and challenges are seen to fall largely outside the responsibility of the business world (Leavy, 2012). However, by emphasising collectivism and communal interest, Africapitalism can be considered to be built on a theory of ethical management, whereby the firm is expected to pursue the good of the entire society, rather than only that of its owners or any group of individuals (Lutz, 2009). "Africapitalism is a philosophy that believes the private sector has a key role to play in the development of Africa through long-term investments that create economic prosperity and social worth" (Elumelu, 2013). Thus, fundamental to the values of Africapitalism is that businesses must operate within the law as well as ethically (Rice, 2014). In order for the Africapitalism project to realize these goals, its moral views and principled commitments are required to be aligned with today's economic practices (Amaeshi and Idemudia, 2015).

In this light, Africapitalism is an imaginative management idea and a creative moral-linguistic artifact which intends to re-instate the sense of place and belongingness in the economic globalization discourse (Ameashi and Udemudia, 2015). To this extent, some of the defining principles of the concept are; inclusive capitalism, responsible capitalism, sustainable capitalism and progressive capitalism (Amaeshi and Udemudia, 2015). In line with the intended commitments, the cardinal principles of Africapitalism, rooted in the Ubuntu worldview, are identified as; 1) sense of peace, 2) sense of progress, 3) sense of parity, and 4) sense of place (Amaeshi and Idemudia, 2015). These are expected to foster the cause of the communal good. According to Amaeshi and Idemudia, (2015: 7), they are defined as follows:

1. *Sense of progress and prosperity*: by being grounded in the creation of social wealth, in addition to the pursuit of financial profitability, Africapitalism is viewed to engender a sense of progress and prosperity;
2. *Sense of parity*: according to this principle, wealth can easily be lopsided in liberal economies, therefore, Africapitalism is perceived as helping to address inequality by enhancing equitable distribution of the benefits of progress and prosperity;
3. *Sense of peace and harmony*: the quest for investment that generates both economic prosperity and social wealth, is believed to also be a quest for balance, harmony and peace.
4. *Sense of place and belongingness*: the value of a sense of place and rootedness such that the effective bond between people and place and economic patriotism / localism will be realised.

Arguably, the realisation of these objectives will ultimately foster the development of all constituents of the society, including corporations, stakeholders, and individuals within the African community alike. In accordance with the philosophy of traditional cultures, the culture that has stands the test of time tends to be the one attuned to the human way of life (Lutz, 2009). In line with this, one of the main arguments for the advancement of the Ubuntu worldview as a philosophical base for the Africapitalism project, is that economic systems ought to reflect the value base of their contexts (Lutz, 2009; Ncube, 2010). Rooted in the Ubuntu worldview, Africapitalism reflects the economic and social practices embedded in the African culture and tradition (Amaeshi and Idemudia, 2015). It is, therefore, argued that the Africapitalism project through the ethics of the African value system will be able to realise the objective of creating social and economic prosperity. Rather than profit maximization considered to underscore the ideas of these models as evidenced in the ‘business case’ for their performance, the promotion of altruistic goals is seen as paramount to the Africapitalism framework. By the embodiment of the concepts of the common good and ethical management, regarded as the philosophy of traditional culture, Africapitalism is also seen as necessary to address the limitations in the traditional management theories (Lutz, 2009). Placing the collective above individual interest, is in turn believed to create value for organisations (Mbiti, 1989). Thus, the Africapitalism idea borders on acceptable moral principles/values, which are portrayed in the underlying Ubuntu philosophy, as typical of ethical management frameworks.

A Critique

Against the foregoing, the necessity for a tailored performance framework for businesses in Africa is, notably, vital, given the diverse and distinct contextual variables of this continent. While the stated underlying ideology and tenets of Africapitalism seemingly promote the ‘good’ cause, critical reflections on such a venture portend the need for caution in identifying the Africapitalism paradigm as an ‘ideal’ in this respect. We present six criticisms of Africapitalism which limit its potential in practice.

First, notwithstanding the aforementioned projected values and benefits of Africapitalism, the over-reliance on such ethical management structures, that is, the value system of the Ubuntu worldview presents inherent limitations. For example, several descriptions of Ubuntu have emerged in the literature in recent times. One of the most prominent definitions of Ubuntu is outlined by Metz (2007) in six different theoretical explanations of the philosophy. Although, “as a communitarian philosophy that stresses the importance of inter-personal relationships and values such as harmony and care, it clearly has relevance for the business sphere” (West, 2014: 47). Nonetheless, the lack of a clear definition has been criticized as one of the main weaknesses of the Ubuntu philosophy (West, 2014; Sulamoyo, 2010), which is a fundamental principle of Africapitalism. As a result, the Ubuntu worldview is prone to be framed to mean almost anything anyone chooses (Lutz, 2009). This lack of a clear interpretation notwithstanding, it is argued that such weakness is not exclusive to Ubuntu, but rather common to most philosophical moral management frameworks (Lutz 2009). However, rather than the lack of a working definition, the inability of these definitions to clearly delineate what Ubuntu actually stands for can be problematic. This is a major limitation in the philosophical approach, as the inability of the Ubuntu philosophy to relate to definite management priorities might create an equally ambiguous footing for the promulgation of Africapitalism. This, as it stands, could largely impede the execution of its offerings.

Second, scholars have queried the view that the principles of the Ubuntu distinctly represent the African culture. For instance, there are no empirical justifications for the above assertion that Africans maintain the values of Ubuntu (West, 2014). The extant literature on capitalism in Africa suggests that there are substantial variations in the values of sub-Saharan Africans (West, 2014), let alone the rest of the continent. Thus, if Africapitalism, rooted in the Ubuntu philosophy, is to outlive its proposal, arguably it has to actually distinctly characterize the

“Africaness” that it proposes to portray. While African cultures are seen to be similar to a large extent, on the other hand, they are also viewed to reflect major differences. As Lutz (2009: 315) asserts, “to say that African cultures are communal, is however not to deny that they differ from one another.” As Sulamoyo (2010) further affirms, given the divisions that exist along tribal, religious and ethnic lines, the collectivist nature of Africa is complex. In spite of these admittances evident in the Africapitalism project, is the overarching assumption of the parallelism of the African social and cultural context. Hence the advocates of the Africapitalism concept seem to be silent about how this difference will be addressed in the implementation of its intended purpose.

Third, advocates of the Ubuntu moral/ethical framework and consequentially the Africapitalism project, strongly oppose the profit-making motives of the prevalent Anglo-American model of capitalism and their apparent shareholder orientation (Lutz 2009; West, 2014). Similarly, the shared value concept posits that the constricted perspective of focusing business goals on profit maximisation has alienated businesses from their communities. Thus, the purpose of the corporation must be redefined as creating shared value and not just profit per se (Porter and Kramer, 2011). However, within the shared value concept and within Africapitalism, there seems to be no provision for any other alternative structure for the implementation of the proposed ethical or moral management, besides the existing supposed ‘shareholder centric’ or ‘profit maximization’ mechanism.

Fourth, Africapitalism is viewed as a normative perspective on management, which focuses on how firms ought to behave, especially in weak institutional contexts (Amaeshi and Udemudia, 2015; Amaeshi, *et al.*, 2016). In this regard, “Ubuntu is invariably invoked as a scale for weighing good versus bad, right versus wrong, just versus unjust” (Mangaliso, 2001: 24). Accordingly, the purpose of management is stated as not only to seek the benefits of one collection of individuals (shareholders), nor many collections of individuals (stakeholders), but to “promote the good of the community, the common good” (Lutz, 2009: 323). Even though the idea of Africapitalism is viewed as a blurring of the divide between two impulses that do not usually associate - doing well financially and doing good socially (Edwards, 2013) - there are no clear-cut explanations of how this will actually be achieved. According to the supporters of Ubuntu, any proposal that seeks to maximize wealth, without specifically stating that it should be done ethically, should be rejected (Lutz, 2009). This is worrisome as such ethical objectives can be sought in different ways. What ethical standing is to be pursued? Does this

relate to the teleological or the deontological perspective of attaining the common good? For example, according to the teleological utilitarian view on the pursuance of the common good, an act is right if it could attain the greatest benefits for the greatest number of people i.e. the end justifies the means. While from the deontological perspective, an act is right only if it is right in itself. For instance, while some of the principles of Ubuntu stated by Metz (2007) are seen to reflect the utilitarian focus of the concept, others can be related to the deontological ethics' perception. Thus, one of the utilitarian theoretical interpretations states: "an action is right just insofar as it promotes the well-being of others; an act is wrong to the extent that it fails to enhance the welfare of one's fellow" (Metz, 2007: 330). While another states that; "an action is right just insofar as it respects a person's dignity, wrong to the extent that it degrades humanity" (Metz, 2007: 328), which seems more inclined towards the deontological ethics view.

However, while Metz is clear that both should be rejected (see also Lutz, 2009: 315-6), the Africapitalism philosophical position is not clear in this regard. Whilst the intended gains and benefits of the Africapitalism project, as proclaimed by the promoters of the idea, seem to be overly elaborate, the means of achieving them seem to be elusive. Does the end simply justify the means, for example? A lack of definition and explicit qualification of these issues may lead to nothing but individual discretionary judgement, which in ethical management systems is usually prone to emotive manipulation (Quinn and Jones, 1995). This might leave society merely at the mercies and possible exploitation of self-interested corporate executives. In other words, we may end up in a similar position as with the profit-seeking self-realisation model of the prevalent shareholder capitalism, which purportedly Africapitalism aims to replace through its ethical management proposition.

Fifth, ethical issues are admittedly seen to defy a definitive YES or NO answer. There are, therefore, bound to be ethical dilemmas. The Africapitalism idea does not yet tell us how the grey areas are to be addressed. What are the more or most important values to be promoted and what determines the significance of these values, in such a diversified context as Africa? These concerns need to be addressed for the promotion of a realistic African for Africa by Africans capitalism that Africapitalism, as an ethical management, proposes. As Quinn and Jones (1995: 23) assert:

“The broad and open-ended duties generated by principled moral reasoning, however, appear vague and poorly focused compared with the sharp image of the manager as the wealth-maximizing agent of shareholders. Non-instrumental ethics, therefore, has been less persuasive to managers, than the rigor of the analyses warrants”

Sixth, while the framing of Western shareholder capitalism appears clear and sharp, it is not supportive of an ethical management as proposed by an Africapitalism, and the latter does have the prospects of being a useful replacement. However, in the absence of any firmly designated structure for the execution of such ethical propositions, one might be forced to assume that this is what the Africapitalism project implies. Furthermore, whether managers of corporations and business scholars can be taught to be ethically minded, or such ethical attribute are innate, is an ongoing debate in the field of business ethics (Sen, 1987; Quinn and Jones, 1995; Brady, 1986; Brown and Treviño, 2006; Mayer, *et al.*, 2012). As Trevino (1986: 602) states; “the individual's cognitive moral development stage determines how an individual thinks about ethical dilemmas, his or her process of deciding what is right or wrong in a situation.” Ethical leadership is considered much more as the fulfilment of normative standards, rooted in the relationships between leaders and stakeholders, rather than just a leadership style (Brown *et al.*, 2006; Giessner and Quaquebeke, 2010). In the same vein, ethical issues will largely conform to the thinking, orientations, appreciation of values and the will to uphold such principles, by leaders of corporations. Achieving such a holistic approach would help to ensure that the benefits of capitalism are shared more evenly across Africa. Against this background, it is, however not clear, how such company executives and officials that have been tutored under the ‘profit maximization and self-realisation mode of business thinking’ – typical of the prevalent western Anglo-American idea of capitalism – could be re-educated to be mainly concerned with upholding altruistic values and ethical ends, as proposed under the Africapitalism ethical management framework. It is, however, assumed that entrepreneurs (and business leaders more generally) could be made to attain such a requisite level of orientation. For instance, according to the upper echelon theory perspective, “organizational outcomes—both strategies and effectiveness—are viewed as reflections of the values, personal characteristics and cognitive bases of top management” (Hambrick and Mason, 1984: 193). The central premise of this theory is that executives’ values and personalities greatly influence their interpretations of the situations they face and, in turn, their ethical choices (Hambrick, 2007). Africapitalism proponents have not addressed these concerns.

Recommendations

Africapitalism is established mainly on the principles of moral economy. In Africa, this can potentially play an important role in improving access to finance which can in turn be instrumental in helping to integrate the social and economic benefits. Moreover, Africapitalism, being a variant of moral economy, is guided by principles, specifically the ethical management fundamentals. Africapitalism thus represents a different kind of economic philosophy that could cater to ethical and socially responsible businesses. However, as a moral economy, at the least, a clear framework is lacking, as our six criticisms show. With reference to the shared value and common good focus, if Africapitalism is to achieve its purpose, a basic identification of the central values, are imperative. Considering the cited moral framework, an explicit value system for the execution of the Africapitalism proposition, is a necessary prerequisite. This, needless to state, might be problematic, amidst such admitted diversity in African values, religions and cultural system. So, how can Africapitalism put together a stronger case for its value proposition?

Africapitalism, as currently carved in terms of its construction, content, implementation, usability and sustainability seems to fall short in providing a distinct ethical management framework for African businesses and for businesses operating in Africa. The lack of precision in its understanding and its reliance on private interpretation retains significant implications for its transferability within African markets. More so, it tends to describe Africa as a homogenous entity, ignoring the diversity in its institutional foundations, configuration and maturity. The centrality of private morality assumptions in its marketability impairs its consistency and legitimacy across the board, as it can potentially lead to two Africapitalists acting differently in the same scenario. Ethical issues do not necessarily lend themselves to a generic resolution. As such, the pursuance of the idea of the ‘common good’ or the ‘shared value’ in the diversity of the African setting might be problematic.

In line with the ideas of the Africapitalism, this paper therefore recommends the need to promote the development of a system of corporate governance, that is adapted, rather than adopted, to the undeniably peculiarities of the African context (Adegbite, *et al.*, 2018). However, along this line, this paper advocates for the institutionalisation of such value system, proposed by the ‘African for African by African’ capitalism. The design and establishment of a corporate responsibility structure that inculcates and appreciates the fundamentals of the

African culture, is necessary here. Thus, there is need for an explicit framework, alongside the establishment of value propositions that will be a rallying point for the ideas of the Africapitalism. The presence of a legal underpinning may also help in addressing some of the aforementioned limitations of Africapitalism and assist in promoting not only its conceptual clarity but its usability and sustainability. This is expected to further lend credence and clarity to the propagation of any other intended business management framework.

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