



## REDEFINING BUSINESS ETHICS AND HUMAN RIGHTS ON 'UBUNTU' AN AFRICAN PHILOSOPHICAL STANDPOINTS

By

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### **Abstract**

Business and human rights are interconnected and have a symbiotic relationship. In recent years, the discussion of business and human rights has been an increasingly prominent topic in academia. This article explores the profound relevance of the concept of *Ubuntu* on the domain of business and human rights. *Ubuntu* is an ancient African word meaning 'humanity to others'. It is sometimes translated as "I am because we are". *Ubuntu*, deeply rooted in African philosophy, emphasizes the interconnectedness of all individuals and the promotion of collective humanity. It provides an alternative lens through which to view business and human rights, recognizing the interdependence of organizations and individuals, and the moral obligation of government to promote and protect human rights. Drawing from this philosophical perspective, this article delves into how businesses can incorporate *Ubuntu* principles into their practices to foster a more ethical, inclusive, and human-centric approach to human rights. The United Nations' Universal Declaration of Human Rights provides a framework through which businesses can interpret their moral obligations to uphold human rights. It is suggested that businesses should commit to making principles outlined in the declaration a guide. This includes a commitment to respect the human rights of employees, suppliers, customers, and other stakeholders. Adopting a doctrinal research methodology, both primary and secondary sources will be used to carry out a comprehensive analysis on ethical frameworks and illuminates the potential of *Ubuntu* to reshape corporate responsibility, enhance human rights protection, and promote a sustainable, equitable, and socially responsible business environment.

**Keywords:** African Philosophy, Business Ethics, Corporate Responsibility, Human Rights, *Ubuntu*.

### **1.0 INTRODUCTION**

In recent years, the discussion of business and human rights has been an increasingly prominent topic in academia. As such, scholars have explored the connections between business operations and human rights and suggest possible strategies for fostering respect for human rights in the context of business operations. In particular, scholars have looked into traditional African



philosophies, such as *Ubuntu* as a potential source of guidance to effectively navigate the relationship between business and human rights.

*Ubuntu* as a core value in African societies has been discussed in the contexts of labour rights, poverty alleviation and corporate social responsibility. However, scholars are yet to build a body of literature that specifically examines how *Ubuntu* can be applied to the relationship between business and human rights and the effect of abundance natural resources, extreme poverty on standard of living, trade and investment policy among others and how the philosophy of *Ubuntu* can serve as a guiding factor towards achieving an ethical business world.

The concept of *Ubuntu* and collective humanity can be used to help bridge the gap between business and the protection of human rights. *Ubuntu* is based on the notion that all individuals are connected and their rights are intertwined,<sup>1</sup> thus businesses have a moral obligation to promote and protect human rights. This philosophy suggest that the interests of business and human rights are not mutually exclusive and that efforts to uphold human rights can be consistent with economic development and profitability.<sup>2</sup>

As noted earlier by Khomba, in a hostile environment, survival relies on the unity and support of the community, as they come together with compassion, cooperation, and sharing to overcome hunger, isolation, deprivation, poverty and any emerging challenges.<sup>3</sup> Practicing the *Ubuntu* philosophy unlocks the capacity of an African culture in which individuals express compassion, reciprocity, dignity, and humanity in the interests of building and maintaining communities with justice and communalities.<sup>4</sup> *Ubuntu* ethical values helps to cultivate one's humanity through the promotion of solidarity, teamwork, hospitality, collectivity and tolerance within the business

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<sup>1</sup> Bongiwe Beja, 'The African Concept if Ubuntu Should be at the Heart of Human Rights' (4 February) 2020 *Real Leaders Magazine* <https://real-leaders.com/stories/changemakers/the-african-concept-of-ubuntu-should-be-at-the-heart-of-human-rights/>

<sup>2</sup> Andrew West, 'Ubuntu and Business Ethics: Problems, Perspectives and Prospects' (2014) 121(1) *Journal of Business Ethics* 121:47-61 <https://www.jstor.org/stable/42921365>

<sup>3</sup> Khomba J.K, 'The African Ubuntu Philosophy' *University of Pretoria* <https://repository.up.ac.za/bitstream/handle/2263/28706/04chapter4.pdf?sequence> (assessed 15 September 2023)

<sup>4</sup> Ibid.



sector. Therefore, it is within this context that this article seeks to examine how business and human rights can be redefined on ‘*Ubuntu*’ an African philosophical standpoint. This article start with the understanding of the term *Ubuntu* and its origin before delving into the main content of this article.

## 2.0 MEANING AND ORIGIN OF ‘*UBUNTU*’

The African philosophy of ‘*Ubuntu*’ originates from the traditional African philosophy of several Bantu-speaking peoples in Southern Africa, particularly among the Nguni and Bantu-speaking communities.<sup>5</sup> Though *Ubuntu* is deeply rooted in the African philosophy, it is not exclusive to any African country. However, while ‘*Ubuntu*’ is not tied to a single tribe or culture, it has been most prominently associated with the Zulu and Xhosa people of the South Africa, among others. The term ‘*Ubuntu*’ comes from the Nguni Bantu languages and is derived from the root word “*ntu*”, which means “person” *Ubuntu* is often translated as ‘I am because we are’ or ‘humanity towards others’. In Zulu it is derived through the phrase “*umuntu ngumuntu ngabantu*” which literally means that ‘a person is person through other people’.<sup>6</sup>

This philosophy embodies a communal and interconnected view of humanity, emphasizing the relationships between individuals and their communities. It encompasses the interdependence of humans on another and the acknowledgment of one’s responsibility to their fellow humans and the world around them.<sup>7</sup> Consequently, *Ubuntu’s* essence has been articulated through a variety of terms. These include empathy, kindness, benevolence, warm hospitality, generosity, communal sharing, inclusivity, accessibility, compassion, concord, interdependence, adherence to common goals and consensus.<sup>8</sup>

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<sup>5</sup> Fagunwa Temitope, ‘Ubuntu: Revisiting an Endangered African Philosophy in Quest of a pan-Africanist Revolutionary Ideology’ *Genealogy, Special Issue Global Black Movement* (2019) 3 (3) <https://doi.org/10.3390/genealogy3030045>

<sup>6</sup> Magumbate Jacobs and Nyanguru Andrew, ‘Exploring African Philosophy: The value of Ubuntu in social work’ (2013) 3(1) *African Journal of Social Work* <https://ro.uow.edu.au/sspapers/3266> (accessed 16 September 2023).

<sup>7</sup> Ubuntu philosophy (Wikipedia) <https://en.m.wikipedia.org> (assessed 16 September 2023)

<sup>8</sup> Magumbate Jacobs and Nyanguru Andrew, ‘Exploring African Philosophy: The value of Ubuntu in social work’ (2013) 3(1) *African Journal of Social Work* <https://ro.uow.edu.au/sspapers/3266> (accessed 16 September 2023).



Though, the Ubuntu concept has its origin in African Countries, it was however popularized as a philosophy by Archbishop Desmond Tutu in his book “*No Future Without Forgiveness*”<sup>99</sup> when he describes someone with Ubuntu as a person who is “open and available to others, affirming of others...has a proper self-assurance”.<sup>10</sup> Thus, understanding the *Ubuntu* philosophy and collective humanity provides an alternative lens for viewing the relationship between business and human rights. It is therefore of great importance to note that Africa *Ubuntu* ethics plays a significant role in bridging the gap between businesses and human rights protection.

Khoza et al have interpreted *Ubuntu* on the basis of worthwhile and how the goodness of man can be realized and fulfilled through others.<sup>11</sup> They looked into the practical examples of *Ubuntu* behaviour and how the African philosophy can contribute to a new inclusive world. Hence, according to Nussbaum,<sup>12</sup> the following are the general principles of *Ubuntu*:

- The hallmark of *Ubuntu* is about listening to and affirming others with the help of processes that create trust, fairness, shared understanding, dignity and harmony in relationships.
- *Ubuntu* consciousness is the desire to create a just, sustainable, and caring response to the community, whether that be our local community, national community, or global family.
- Because of its emphasis on our common humanity and the ethical call to embody our communal responsiveness in the world, *Ubuntu* offers an alternative way to re-create a world that works for all. Simply put, people, businesses and countries would be redefined on the premise of respect, compassion, dignity and re-organization of resources accordingly.

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<sup>99</sup> Tutu, Desmond. *No Future Without Forgiveness*. New York, Doubleday, 1999 @ <https://librarycatalog.folsom.ca.us> >

<sup>10</sup> Allison Task, ‘What is Ubuntu Philosophy and what can we learn from it?’ *Allison’s Blog* (23 February 2023), <https://allisontask.com/ubuntu-philosophy> (assessed 17 September 2023)

<sup>11</sup> Nzimakwe T.I., ‘Practicing Ubuntu and Leadership for good governance’ *The South African and Continental Dialogue, African Journal of Public Affairs* 7 (4) 2014 [https://repository.up.ac.za/bitstream/handle/2263/58143/Nzimakwe\\_Practising\\_2014](https://repository.up.ac.za/bitstream/handle/2263/58143/Nzimakwe_Practising_2014) (accessed 15 November 2023)

<sup>12</sup> Barbara Nussbaum, ‘Ubuntu and Business: Reflections and Questions’ (2003) 17(1) *World Business Academy: Rekindling the Human Spirit in Business* <https://www.researchgate.net/publication/288812032> (accessed 17 September 2023)



- *Ubuntu*, applied to business and corporate responsibility, would be ultimately about sharing wealth and making (at the very least) basic services, such as food, housing, access to health and education accessible/visible to all members of our global family.

### **3.0 THE RELEVANCE OF THE CONCEPT OF *UBUNTU* IN PROMOTING TRADE, INVESTMENT AND ERADICATING POVERTY: NIGERIA IN FOCUS**

Trade, which is defined as the relationship between export prices and import prices of goods, measures the purchasing power of a nation's exports in proportion to its imports. Therefore, when the export prices of a country rise relatively to its imports prices, its terms of trade are said to have improved.<sup>13</sup> Foreign trade on the other hand, has been an area of interest to decision and policy makers as well as economists. It enables nations to sell their locally produced goods to other countries of the world. As defined by the oxford advanced learner dictionary, the word 'trade' refers to the activity in which people are buying and selling or exchanging the goods and services between countries while international trade is the exchange of capital, goods and services across international borders.<sup>14</sup> It is the desire and aspiration of every economy system to achieve vibrant and competitive international trade that could accelerate economic growth and development.<sup>15</sup>

Consequently, investment by foreign companies in overseas subsidiaries or joint ventures has a traditional reliance on natural resource use and extraction, particularly agriculture, mineral and fuel production. Despite the recent shift in this balance, less affluent countries still receive an uneven share of investment flows into their natural resource sectors.<sup>16</sup> Indeed, many international development agencies, such as the World Bank and World Trade Organization (WTO) consider Foreign Direct Investment (FDI) as one of the most effective tools in the global fight against poverty, and therefore actively encourage developing countries to pursue policies that will

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<sup>13</sup> Elias et al, 'Impact of International Trade on the Economic Growth of Nigeria' (2018) 10 (18) *European Journal of Business and Management* [www.ijste.org](http://www.ijste.org) (accessed 17 September 2023)

<sup>14</sup> Ibid.

<sup>15</sup> Ijirshar et al, 'Impact of Exchange Rate on Trade Flow in Nigeria' (2022) 13(2) *CBN Journal of Applied Statistics* [www.doi://10.33429/Cjas.13222.6/7](http://www.doi://10.33429/Cjas.13222.6/7) (accessed 17 September 2023)

<sup>16</sup> Nick et al, 'Foreign Direct Investment and the Environment: From Pollution havens to Sustainable Development' <https://www.oecd.org/investment/mne/2089912.pdf> (accessed 15 September 2023)



encourage FDI flows.<sup>17</sup> The importance of FDI is noted in the United Nations conference on trade and development (UNCTAD) report of 2002 as thus:

Foreign direct investment contributes toward financing sustained economic growth over the long term. It is especially important for its potential to transfer knowledge and technology, create jobs, boost overall productivity, enhance competitiveness and entrepreneurship, and ultimately eradicate poverty through economic growth and development.

Poverty, therefore, is a multidimensional phenomenon that goes beyond social-cultural issue to include among other things economic growth and development. This is because economic growth is the single most important factor influencing poverty.<sup>18</sup> Poverty is “pronounced deprivation in well-being”.<sup>19</sup> Poverty means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to basic needs.<sup>20</sup> To this end, what is the essence of abundant resources and impoverished countries due to self-induced poverty by selfish leaders in Africa countries? When it is understood that resource abundance plays a pivotal role in international trade since investors are drawn to resource-rich nations for their potential returns.<sup>21</sup>

Nigeria being a country blessed with multidimensional natural resources ranging from agriculture, oil and gas among others, attract foreign investors with the aim of utilizing the available resources<sup>22</sup>. Traditionally, FDI is designed to improve the recipient economies thereby enhancing economic growth and development, it is in this view that many developing countries

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<sup>17</sup> Elizabeth Asiedu, ‘Foreign Direct Investment: Natural Resources and Institutions’ International Growth Centre (2013) <https://www.theigc.org/sites/default/files/2014/09/Asiedu-2013-Working-Paper.pdf> (accessed 15 September 2023)

<sup>18</sup> Brian et al, ‘Macroeconomics Policy and Poverty Reduction’ a factsheet prepared by the International Monetary Fund August 2001 <https://www.imf.org/external/pubs/ft/exrp/macropol/eng/> (accessed 17 September 2023)

<sup>19</sup> Definition of poverty according to World Bank <https://www.worldbank.org> (accessed 18 April 2024)

<sup>20</sup> Definition of poverty by United Nations <https://www.learningforjustice.org> (accessed 18 April 2024)

<sup>21</sup> Brian et al (n 18).

<sup>22</sup> African Union, ‘Nigeria Country Food and Agriculture Delivery Compact’ [https://www.afdb.org/sites/default/files/documents/publications/nigeria\\_country\\_food\\_and\\_agriculture\\_delivery\\_compact](https://www.afdb.org/sites/default/files/documents/publications/nigeria_country_food_and_agriculture_delivery_compact) (Accessed 14 November 2023)



attract foreign investors with the hope of strengthening their economy by increasing the foreign investment portfolio.<sup>23</sup> According to the Central Bank of Nigeria, Foreign Direct Investment in Nigeria increased by 752.71 USD Million in the fourth quarter of 2022<sup>24</sup> without feeling the effect on the economy talk less of reducing poverty level in the country. Where are the principles of *Ubuntu* as enumerated above?<sup>25</sup>

According to the 2023 global report of the United Nations on digital and sustainable trade facilitation, placing an emphasis on inclusive policies, embracing digitalization and fostering stronger international collaboration, countries across the world can establish a trade landscape that benefits everyone and leaves no one behind.<sup>26</sup> Reducing trade costs and barriers to trade is also crucial for realizing the benefits of trade, as lower trade costs incentivize countries to deepen trade with one another and allow more stakeholders to thrive in the global economy.<sup>27</sup> However, strategies for decreasing trade impediments and barriers encompass various aspects, which may involve enhancing transportation infrastructure and simplifying regulatory procedures to improve ease trade.<sup>28</sup>

To this end, the importance of trade facilitation is evidenced by the continued and concerted effort by countries worldwide to implement the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) and by regional initiatives, such as the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia.<sup>29</sup> On this basis, Nigeria has also ratified the

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<sup>23</sup> Oyegoke et al, 'Impact of Foreign Investment on Economic and Industrial Organization' (2021) 5 (1) *Journal of Management, Economics and Industrial Organization* <http://doi.org/10.31039/jomeino.2021.5.1.2> (accessed 19 September 2023)

<sup>24</sup> Trading Economics, 'Nigeria Foreign Investment 2023 Data to 2024 Forecast' <https://tradingeconomics.com/nigeria/foreign-direct-investment> (accessed 19 September 2023)

<sup>25</sup> See Nussbaum Barbara principles of Ubuntu and Business (op. cit. no. 12)

<sup>26</sup> UN Global Survey on Digital and Sustainable Trade Facilitation: Global Report 2023

<sup>27</sup> United Nations, 'United Nations Global Survey on Digital and Sustainable Trade Facilitation 2023' <https://www.untsurvey.org/files/documents/report-digital-sustainable-2023-global.pdf> (accessed 19 September 2023)

<sup>28</sup> Anderson et al, 'The Challenges of Reducing International Trade and Migration Barriers' 2008 Policy Research Working Paper No 4598 <http://hd.handle.net/10986/6753> (assessed 24 October 2023)

<sup>29</sup> World Trade Organization (WTO), 'The Critical Role of Trade Facilitation in Supporting Economic Diversification and Structural Reforms' 2019. Contributed to by the World Bank, United Nations Conference on Trade and Development and the Organization for Economic Co-operation and Development (OECD). Available at [https://www.wto.org/english/res\\_e/booksp\\_e/aid4trade19\\_chap6\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/aid4trade19_chap6_e.pdf) (accessed 24 October 2023)



Trade Facilitation Agreement on 20 January 2017 and the amended WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement 1994 on 16 January 2017.<sup>30</sup>

It is important to note that, economic growth is not just associated with reducing poverty, it is a vital instrument in enabling developing countries to utilize their resources to the maximum ability to enhance sustainable development.<sup>31</sup> As noted by Ayoo,<sup>32</sup> poverty is a challenge for developing countries, however, it can be overcome by employing effective economic and social strategies, utilizing resources innovatively and efficiently, investing in technological advancement, practicing good governance and demonstrating visionary leadership committed to prioritizing the welfare of poor. Thus, strong economic growth therefore advances human development, which in turn, promotes economic development. However, for economic growth to be effective in reducing poverty, there must be in place, a steady economic inclusiveness and the rate of the economic growth must be higher than that of the economic deterioration. On the other hand, a weak economy implies vicious circles in which poor human development contributes to economic decline, leading to further deterioration in human development.<sup>33</sup>

Consequently, Foreign Direct Investment inflows can be influenced by a country's political and economic stability. In resource-rich but politically unstable nations, investors may be hesitant to commit capital due to the risks associated with resource-related conflicts or changing government policies.<sup>34</sup> On the other hand, an environment characterized by transparent governance and a stable investment can attract FDI, fostering economic growth. Thus, countries with resource abundance must craft investment policies that strike a balance attracting foreign

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<sup>30</sup> Ogwo et al, 'Nigeria: Trade Agreements' (uploaded 30 May 2022) *Bridgeforte Attorneys*. available at <https://www.mondaq.com/nigeria/international-trade-and-investment/1194794/trade-agreements> (accessed 18 September 2023)

<sup>31</sup> Collins Ayoo, Poverty Reduction Strategies in Developing Countries. Rural Development - Education, Sustainability, Multifunctionality. (2022) <http://dx.doi.org/10.5772/intechopen.101472> (Accessed 14 November 2023)

<sup>32</sup> Ibid

<sup>33</sup> Department for International Development, (2015) 'Growth: Building jobs and Prosperity in Developing Countries' <https://scirp.org/reference/referencespapers.aspx?referenceid=1784622> (accessed 18 September 2023)

<sup>34</sup> Nick et al, 'Foreign Direct Investment and the Environment: From Pollution havens to Sustainable Development' <https://www.oecd.org/investment/mne/2089912.pdf> (accessed 15 September 2023)



capital and ensuring that the benefits are shared equitably among their citizens.<sup>35</sup> The pursuit of foreign direct investment is a double-edged sword, as it can either stimulate economic growth or exacerbate existing inequalities. Hence, despite resource abundance, a significant portion of the population may remain in poverty due to unequal distribution of wealth and a concentration of resource-related benefits in the hands of a few. This disparity can result in low standard of living for the majority, limiting access to basic necessities.<sup>36</sup>

Though the African philosophy of *Ubuntu* did not originate from Nigeria, however, from the nature of the philosophy, its principles can be employed in the trade and foreign investment transactions in Nigeria and other African countries. In essence, the government and major policy makers should implement policies that will empower the poor and create the conditions that will permit them to move in to existing new areas of opportunity, thereby allowing them to better share in the fruits of economic growth.<sup>37</sup> Employing redistributive policy among others will assist the policymakers in maximizing the beneficial impact of sustained economic growth on poverty reduction, thereby bringing a sense of humanity to all by breaking the shackles binding the relatively poor communities in Nigeria and other African countries.

#### **4.0 LEGAL FRAMEWORK AND INTERNATIONAL STANDARDS ON BUSINESS ETHICS**

Business organizations are the primary economic institutions through which people in modern societies carry on the task of producing and distributing goods and services. It is carried out on a regular basis with intent of making profit.<sup>38</sup> They provide the fundamental structure within which members of a society combine their scarce resources – land, labour, capital and technology into

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<sup>35</sup> Nigeria Agenda 2050 Report, uploaded by Ministry of Budget and Economic planning <https://nationalplanning.gov.ng/wp-content/uploads/2023/05/Nigeria-Agenda-2050-Report-Corrected> (Accessed 14 November 2023)

<sup>36</sup> World Bank Group, 'Moving Towards a Middle-Class Society- Nigeria on the Move: A Journey to Inclusive Growth' (June 2019) <https://documents1.worldbank.org/curated/en/891271581349536392> (Accessed 14 November 2023)

<sup>37</sup> Brian et al, 'Macroeconomics Policy and Poverty Reduction' a factsheet prepared by the International Monetary Fund and World Bank August 2001 <https://www.imf.org/external/pubs/ft/exrp/macropol/eng> (accessed 17 September 2023)

<sup>38</sup> Mukaila A.A., 'Nature, Purpose and Scope of Business' in *Contemporary Entrepreneurship Development Book*. First Edition. 2016.



useable goods, and they provide channels through which these goods are distributed in the form of consumer products, employee salaries, investors' return, and government taxes<sup>39</sup>. Mining, manufacturing, retailing, banking, marketing, transporting, insuring, constructing and advertising are all different facets of the productive and distributive processes of our modern business institutions.

Ethics refers to the established principles and moral guidelines recognized by society to distinguish between right and wrong. Consequently, business ethics encompasses evaluating the morality inherent in economic systems (such as the free market, communism and socialism) and the behaviours of the entities operating within these systems (for instance, organizations and businesses functioning within a free market system).<sup>40</sup>

Legal frameworks on business ethics are sets of laws, regulations, and guidelines that govern the conduct of businesses to ensure ethical behaviour, transparency, and accountability in their operations.<sup>41</sup> These frameworks vary from one country to another but generally share common principles. The following are some key elements typically found in legal frameworks on business ethics,<sup>42</sup> Anti-Corruption Laws;<sup>43</sup> Consumer Protection Laws;<sup>44</sup> Labour Laws;<sup>45</sup> Environmental Regulations;<sup>46</sup> Securities and Financial Regulations;<sup>47</sup> Competition and Antitrust Laws;<sup>48</sup> Data

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<sup>39</sup>National Open University Course Material, 'Business Ethics' (2010) <https://nou.edu.ng/coursewarecontent/ENT224%20%20MAIN%20TEXT.pdf> (accessed 19 September 2023)

<sup>40</sup>Dent et al, 'Reconciling Economic and Ethics in Business Ethics Education: The Case of Objectivism' 15 (2) 2015 *Journal of Ayn Rand Studies* <https://doi.org/10.5325/jaynrandstudies.15.2.0131> (Accessed 14 November 2023)

<sup>41</sup> Anti-Corruption Ethics and Compliance Handbook prepared by the Organisation for Economic Co-operation and Development in conjunction with the World Bank Group <https://www.oecd.org/corruption/anti-corruptionethicscompliancehandbook.pdf>

<sup>42</sup> Connecting Business and Human Rights and Anti-Bribery and Anti-Corruption. A submission to the UN Working Group on Business and human Rights from Control Risks. 1 March 2020. [https://www.ohchr.org/Documents/Issues/Business/2020Survey/Civil\\_society/Control\\_Risks.pdf](https://www.ohchr.org/Documents/Issues/Business/2020Survey/Civil_society/Control_Risks.pdf)

<sup>43</sup> Many countries have laws that prohibit bribery, corruption, and other unethical practices in business. These laws often align with international anti-corruption conventions like the United Nations Convention against Corruption (UNCAC).

<sup>44</sup> Legal frameworks include regulations that protect consumers from deceptive advertising, unsafe products, and unfair business practices. These laws ensure that businesses provide accurate information and fair treatment to consumers.

<sup>45</sup> Labour laws govern employment relationships, ensuring that businesses treat their employees fairly and ethically. These laws cover aspects such as wages, working conditions, anti-discrimination, and worker safety.

<sup>46</sup> Laws related to environmental ethics require businesses to adhere to standards that minimize their environmental impact. This includes regulations on pollution control, waste management, and sustainable practices.

<sup>47</sup> Ethical conduct in financial markets is governed by regulations that promote transparency, fair trading, and the protection of investors. Examples include insider trading laws and regulations on financial reporting



Privacy and Cybersecurity Laws;<sup>49</sup> Corporate Governance Codes;<sup>50</sup> Human Rights and Social Responsibility;<sup>51</sup> Whistleblower Protection Laws;<sup>52</sup> Ethical Reporting and Disclosure Requirements;<sup>53</sup> Sustainability and ESG Reporting.<sup>54</sup>

It's important to note that legal frameworks on business ethics can vary significantly between countries and regions, reflecting different cultural, social, and economic contexts. Thus, businesses operating internationally must navigate these diverse legal landscapes to ensure compliance with ethical standards and regulations in each jurisdiction.

Furthermore, in an address to the World Economic Forum on January 31, 1999, the U.N. Secretary-General Kofi Annan proposed the U.N Global Compact. Annan urged business leaders to join an international initiative known as the Global Compact aiming companies together with U.N. agencies, labor, and civil society to support nine principles in the areas of human rights, labour, and the environment. Through the power of collective action, the Global Compact seeks to promote ethical corporate behaviour, enabling business to contribute meaningfully to solutions to the challenges of globalization. In this way, the private sector in partnership with other social actors, can play a pivotal role in realizing Annan's vision: a more sustainable and inclusive global economy.<sup>55</sup>

In view of this, this article argues that the implementation of business ethics through the lens of the African philosophy of *Ubuntu* will provide a safeguard which deals with the responsibility of an organization and foreign investors to make sure that products and processes of production is

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<sup>48</sup> Legal frameworks aim to prevent anti-competitive behavior and monopolies, ensuring a level playing field for businesses and fair pricing for consumers.

<sup>49</sup> As digital business practices grow, laws related to data protection and cybersecurity have become critical. These laws govern how businesses handle and protect customer data.

<sup>50</sup> Many countries have corporate governance codes or guidelines that outline best practices for the ethical management of companies. These codes often focus on the roles and responsibilities of boards of directors, executive compensation, and shareholder rights.

<sup>51</sup> Some legal frameworks require businesses to respect human rights, particularly in their global supply chains. This includes regulations related to child labor, forced labor, and human trafficking.

<sup>52</sup> Laws protecting whistleblowers encourage employees to report unethical behavior within their organizations without fear of retaliation. These laws help uncover and address unethical conduct

<sup>53</sup> Some legal frameworks mandate that businesses disclose information related to their ethical practices, sustainability efforts, and social responsibility initiatives in their financial reports.

<sup>54</sup> With the growing emphasis on environmental, social, and governance (ESG) factors, some legal frameworks require businesses to report on their sustainability efforts and ESG performance

<sup>55</sup> Ibid.



not causing harm to the environment and measures taken to avoid rendering services or producing products that are hazardous to health.

### **5.0 RELEVANCE OF THE AFRICAN *UBUNTU* PHILOSOPHY TO BUSINESS ETHICS**

Business ethics has been identified to focus on what is good and right in a particular economic activity, it entails the study of the ethical dimensions of organizational economic activity on the systematic, organizational and intra-organizational levels.<sup>56</sup> The concept of *Ubuntu* can play a significant role in shaping business ethics in Nigeria, particularly when integrated with legal frameworks. As noted by Andrew in his paper,<sup>57</sup> *Ubuntu* as a communitarian philosophy which stresses the importance of inter-personal relationships and values such as harmony and care, has relevance to the realm of business.<sup>58</sup> By applying the *Ubuntu* philosophy on matters of corporate governance and the growing concerns about environmental sustainability and poverty alleviation, the nation can better realize its goals and create a sense of belonging for the nation's inhabitants. Thus, Andrew in this context points out that "...the purpose of *Ubuntu* as a societal value is to reshape social relations in African societies and African workplaces".<sup>59</sup> The following are how *Ubuntu* can influence business ethics and how it can be incorporated within the existing legal context:

1. Collective Responsibility: *Ubuntu* emphasizes collective responsibility and the interconnectedness of individuals. When applied to business ethics in Nigeria, this principle encourages companies to view themselves as integral parts of the larger society. This mindset can lead to ethical business practices that prioritize not only profit but also the well-being of employees, customers, and local communities.<sup>60</sup>

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<sup>56</sup> Khomba J.K, Bakuwa R.C and Kangaude-Ulaya E.C, 'Shaping Business Ethics and Corporate Governance: An Inclusive African Ubuntu Philosophy' (2013) 13:5 *Global Journal of Management and business Research* 2249-4588

<sup>57</sup> Andrew West, 'Ubuntu and Business Ethics: Problems, Perspectives and Prospects' (2014) 121(1) *Journal of Business Ethics* 121:47-61 <https://www.jstor.org/stable/42921365>

<sup>58</sup> Ibid.

<sup>59</sup> Loather Auchter, 'An African View on Global Business Ethics: Ubuntu – A Social Contract Interpretation' *International Journal of Business and Economic Development* (2017) 5 (2) [www.ijbed.org/cdn/article\\_file/content\\_52112\\_17-08-11-13-13-13.pdf](http://www.ijbed.org/cdn/article_file/content_52112_17-08-11-13-13-13.pdf)

<sup>60</sup> Dorine E. Van-Norren, 'African Ubuntu and Sustainable Development Goals: Seeking Human Mutual Relations and Service in Development' 43 (12) 2022 791-2810 *Third World Quarterly* DOI: [10.1080/01436597.2022.2109458](https://doi.org/10.1080/01436597.2022.2109458) (Accessed 14 November 2023)



2. **Respect for Human Dignity:** *Ubuntu* places a strong emphasis on respecting the dignity of all individuals. This aligns with Nigeria's legal frameworks that protect human rights. By integrating *Ubuntu* values into business practices, companies are more likely to uphold human rights and treat their employees and stakeholders with respect and fairness, as mandated by Nigerian labour and human rights laws.
3. **Corporate Social Responsibility (CSR):** Nigerian law requires companies to engage in CSR activities. Embracing *Ubuntu* principles can enhance the authenticity and impact of these efforts. Companies can implement CSR initiatives that focus on community well-being, education, healthcare, and sustainable development, thereby contributing to the broader societal good.<sup>61</sup>
4. **Ethical Decision-Making:** *Ubuntu* promotes ethical decision-making rooted in empathy and consideration for others. This can be integrated into the decision-making processes of businesses, aligning with Nigeria's legal requirements for ethical corporate behavior. Ethical business decisions can help companies avoid legal troubles and maintain their reputation.
5. **Conflict Resolution:** Nigeria faces various business-related disputes, including those involving stakeholders and communities. *Ubuntu's* emphasis on reconciliation and dialogue can be integrated into dispute resolution mechanisms, both within and outside the legal framework, to promote peaceful and fair resolutions.
6. **Leadership and Governance:** Nigerian corporate governance codes promote transparency, accountability, and ethical leadership. Embracing *Ubuntu* values can inspire business leaders to prioritize the welfare of all stakeholders and lead with integrity, aligning with corporate governance principles.
7. **Legal Compliance:** While *Ubuntu* focuses on ethical values, it doesn't replace the need for adherence to legal frameworks. In Nigeria, companies must comply with laws and regulations related to taxation, environmental protection, labour, and more. *Ubuntu*

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<sup>61</sup> Makwara et al, 'Contested Notions of Ubuntu as a Corporate Social Responsibility (CSR) Theory in Africa: An Exploratory Literature Review' 15 (7) 2023 *Sustainability* 6207 <https://doi.org/10.3390/su15076207> (Accessed 14 November 2023)



values can complement legal compliance by encouraging businesses to go beyond mere legality and act in the best interests of society.

8. Training and Education: Companies can incorporate *Ubuntu* principles into their employee training programs. This includes educating employees about ethical behavior, diversity and inclusion, and community engagement, all of which can align with legal requirements for fair employment practices.

By blending *Ubuntu* values with existing legal frameworks, businesses in Nigeria and other African countries can promote ethical behavior, contribute positively to society and build stronger relationships with stakeholders.<sup>62</sup> This approach not only ensures legal compliance but also fosters a culture of responsibility and empathy within the Nigerian business landscape. Furthermore it has been observed that, an inclusive corporate governance regime under the African *Ubuntu* philosophy signifies that an organization has an explicit commitment to serve the interests of both shareholders and non-shareholding stakeholders.<sup>63</sup> Thus, the African *Ubuntu* philosophy emphasizes importance of sustainable community, solidarity, coexistence and inclusion of community members.

## **6.0 CHALLENGES OF THE AFRICAN *UBUNTU* PHILOSOPHY IN A MODERN BUSINESS WORLD**

Though the redefinition of business ethics on the basis of *Ubuntu* holds great potential, it is however not without its challenges.<sup>64</sup> This is because applying the African philosophy of *Ubuntu* to business ethics in a modern business world can be a complex endeavour. Thus, the challenges must be tackled for an effective revolution of business ethics. The following are some major identifiable challenges:

1. Individualism vs. Communalism: Many modern business environments are rooted in individualism, profit maximization, and competition. *Ubuntu*, on the other hand,

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<sup>62</sup> Shopify Blog, 'Business Ethics for Modern Leadership and Governance' (uploaded on 23 October 2023) <https://www.shopify.com/ng/blog/business-ethics> (Accessed 14 November 2023)

<sup>63</sup> Khomba J.K, Bakuwa R.C and Kangaude-Ulaya E.C, 'Shaping Business Ethics and Corporate Governance: An Inclusive African Ubuntu Philosophy' (2013) 13:5 *Global Journal of Management and business Research* 2249-4588

<sup>64</sup> Andrew West, 'Ubuntu and Business Ethics: Problems, Perspectives and Prospects' (2014) 121(1) *Journal of Business Ethics* 121:47-61 <https://www.jstor.org/stable/42921365>



emphasizes communal values, interdependence, and collective well-being. Balancing these conflicting ideologies can be challenging.

2. Profit Motive: Businesses are primarily driven by the profit motive, whereas *Ubuntu* prioritizes the welfare of the community. This misalignment can lead to tensions between ethical practices and profitability.
3. Globalization: In a globalized world, businesses often operate across diverse cultural contexts, each with its own ethical norms and values. Adapting *Ubuntu* to these diverse settings can be challenging, as it may not be universally applicable.
4. Legal and Regulatory Constraints: Business ethics are often regulated by laws and regulations. *Ubuntu*-based ethical practices may not always align with legal requirements, leading to potential conflicts and legal issues.
5. Measuring Ethical Performance: Quantifying the impact of *Ubuntu*-based ethical practices on business performance and social well-being can be difficult. Traditional business metrics may not capture the holistic nature of *Ubuntu*.

In summary, while *Ubuntu* offers a valuable ethical framework with a focus on community, compassion, and interdependence, its application to modern business ethics can be challenging due to conflicts with individualism, profit motives and legal constraints.<sup>65</sup> Additionally, the lack of a standardized definition and potential resistance to change can pose obstacles to its implementation. Companies seeking to integrate *Ubuntu* into their ethical practices should carefully consider these challenges and shortcomings while adapting the philosophy to their specific context.

## 7.0 CONCLUSIONS AND RECOMMENDATIONS

Redefining business ethics in Nigeria and other African countries through *Ubuntu* philosophy presents an opportunity for a more ethical, socially responsible and sustainable business culture. By emphasizing interconnectedness, empathy and community well-being, Nigerian business can set an example for the world. However, the transformation towards *Ubuntu*-based ethics requires concerted efforts from government, businesses and society as a whole. There is need for additional flesh to the skeleton of the African *Ubuntu* philosophy for its effective application in a

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<sup>65</sup> Sambala et al, 'Ubuntu as a Framework for Ethical Decision making in Africa; responding to Epidemics' 30 (3):1.13 2019 *Ethics and Behaviour* DOI: 10.1080/10508422.2019.1583563



globalized business world. It is a journey toward a more harmonious and ethical business landscape that Nigeria and Africa as a whole can take pride in.

Furthermore, applying the African *Ubuntu* philosophy to Foreign Direct Investment and Corporate Governance in Nigeria has the potential to bring about positive changes, including more ethical leadership, stakeholder inclusivity, social responsibility, and improved conflict resolution. Successful implementation will require careful planning, education, and adaptation to local circumstances

In conclusion, integrating *Ubuntu* principles into business ethics in Nigeria and other African countries can foster a culture of responsible and empathetic business conduct. While challenges exist, the complementary nature of *Ubuntu* with legal frameworks and its potential for positive impact on society make it a valuable ethical framework worth redefining, exploring and implementing within the Nigerian business landscape.