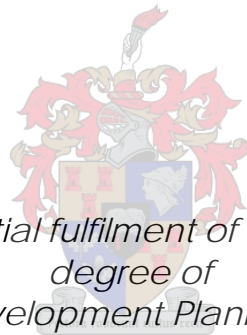


THE RELEVANCE, IMPORTANCE AND APPLICABILITY OF CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY: SOUTH AFRICAN CASE STUDIES

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*Thesis presented in partial fulfilment of the requirements for the
degree of
MPHIL (Sustainable Development Planning and Management)
at the University of Stellenbosch*

Supervisor: Prof. Malcolm McIntosh

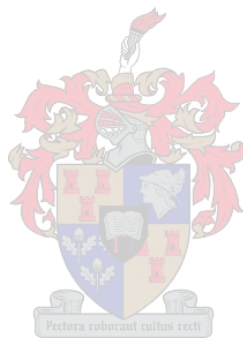
October 2006

DECLARATION

I, the undersigned, hereby declare that the work contained in this thesis is my original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature:

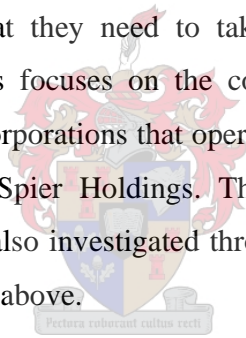
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ABSTRACT

At the beginning of the new millennium, the world faces various challenges. Global warming is an all too familiar word, global terrorism is a threat to many countries that always felt safe and an ever looming oil crisis just does not want to go away. No longer can it be argued that nature is a never-ending provider of resources. In order for humanity to co-exist with nature, it is of great importance that we take our responsibility towards nature and other human beings seriously. In the midst of all these, the most prominent institution in the world, the corporation, plays a very significant role. They are the biggest traders in resources and they are also the institutions that affect our lives more than any other.

It is because of the influence that corporations have in our lives and on the natural environment they operate in, that they need to take their social and environmental responsibility serious. This thesis focuses on the corporate social and environmental responsibility of two prominent corporations that operate in and around Stellenbosch: the University of Stellenbosch and Spier Holdings. The validity of the reasons behind corporate social responsibility is also investigated through literature before it is “tested” at the two corporations mentioned above.



In terms of its findings, the thesis established the effectiveness of the way the university is dealing with social and environmental issues. Opposed to this, Spier is studied as a corporation that deals with the same challenges in an environmental and socially sensitive manner. The thesis also shows that there is a moral and business case for corporate social and environmental responsibility that is applicable to corporations in general and that those reasons are valid and relevant. The thesis found that becoming a more sustainable corporation is beneficial for the corporation, the society in which it operates as well as the natural environment.

OPSOMMING

Aan die begin van 'n nuwe millennium staan die wêreld voor verskeie uitdagings. Onder andere is globale verhitting 'n realiteit, terrorisme is 'n bedreiging vir baie lande wat altyd veilig gevoel het en daar is 'n olie krisis wat maar net nie wil weggaan nie. Ons kan nie bekostig om langer te redeneer dat die natuur 'n onuitputbare bron van hulpbronne is nie. As die mens saam met die natuur in harmonie wil voortbestaan is dit van kardinale belang dat ons ons verantwoordelikheid teenoor die natuur en ander mense ernstig opneem. Sentraal in al hierdie krisisse speel die korporasie – die wêreld se vernaamste instansie – 'n baie belangrike rol. Korporasies is tans die grootste handelaars in hulpbronne en ook die instansies in die wêreld wat ons lewens die meeste affekteer.

Dit is dus juis as gevolg van die invloed wat korporasies op ons lewens en die natuurlike omgewing het waar binne hulle funksioneer, dat hulle hulle sosiale- en omgewingsverantwoordelikheid ernstig moet opneem. Hierdie tesis fokus op die korporatiewe sosiale- en omgewingsverantwoordelikheid van twee prominente korporasies wat in en rondom Stellenbosch bestaan en funksioneer: die Universiteit van Stellenbosch en Spier Holdings. Die geldigheid van die redes vir korporatiewe sosiale verantwoordelikheid word ondersoek voordat dit “getoets” word by die twee korporasies wat hierbo genoem word.

In terme van sy bevindinge het die tesis die effektiwiteit waarmee die universiteit met sosiale- en omgewingsverantwoordelikheid omgaan bepaal. Hierteenoor is Spier ondersoek as 'n korporasie wat dieselfde uitdagings op 'n sosiaal en omgewings-sensitiewe manier benader. Die tesis bewys ook dat daar 'n morele sowel as besigheidsargument te maak is vir korporatiewe sosiale- en omgewingsverantwoordelikheid wat van toepassing is op korporasies oor die algemeen en dat daardie redes relevant en geldig is. Die tesis bevind dat 'n korporasie wat volhoubaar werk voordelig is vir die korporasie self, die samelewing sowel as die natuur.

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Thank you to Jesus Christ who made all this possible

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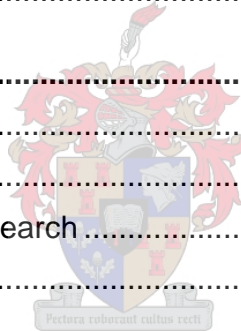
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ABBREVIATIONS

BCEA	Basic Conditions of Employment Act
BEE	Black Economic Empowerment
CI	Community Interaction
CSR	Corporate Social and Environmental Responsibility
FTTSA	Fair Trade in Tourism South Africa
IoD	Institute of Directors
ISO	International Standardisation Organisation
LPG	Liquid Petroleum Gas
MEA	Millennium Ecosystem Assessment
NEMA	National Environmental Management Act
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OHSA	Occupational Health and Safety Act
OPEC	Oil Producing Export Countries
RU	Rhodes University
SABS	South African Bureau of Standards
SU	Stellenbosch University
UNEP	United Nations Environmental Programme
UNISA	University of South Africa
US/ USA	United States/United States of America
WIETA	Wine Industry Ethical Trading Association

Introduction

Who rules the world? No, this is not a religious question - not for the sake of this thesis anyway. Some would say the United States of America, others the United Nations, others the Illuminati (who-ever and what ever they might be). Many people the author encountered would argue that corporations rule the world. This thesis however argues that it is us, the consumer/the client/the buyers/participants in a global economy that rule the world. Or rather, we are *supposed* to rule the world. After all, we created all these institutions. Maybe it is time to take control again.

We live in a world where money and power are often associated with each other. Ironically, money and power also happen to be the two things that corporations have plenty of. We all need corporations and we all use them, no matter how anti-establishment we are. We brush our teeth with Aquafresh and we drink Nescafé coffee every morning. We study at Stellenbosch University, Oxford or Harvard. We use our Nokia cell phones, we drive our Volkswagen or Toyota cars and we have our insurance policy at Old Mutual or Sanlam. It seems like no matter what we do, we support some or other company or organisation. Not only do we buy from companies and study at academic institutions, we also work for them. We meet many of our friends there and we even wear t-shirts with our corporation name or logo. In short, our relationships with corporations are deeper and more profound than most of us realize. In many ways, we even find our identities with them. The role of corporations became so obvious in our lives that we do not even question it anymore.

Therefore, maybe it is time to question again. If corporations play such an important role in our lives, how well do we really know them? In many ways we are dependant on them. You cannot drill for your own oil and you cannot obtain a degree without enrolling at an institution for higher learning, so where does their responsibility begin and where does it end? We seem to think that we are always dependant on corporations, but we forget that they are also dependant on us. This is a mutual relationship and if we support

corporations, how much do they support us? Is it enough to accept that they supply us with goods and services, or does it go beyond that? If our lives revolve around organizations, do they not owe us more than only our bread and butter? Where does their responsibility end?

Corporate social responsibility (CSR) refers to responsible corporations that want to make a real difference and lasting contribution to the countries and communities within which they operate – sustainable corporations with a commitment to social responsibility as well as environmental integrity (Malan, 2005:54). CSR can serve as the conscience of corporations. It can help keep them accountable and it can help to give us, the consumer and client, corporations that help us as much as we help them to survive. This is not however as easy as it sounds. Many corporations see CSR as a public relations (PR) exercise. They see it as something that can give them good publicity, something that will keep customers happy and management ignorant. It takes more than mere PR however to have an integrated CSR approach to business. After all, that is the whole idea behind CSR, to change the way business is conducted. To provide business with the paradigm shift, a way forward to transform a successful business to a successful *and* sustainable business, one that is integrated with its community and natural environment. One where serving the community, conserving the environment and conducting business is one and the same thing.

1. Corporate social responsibility as a research problem

Why is CSR important? What are the reasons behind CSR and are these reasons relevant and valid? This thesis plans to answer this question in three ways:

- a) a thorough literature review
- b) the study of two South African corporations that have implemented CSR policies (Spier and Rhodes University)
- c) and one which has not (Stellenbosch University)

A case study on Spier and Rhodes University will be used as examples of good CSR practice and a case study at Stellenbosch University as an example of unsatisfactory CSR practices. These case studies will demonstrate the benefits of CSR and will also investigate why CSR is to a corporation's advantage.

Corporate social responsibility is unfortunately a vague term. It encompasses not only the social responsibility of a corporation, but also the responsibility they have towards the natural environment. It furthermore refers to the idea of sustainable development that was first formalized by the Brundlandt Report/World Commission on Environment and Development in its 1987 report “Our Common Future. According to this report sustainable development means: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (UNEP 2002:10). The idea of sustainable development aims to address the global problem of the degradation of nature and communities. Since corporations are the biggest traders in resources (human capital and natural) (Welford, 2000:140) and since they are integrated with our daily lives, they are automatically part of the problem and that is why they also need to be part of the solution.

1.1 Clarification of Terms

For the sake of this thesis, even though the term ‘corporate social responsibility’ and its acronym, CSR does not include the word ‘environment’, it will refer to all the above-mentioned issues (social responsibility, environmental responsibility and sustainable development) that are implied when the term corporate social responsibility/CSR is used. For the sake of this thesis, the term ‘corporate citizen’ means and implies the same as ‘corporate social responsibility’.

In this thesis the term ‘corporation’ incorporates the terms ‘business’ or ‘company’, but is not mutually exclusive. Even though CSR is in practice more often related to for-profit organisations, for the sake of this thesis ‘corporation’ refers to any “group of people having authority to operate as a single unit with a separate legal existence” (Oxford Advanced Learner’s Dictionary, 1995:260). It can also refer to “a group of people elected to govern a town” (Oxford Advanced Learner’s Dictionary, 1995:260). In this thesis, a corporation therefore refers to companies, non-governmental organizations (NGO’s), academic institutions and certain government bodies like town councils.

2. Study areas

Case studies were conducted in two main sites: Spier Estate about 10 km outside of Stellenbosch and also the University of Stellenbosch (SU). Both are situated in the Western Cape, South Africa. The third site, Rhodes University (situated in Grahamstown in the Eastern Cape, South Africa) was also used as an example of good CSR practice, but due to physical constraints this site could not be visited and should thus be interpreted as support and validation for arguments used in Chapters 3 and 4 rather than a separate study area.

The nature of business for Spier and SU are very different. The one is a business and the other an academic institution. The author decided however to compare these two sites for the following reasons:

- i. The author is currently registered at SU.
- ii. The research supervisors have vested interests in both SU and Spier which provided insurance of access to all resources and personnel needed to conduct research.
- iii. Spier and SU are both situated in the same geographical area and therefore have to deal with the same types of environmental and social problems.
- iv. Their nature of business might be different, but both have customers they need to serve. In Spier's case it is their clients and in SU's case it is students.
- v. SU is currently involved in talks with the mayor of Stellenbosch to help make Stellenbosch more sustainable. Research done on how institutions in this geographical area can apply CSR is needed to help the town focus their attention and priorities.
- vi. Both Spier and SU is a major part of the town of Stellenbosch in the Western Cape. SU has about 22 000 students and together these two corporations employ about 3000 personnel. The town has an estimated population of 65 000 (Stellenbosch Municipality, 2006). Both Spier and SU contribute significantly to the impact they have on the environment and its surrounding communities.

Rhodes University was investigated to compare Stellenbosch as a South African higher learning institution with another South African higher learning institution that did manage to implement CSR successfully. This was only done for comparative purposes and support for arguments already made and should not be seen as a separate study area. There were too many constraints to make this a separate study area, e.g. the distance between Stellenbosch and Rhodes, the fact that the author had only access to one source at Rhodes University and also the fact that the author had to rely only on the word of that person for the success of their CSR measures.

3. Study aim

Based on the reasons behind CSR, the idea of this study is thus to provide a general assessment of CSR (theoretical overview), a general overview of how it is presently interpreted (case studies) as well as how it can be applied. This study aims to provide practical suggestions and comments on how to implement and improve CSR in practice, specifically through knowledge gained in the various interviews. The study is neither exhaustive nor intensive. It is not exhaustive due to the vast geographical area of SU and Spier as well as the maze of administrative bureaucracy at SU. Spier consists of various businesses that are situated on numerous sites in and around Stellenbosch. SU operates in four different towns, Stellenbosch, Cape Town, Belville and Saldanha. It is not intensive as it does not investigate each and every aspect of corporate social responsibility or every way in which each and every business apply it. This thesis rather aims to obtain an overall idea of the moral and business case for CSR through the literature and all three study areas and to give a general assessment on the implementation of it. This study does not attempt to give a detailed technical perspective of CSR or ways to implement it. It rather aims to provide interested parties with practical reasons and proof of those reasons on why and how to implement CSR. It also aims to establish a context within which Spier, US and Rhodes find themselves.

4. Research methodology

According to Mouton (2003:57) empirical studies are studies where primary data like case studies and programme evaluations are used. This thesis is similar in type as it uses case studies to prove and support the theoretical review on the same topic. This is a descriptive thesis with no quantitative data gathered and therefore no statistical analysis has been performed. The reason for this method (qualitative data gathering and case studies), is because the author wanted to evaluate the experience of people involved and how they deal with CSR on a day-to-day basis. Practical suggestions on how to implement CSR and improvements on already implemented policies could be derived from the personal experience of others through case studies. CSR is often difficult to measure through quantitative data gathering and should such a method have been used, the aim of the study would have changed and be similar to that of a sustainability audit as already done by many companies in the area. The author specifically wanted to investigate the practical experience and advice of those involved and qualitative data gathering and case studies offered the best approach for this thesis.

Prior to undertaking the study, an assessment of reasons behind CSR was done through a thorough literature review. An assessment of CSR practices at both SU and Spier was also undertaken. This was done mainly through various interviews with many different parties involved. The aim was to gather as much information as possible on CSR practices at the various corporations. Due to the physical distance Rhodes is from Stellenbosch extensive phone interviews were conducted with the person responsible for their CSR practices.

5. Data Collection

Both primary and secondary data sources were used in this thesis. Data was collected from a variety of sources with a variety of techniques being used to obtain the required information.

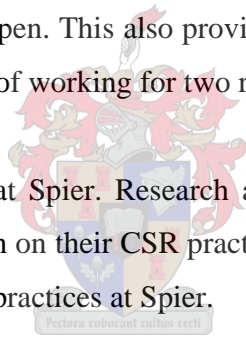
5.1 Primary data collection

Primary data was collected through interviews, random testing and observation.

5.1.1 Interviews

Due to the various management structures at SU, interviews were conducted with various senior personnel and heads of administrative departments to obtain an overall idea of CSR at SU. Ten interviews were held at a variety of divisions that are responsible for a variety of services and activities at SU. In certain cases, no reference is made to the names of the interviewees. This is insofar as the study pertains to the US-based component of the study. This was decided, because the author will be assessed by the same institution that was criticized by some of the interviewees. The interviews were aimed at obtaining an overall idea of what the SU is doing in terms of CSR. Interviews allowed people to be honest and open. This also provided the author to gain extra insight into the workings and frustrations of working for two rather big corporations.

Two interviews were conducted at Spier. Research at Spier was made easier, because they have extensive documentation on their CSR practices as well as an appointed person whose sole job is to manage CSR practices at Spier.



5.1.2 Random testing

Random testing was done by phone and personal conversations with SU personnel to determine what the state of their paper recycling programme was at different departments and divisions.

5.1.3 Observation

While doing interviews, many of the interviewees afforded the author the opportunity to observe some of the CSR issues they are dealing with. This included trips to all the major air conditioning systems currently in operation at SU. This was done to provide the author of an idea of the largeness of the scale on which SU operates. Although this provided the author with valuable insight, it will not specifically be referred to in this thesis.

5.2 Secondary data collection

Secondary data collected was done through an assessment and interpretation of records, administrative forms and reports compiled by other parties involved in CSR practice at both Spier and SU as well as reports from other institutions throughout the world. These records and reports comprised annual reports of both SU and Spier as well as a toolkit on sustainability from the Good Company in the United States of America (USA).

6. Report Structure

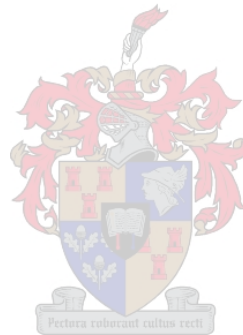
Chapter one deals with the introduction of the topic, the research question, research methodology and data collection.

Chapter two deals with the reasons behind CSR set within a theoretical context. The chapter investigates why the literature says CSR is important. This is investigated in terms of the moral and business case for CSR. This chapter explores who corporations are accountable to, the changing role of the state that forces corporations to take more responsibility, the degradation of the natural environment, the depletion of resources, the philosophical basis for CSR, the legislative grounds for CSR, globalization, insurance costs and the profitability of CSR. This chapter also shows the global significance and importance of CSR.

Chapter three comprise the first case study done at Spier with support from data and information gathered from Rhodes University. This chapter also investigates whether the reasons for CSR discussed in Chapter two mirrors the reasons that are used by Spier and Rhodes.

Chapter four concentrates on the second case study, conducted at the University of Stellenbosch. This chapter discusses the US's view of CSR, what they are currently doing and what they can learn from both Spier and Rhodes. A summary of international treaties and declarations pertaining to SU is also given. Guidelines for sustainability are given as well as tips on how to start an audit.

Chapter five summarises the research findings and presents future research topics.



The Moral and Business Case for Corporate Social Responsibility

1. Background to Corporate Social Responsibility

To understand the history of corporations it is necessary to understand the history of corporate social responsibility (CSR). The one cannot be separate from the other.

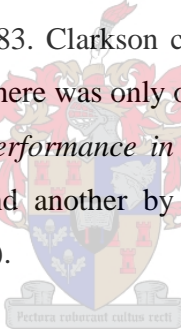
Since the beginning of time, people traded with each other. It was after all due to trading that the Portuguese introduced South Africa to the rest of the western world when first Bartolomeu Dias in 1488 and then Vasco Da Gama in 1497 set foot on South African soil while looking for a trading route to India (Preston, 1989). The modern corporation however had its roots in the industrial revolution (1712-1825) when Thomas Newcoming invented a steam driven pump, to pump more water from the coalmines so that the English could mine more coal. It was all about more productivity (Anderson quoted in The Corporation, 2003).

Due to growth of companies – which happened because of the Industrial Revolution and the American Civil War – corporations wanted to get rid of restrictions traditionally imposed on corporations by the state. After the Civil War, the 14th Amendment was introduced declaring that no citizen can be deprived from life, liberty or property without due process of law. The purpose of this amendment was to free slaves, but corporations used this to get rid of the restrictions they wanted to get rid of for so long. They claimed that, along with ordinary citizens, a corporation is a legal person too. The Supreme Court agreed with them (Zinn quoted in The Corporation). A corporation's status as a legal person is also applicable to South African law.

It was however only in the 1970's that serious questions were being asked about corporations' responsibility. What is a corporation's responsibility? Is it not enough that corporations provide us with products and services? The Nobel Prize winning economist,

Milton Friedman famously said in the 1970's that the "only responsibility of business is to make a profit" (Friedman quoted in Roberts, 2003:255). He elaborated on this in the documentary film, *The Corporation*: "How do you define socially responsible? What business of the corporation is it to define what is socially responsible? That is not their expertise. That is not what their stockholders ask them to do. So, I'm thinking they are going out of their range and that certainly is not democratic." Since the 1970's however corporations have done some soul searching with regard to their responsibility and in 2000, there were already 246 codes of conduct for corporate citizenship (OECD - Organisation for Economic Cooperation and Development - quoted in McIntosh et al., 2003:90).

One of the first serious research studies about CSR was done in the mid-eighties by Max B.E. Clarkson from the University of Toronto. He conducted research done over a period of ten years which he started in 1983. Clarkson conducted 70 field studies during this time. When he started the research, there was only one significant empirical study done in Canada called, *Corporate Social Performance in Canada*. Two other studies done on CSR - one in 1977 by Preston and another by Carroll in 1979 also contributed to Clarkson's work (Clarkson, 1995:94).



Preston's work (1977) focused on the formulation of a matrix to determine social issues by a corporation and was used in the study on *Corporate Social Performance in Canada* (Clarkson, 1995:94). He assumed that there are four stages in identifying corporate social involvement: 1) awareness and recognition of an issue, 2) analysis and planning, 3) response in terms of policy development and 4) implementation. The problem with Preston's work however was that he did not define "social" or give guidance on how to determine if something is social or not.

In reaction to this Clarkson therefore identified a few issues he deemed important enough for management to control when he started his study in 1983. Amongst others, these issues were: communication with employees, health and safety, employment equity and discrimination and women in the workplace. It was now assumed that if managers wanted to be called socially responsible, they would pay attention to these issues.

In 1979 Carroll developed another model for CSR. Carroll's model was seen as an advantage above Preston's in that it was seen to be more comprehensive and integrative. Unlike Preston, Carroll recognised "social issues" as consumerism, the environment and discrimination amongst others. These issues were also used as categories to measure 'social'. *How* to measure however was a different question. "It was plausible that corporations were expected to 'do something' about these issues. But why they were expected to do something and what they were expected to do were not easily explained" (Clarkson, 1995:94).

Following Carroll's work, Wartick and Cochran (1985) developed another model that was based on Carroll's work. Like Carroll they classified social responsibility as economic, legal, ethical and discretionary. Empirical testing of this model by Clarkson however showed that it was not a satisfactory means to test CSR (Clarkson, 1995:95).

Clarkson (1995:96) concluded that in all the above-mentioned models, "social" was defined in terms of corporate strategy. He concluded that what were being defined as 'social' were in fact mere characterising organisational responses to social pressure. The question remained, what would be reliable indicators of 'social processes'? What are the elements of a good 'social response' by a corporation?

After trying to organise collected data into above-mentioned models, Clarkson and his team realised that all the collected data from 70 companies, had one thing in common: it was about the "management of a corporation's *relationships* with its stakeholders" (Clarkson, 1995:92). Suddenly it became clear that data collected corresponded to stakeholder management. "The data showed that, in the normal course of conducting their business, corporate managers do not think or act in terms of the concepts of corporate social responsibilities and responsiveness, nor of social issues or performance" (Clarkson, 1995:98). "Social" defined by a corporation only made sense in terms of the daily running of the company – which was, in the case of 'social issues' – stakeholder management. Clarkson (1995:98) believes that one of the biggest problems with concepts like 'corporate social responsibility' is that it was developed *outside* of business. Business

managers are trained to think about money, markets and human resources. Talking to them about ‘social issues’ is like trying to teach monkeys how to use a microwave oven. It falls outside of their frames of reference. If you want corporations to act social, you must translate it to them into a language they know and understand. Or as Yve Newbold – member of several boards of prominent corporations in England – amongst others British Telecom (winner of many rewards for their environmental and social reporting) said about board meetings: “...people are surprised when I tell them that in 20 years in the boardroom, not once do I recall a discussion on the moral or ethical implications of any decision made by the board. It was not that the people lacked an ethical framework of reference, but that the language of the boardroom was finance” (Newbold quoted in McIntosh, 2003:41).

So, if corporations only understand the language of finance, why has CSR gained so much support in the last couple of years? The reason for this is in part due to the Enron scandal in the USA. Enron became too closely acquainted with its auditors, Arthur Andersen, and when expenses and profit did not add up, Arthur Andersen turned a blind eye. The result was the fall of both Enron and Arthur Andersen. The ripple effects of this was phenomenal and is still felt today throughout the business world. The seriousness of this disaster was also reiterated in the court case that found former Enron’s CEO’s, Ken Lay and Jeff Skilling guilty of corporate corruption in May 2006 (Elkind & McLean, 2006). This together with the Worldcom and other similar disasters, made the US government pay attention. Suddenly a huge amount of attention was focused on the *way* in which corporations are managed and also on the people that manage them. The system failed with regard to the audit company who was supposed to look out for and prevent such a disaster from happening. New legislation called the Sarbanes-Oxley Act, was therefore passed in record time in the US to regulate the management of a company (Van Wyk, 2005a). Among other things, it revises the structures of the audit profession and it prevents auditors to a large extent from doing anything other than auditing (consultancy is allowed only in certain limited fields). Even though the audit profession was under investigation, the emphasis was now on the *way* in which companies are managed with regards to all aspects (Van Wyk, 2005a). Suddenly all types of management were questioned. How do corporations manage its workers, the environment, and their

suppliers? In the regulated legal world, CSR was therefore a natural consequence of tighter regulations on the management of corporations and their auditors. Many other aspects such as pressure from non-governmental organisations (NGO's) and philanthropic business people played a role, but it is in a big part due to crises that happened within the business world that gave CSR such a prominent position on the world business stage today.

According to Holliday et al (2002:19), global management trends tend to focus increasingly on sustainable development and many companies would like to prepare themselves to take advantage of those trends. This is where corporate social responsibility or corporate citizenship comes in. It is meant to link the market economy with sustainable development. "The CSR agenda sees the private sector, including large trans-national companies as potentially important rural and urban development agents, particularly in partnership with the government, community groups and NGO's" (Hamann & Acutt, 2003:255-256).

Mervin King, chairperson of the King Commission (commission to investigate role of companies in South Africa) added to Hamann and Acutt's view mentioned above when he talked about how much companies affect all aspects of our lives today. "They in fact link us to the communities in which we live and create mutual rights and obligations in society to the extent that a company is as much a citizen as an individual" (Mervin King, Chairperson: King Commission, quoted in Freemantle & Rockey eds., 2004:3).

With the above-mentioned in mind, it is therefore understandable that there is increasing pressure on corporations to comply with CSR initiatives. But why is a corporation's social and environmental responsibility important? Is it not enough for them to comply with the law?

2. Why is corporate social responsibility important?

Milton said that the only responsibility of a business is to make a profit. Was he correct? With this section, literature will be investigated to see whether CSR is indeed important

for corporations referring to the moral and business case for CSR.¹ In this thesis ‘moral case for CSR’ refers to reasons that indirectly link corporations to sustainable development as opposed to the ‘business case’ that have a direct link or immediate benefit for business who engage in CSR. According to Clarkson’s research (1995) the biggest problem with a concept like “corporate social responsibility” is that it has been developed *outside* of business. The reasons discussed in this section are all reasons that are integrated with business, rather than reasons that stand ‘outside’ of business. This thesis assumes that there are few – if any – corporations that exist to intentionally harm society or the environment. It does however assume that corporations, as many people, still do not understand the looming environmental crisis and social consequences it might have if we do not act appropriately.

2.1 Moral case for corporate social responsibility

When it comes to morals and ethics, one enters murky waters. One person’s morals are not necessarily someone else’s. A corporation’s ethical and moral responsibility is difficult to define and/or test. “There are no generally accepted ethical principles that can be cited or enforced, as with accounting principles” (Clarkson, 1995:95). The present author decided to venture into these murky waters however and came up with the following moral reasons of corporate social responsibility.

2.1.1 Accountability

To whom are corporations accountable, the state? Yes, in a limited way, because there are many laws that corporations need to abide by. Who however, are they accountable to when it involves the impact they have on our lives and environment that is not regulated by law?

Originally, corporations were associations of people chartered by the state to perform certain functions e.g. building roads. In early United States history, there were very few chartered corporations and the ones that existed had very clear guidelines on what they

¹ The first time I heard the term ‘the moral and business case for CSR’ was when Malcolm McIntosh referred to it during a conversation at Delaire Wine Estate in 2005. I asked him how he convinces corporations to implement CSR policies and he referred to the business and morals case of corporate social responsibility.

may and may not do. They could only exist to perform the task the government chartered them for (Zepernick, 2003 quoted in *The Corporation*; Hawken, 1994:107). It was a gift from ‘the people’ to serve the public good. When the supreme court of the United States agreed with corporate lawyers that corporations were legal persons too (as is explained on page 9), it was the birth of corporations as we know them today – mighty institutions with mighty influence, with the same rights as you and me with few, if any, accountability measures. When a business is incorporated, it can act as a legal person under the law or as Noam Chomsky, Institute professor from MIT, calls it, a person without a moral conscience. Corporations are designed to care more about their stockholders – who are mostly interested in profit - than they are for their stakeholders, e.g. the community, employees and the environment (Chomsky and Moore, quoted in *The Corporation*, 2003; Hawken, 1994; Ray, 2005:96).

In the USA, the first Amendment of the Bill of Rights guarantees the right of every citizen to engage in free speech. Since corporations are legal persons too, they also claimed this as their right. This only meant however that corporations achieved what the Bill of Rights tried to prevent, the domination of public thought and discourse. Their argument presupposes that everyone, from the single voter to the multinational corporations, have an equal voice in political debates regarding important issues (Hawken, 1994:108).

The recent Absa/Barclays merger also reminds us that very often big, multinational corporations only become bigger and bigger. One might even go as far as to speculate that in the future the world will only have a few corporations with all the power. The bigger they become, the more power they have. Who will curb this power and what do we do to curb it?

We all assume that the appropriate checks and balances are in place to ensure that corporations act in our interest – as was the original purpose of corporations, but who are they really accountable to? Have we allowed them to grow into a force that controls us rather than “us” controlling “them”? In a democratic state, governments can be voted out if they do not perform. What happens to corporations if they do not perform with regard

to their social and environmental responsibility? There are of course certain laws (as will be discussed later on) they need to comply with, but are these laws enough?

Biotech company, Genentech, was voted in 2006 by Fortune Magazine as “the best company to work for in America”. They credit this dubious honour to the new CEO, Art Levinson who took over in 1995 (Colvin, 2006:50). Before him however, G. Kirk Raab was the CEO. Raab bragged after the Earth Summit (1992 in Rio de Janeiro) that he and a handful of executives convinced the first President Bush that the USA should not endorse the Biodiversity Treaty, even though the majority of Americans supported it. Hawken (1994:110) asks if this can be called a democracy when the majority’s wishes are ignored in favour of a multinational corporation. Ray, (2005:97) warns that the power of corporations over our collective lives continue to grow and that this power violates a basic premise of democratic theory with regard to participation and representation.

Companies are often fined or sued for environmental or social exploitation, but it can be questioned whether this is really a successful measure to curb environmental and social offences. Often companies pre-calculate costs, fines or lawsuits likely to be brought as a result of certain products or non-compliance with the law. If profits are likely to be higher than fines or lawsuit costs, they go ahead anyway (Monks, 2003; Hawken, 1994:112).

There are of course, many people (Margolis & Walsh, 2003; Friedman, 2003) who would argue that the nature of a corporation is to serve the public and by doing so is inherently socially responsible and accountable. The customer is king. The customer ultimately determines whether a corporation live or die and *that* is the ultimate democracy. This might be true in some circumstances, but the Enron disaster shows us that this is not always the case. Customers might have a say in products and services, but not in the way these products and services are procured or managed. Ray (2005:104), argues that it is not the pursuit of profit and corporate self-interest that is the problem; the problem is the “narrow base of people who have the right and power to define that corporate self-interest by themselves and for themselves”.

Corporations affect our lives, but unfortunately corporations still do not regard clean water, air and biodiversity as wealth – elements that are important and valuable to regular citizens. The influence corporations have in our lives can be seen in the amount of corporate messages that infiltrate our lives on a daily basis. In 1994 already the average American adult has seen 21,000 commercials per year of which 75% were paid for by the 100 largest companies in America. In 1994 the average American has seen 3000 marketing messages per year. Not all of these were on TV. Many of these messages come on t-shirts, shopping bags, billboards and radio (Hawken, 1994:132). They have power to affect legislation, outcomes of elections, power to determine what we buy or what medicine we use. Surely, this power does not come without responsibility. A responsibility to act in the public good – as was the initial idea. The problem with business today is that it is grounded on the assumption that there are always more money to be made, more property to be conquered and more markets to be won – *whatever* the cost. Yes, there are companies that do good, companies that are committed to social and environmental protection, but according to Academy Award winning documentary filmmaker, Michael Moore, the problem with these corporations is the profit motivation. There is no such thing as enough and if a corporation’s endeavours harm its image, its public relations department will fix it (Moore quoted in the Corporation; Hawken, 1994:128).



Figure 1: The influence of corporations on our lives - the Calvin & Hobbes perspective (Source: Watterson, 1993)

Corporations are in a limited way accountable to government, but in reality they are mostly accountable to themselves. Corporations should be accountable to society. After all, they invade our natural and social environment, which is why they should ultimately be accountable to us. We are interdependent. As Bjorn Stigson (quoted in Anderson,

2005), president of the World Business Council puts it: “Business is really part of society. We cannot succeed in societies that fail and the challenge for us in business is, ‘what are we really going to do about it?’” Governments are supposed to keep corporations accountable on behalf of us, and they do this by imposing certain laws and restrictions on corporations, but that is not enough. As McIntosh, (personal communication, March 17th, 2006) points out: “If we (including corporations) implemented all the regulations we already have, locally and globally, the world would be a radically different place”. They have become – in many instances – bigger and more powerful than many governments and since new, better, more innovative external measures to keep them accountable are not yet in place, a good CSR policy places at least a moral obligation on corporations to be accountable - for our sake *and* theirs.

2.1.2 The role of the state has changed

The role of the state has changed to one where the state relies on the private sector (corporations in most instances) to fulfil the welfare role that it once held.

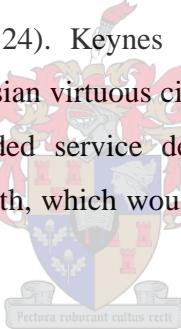
Margolis and Walsh, argue that Friedman’s view (the responsibility of a corporation is to make a profit – page 10) challenges the legitimacy of corporate citizenship in three ways. Firstly, companies can argue that they already advance social welfare to its full extent. Secondly, the only legitimate actor to deal with any of society’s problems is the state and thirdly, if managers should get involved, they must be able to protect themselves against corporate misadventures (Margolis & Walsh, 2003:272-273).

Roberts (2003: 255), points out that Friedman could argue like that, because in the 1970’s – when he made that statement – it was still assumed that the government will take care of any social responsibilities. Considering that many companies have larger economies and power than most countries, a valid argument can be made for this welfare-role to fall back on corporations. But is it really the state’s role to look after social welfare? In this thesis it will be argued, with the help of an article by Mark Swiling *Changing Conceptions of Governance* (1999), that the role of the state has changed over the past few decades and that corporations have taken over the state’s role in more ways than one. Welford (2002:137) calls this the ‘governance gap’. He argues that the shifting of

national assets from governments to the private sector causes governments to leave the consequences of environmental damage to voluntary efforts of businesses, pressure groups and NGO's.

From the Industrial Revolution, until the late 1800's, the role of the state was minimalist and known as the Classical State (Swilling 1999:22). The Classical State sponsored colonial expansion and its organisation was made up of intellectuals from rich families.

By the late 1800's, beginning 1900's the poor and working people reacted against the exclusive access of the elite to political power and this in turn resulted in a rethink of the classical state. Two political movements arose from this, firstly economic theory of John Maynard Keynes and secondly socialism inspired by Marxism. Both these theorists agreed that the state needed to play a more central role in the provision of social welfare to the population (Swilling, 1999:24). Keynes developed an economic theory that Swilling (1999:27) calls "the Keynesian virtuous circle" (see Figure 2) which is based on the following assumptions: expanded service delivery would increase productivity, which, in turn would stimulate growth, which would then create a tax base for financing expanded service delivery.



The state therefore had a very important role to play in service delivery and social welfare.

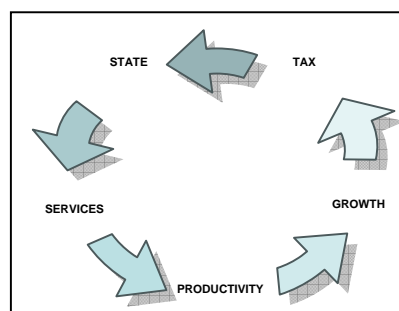


Figure 2: Keynesian Virtuous Circle

Then, in the 1970's the World War II economic boom ended and coupled with the oil crisis of 1973, gave rise to the Neo-Liberal State. Suddenly states found themselves in a

predicament when they realised that tax revenues were not enough any more for service delivery. Instead of rethinking the role of the state, they rethought its organisation. ‘Privatisation’ and ‘deregulation’ became common practice. In essence, the Keynesian Virtuous Circle was reversed (see Figure 3). It now assumed that economic growth could only happen if taxes were reduced. This in turn could only happen if the state withdrew from its role in the economy and social service delivery. Services were now outsourced to organisations in the private sector that operated in accordance with market principles (Swilling, 1999:26-29). This is how the influence of states diminished in favour of corporations.

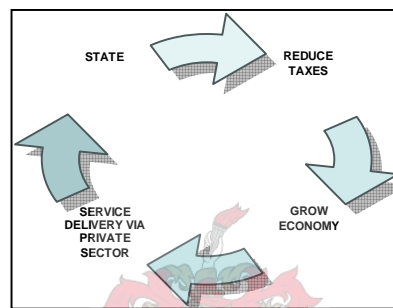


Figure 3: Reversal of the Keynesian Virtuous Circle

As mentioned above, social service delivery was now the responsibility of the private sector and the economy was the responsibility of the market place. The assumption was that the market was the best determinant for services.

Although the reversal of the Keynesian virtuous circle might have been good for the private sector, it was devastating for most of the developing world, especially Africa. During the 1970’s profits from Middle East oil sheiks were piling up in Western Banks. To make the money earn interest, the money was “invested” into often poorly managed, often authoritarian developing countries. It did not help development at all and in the early 1980’s the private banks transferred their debt to the World Bank who in turn demanded that the developing countries change their economic policies to the “Washington Consensus”. In short, this meant a Neo-Liberal state. The state was to withdraw from the economy and social service delivery, smaller tax base, growth via private investment and letting the market respond to social needs of the people. Developing countries were thus forced to accept policies that were suited for the

developed world, not the developing world. This enforced a vicious circle of dependency of which Africa is still suffering from (Swilling, 1999:28). According to Christian Aid (2005), 20 years of trade ‘liberalisation’, a condition for aid, loans and debt relief (neo-liberal state) have made sub-Saharan countries a massive \$272 billion worse off than they otherwise would have been. This figure represents the income lost as a result of being forced to open their markets to heavily subsidised imports from rich countries. E.g. Christian Aid also found that in 2000 aid to Uganda amounted to \$35 per person. It lost \$32 per person in that year though through ‘free trade’ (Christian Aid quoted in Dixon, 2005).(See page 46 for a more in depth discussion on “Globalisation”).

The newest form of state recently emerging is called the “Developmental State”. This, together with the Neo-liberal state discussed above, are the dominant world economies in most countries today. The Developmental State introduced a slight departure from neo-liberalism by giving the state an interventionist role rather than one that focus on deregulation. The Developmental State focuses on partnerships. However, the private sector still takes care of many of the social service delivery in this state. Joshua Proudfoot, Partnership Director of Good Company (company who helps other companies implement CSR policies) agrees: “The challenge for corporations is that we are in a transition period where nation states are abdicating some of their traditional roles to corporations which leave everyone confused about who is responsible” (Proudfoot, personal communication, 2006).

Therefore, in both the Neo-Liberal State as well as the Developmental State, the state has a diminished role or one rooted in the “efficiency of the market” (Swilling, 1999:34). In South Africa, this is evident in e.g. private security companies that fulfil the duty of the police and private hospitals that, in most instances, supply a better health service than government hospitals.

Hawken, argues that only vain politicians believe that governments are still in control. “While governments still retain the power to wage war, defend territory and issue currency, they can do little to create wealth except to work with business” (Hawken,

1994:11). Both government and corporations are dependent on each other. Neither can keep a country economically, socially and environmentally healthy on its own.

Because government’s role has changed, corporations’ role changed as well. In many instances they now have the added responsibility to help governments keep countries economically, socially and environmentally healthy. Corporations are now one of the following: corporate citizens, activists, tourists or colonialists (Malan, 2005:54) (See Figure 4)

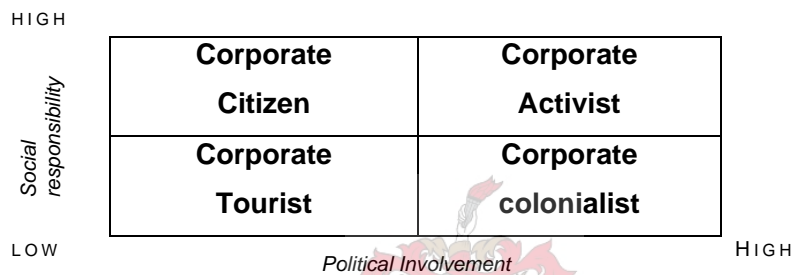


Figure 4: Plotting social responsibility against political involvement (Source: Malan, 2005)

Corporate citizens have high levels of social involvement, but stay away from involvement in the political process. They want to profit from new markets, but enter into these markets with a sense of humility and respect for local customs or religions.

Corporate colonialists are similar to economic colonialism where they acquire colonies or regions as a source of profit without any real regard for the well-being of those regions. Economic colonialism is defined as an attempt to control another nation’s economy.

Corporate tourists are companies that establish a quiet presence in the host countries without much social or political involvement. The position is that of a tourist that could pack its bags and leave at the slightest hint of trouble.

Corporate activists can be problematic. The rule of thumb is that corporations should become involved on the social level, but should refrain from playing a political role. Yet, to refrain from political interventions sometimes are more disastrous for them. A good

example of this was seen in the pressure that was on Shell to intervene in the political process to save Ken Saro-Wiwa's life. Shell was accused of doing nothing, but they maintained their policy position not to intervene however, but only to make their views known publicly on human rights issues (Malan, 2005:55).

2.1.3 Post-Modernism and Complexity Theory

The twentieth century has seen the rise and fall of many social systems. Amongst others there were Communism, Fascism and of course Apartheid. Many people were and still are disillusioned by the fall of something they passionately believed in. It has been argued that the collapse of these social systems can be attributed to the modernist principles they were based on (Swilling, 2004; Degenaar, 1993).

Modernism is the school of thought that dominated our way of life till the end of the 20th century. It promised a "good society" and it implies rationality. Values and norms are universally applicable. Individuals acquired the skill to look at the world systematically and it is assumed that certain actions have certain reactions. Laws and order are important and it is assumed that order and predictability in society can be reached. Reason and certainty are everything (Degenaar, 1993). At the beginning of the 20th century people wanted certainty and modernistic social systems like communism provided them with this. It made people feel in control.

With the collapse of these social systems however, people realised that the world is more complex than modernism wanted to make it. This new school of thought was called post-modernism and is a direct reaction to modernism. Post-modernism is modernism that looks at itself in an ironic way. Even though both modernism and post-modernism manifest itself in our world today, it is post-modernity "which succeeds in celebrating the imagination as the most creative aspect of the human mind" (Degenaar, 1993:54).

A post-modern way of looking at society assumes that knowledge is complexity and it acknowledges difference. It acknowledges that our world is complex. The focus falls on diversity and heterogeneity. It appreciates the plurality of cultures (Degenaar, 1993).

Modernism argued the way it *wanted* humans to be, instead of arguing the way they *are*. Post-modernism is therefore nothing less than an honest and sincere way of acknowledging our humanity. It embraces our humanity together with our contingency and unpredictability as well as the unknown as that which makes us special and unique. Post-modernism “restored to the world what modernity, presumptuously, had taken away” (Bauman, 1992:x). Post-modernism, more specifically complexity, teaches us to respect the other’s point of view. It teaches us that it is OK if we do not all agree with each other.

Complexity theory is an aspect of post-modernism and can be seen as a way to describe our post-modern world. Complexity theory is trying to restore our critical perspective on society and is a way to acknowledge that the world can not be understood in the way of super structures. In a modernist world, the market would be the dominant driving force. Profit and loss would determine how and why everything is done, but post-modernism and complexity acknowledges that the market is more complex than mere profit and loss and market-power and control rather limit and destroy one self. The best example of this would be the recent *Live 8* concerts and *Making Poverty History* campaigns being held around the world. This reaction to the modernist way of seeing the market, initiated by Sir Bob Geldof, is an excellent example of how a post-modernistic way of thinking is trying to provide the predominantly modernistic market with a way forward.

Even though pre-modernism and modernism will always be part of our society in some way or other (eg. in sport or the organising of traffic), the current dominant school of thought about social systems is post-modernistic. trying to hang on to a modernistic way of doing business would be like trying to hold on to telegrams instead of embracing e-mail and internet. Modernistic social projects served its purpose. Business is still very much imbedded in a market dominated by modernistic principles (Welford, 2000:140). CSR can be seen as a way to repair the harm that modernism has done.

Paul Hawken (1994:11-13) calls this the difference between an extractive (modernistic) economy and a restorative (post-modernistic) economy. An extractive economy is all about money. The ability to grow is determined by the capacity to produce more money.

In a restorative economy however its existence is determined by the ability to integrate with or replicate cyclical systems, in its means of production and distribution. In this system, “restoring the environment and making money would be the same process.” (Hawken, 1994:12) In a modernistic economy, the market is good at setting prices, but according to Hawken, this is not good enough anymore, because the true cost of producing goods are not recognised and therefore our current way of doing business will only be detrimental to us in the long run. We need to redesign our commercial system and Hawken proposes a restorative economy as the answer. “A restorative economy comes down to this: we need to imagine a prosperous commercial culture that is so intelligently designed and constructed that it mimics nature at every step, a symbiosis of company and customer and ecology” (Hawken, 1994:15).

Complexity theory more specifically can serve as a basis for further investigating this quandary business finds itself in or as McIntosh (2003:95) puts it: “...complexity theory might help us develop an intellectual framework for taking corporate social responsibility analysis forward and providing a practical methodology for managers”. Corporations need to become complex adaptive systems if they want to survive (McIntosh, 2003:86). In complexity theory there is no room for deterministic prediction and it helps create a culture of humility, “because all claims of knowing anything must be qualified by the partial and provisional nature of what is known – in short, an appreciation and therefore admission of uncertainty” (Swilling, 2004:9-11). Added to this McIntosh (2003:105) argues that corporate social responsibility is based precisely on this argument: “...an understanding can be reached concerning the relationship between business and society through observing emerging patterns of behaviour, but never any clear sense of certainty.”

Complexity theory confirmed what Clarkson (1995) discovered, that CSR is about business’ relationships (see page 11). Paul Cilliers (professor at Stellenbosch University and leading expert in complexity theory) calls the result of these relationships “emergent properties” and it is within these emergent properties that CSR becomes very important. Cilliers (1998:119-122) gives the following key elements of complexity theory.

1. *Complex systems consist of a large number of (often simple) components.* E.g. employees (components) are part of a complex system (the company).
2. *The interactions between the elements are non-linear.* E.g. a furniture manufacturer can decide to use unsustainably harvested wood from the Amazon Forest (small cause), but it can have an effect on the forest and therefore on the communities living in the forest and in turn on the entire world (large effect).
3. *There are many direct and indirect feedback loops operating simultaneously all the time.* E.g. a manager of a company can make a racist comment. No-one can predict what the effect would be and it will surely influence the company directly or indirectly.
4. *Complex systems are open systems.* E.g. its competition, its resources, the law, the market, the environment and many other factors influence a company.
5. *Complex systems have a memory that is held by the system as a whole and therefore a history.* An organization's history can determine its nature. History in this regard does not necessarily refer to specific events. Two similar organizations do not look or operate the same.
6. *The level of interaction is fairly rich.* All the elements that make up an organisation interact in a vast array of different capacities. "A complex system is not chaotic, it has a rich structure" (Cilliers, 2000:26). A result of the rich interactions between the components is called "emergent properties". Cilliers argues that "emergent properties" are very often the characteristic that we want to study. To explain this he gives the example of consciousness. This is the result of something that arises from the interaction of two neurons. It therefore often becomes the relationships, rather than the components that are important.
7. *Complex systems are inherently adaptive.* They can organise and re-organise their internal structures and operations without the intervention of an external agent. (Swilling, 2004:10)

Nicolescu (2002:11) argues that the final step in Modernism was for science to proclaim physics the queen of sciences. "More precisely, everything was reduced to physics" (Nicolescu, 2002:11). Everything had the same foundation, even companies/organizations. They all operated with the idea that everything was determined

by causes and effects. As Newton proclaimed, every action has a specific reaction. It was all easy and predictable. Science made us believe that there is one single level of reality. For companies this meant supply, demand and profit. People wanted something and companies supplied it, nothing more and nothing else. Complexity theory helps us understand that organizations do not exist in isolation. They are open systems that have many feedback loops, histories and relationships. Organizations interact with other systems around them. This means that corporations cannot operate separate from the environment, customers, the economy, world politics, the law and other disciplines that affect it in some way or another. This requires a multi-disciplinary approach to running a corporation.

For corporations complexity theory and post-modernism imply that corporations still caught up in the extractive economy who operate on modernistic principles, independent of other role players in society, might soon find themselves on the outside looking in.

An organization chooses inevitably to engage with its environment. It does not have a choice about it, it cannot exist in isolation. It is in part due to these relationships it exists in the first place. Being a complex system companies cannot exist without their relationships or emergent properties as Cilliers (2003) calls it. The question now becomes, what do they do with these relationships? The way it chooses to do so can be seen as their CSR policy. That implies that all organizations already have a CSR policy – even if some are not aware of it. One can therefore argue that if that relationship (emergent property) is there anyway - whether you deny it or not - corporate citizenship is just making the most of that relationship. McIntosh (2003:98) argues that the link between the product and the corporation is an example of a complex, adaptive system owned by no-one, like a bee-hive. It will therefore be to a corporation's own advantage to have a good CSR policy. McIntosh (2003:105) warns however against promises of more certainty for organisations once they embrace a CSR policy. A good CSR policy can however help corporations understand their place in society better and help corporations with the paradigm shift that is needed to operate and function to its full capacity in a world that needs responsible corporations.

2.1.4 Natural Environment

Nature is business's most valuable partner. The problem is that even though there are many corporations that respect the environment and treat it accordingly, there are still many others that treat the environment as a resource rather than a partner. Partners should look out for each other. The problem with treating nature/the environment just as a resource is, it is finite and vulnerable and business is in effect destroying itself when it destroys the source of their wealth.

One of the first voices to be heard on commercial business's role in the destruction of the environment was Rachel Carson's in her book *Silent Spring*, published in the 1960's. According to Carson, industry, commercial farming and careless innovation were the main culprits who wreaked havoc with 'earth's green mantle' so that 'rivers of death' flowed under skies where 'no birds sing' (Carson quoted in Cannon, 1994:207). Today one can hardly buy a magazine without being confronted with issues regarding the environment. National Geographic September 2004, Time Magazine April 2006, Fortune Magazine January 30th, 2006 and even fashion magazines like Marie Claire, June 2006 agree on one thing: the world is on the brink of irreversible environmental damage that can seriously affect (even destroy) life on planet earth as we know it. What's more is business plays a big part in it.

As stated earlier, industry started with the Industrial Revolution (1712-1825). Incidentally, the production of waste gases such as carbon dioxide (CO₂) - which retains the sun's heat in the atmosphere - also started to rise rapidly during the Industrial Revolution (McCarthy, 2005). More specifically CO₂ concentrations have risen by 30% since the Industrial Revolution (Coren, 2005). Today we know that this was no coincidence and that industry/business is mainly responsible for the burning of fossil fuel and the clearing of land that are the two most likely culprits responsible for the CO₂ emissions (Hawken, 1994; Wheatley, 1993, Cannon, 1994, Kluger, 2006). The concentration of CO₂ in the atmosphere helps determine earth's surface temperature and is also mostly responsible for global warming. The average surface temperature in the Northern Hemisphere has mirrored the rise in CO₂ levels (Glick, 2004:20) (See Figure 5).

Looking after the environment is important, because it has a direct impact on society. Our way of life is directly linked to the natural environment. We are interdependent on nature. Business might teach us how to gain financial wealth, but that wealth is useless unless it is based on nature (Hawken, 1994:10).

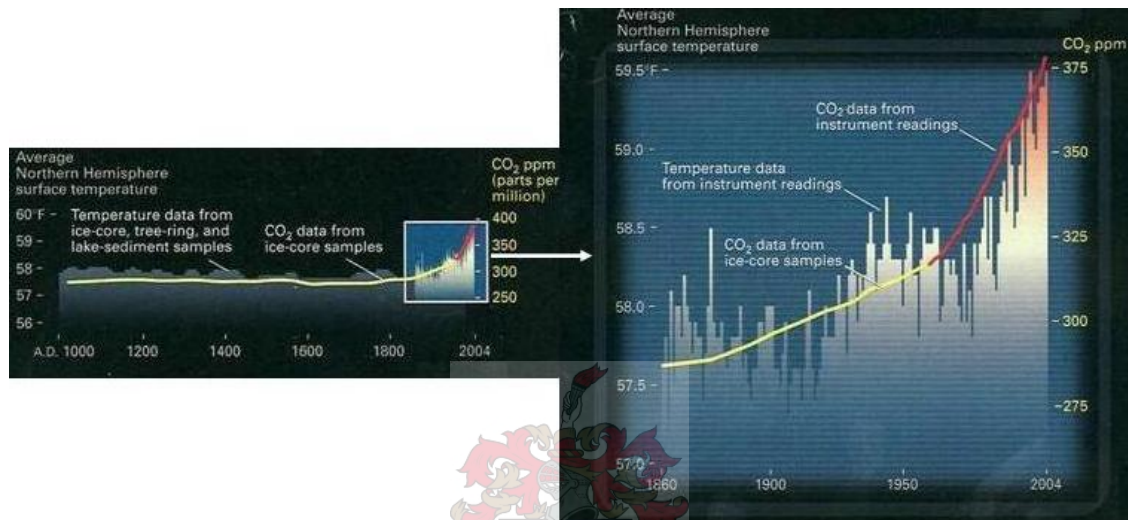


Figure 5: Rise in global temperature and CO₂ levels (Source: Glick, 2004:18)

Many people will argue that global warming is a natural part of the earth's temperature cycles. Yes, the earth's climate naturally fluctuates between warm and cool periods and yes, the earth's natural cycles could explain some of the warming and changes we have experienced, but according to Glick (2004:14) and cnn.com (2006a), natural cycles can not account for all the earth's warming which is the greatest warming in at least a thousand years. Usually glaciers melting and a rise in temperatures happen in geological time, i.e. over hundreds of years, now it is happening in human lifetime (less than 100 years).

There are of course those that are sceptical about global warming. These scientists base their scepticism on three objections:

- Natural climate variability is not well understood and may be greater than once thought.

- Computer models are oversimplifications that cannot simulate the complexities of the real climate.
- Temperature extrapolations of the past are not precise enough to make dire conclusions about ‘normal’ warming.

Some even goes so far as to say that “pronouncements about climate change are both self-serving and unscientific” (Coren, 2005).

Still the majority of scientists agree that humans are responsible for warming the planet and that uncertainties do not undermine the significance of the research. Maybe Richard Sommerville, meteorologist at the Scripps Institution of Oceanography, said it best when he said: “When you go to your doctor and she says you’re due for a heart attack, you don’t turn around and say medicine is imperfect even if she can’t predict the date of your heart attack. You take it seriously. I think climate science is in that position now” (Sommerville quoted in Coren, 2005).

Whether you believe global warming is a reality or not, there are certain facts/warning signs that cannot be ignored:

- Fortune Magazine (Demos, 2006:83) claims that more than 59% of the world’s accessible land is degraded by improper agriculture, deforestation and development. It also claims that half the world’s wetlands are drained or ruined and that half of the world’s fresh water is now co-opted for human use at the expense of other species and ecosystems.
- According to National Geographic Magazine (Glick, 2004:14) Glacier National Park in the United States had an estimated 150 glaciers when it was opened in 1910. The number has now decreased to fewer than 30! This in less than a 100 years.
- According to the same magazine, the famed snow of Kilimanjaro has melted more than 80% since 1912.
- Anyone who claims that global warming is not happening should read the thermometer. In the past ten years, we experienced the nine hottest years in earth’s history. 2005 and 1998 are the two warmest years on record (Lean, 2005).
- Cnn.com (2005) warns that desertification can cause serious health problems, because of the 1 billion tons of dust it deposits in the atmosphere each year.

- Global forest cover has declined by 50% since pre-agricultural times, from 6 billion hectares to 3.6 billion (Devall 2001:29).
- Glick (2004:24) warns that due to rising sea levels, some coastlines could migrate miles inland, displacing tens of millions of people.
- Polar ice reflects 90% of the sunlight that strikes it back into space. Increased degradation of the polar ice cap means less sunlight will reflect back into space. Ocean water on the other hand absorbs 90% of the energy it receives and the more energy it retains the warmer it gets. The result is that each mile of ice that melts vanishes faster than the mile preceding it (Kluger, 2006) (See Figure 6).

The list goes on and on, but what does all this have to do with business?



Figure 6: Degradation of Polar Ice Cap (Source: Glick, 2004:19)

Although there are three entities that harm the environment: governments, commercial business and ordinary individuals, it is mostly the first two that do the most damage (Wheatly, 1993:28; Welford, 2000:135).

Waste and waste creation are probably one of industry's biggest contributions to the destruction of the environment (Hawken, 1994; Wheatley, 1993:6; Cannon: 225; Welford: 2000:135). Waste is also not limited to CO₂ emissions only. There are paper, agricultural waste (the world uses 4.1 billion pounds of pesticides a year), packaging material, effluents and nitrous oxides – to name but a few (Hawken 1994:37). We must

remember that nature's ability to receive toxic waste is just as limited as its ability to create renewable resources.

According to Hawken though, the disposal of waste is not our root problem, the *creation* of it is. Pollution, waste and the consequences of environmental recklessness know no boundaries and is fast becoming a global problem. Hawken (1994:38) blames the linear method of extraction that industry use as means of production for all the waste they produce. In nature, there is no waste that does not serve as food for another living system. It is cyclical. Linear systems work exactly the opposite. It uses up and exhaust resources without giving anything back that can be re-used. We might think that by burning waste, we got rid of it, but that is an intellectual fallacy. If we do not see it, it does not mean that it has been eliminated. Burning waste merely changes the form of the waste. The natural law on the conservation of mass says, you cannot create or destroy matter. You can only change it from one form to another. Every 100 tons of trash incinerated produces 30 tons of fly ash, “a granular substance that contains most of the toxins from paint and plastic, as well as mercury, lead, cadmium and other heavy metals” (Hawken 1994:47). The cost of it is also enormous e.g. in 1986, the chemical industry had to pay approximately \$100 per ton to incinerate waste from its top 50 products. That came down to a total cost of about \$20 billion, eight times the profit made by the companies in that year (Hawken, 1994:47). Waste creation by companies might be the biggest destroyer of the environment, but apart from that there are also many other allegations of companies overstepping their boundaries when it comes to the environment. One of these allegations comes from an NGO called Christian Aid. According to them, Shell failed to clean up oil spills in Nigeria and their community development projects are frequently ineffective. They claim that this also divides communities (Christian Aid, 2004: 1-2). According to Dr Sameul Epstein (The Corporation, 2003) from the University of Illinois, we are in the midst of a major cancer epidemic because of all the chemicals industry exposed us to, which many of them used knowing that it posed great risk to humans. He says, “If I take a gun and shoot you, it is criminal, if I expose you to some chemicals which knowingly are going to kill you, what difference is there? The difference is that it takes longer to kill you.”

It must be noted that the purpose of this thesis is not to launch a witch-hunt for companies who destroy the environment. There are indeed many examples (Kotler and Lee, 2005; Wheatley, 1993, Holliday et al., 2002) of businesses who are trying to do business in an environmentally responsible manner. Hawken (1994:xiii) and Cannon (1994:216) however argue that even if all business do their bit for the environment, the world would still move to “sure degradation and collapse”, because business’ environmental initiatives are simply not enough and their motives do not reflect environmental concern, rather it reflects companies’ greed and financial motives. (See also Levy, 1997 for a critique on environmental management - EM - as managerial system. Levy argues that EM is more about political and corporate sustainability than environmental sustainability.) It seems like Hawken’s and Levy’s opinions ring true when you look at a book like *Corporate Social Responsibility, doing the most good for your company and your cause* by Philip Kotler and Nancy Lee – a book specifically written to help managers and CEO’s implement CSR policies. Of the six reasons they list for companies to become socially and environmentally responsible, not one reason include ethical or environmental grounds as a motivation for CSR. All six reasons deal with financial incentives for companies when they engage in CSR.

Hawken argues that we need an entirely new way of doing business, a paradigm shift. As a paradigm shift he suggests what he calls, a ‘restorative economy’ – as mentioned on page 24. In a restorative economy, the real price of goods will be reflected. In other words, what does the production process cost the environment and other human beings? “...it does require that people accept that business is an ethical act and attempt to extend to commerce the interwoven, complex and efficient models of natural systems” (Hawken, 1994:11). Or put differently: “We may have distanced ourselves from nature, but we rely completely on the services it delivers” (Radford, 2005). A CSR policy is in danger of becoming a PR strategy when it is implemented purely for financial motives, rather than a way of conducting daily business. A CSR policy that understands that business is interdependent on nature, is one that moves towards a restorative economy as proposed by Hawken. Incidentally conducting such a CSR policy also leads to financial benefits (see page 51). As Levy (1997:132) puts it: “...it is often cheaper to design production

processes and products with the environment in mind from the outset rather than add expensive fixes later on”.

2.1.5 Resource depletion and the limits of nature

Another issue that adds to the above discussion on the destruction of nature is the depletion of our resources, especially oil. Welford (2000:140) is of the opinion that if corporations continue on its present path and the demands for sustainable development are ignored, they are bringing about their own demise.

According to the Millennium Ecosystem Assessment Report (MEA report) published in 2005, two thirds of the natural machinery that supports life on earth is being degraded by human pressure (Radford, 2005; Hawken, 1994). This report is backed by 1,360 scientists from 95 countries. Furthermore, the MEA report warns that one species is now a threat to the other 10 million or so. This includes a threat to wetlands, forests, savannahs, estuaries, coastal fisheries and other habitats that recycle air and water and nutrients. Amongst other things, the report claims the following: “human activity is putting such strain on the natural functions of earth that the ability of the planet’s ecosystems to sustain future generations can no longer be taken for granted”. Some of the statistics given are as follows (Radford, 2005):

- An estimated 24% of the earth’s land surface is now cultivated.
- At least a quarter of all fish stocks are over harvested.
- Humans now use between 40% - 50% of all available fresh water running off the land.
- An estimated 90% of the total weight of the ocean’s large predators – tuna, swordfish and sharks – has disappeared in recent years.
- An estimated 12% of bird species, 25 % of mammals and more than 30% of all amphibians are threatened with extinction within the next century.

According to the UN Convention on Biological Diversity, “we are currently responsible for the sixth major extinction event in the history of earth and the greatest since the dinosaurs disappeared, 65 million years ago” (cnn.com, 2006b).

A 1997 report on the “business services” provided by nature (free pollination of crops, air conditioning provided by wild plants, recycling of nutrients by the ocean – see Figure 7) estimated that these services are worth \$33 trillion – about twice the global gross national product of that year. After the MEA report however, it is estimated that even \$33 trillion is too little and that we are living beyond our limits in a dangerous way (Radford, 2005).

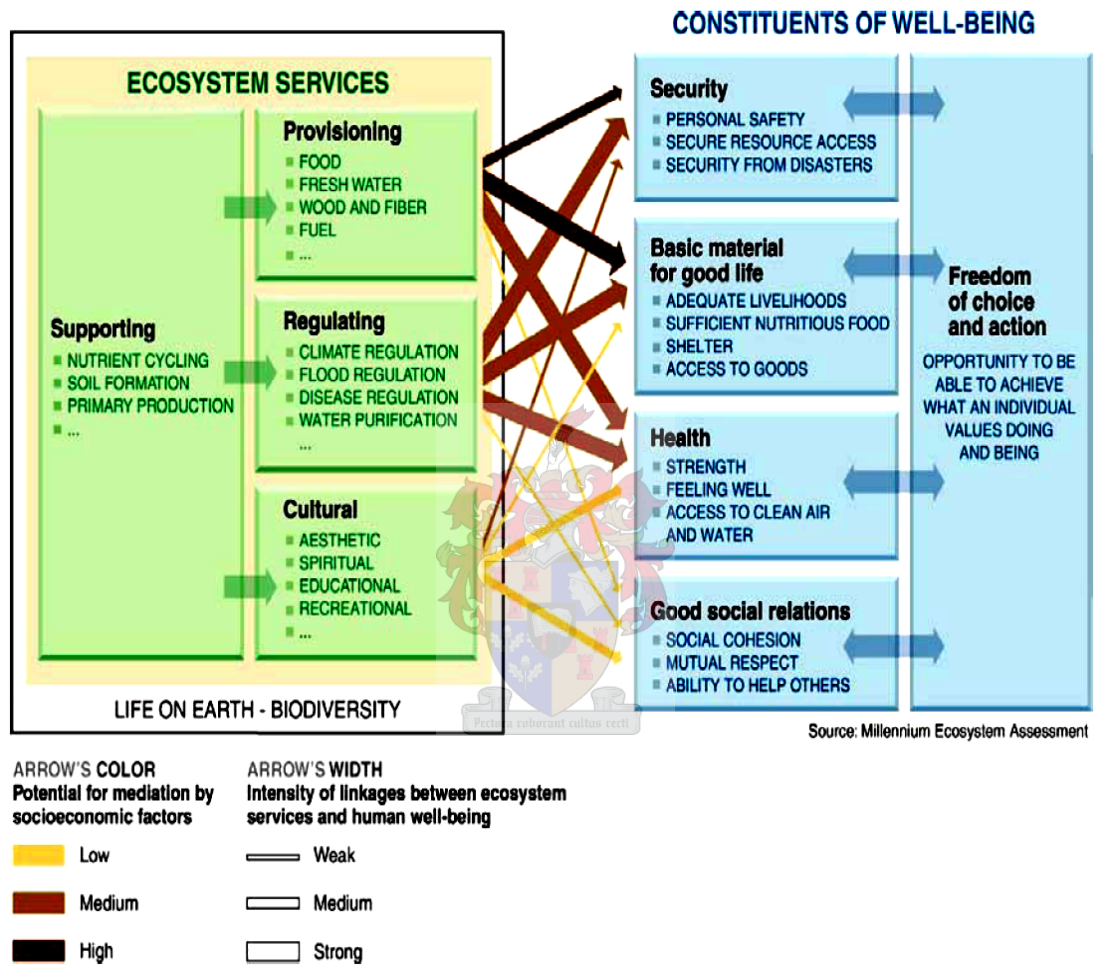
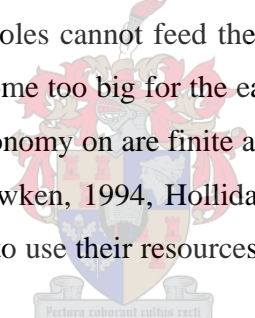


Figure 7: Business services provided by nature (Source: MEA, as quoted in Swilling, 2006)

Desertification is another phenomenon that aggravates the depletion of resources. According to cnn.com (2005a) 40% of the world’s land surface is classified as desert and home to two billion people. The same article predicts that global warming will exacerbate the problem that has already caused mostly by human factors like over-grazing, over-farming, misuse of irrigation and the unsustainable demands of a growing population. Pearce and Voltchev (2005) however disagree with the above. They claim that farmers in

arid areas are adapting and actually in some cases causing deserts to retreat by using clever farming methods. The Egyptian company, Sekem, does exactly this by helping Egypt combat desertification and advance the economy by applying sustainable and organic farming methods (sekem, 2006).

But what does all this have to do with corporations? A lot! Business/corporations helped deplete the earth's resources. In fact it has been argued that business is one of the biggest culprits to do so (Cannon, 1994:208; Hawken, 1994:21; Welford, 2000:140). "The ability to over-exploit the earth's resources is what we call economic progress" (Hawken, 1994:21). Resource scarcity is already a source of violence in many parts of Africa, amongst others Nigeria where nomadic cattle herders and peasant farmers are fighting over scarce land and it seems to be getting worse (Reuters, 2005; Reuters, 2006). Water and fertile land is becoming scarcer and this is the cause of increased tensions in Northern Kenya where less and less waterholes cannot feed the amount of cattle (Reuters, 2006). Human impact and greed has become too big for the earth's carrying capacity. We forget that the resources we build our economy on are finite and will cease one day. That is why many authors (Cannon, 1994, Hawken, 1994, Holliday et al 2002; Welford, 2000:140) suggest that business should start to use their resources in a renewable manner, otherwise we are heading for disaster.



To ensure resource conservation however, consumers need to be educated. Levy (1997:133) argues that consumers are themselves part of the problem. They demand products that require resource depletion and as long as the customer demands, industry will supply. Joshua Proudfoot, (2006, personal communications) from the Good Company in Oregon, USA agrees. According to him, whatever buyers demand, companies will deliver. Hawken (1994) argues that there are two reasons why companies generally do what they want: 1) the consumer/buyer does not have the bigger picture and 2) business success ensures our success. Anita Roddick (2005), founder of the Body Shop however predicts that "[t]he rise of the 'vigilante consumer' will change corporate behaviour forever. They will impose a different definition of profit in which social change will be part of the calculation. To obtain the right to make money, the modern corporation will be responsible for the environmental implications of its operations, it

will pay its employees a living wage and it will pay the community to cover the costs of education, health care and policing. Maximising profits will then also entail maximising social benefits”.

One of the resources however, that will affect our lives more dramatically than others when depleted is oil. Bad news is, the literature suggests that the depletion of oil is inevitable and will happen sooner rather than later. Just as other resources, oil is finite. In fact, many scientists and geologists are predicting that oil production has peaked already, meaning that our supply is less than our demand (Appenzeller, 2004; Maass, 2005; Dunlap, 2006). Many people are not aware of their dependence on oil. Not only do we need it to drive our cars, but we also use it to manufacture fertilizers, cosmetics, computers, medical implants, shoes, bike helmets and lubricants to name a few. If oil runs dry, it is not only our cars that will stop functioning. Many households will have to make some big adjustments. The US will be the country to make the biggest adjustments. They use up a quarter of the world's oil even though they are only 5% of the population (Appenzeller, 2004:85). Added to this, growing economic powerhouses like India and China have a growing middle class whose demands are increasingly growing. The effect of this is already evident in an already oil crazy world. A decade ago, almost everyone in China drove bicycles. In 2003 alone, newly prosperous professionals bought 2 million cars, up 70% over 2002. They have already passed Japan as the world's second largest oil user. It is expected that by 2025, China will be using 10 million barrels a day, most of which will come from outside its borders (Appenzeller, 2004:89).

No-one can say for sure how much oil is left. It is difficult to determine, as oil is underground, unseen. Engineers and geologists can at best, make educated guesses about how much is left and how much can be extracted in the future. What makes it worse according to Maass (2005) is that most oil producing export countries (OPEC) will not allow outsiders to audit their data on oil production and oil reserves. We therefore have to rely on information given to us by OPEC. The world's biggest oil producer, Saudi Arabia, assures the world that there are more than enough oil reserves left, but according to Maass (2005), Appenzeller and peakoil.com, they are not being entirely truthful. Oil – that exists as drops between and inside porous rocks - flow to the surface through natural

pressure. Natural pressure however is often not enough and then secondary recovery efforts such as pumping water or gas into the reservoir begins. According to official papers from the Society of Petroleum Engineers, increasing amounts of water has been used to force oil out of Saudi Arabia's biggest oil field, Ghawar (Maass, 2005). If Ghawar is facing problems, so does Saudi Arabia and indeed the rest of the world. The world uses about 85 million barrels of oil daily and yes, many reserves might still be left, but mixed data from Saudi Arabia, oil fields in the US that produce less than half it did in 1970's and declining production in Alaska and the North Sea of Europe predict a decline in oil we are not prepared for (Appenzeller, 2004:88; Maass, 2005, peakoil.com).

Food prices are linked to the cost of the transportation of goods from the farm to the supermarket. If oil prices go up, so do food prices. Most of our food are also grown with the help of hydrocarbon based fertilisers and pesticides (Appenzeller, 2004:88). Oil depletion will limit transport, increase food prices and limit the production of thousands of every day household goods. The question however remains, how much more must oil be depleted before it starts to limit our current way of living? According to a report by the US Department of Energy, unlike previous energy transitions (wood to coal and coal to oil) which were gradual, oil depletion will be abrupt and revolutionary (Maass, 2005). Maass also predicts that when supply is less than demand, a price of a barrel of oil could soar to triple digits, which in turn could bring a global recession which could mean that everyday products can become unaffordable for ordinary citizens (see Figure 8).

Levy (1997:90) views renewable sources of energy too risky and expensive. In 1997 when Levy wrote his article however, a barrel of oil did not cost over \$70 and Cape Town did not have an electricity shortage or a sewage problem. We are entering an age where renewables, expensive as they may seem, are becoming cheaper than conventional forms of energy. A company's market position is threatened if they do not consider renewable sources of energy and not vice versa as Levy propose. Continuing to do things the way we have always done, is becoming too expensive – for our economy and the environment.

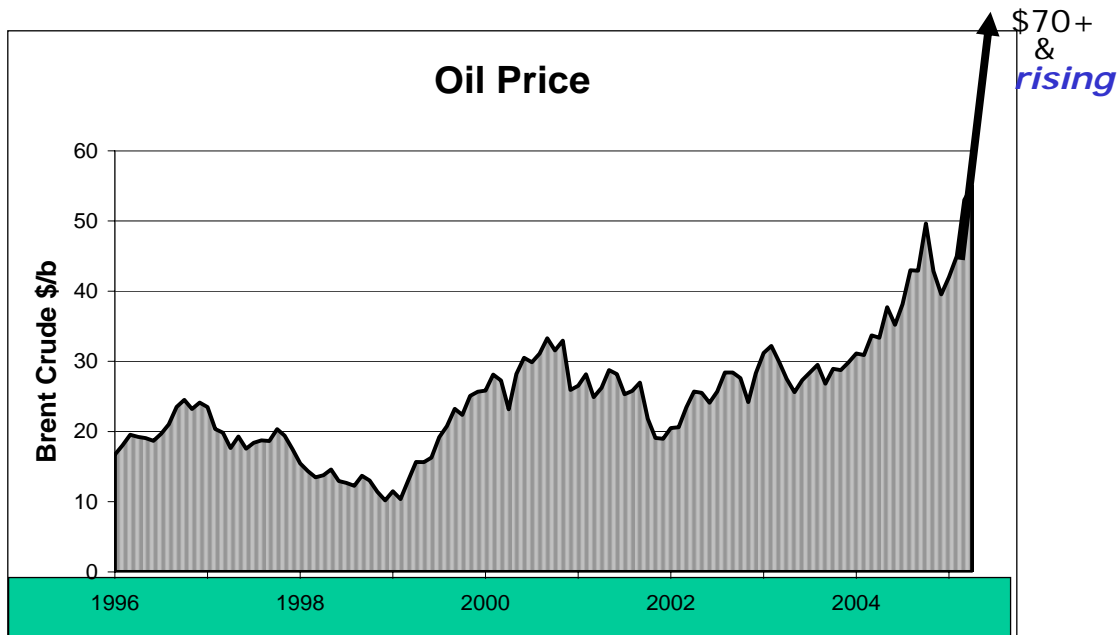


Figure 8: Oil Price (Source: Swilling, 2006)

Not everyone agrees that oil wells are running dry. Maass mentions some experts that claim that availability is not the problem, rather the capacity of the reservoirs to bring enough oil to the surface due to the limits of modern technology. Another oil consultant, Pulitzer Prize-winning author, Daniel Yergin, says that this is about the fifth time the world is “running out of oil”. He claims that cycles of shortage and surplus characterise the entire history of the oil industry. Maass however is sceptical about both Yergin and extreme pessimists. Both viewpoints “rests on unknowns” (Maass, 2005). Of all the oil experts however, it seems like Sadad al-Husseini has the most authority. He has a PhD in geological sciences and until his retirement in 2004, he had the highest position in Saudi Arabia’s biggest oil production company. He says the following: “The problem is you go from 79 million barrels a day in 2002 to 82.5 in 2003 to 84.5 in 2004. You’re leaping by two million to three million a year, and if you have to cover declines, that is another four to five million. That is like a whole new Saudi Arabia every couple of years. It cannot be done indefinitely. It is not sustainable.” His message is loud and clear: the world is heading for an oil shortage (Maass, 2005). This trend is also supported by peakoil.com (Dunlap, 2006) (See Figure 9).

There is hardly a business on the planet that does not rely on oil in one way or the other, either with transport, products or both. “Thus smart CEO’s not only are going to orient their companies towards sustainability, but also are going to try to orient society towards sustainability” (Holliday et al, 2002:19).

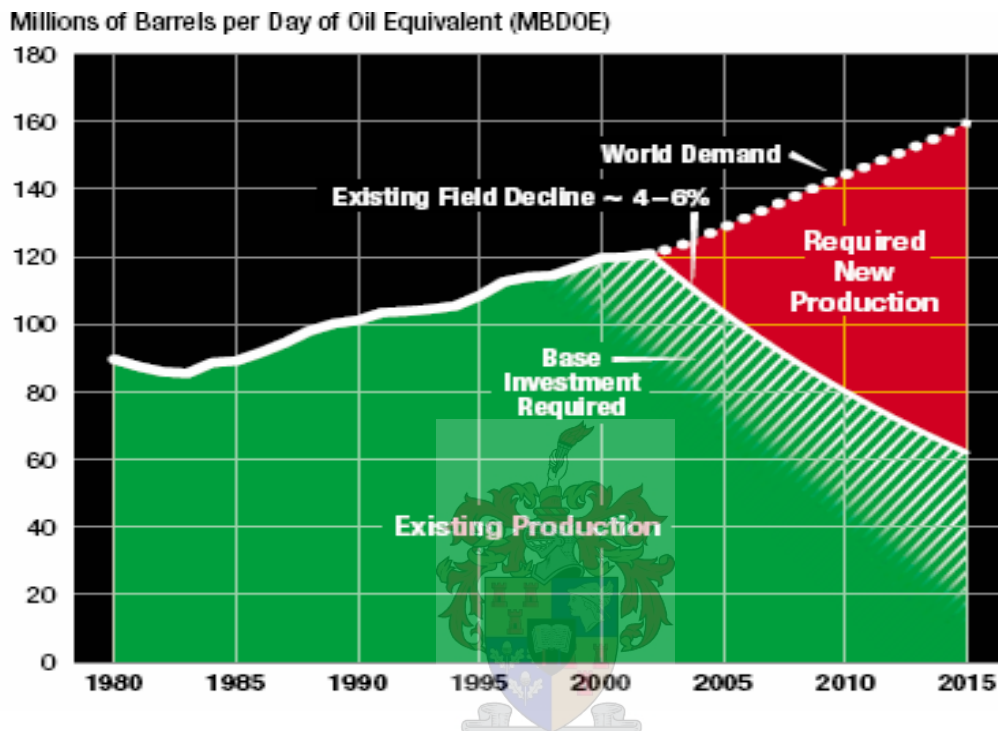


Figure 9: Oil production and projected demand (Source: Dunlap, 2006 – peakoil.com)

2.2 Business case for corporate social responsibility

The business case for CSR refers to reasons corporations should implement CSR based on legal requirements as well as reasons that make financial sense. Again, as with the moral reasons investigated, these reasons are integrated with contemporary business trends, reasons that are not “outside” of business as Clarkson (1995) claimed they sometimes are.

2.2.1 Legal requirements

South Africa’s constitution is only ten years old and in comparison to the rest of the world, brand new. South Africa is one of a few countries in the world that has an

environmental clause in our Bill of Rights. Article 24 of our Constitution guarantees the right of everyone to have the right

- (a) to an environment that is not harmful to their health or well-being; and
- (b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that
 - (i) prevent pollution and ecological degradation
 - (ii) promote conservation; and
 - (iii) secure ecological sustainable development and use of natural resources while promoting justifiable economic and social development.

The Constitution (1996) proclaims: “this Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom.”

In South Africa both government as well as legal persons, like companies, are bound by the Constitution. This means that not only is the Constitution a bill of rights for citizens against government, but also for citizens against other citizens. This is the so called “horizontal application” of the Constitution as specifically stated in Article 8(2) and (3). A ‘limitation of rights’ clause is also found in Article 36(1). This article played a huge role in focussing public attention on good corporate governance and thus the need for transparency as a guiding principle for all company business.

What does all this actually have to do with corporations? As discussed on pages 28 and 36, corporations play a big role in the current degradation of the environment. Does South African law require corporations to comply with the Constitution and help deliver its promises? Yes it does!

Following the British example of the Cadbury and other so-called corporate governance codes, the Institute of Directors (IoD) of South Africa commissioned Judge Edwin King in 1994 to investigate corporate governance in South Africa. The result was the King report. This first report was supplemented by the King II Report in 2002. Certain aspects

of the King II report might be included in the New Companies Act if the amendments of the Companies Amendment Bill of 2006 are accepted. This Amendment Bill is currently progressing through the Portfolio Committee in Parliament and it is anticipated to be accepted by the end of 2006. Should this happen, the following CSR recommendations of the King II report will be introduced: it will be required of companies to increasingly make company information public. Companies will also have to do triple bottom line reporting on financial, social and environmental issues (Van Wyk, 2005a). The Companies Amendments Bill of 2005 focus mainly on corporate governance, which is different from corporate social responsibility in that it focus more on the legal requirements of the day to day running of a company, rather than social and environmental management – as is the case with CSR. The latter is however included in the Amendments Bill and according to the King II Report social and environmental reporting are important aspects of the corporate governance (IoD, 2002).

As discussed on page 12, the call for more transparency and more reporting that came after the Enron disaster played an indirect role in the importance of CSR. The legal implications of this disaster were also significant for South Africa. Shortly after the Enron disaster, the Companies Amendment Bill of 2005 (mentioned above) was introduced. (In 2006 additional amendments were proposed and compiled in the Companies Amendment Bill of 2006.) Enron's fingerprints were all over the amendments. These amendments to the Companies Act 61 of 1973 are mostly aimed at auditors. The structures of the audit profession are revised and an independent body is called into being to overview accounting practices. It also required companies to have the following: a board committee and an audit committee. This committee had to supervise financial reporting by the company. The Companies Amendment Bill however also deals with issues regarding CSR (Van Wyk, 2005b).

According to a Department of Trade and Industry (DTI) report on Guidelines for Corporate Law Reform (May, 2004), the corporation is seen as an economic as well as a *social* institution. The company's pursuit for financial success should therefore be constrained by *social and environmental* objectives. "The new company law should therefore be consistent not only with the Constitution of South Africa and the principles

of equality and fairness that it enshrines, but also with other laws that have been enacted, including the Black Economic Empowerment (BEE) Act, competition law, environmental law and access to information legislation”. It also says “...the company law needs to take account of stakeholders such as the *community* in which the company operates, its customers, its employees, its suppliers and the *environment*...” “Thus it is proposed that in the running of a modern South African company consideration has to be given not only to economic factors, but also to *social and environmental* ones” (DTI, 2004). (Author’s emphasis)

What exactly does South African environmental legislation entail? There are many environmental laws or laws that affect decisions about the environment, like the Provincial Planning and Development Act, the Development Facilitation Act, Municipal Systems Act (that deals with Integrated Development Plans) and the Environmental Conservation Act. For the sake of this thesis however, the focus will be on one of the most significant of these laws, that is also the most applicable to corporations: the National Environmental Management Act 107 of 1998 (NEMA).

Article 2 (2) of NEMA proclaims the following:

“(2) Environmental management must place *people* and their needs at the forefront of its concern and serve their physical, psychological, developmental, cultural and social interests equitably.” (Author’s emphasis)

It is clear from this article that the basis of NEMA is anthropocentric rather than ecocentric. According to Hattingh (2001:10) this anthropocentric basis “gravitates towards a minimalist interpretation of sustainable development”.

Hattingh expresses his scepticism about NEMA as follows: “Having sustainable development as the central goal of our national environmental policy framework has not settled the issue of the relationship between environmental protection and social economic development at all. It only means that we have committed ourselves to a number of core ideas that we can capture in a number of principles and catch phrases, but it still leaves us with the challenge to interpret them.” “It rather entails a process of

interpretation in which certain crucial and mostly very difficult moral choices are required at policy level” (Hattingh, 2001:23).

According to Frank Raymond (2004, personal interview) environmental lawyer and someone who has first hand experience with NEMA, the biggest challenge South African environmental legislation faces is education. Raymond argues that conservation cannot happen without education. According to Raymond, “people cannot protect something if they do not know why they are protecting it”. He also argues that South African legislation needs a long-term vision. Currently everything happens on an ad hoc basis. There is no continuity. “They must know what they are working towards.”

International treaties on the environment and social upliftment (like the Kyoto protocol and Earth Charter) are becoming increasingly popular. This creates the assumption that these treaties would have some legislative consequences since South Africa ratified many of them.

According to Raymond (2004), these treaties do not mean much, since they are not enforceable if you sign it. It only becomes meaningful if government ratifies it and incorporates it in a law. “To sign a treaty basically means nothing if the political will is not there to enforce it” (Raymond, 2004). In South Africa, bad communication between different government levels is also a problem. Provincial governments often have authority over legislation which national government decides on. They are often not even aware of international treaties that were signed by national government. Provincial governments are often expected to enforce what national government promised the world South Africa would do (Raymond, 2004).

Another Act that plays a part in CSR specifically in South Africa is the Broad-based Black Economic Empowerment Act 53 of 2003. According to this Act, the Minister of Trade and Industry will compile “codes of good practice” which serves as guidelines for BEE as set out in the so-called “charters” of different business sectors. These charters, e.g. the Mining Charter or the Financial Services Charter set out specific details of how BEE will be dealt with in a specific sector. According to Prof. Andreas van Wyk (2006,

personal interview), legal expert in corporate governance, the problem with these charters are that many of them were compiled before the law was finalised and this is currently the cause of some confusion.

The Promotion of Access to Information Act (2) of 2000 also plays an important role in CSR in South Africa. This act regulates access to information of the state and private sector. Knowledge is power and environmental and social lobby groups can use this act to gain valuable information of what government and companies are doing with regard to the environment and specific communities they are operating in. This in turn can cause embarrassment for companies or government, which in turn could put pressure on them to become more responsible.

Another interesting twist in the legal tail can come from the USA where the Supreme Court is currently debating whether the US government should regulate greenhouse gasses (New York Times, 2006). If they decide that government should, this might have serious consequences for many US corporations, and since the USA is the biggest economy in the world, this will most likely, just like Enron, have consequences for corporations all over the world.



It is clear that proposed new laws such as the Companies Amendment Bill of 2006, which was influenced by the King II Report, gravitates more and more towards corporate social and environmental responsibility. Legislation is increasingly forcing corporations to be more honest, transparent and accountable. Corporations already engaging in CSR practices will not have to make such drastic changes as corporations that would have to incur costs, because they have been ignorant of such measures.

2.2.2 Insurance cost and market reaction

Looking after the environment might soon save companies money on insurance cost. It looks like insurance companies are the only sector of society that is reacting to climate change with the urgency it requires. This is because insurers are feeling climate change where it hurts most – the claims of their corporate clients. 11 September 2001, gave insurers an idea of how an unexpected event can impact global markets. It is estimated

that global warming will increase the risk of insurance companies going bankrupt because of weather related catastrophes by nine times. This can raise annual rates as high as 12% of the insured value. Insurance for some offshore oil platforms have already risen by 400% in one year (Demos, 2006:85). If business can work together to lower that risk, the better it will be for their pocket. Rob Clover, lecturer in Statistics and Actuarial Science at the University of Stellenbosch (2006, personal interview), agrees that if natural disasters are becoming more frequent, the cost of insurance to protect against such disasters will become more expensive. He warns however that a good CSR policy might not protect a company from high insurance cost. “Just because company A is less environmental conscious and therefore contributing more to global warming than company B does not mean that the effects of e.g. a hurricane will be more severe for company A than company B. So for this type of cover, company B would not be rewarded in the form of lower premiums just because they have an environmental or social plan.” One can however argue that if insurance companies want to engage in CSR practices they can help bring it about by providing lower premiums for corporations who do take CSR seriously.

A more specific area where companies can indeed save money if they look after the environment is with D&O insurance. (D&O insurance is shorthand for a “directors’ and officers’” insurance policy. This is protecting the company against losses incurred because of paying for damages that it has caused to other members of the public.) A D&O claim arises from something specific to a particular company. E.g. people suffering from ill health as a result of a company not properly disposing of hazardous materials (Clover, 2006). We have destroyed natural buffers, like the wetlands in New Orleans when Katrina struck (Thomas, 2005) (see Figure 10) and are indirectly responsible for many of the natural disasters that are coming our way. Insurance companies realise this and that is why they are increasingly inquiring about what their corporate clients are doing to deal with climate change. One such company is Swiss Reinsurance, a \$29 billion financial giant. By doing this, Swiss Re is trying to ensure that their customers will not be vulnerable to global warming related law suits. According to Christopher Walker, head of Swiss Re’s Greenhouse Gas Risk Solution unit, if their corporate clients do not want to comply, Swiss Re might go to such clients and say “since you do not think climate

change is a problem, and you are betting your stock holders' assets on that, we are sure you won't mind if we exclude climate related lawsuits and penalties from your D&O insurance" (Walker quoted in Demos, 2006:85).



Figure 10: The erosion of wetlands in the Gulf of Mexico, Louisiana and Mississippi over the last 70 years (Source: Thomas, 2005)

Writer of various books on climate change, such as *The Winds of Change*, Eugene Linden says that about 40 years ago scientists agreed that climate change happens smoothly, over many centuries. Since the early nineties however, scientists have been coming to see climate change as “less like a dial and more like an on-off switch” (Linden Demos, 2006:84). The number of global environmental calamities has gradually increased since 1970 from around 80 per year to over 300 from 1998-2005 (Demos, 2006:83).

Linden's predictions for how world markets would react to climate change are ominous. “In the world's tightly coupled markets, financial tsunamis would surge through the system, leaving banks and corporations insolvent. Financial panics, largely absent for more than 70 years, would return with a vengeance.” If climate change happens gradually, economies can minimise the effect if people recognise the threat and respond. With abrupt climate change however, markets and ecosystems will have no time to respond. He further predicts that property prices would soar and that families would find themselves vulnerable as fuel, food, jobs and social order became less certain. He warns that Hurricane Katrina showed how quickly an orderly society can be reduced to dysfunction by extreme weather (Linden quoted in Demos, 2006:83).

Van Wyk (2006, personal interview) agrees that looking after the environment might lower your insurance premiums, especially in America where so-called class actions (when one individual sues a company on behalf of an entire community) are a bigger risk. He says however that class actions are more difficult in South Africa and therefore not such a big risk here.

2.2.3 Globalisation

When one compares the world of today with the world of 1870-1914, we are a much less globalised world than was nearly 100 years ago. During that time, Western countries controlled as much as 96% of the earth's surface (Nederveen-Pieterse, 2004:18). In the meantime, we had decolonisation, the Second World War and the depression. Contemporary globalisation is therefore not territorial and imperialistic in the classic sense (Nederveen-Pieterse, 2004:18). Our global world today consists of social relations that exist in the non-physical world - in cyber space and on a computer system somewhere. Although territory still matters in our global world, our social geography is not determined by it any more. Supra-territoriality transcends it. It is a space-time compression, one where time is no factor (Nederveen-Pieterse, 2004:8; Scholte, 2000:44). Think of internet-banking e-mail and satellite TV. In our new supra-territorial world, information travels only through time and space. Thomas (2000:11) agrees: he argues that one of the great changes in the global economy today is the “reduced significance of geography and national territory in defining the mobility of firm assets”.

Instead of classical globalisation where physical territories played a big role, we have neo-liberalism that defines globalisation as a system as we know it today. This term refers to a certain economic and political policy of countries. It is the “confluence of the economic idea of the Chicago school and the economic policies of Ronald Reagan and Margaret Thatcher” (Nederveen-Pieterse, 2004:1). It was specifically the Washington Consensus though that guided the World Bank and International Monetary Fund (IMF) in turning neo-liberalism into a global, imperialistic policy. It is also neo-liberalism, above any other form of globalisation, that gives it a very bad name.

However, when studying neo-liberalism, one also needs to understand that even though it is a concern the world over and even though it plays a huge role in globalisation, it does not “exhaust the varieties of capitalism and capitalism does not exhaust globalisation” (Nederveen-Pieterse, 2004:20). In other words, one should be careful of thinking that all globalisation equals neo-liberalism. This is not the case at all.

Alongside the spread of a hegemonic neo-liberal policy the world over, companies started to take advantage of this new development in world policies. Up to the 1980's, the primary concern of companies was the production of goods. During the Recession in the 80's though, this work ethic was questioned when corporations were thought to be too big and owned too much. They had too much responsibility (Klein, 2000). It was during this time that a few corporations decided that they need to shift the emphasis from ‘making it yourself’ to outsourcing it. They claimed that “producing goods was only an incidental part of their operations and that thanks to recent victories in trade liberalisation and labour-law reform; they were able to have their products made for them by contractors, many of them overseas” (Klein, 2000). This is how the ‘brand’ was born. Companies were now selling a brand, a lifestyle, an identity rather than a product. Doing this allowed corporations to downscale dramatically, to shrink. Fewer employees with fewer paycheques were the new aim, rather than products. Brands became a global phenomenon and many corporations had factories in countries where labour was cheap. This was the beginning of rapid globalisation by corporations!

It is important to distinguish between corporate globalisation and neo-liberalism. Neo-liberalism is explained above and the present author is of the opinion that it has done more harm than good over the years. Corporate globalisation refers to the investment and trade agreements corporations have in various countries around the world. These two processes may overlap sometimes, but they are not the same and should not be confused. Neo-liberalism is something imposed on states from global institutions like the IMF and World Bank. Countries rarely have a choice in this. Corporate investment in a country on the other hand is voluntary.

Sassen (1996:10-14) would argue that corporations exploit more than they contribute. According to Sassen, the more globalised a firm becomes, the more centralised their functions become and these central functions in turn are disproportionately concentrated within the geographic territories of highly developed countries. The implication is that the so-called “global” economy ends up being concentrated in certain countries only. Furthermore, the more focussed a company is on global markets, the more they benefit from having their headquarters located in major international business centres like New York or London. This is also very often where their profits get re-invested, not in the countries where products are made or their services delivered. This in turn causes global financial markets to be concentrated in particular cities as well. Another consequence is that global legal systems for companies need to adapt to the cities where companies’ headquarters are located (which is mostly in the Western world). Put differently, global trans-national corporations are run by the laws of American, British, European and sometimes Japanese laws and rules. National legal fields are therefore becoming more and more internationalised. Sassen argues that this is a form of Americanisation that has hardly benefited the world.

It is precisely because of the above that corporations (especially multinational corporations) need to be good corporate citizens. Their power stretches to the far reaches of the earth. They influence countries’ laws and peoples’ lives they are not even aware of. Globalisation as a system (Washington Consensus, structural adjustment programmes) more often than not has exploitative consequences at a systematic level. E.g. subsidised European Union (EU) and American (US) goods flood African markets, but import tariffs are often imposed on non-EU and US products. More than 400 000 small farmers were impoverished in Ghana after the market was flooded with cheap, subsidised EU and US frozen chickens which sold at half the price of fresh local chicken. In 1992, local farmers supplied 92% of the market; by 2001 their share has plummeted to just 11% (Dixon, 2005). Tariffs imposed on African goods and subsidised imported goods imported into Africa makes it very difficult for Africa to survive. This is because the demand for imported African goods stay relatively constant, but the price for these goods keep falling. E.g. from 1980 to 2000, the world price for sugar has fallen 77%, cocoa by 71% and coffee by 63%. This coupled with import tariffs worsens Africa’s debt problem as

they have to borrow, because they have spent more than they earn (Dixon, 2005). Africa is indeed the continent that has benefited least from globalisation (Visser et al, 2005).

The system must change, but until then individual corporations can *choose* how they behave or operate within a specific context. They can (must) reduce levels of exploitation and mitigate negative consequences as much as possible. Globalisation as a system gave corporations the opportunity to expand. What they do with this opportunity makes all the difference. A CSR policy can help make a positive difference. According to Visser et al (2005:19), there is voluminous evidence of the benefits that business is bringing to Africa: capital investment, job creation, skills transfer, infrastructure development and knowledge. It would be silly to think or argue that multinationals should not exist anymore. The fact of the matter is, we do live in a globalised world and multinational corporations can and should play a positive role in it. In Africa, the private sector remains one of the best-placed institutions to make a significant positive contribution towards improving social and environmental conditions in Africa (Visser et al, 2005:19).

Multinationals can in fact be a good thing. Instead of asking if corporations should invest in developing countries, the issue rather becomes one of exploitation vs uplifting communities. Do corporations – who sometimes have bigger budgets than many third world countries - exploit a country and walk away with its profits or do corporations invest in countries and by doing so help the country as well as themselves?

A multinational corporation like Nestlé claims to outperform its competitors every year (Nestlé, 2005). Why is that? Nestlé itself attributes its performance on being a good corporate citizen. For one, they have very high environmental standards. Between 2000 and 2003, they improved key performance indicators between 20% and 57% in areas ranging from water consumption, to CO₂ and ozone depleting emissions. Water consumption in their factories in Africa also dropped by 21%. Nestlé also decided to contribute to the UN Millennium Development Goals. To help achieve this, they have amongst many others the following initiatives:

- Support for Nutrition research Library at the University of Agriculture. Abeokuta, Nigeria.

- Special adult literacy programmes in its Babelegi dairy plant in South Africa.
- Together with United Nations High Commission for Refugees they brought clean water to 210 000 people in Ethiopia.
- Various HIV Aids education programmes.
- Established the Delta Environmental Centre for environmental education in rural schools, South Africa.

The recent tragedy of Hurricane Katrina showed again that being a good corporate citizen is fast becoming a generally accepted role/duty of companies. Corporations are giving millions of dollars in aid to help victims of Hurricane Katrina (cnn/money.com). Bayer Corporation committed \$2million in cash and product donations. Coca-Cola made a \$5million donation as well as donating water and other beverages. Unilever will donate \$1million and \$1.6 million worth of company products. These are just a few of the many corporations that helped with relief efforts in the Gulf states or America.

Often when people are trying to understand why Africa is in the state it is in, they find it easy to blame corporations! Few if any of them realise that Africa's problems are more complex than merely blaming it on corporations or globalisation. There are ethnic conflicts to consider, social problems, health problems and many more. Robert Mugabe is certainly not Robert Mugabe Registered Trademark. He is a single person who is quickly managing to run his once rich country into the ground. The Rwandan conflict happened because of ethnic conflict, not because Samsung invested there or because Unilever or Nestlé sell products there. Nederveen-Pieterse (2004:10) warns as well: "Globalisation is not merely driven by major corporations, international institutions and governments, but also by social forces, including consumers and social movements".

Being a good corporate citizen might not solve a country's problems, since – as mentioned above – it is often more complex than we realise, but at least being a good corporate citizen can make a positive difference or even initiate wider change in the country they operate in which will also financially benefit them like Nestlé claims it does for them. Being socially and environmentally responsible will also improve a

corporation's relationship with the governments in the foreign countries where they operate which might also have financial benefits for them in the long run.

Multinationals do not pay as much as they would in e.g. New York, London or Dublin, but one has to remember that workers in the third world are not *in* New York, London or Dublin. Multinationals are still popular employers in many African countries, because they pay better than local firms do and much better than subsistence farming. In fact, American multinationals pay on average three times GDP per head to their non-American employees in low-income countries (Edward Graham, quoted in Guest, 2004:182).

Foreign firms also bring new ideas and technology. Even the smallest company need computers or e.g. sowing machines or telephones. According to Guest (2004:182), countries who master low-tech manufacturing are taking the first step up the ladder to prosperity. Japan started there as well. "In the 1960's Westerners used to bemoan the conditions in Japanese sweatshops" (Philippe Legrain quoted in Guest, 2004).

Robert Guest is journalist for *The Economist* who lived and travelled in Africa for five years. He writes the following in his book, *The Shackled Continent*, about multinational corporations operating in Third World countries: "There is more than a whiff of racism in the assumption that workers in poor countries need to be prevented from working for Western firms. If working for a Reebok subcontractor were not better than the alternatives, This would not work there. Africans have even fewer choices, which is why every African government actively woos foreign investors. Even Zimbabwe offers incentives to platinum miners."

2.2.4 Being a good corporate citizen is profitable

Many authors (Levy, 1997; Hawken, 1994; McIntosh, 2003) are very sceptical about the profitability of CSR. Levy (1997, 103) argues that CSR is motivated purely by public relations.

Recent studies however show that being a good corporate citizen can indeed be profitable. CSR's financial benefits might not be visible immediately (Wheatley,

1993:139), but business need to realise that if they do not save money immediately, it does not mean that they will not be saving money indirectly or in the long run. According to George Kell, executive head of the Global Compact CSR initiative, there are many CSR initiatives that resulted cost savings, revenue enhancements or both. CSR brings better customer relations, increased staff commitment, improved morale and satisfaction (Kell, 2003:43). “Recognising intangible benefits is one more step towards reconciling the goals of fiduciary accountability and corporate responsibility” (Kell, 2003:43).

Green procurement² for example can lead to the development of environmentally preferable products and services that perform better and cost less, because they reduce waste and negative environmental impacts (Janisch, 2005). The manufacture, use and disposal of environmental unfriendly products may have adverse impacts on the environment and “these impacts impose costs that the purchasing entity, and ultimately society as a whole end up paying in one way or another” (Janisch, 2005). Janisch further states that even non-hazardous waste is associated with ever-increasing disposal costs and that green procurement can diminish local government’s raw material, operating, maintenance and disposal costs. E.g. in 1993, the US Federal Government decided to purchase only IT equipment that complies with the ‘Energy Star’ environmental technical standards. The federal government is the world’s largest single computer purchaser and it is estimated that this move played a significant role in the subsequent move to compliance with ‘Energy Star’ standards for the vast majority of IT equipment in the market. This move to ‘Energy Star’ by the federal administration has been calculated at 200 billion kWh of electricity saved since 1995, which equates to 22 million tonne of CO₂ (European Commission quoted in Jansich, 2005).

According to Chris Taylor from Business 2.0 Magazine (2006), companies can benefit a lot from global warming. The growing market for clean technology is one trend entrepreneurs can take action on immediately. A company like TerraPass is a company that invests in clean technology. Car owners pay them between \$30-\$80 per year for the CO₂ their cars emit and they in turn re-invest it into clean technologies. This company is

² Green procurement refers to the awarding of contracts to environmentally preferable goods and services. “Environmentally preferable” means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. (Janisch, 2005)

about a year old and already has 3000 customers. Another trend that can be profitable for companies is that being a good corporate citizen can be good for public relations. When Whole Food Markets in the USA announced that they will in the future buy all their energy from wind farms, making it the corporate world's largest consumer of renewable energy, the New York Times called them the "most patriotic company in America". This in turn has financial benefits as well. Willard, author of Sustainability Advantage sites polls that show more than a fifth of job candidates prefer to work for companies known for being good corporate citizens. He also argues that being environmentally responsible can reduce manufacturing expenses, increase market share, a better talent pool and higher productivity. He argues that all this can lead to a 66% increase in profit on average for small and medium sized companies that adopt environmental practices (Willard quoted in Taylor, 2006).

As mentioned earlier, Fortune Magazine's (January, 2006) best company to work for in 2005 was Genentech. This company achieved this by making their employees shareholders. This is not all. Employees get free hair cuts, free cappuccino, sushi parties and are encouraged to spend 20% of their time on pet projects. Looking after employees can indeed be very profitable. Genentech's stock price doubled in the past year to \$95 a share. The company's annual revenues tripled in the past four years to \$6.6 billion. Some people might argue that looking after employees is a very small part of being a good corporate citizen. This might be true, but Fortune Magazine also includes companies like Timberland who earned the no. 41 spot on Fortune's list. This company encourages its employees to buy a hybrid car by giving them a \$3000 subsidy. Timberland also pays for up to 40 hours community work per year. According to Fortune, happy employees mean bigger profit.

Being a good corporate citizen does not only look good to potential customers, investors, financial analysts, business colleagues, in annual reports, in the news, in the government and courtroom, but it also feels good – especially to stockholders and board members (Kotler & Lee 2005:10). According to them, there is growing evidence that is good for the brand and the community and there are some that claim that corporations with a good CSR track record also lasts longer (Kotler & Lee, 2005:10).

According to Business for Social Responsibility (a leading non-profit global organisation providing business with information, tools and training), corporations with a good CSR policy experience the following benefits: increased sales and market share, strengthened brand positioning, enhanced corporate image and clout, increased ability to attract, motivate and retain employees, decreased operating cost, increased appeal to investors and financial analysts (Kotler & Lee, 2005:10-11).

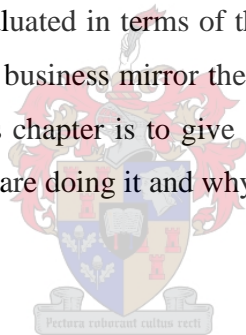
3. Conclusion

This chapter showed that there are not only moral, but also business reasons for corporations to become socially and environmentally responsible. These reasons are also reasons that are integrated with the daily running of a corporation that do not stand outside of business. Following these reasons, it becomes clear that a paradigm shift in the way corporations are managed is becoming more and more of a necessity, rather than a luxury. When the CEO of the world's largest commercial carpet manufacturing company, Interface, Ray Anderson started to focus on CSR, he realised one day that the way he is doing business is the 'way of the plunderer', plundering something that is not his, but something belonging to every creature on earth. "I said to myself, my goodness, the day must come when this is illegal, that plundering is not allowed. I realised, some day, people like me will end up in jail" (Anderson quoted in *The Corporation*, 2003). He also adds "[t]he largest institution on earth, the wealthiest, the most powerful, the most pervasive, the most influential is the institution of business and industry, the corporation, which also is the current present day instrument of destruction. It must change" (Anderson quoted in *The Corporation*, 2003). This section showed that Anderson has all the theoretical reasons to argue like that. There is a moral obligation on corporations to become responsible. Above and beyond that though, it makes business sense.

Case Study: Spier Holdings and Rhodes University

1. Introduction

Spier Holdings (Pty) Ltd is known for the good work they are doing in terms of corporate social and environmental responsibility (CSR). Is this claim legitimate? In this chapter, especially Spier and to a lesser extent Rhodes University (RU) will be evaluated as examples of good corporate social responsibility (CSR) practice. This in turn will be used to evaluate what the other corporation in this study – the University of Stellenbosch (SU) - can learn from them – if anything. What are they doing that is so special? Does it work? Spier and Rhodes will also be evaluated in terms of the reasons for CSR as discussed in Chapter 2. Does their approach to business mirror the moral and business case evaluated in Chapter 2? The purpose of this chapter is to give a straight forward account of what Spier and RU are doing, how they are doing it and why.



2. Who is Spier?

Spier Estate was originally founded in 1692, but it was only recently, in 1993 when the Enthoven family bought it, that restoration and expansion of this property began. Spier Holdings (Pty) Ltd owns and operates three core businesses within the hospitality and wine industries: Spier Leisure Holdings, Winecorp Holdings and De Zalze Winelands Golf Estate (Spier, 2005:16).

These core businesses can be divided again into five separate entities (Spier, 2005:18-19):

- a. Spier Leisure Holdings includes The Spier Village, a 155-room hotel made up of 32 separate buildings. Spier Leisure also includes conferencing and banqueting facilities, three separate restaurants and three retail outlets, which sell wine and

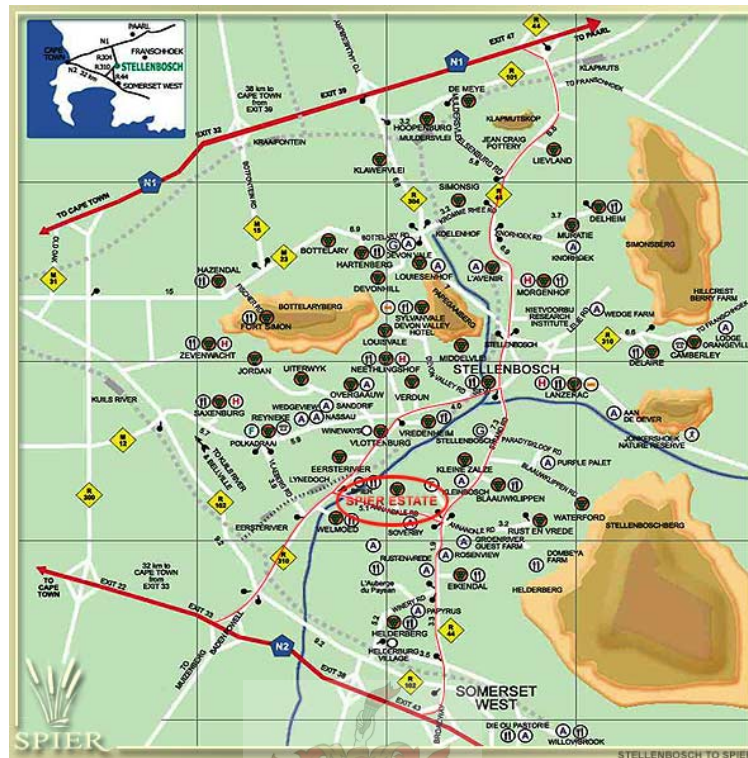


Figure 11: Location of Spier Estate (Source: Spier.co.za)

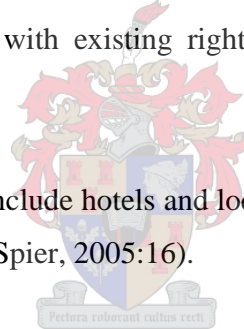


1)	The Welcome Centre	8)	Spier Deli and Grill	15)	Privat Functions and Special Occasions	22)	Spier Vintage Train
2)	The Village at Spier Hotel	9)	Lakeside Picnics	16)	Dezalze Golf Club	23)	Children's Garden
3)	Moyo	10)	Spier Wine Centre	17)	Horse Riding	24)	Picnic Parties
4)	Figaro's Restaurant	11)	Camelot Spa	18)	Cheetah Outreach	25)	Crafts at Spier
5)	Moyo	12)	Daneel Diamonds	19)	Eagle Encounters	T)	Toilet Facility
6)	Jonkershuis Restaurant and Bar	13)	The Spier Shop	20)	Manor House (Die Opstal)	-	-
7)	Toto's	14)	Conferences and Corporate Functions	21)	The Spier Amphitheatre	-	-

Figure 12: Spier Estate and legend - (Source: Spier.co.za)

- crafts. Spier Leisure also hosts a range of tenants, including the Moyo restaurant, Equestrian Centre, Cheetah Outreach, Eagle Encounters, Concierge Connections, Daniel Diamonds and Camelot Spa.
- b. Winecorp is an integrated international wine company with a brand focus. Amongst others, it produces the following brands: Spier, Longridge, Bay View, Capelands, Savanha, Dumisani and African Classic.
 - c. Winepack, a wine bottling and distribution business, is a division of Winecorp Holdings that focus on the production and bottling of wine.
 - d. Afrika Vineyard Holdings is a grape and farm management company and also a division of Winecorp Holdings. Afrika Vineyards owns and operates Spier Vineyards, on the Spier Estate, that has 83 hectares under cultivation and Nooitgedacht (in Paarl) that has 97 hectares under cultivation
 - e. De Zalze Winelands Golf Estate includes an 18-hole golf course, restaurant, retail outlet, residential facility with existing rights for 473 stands, vineyards, olive groves and lavender fields.

Other business interests of Spier include hotels and lodges, recycled plastic, a nursery and an organic waste treatment plant (Spier, 2005:16).



2.1 Spier's approach to corporate social responsibility

This section will investigate Spier's philosophy behind CSR.

2.1.1 Philosophy behind CSR

Tanner Methvin, Sustainability Director of Spier Holdings works in close co-operation with the Enthoven Family who passionately believes in sustainable development. According to Methvin, Spier has taken a philosophical approach to CSR. Traditionally businesses' social and environmental responsibility extended to CSI (corporate social investment). According to Methvin, Spier felt that traditional CSI has diverted the real role that business can play in affecting society by having the perspective that business' principle responsibility is to its shareholders. "We don't take that perspective. We take the perspective that the business's success is dictated by its stakeholders, not its

shareholders. There is a broad multitude of stakeholders: employees, owners, the larger community, the media, NGO's, suppliers and customers. If you take that philosophical approach then you have to move outside of CSI and understand that CSI's role is really only to be able to deal with social issues that you can not deal with in normal business operations. Our approach is that our contribution to society and our success as a business in a large part will be measured by how we approach business. Our corporate social responsibility is about normal business practice. It's not CSI, it is not something on the side, it's not something that relates to somebody else, it's about how *we* go about every single thing that we do. If the manager of the restaurant thinks about procuring a role, how is he thinking about procuring that role? So they have to change the way they think about it. How does he think about what they do with the waste that comes from a meal? How does he think about the wage that employees is getting. So, all those things are fundamental to daily business practice. Our belief is that that provides for a richer experience, broader customer satisfaction, more employee satisfaction and a business platform that enhances economic success" (Tanner Methvin, personal interview, 2006).

Sustainable tourism practitioner, Gareth Haysom, is an outside consultant who supports Tanner with some of his duties. Haysom agrees that Spier's success with CSR is due to the fact that it is more an imbedded set of values rather than a policy. "It's not a policy per se. CSR is often an add-on in companies, a project that is not part of business. At Spier they have tried to incorporate CSR in the value actions of the management. Spier really tries to make a difference" (Haysom, personal interview, 2006).

2.1.1.1 Values and principles

Spier has very specific values and principles on which they base their business operations. Having these values and principles serve as guidelines for decisions they make. "Our values are fundamental to everything we do. To remain relevant and successful in business, we may change our strategy, experience and ideas as our environment changes, but our values are permanent and are not subject to change. In keeping with these values, we are committed to being a model in sustainable business practices" (Spier, 2005:6). Their values along with their very African approach to arts and

culture also reflect the fact that they see themselves as an African company. According to Methvin, the principles are about reporting while the values are all encompassing. Spier values the following:

- their Cape African heritage – history of every animal and human before Spier was there,
- diversity – diversity of culture, ethnicity, language, perspectives and expertise,
- social justice – social injustices of the past are addressed through various ventures and programmes,
- natural environment – commitment to use natural resources in a sustainable way and
- excellence – do everything they do to the best of their ability.

(Spier, 2005:6)

Spier feels that South African legislation is well conceived, but does not really provide the tools for enforcement. This leaves a gap to define and create their own tools and measures for enforcement. They are also of the opinion that by defining the business case for sustainable development, you run the risk of “converting social and environmental issues into simple boxes and evaluating them numerically” (Spier, 2005:8). They do however adhere to this paradigm to make their CSR understandable for all stakeholders. Their reporting principles are based on the Global Reporting Initiative (GRI), which was launched in 1997 as a joint initiative of the Coalition for Environmentally Responsible Economics and the United Nations Environmental Programme (UNEP). The GRI Reporting Guidelines were issued in 2002 and their Annual Report is based on the GRI’s 11 key principles (Spier, 2005:8-10):

- Transparency – All stakeholders must be fully informed of processes, procedures and assumptions.
- Inclusiveness – Involve all stakeholders in report writing, designing and measuring.
- Auditability – Data given in such a way that internal and external auditors can verify its reliability.

- Completeness – Provide all information that is important in assessing Spier’s economic, environmental and social performance.
- Relevance – Indicate at which point information becomes important to report on.
- Sustainability context – Places performance in larger ecological, social context, especially where these contexts add meaning to reported information.
- Accuracy – Information is exact and has a low margin of error. This will ensure that decisions can be made with a high degree of confidence.
- Neutrality – Bias will be avoided and Spier will strive to give a balanced account of both favourable and unfavourable results.
- Comparability – Reported economic, social and environmental performance can be compared with Spier’s earlier performances as well as performance of other organisations.
- Clarity – Information will be made available in understandable and accessible ways.
- Timelines – Information will be provided on a regular schedule that meets user needs and suits the nature of the information itself.

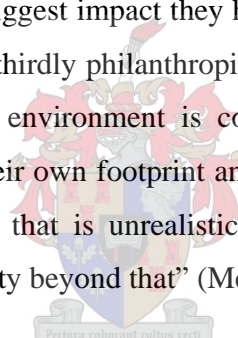
2.1.1.2 Vision

Sustainable development is central in Spier’s approach to their daily business operations. According to Spier’s Annual Report (2005:12) they feel that both financial and non-financial indicators will define their longevity. “Our approach is not only based on solid business principles, but also on our values. Concern for humanity and the environment are fundamental to our belief system and the way we do business.” Apart from values and principles, Spier also has a vision of where they see and want to see themselves. “Our vision is to become a model of transparency, accountability, corporate governance, citizenship and sustainable development, within the private sector” (Spier, 2005:12). They achieve (or try to achieve) this by constant measuring and reports on the impact they have on the economy, the environment and also on the reversal of social injustices. In 2005 they strived to achieve this vision by focussing on the following specific key areas: debt reduction, environmental conservation, employee wellness, employment equity and economic development (Spier, 2005:12).

2.2 What have they done in terms of corporate social responsibility?

Spier has a philosophical basis for their CSR policy, but what exactly does the actual policy entail? What have they done so far and what do they plan on doing in the future? This section will investigate Spier's actual social and environmental policies. All information obtained in this section comes from the Spier Annual Report 2005, except where stated otherwise.

Spier believes that their social and environmental responsibility should extend to where their sphere of influence ends. According to Methvin, Spier defines 'social' in terms of the social justice parameter. In terms of this definition, Spier believes that their social responsibility extends to three tiers of operation. Firstly their employees, second to the surrounding community and the biggest impact they have on the surrounding community is through their supply chain and thirdly philanthropic activities through corporate social investment (CSI). As far as the environment is concerned, Spier believes that their responsibility extends firstly to their own footprint and secondarily to their supply chain. Methvin adds: "anything beyond that is unrealistic and I believe that businesses are misguided if they take responsibility beyond that" (Methvin, 2006).



2.2.1 Social responsibility

Spier's social responsibility will be investigated in terms of the 'three tiers of operation' mentioned above:

2.2.1.1 Employees

"Our employees are one of the most important stakeholders we have in our business. An investment in our employees is an investment in the future" (Spier, 2006:32).

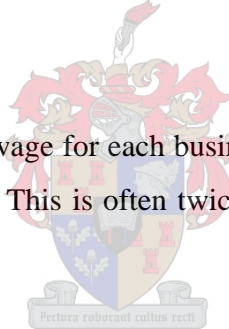
Spier claims that they do not discriminate against any person in any form. Amongst others, they do this through an employment equity plan for all their businesses. Training and development also play a very important role in their operations. Most training and development takes the form of on-the-job skills training which are practical and outcomes

based for most of their 750 employees. In 2005 they provided training for 86% of their PDI (previously disadvantaged individuals – this includes all people of colour) employees.

Spier supports union representation and they also meet formally with them to discuss terms and conditions for employment contracts and annual increases. Where no union was present, information was regularly communicated through Employment Equity, Health and Safety forums, Department meeting, Head of Department briefing to staff and staff memoranda. All participation was on an informal, ad-hoc basis.

Spier complies with the Basic Conditions of Employment Act (BCEA). This Act is a “far-reaching legal construct which defines the relationship between employee and employer” (Spier, 2005:38). Spier measures their compliance on 34 different components of the Act on an on-going basis.

Spier has set their own minimum wage for each business, which they believe, is the base line to cover basic costs of living. This is often twice the minimum wage prescribed by government.



The Occupational Health and Safety Act (OHSA) is the basis for compliance to all health and safety issues. Spier is currently measuring 36 different issues. Except for the De Zalze Golf Course, in 2005 Spier were fully compliant with the OHSA. Four independent hygiene audits are also conducted each year in all food preparation areas. Spier also aimed to be fully compliant with the Hazard Analysis Critical Control Points system for food safety in all their restaurants, however the required training, development and infrastructure required were not instituted and they were therefore not fully compliant.

HIV/AIDS is a reality and in 2005, Spier launched a wellness programme with a specific focus on the AIDS pandemic. Amongst other things, the goals for this programme is to provide correct information to staff members about the disease, testing staff for HIV, Refining Spier’s AIDS policy and evaluate the impact of the programme on Spier

employees and their families. The programme has four projects that help employees receive the correct information. This helps them make alternative choices and gives them the environment in which injuries and disease can be prevented. These four projects are peer education where fellow employees are trained to educate his/her peers. Voluntary counselling and testing is a project, which aims to help as many employees as possible to know their HIV/AIDS status. Condom and glove distribution is discreetly available at all staff areas and a proper AIDS policy provides guidance and a vehicle to engage staff around this disease.

Haysom (2006) admits that staff relations at Spier are not always perfect. Being sustainable provides for different levels of dialogue and that often leads to conflict. “They’re starting to hold management more accountable and management have become more open.” When asked about Spier’s weak points, he said that he feels that especially middle management is sometimes too confined by their paradigms. The sustainable values are not imbedded within their strategy and these values should be more clearly communicated to their staff. Haysom also thinks that Spier is not aggressive enough in terms of transformation issues and that their staff turnover – especially with regard to senior and middle management - is too big. “Every three years there’s a different leadership. Different leaders bring in different priorities. That is the problem with the tourism industry. The average for a person to stay in one place is about 1.8 years.”

2.2.1.2 Supply Chain

Spier has embarked on comprehensive analysis of their various supply chains, to ensure that they are all meeting the standards Spier set out for themselves. Spier businesses sent out 561 questionnaires to their current suppliers to confirm the following: location, employee size, black economic empowerment (BEE) ownership, management, employment equity, skills development, BEE procurement, corporate social investment, Basic Conditions of Employment Act, Occupational Health and Safety Compliance and a spectrum of environmental issues. Suppliers had to score above a certain mark. Most of them did. The result of this analysis was that 35 new jobs have been created across nine new enterprises supported. One of the issues that came out because of the questionnaire

was that Spier was spending too much money on laundry costs. Spier decided to award a new contract to a BEE laundry that they helped to establish on Spier property. They also helped establish another BEE company to clear alien vegetation. Together these two ventures created 19 new jobs. 13 Of the new jobs were short-term contracts, 22 were for permanent jobs and 20 other local jobs have been retained or expanded due to new Spier contracts. 30% of all procurement in 2005 was spent on BEE businesses.

2.2.1.3 Corporate Social Investment

Spier spent around R6 million on corporate social investment in 2005. Most of that money was spent on the arts. The rest was spent on economic development, education and the environment like the cheetah outreach and eagle encounters programme located on Spier property for which Spier provided free land, facilities, water and electricity. Money for the economic development was spent on Small Farm Holding Trust, which is a trust that support historically disadvantaged small independent farmers, Lynedoch Eco-village – a mixed income ecological community development - and also the greater Stellenbosch Development Trust. Money for education was spent on Spier's AIDS programme, the Sustainability Institute to support the contribution they make to education, the Lynedoch Primary School for which Spier provided money for school fees, sports programmes, extramural activities and facility repairs, school fees for Michael House School and the Western Agricultural College.

Lastly Spier also developed a macro policy framework to guide the realisation of their values and vision. Some of the key policies – of which many are still in the process of being formulated, are policies on human rights, non-discrimination, child labour, forced and compulsory labour, disciplinary practices, security practices, bribery and corruption, political contributions, customer health and safety, community impact, products and services and respect for privacy.

2.2.2 Environmental Responsibility

Because of South Africa's Apartheid-legacy, many corporations devote more time and energy to their social rather than to their environmental responsibility. According to Methvin (2006), Spier however considers its social and environmental policy of equal

importance. This is because the environment very often affects the company's social responsibility as well. Spier believes that financial success, social and environmental responsibilities are all interdependent (Spier, 2005:8). The Cape Winelands region operates within the Cape Floral Region, one of the six floral kingdoms of the world. This is a biodiversity hotspot and Spier is involved in conserving this by eliminating invasive alien species, the clearing of all river corridors, creating an enabling environment for the restoration of natural fauna and flora and conserving the most bio-diverse portions of Spier property. It is with this in mind that Spier has taken its role as environmental custodian seriously.

Spier adopted the Earth Charter as basis for their approach to environmental sustainable development. "Our environmental approach is based on a key ecological principle of creating a cyclical rather than linear flow of resources" (Spier, 2005:56). They do this in the following ways:

- **Management Strategy and Planning Policy** – This environmental management plan and land development policy helps define Spier's approach to environmental conservation, clarify issues of environmental concern, ensures compliance with all environmental legal requirements, align their approach to local, provincial and national governments and support international environmental aims and objectives.
- **Reducing resources** – This involves a commitment to use fewer resources and current resource needs are met in a sustainable way.
- **Re-use** – Commitment to recycling solid and water born waste.
- **Protecting biodiversity** – Awareness that current business operations are in biologically diverse environments. This ensures that operations do not impact negatively on highly sensitive environments.

2.2.2.1 Energy

Spier uses the following sources of energy: electricity, liquid petroleum gas (LPG), petrol, diesel and wood. Electricity is used for most of Spier's energy needs, and then follows petrol, diesel and lastly LPG. (No data is available on wood consumption).

Emissions from the use of electricity, LPG, petrol and diesel are collectively responsible for pollutants each Spier business has created by their direct consumption of these various energy sources. 55% of Spier's emissions came from electricity use.

Spier is involved in a number of energy saving initiatives. As a result of a pilot energy audit conducted by the Department of Environmental Affairs and Tourism, Spier Leisure installed 30 electrical meters to ensure that each business unit is charged directly for their respective energy consumption. They also reset all hot water timers from being on 16 hours per day to being on eight hours per day and they installed energy saving light bulbs in all 155 hotel rooms and some common areas. Currently no renewable energy such as solar, wind or biogas is purchased, but Spier began plans to introduce biogas and biodiesel into some of their businesses. They also plan to launch a biodiesel production facility as well as biodigesters to treat some of their waste stream to produce gas for cooking.

Haysom (2006) agrees that Spier has focussed a lot on energy savings, but he also thinks that they can do a lot more. "They are still looking at the areas under which they have control. They should start to move it beyond business. In terms of clients, it needs to be imbedded in contracts. Staff needs to be educated more." He adds though, "I am being hyper critical, because I do think they have done a lot".

2.2.2.2 Water

Spier uses two types of water: industrial and municipal. Industrial water comes from rivers, boreholes, dams collecting rain water and one piped source – the Theewaterskloof dam. Industrial water is used for various purposes including agricultural and residential irrigation, golf course watering and water features. Municipal water is potable water used for drinking, bathing, cleaning and a spectrum of other functions. Spier uses 93% industrial water and only 7% municipal water.

The most significant way Spier saved water in 2005 was through the Biolytix system. This Australian waste-management system converts wastewater and solid organic waste

into a re-usable water resource. The nutrient-rich water can be re-used for irrigation. Amongst other things, this water is used to irrigate plants at the Biofluer nursery. Spier estimates that 20% of wastewater from the Biolytix system was re-used. The remaining 80% moves through additional filtration processes, before seeping into the ground water (Spier, 2005:65). Haysom (2006) admits that the Biolytix system is not always perfect, but that Spier has turned those challenges into research opportunities. “It’s not that they will not use the system anymore. I think the system might just be a bit slow, but because they’re thinking on a sustainability line, they’re thinking how do we fix this?”

Spier Leisure also installed 20 water meters to ensure that each business unit is charged directly for their consumption. At the De Zalze Golf Estate, chemical urinals were installed at the golf clubhouse in all the men’s ablution facilities. It is estimated that this saved De Zalze 400 000 liter of water. De Zalze however was still responsible for 41% of the overall water usage of all Spier businesses combined.

It used just above 4,500,000 cubic meters of industrial water of which only 52,500 cubic meters were used to irrigate crops. This is about 500,000 cubic meters more than the second highest user of water, Afrika Vineyards who uses a little less than 4,000,000 cubic meters of water per year and 2,500,000 cubic meters more than Spier Leisure (Spier, 2005:63). Considering that Afrika Vineyards delivers a product and De Zalze Golf Estate is for the relaxation of mostly rich men, it is hard to justify the use of so much water in a country that has regular water restrictions. To put this in even more perspective: De Zalze is a 300 hectares Golf Estate. Approximately 15,000 cubic meters of water per hectare per year was used for the estate’s water purposes. This is five times more than a regular wine estate where they use a maximum amount of 3000 cubic meters per hectare per year. If it rains well, they use 1,000 cubic meters per hectare per year. (This is according to Thomas Babl who owns and operates the Lindenhof wine farm in Paarl.) All this in a relatively small town that already boasts with an 18 hole golf course.

According to Haysom (2006), the golf course already existed when Spier bought the bankrupt property. Spier is only trying to run it sustainable and compared to other golf

courses they have reduced their water use significantly. He does admit though that it is elitist and that Spier learned many lessons which they would have done differently if they had to do it over.

2.2.2.3 Waste

All Spier businesses have on-site waste recycling programmes that recycle vegetables, paper, plastic, tins, bottles and other rubbish. Recyclable materials (48%) are sold to local recycling companies while food-based waste (52%) is sold to a local pig farmer. “Over the last fiscal year, Spier Leisure and Winecorp generated 381,164kg of solid waste. Of this, 229,143kg or 60% was recycled, eight times more than the average commercial operation in Cape Town” (Spier, 2005:65). 95% of wine packaging used by Spier is recyclable.

The impact of Spier’s recycling is quite remarkable. They saved 8,607 litres of oil; they prevented 86 tonnes of greenhouse gas emission and saved 91 tonnes of raw materials. To put this into perspective, the following statistics: every tonne of glass recycled saved 1.2 tonnes of raw material, 114 litre of oil energy and prevents 100kg of greenhouse gas emissions. The saving of one glass bottle saves enough energy to light a 100-watt bulb for four hours. According to Spier’s estimates, 95% of energy of the production of virgin materials can be saved by recycling tin cans. One recycled tin can, can save enough energy to run a TV for three hours. Every tonne of plastic being recycled 500kg of greenhouse gas emissions are prevented from entering the atmosphere.

2.2.2.4 Land Use Management

Of the 936 hectares of land owned by Spier, Spier has around 400 hectares of land that is currently undeveloped. Initiatives are in place to ensure that Spier land is effectively managed in the ethos of environmental conservation. For the De Zalze Golf Estate Spier developed the De Zalze Golf Estate Special Management Area Trust. The objective of this trust is to develop and implement an Environmental Management System based on the International Standardisation Organisation (ISO) 14001 practices and procedures. This will help manage conservation, rehabilitate and restore various parts of Spier’s natural environment.

Although no firm plans are yet in place, the 400 hectares undeveloped land will be developed in the future. For now Spier commissioned an Environmental Management Plan which will document all fauna and flora, demarcate all sensitive areas, identify business areas that might threaten sensitive areas, develop a five year action plan to protect indigenous fauna and flora.

Finally, Spier adopted various conventions and protocols on international, national and local level to guide future land use management. International protocols and treaties include: International and local Agenda 21, The United Nations Convention on Biological Diversity, New Partnership for Africa's Development (NEPAD) Environmental Initiative.

3. Rhodes University

RU is a University situated in Grahamstown in the Eastern Cape Province of South Africa (See Figure 13 and Figure 14). The University was established in 1904 after four schools: St Andrew's, Grahamstown; Gill College, Somerset East; Graaff-Reinet College; and the Grey Institute in Port Elizabeth amalgamated to form Rhodes University. Rhodes currently has about 6000 students, 1200 staff and six faculties: commerce, humanities, education, pharmacy, law and science. The Eastern Cape is one of the poorest provinces in South Africa (Rhodes, 2006a).

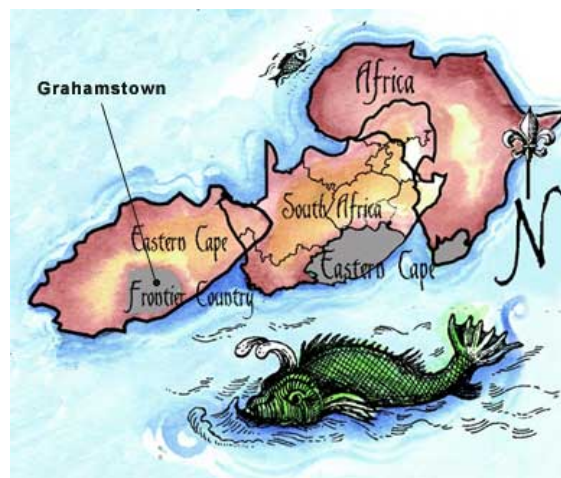


Figure 13: Location of Grahamstown in South Africa (Source: Grahamstown.co.za)

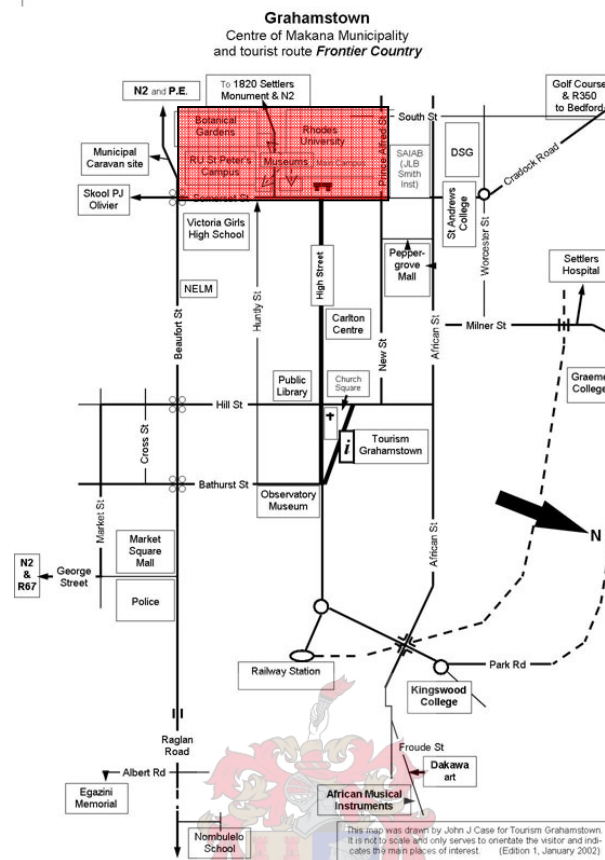


Figure 14: Grahamstown location in Easter Cape. Red area indicates location of Rhodes University (Source: Grahamstown.co.za)

3.1 Background to corporate social responsibility at Rhodes University

Mark Hazell, Grounds and Gardens Manager at Rhodes, is also the person responsible for their sustainable development initiatives. According to him, Rhodes embarked on a quest for sustainability, because “everyone at Rhodes felt strongly about it”. The staff, students and community – including the mayor – met for two years wherein they formed working groups that debated processes. After two years it was suggested that this debating document became their working policy. This provided them with a springboard, a platform from which they could work. It became a matter of responsibility and about setting an example to the rest of South Africa. He emphasised that they are still learning and although they have been very active in becoming sustainable, he feels that they can and should have accomplished so much more by now (Hazell, personal interview, 2006).

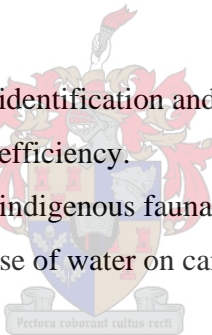
3.1.1 Vision, mission, aims and principles

Rhodes University has a general goal, aims and objectives with regard to their environmental responsibility (see Appendix A). Their goal is to “actively pursue a policy of environmental best practice in order to create an environmentally sustainable future” (Rhodes, 2006b).

They have nine aims:

1. To include and improve environmental components of curricula.
2. To provide opportunities for students to study campus and local environmental issues.
3. To conduct a campus environmental audit.
4. To implement an environmentally responsible purchasing and campus stores policy.
5. To reduce campus waste.
6. To improve hazardous waste identification and management on campus.
7. To maximise campus energy efficiency.
8. To encourage the planting of indigenous fauna and flora on campus.
9. To optimise and control the use of water on campus.

(Rhodes, 2006b)



Their eight objectives include the following:

1. To include environmental issues and education in the curricula offered in all faculties at Rhodes University.
2. Rhodes is committed to encourage environmental research.
3. Rhodes strives to improve its management of both general and hazardous waste produced on campus.
4. Rhodes strives to maximise campus energy efficiency.
5. They strive to manage water resources efficiently.
6. Through their environmental policy they will establish partnerships with the local community.

7. Rhodes will encourage students to play an important role in the implementation, maintenance and assessment of the environmental policy and
8. The university management will implement and monitor the environmental policy.

(Rhodes, 2006b)

RU has a formal vision and mission statement with respect to their policy on community engagement (see Appendix B). Their vision is to be “recognised for their vibrant interaction between institution and community, leading to their mutual enrichment”. Their commitment to community service is reflected in their mission statement:

- To improve the quality of life for individuals in the Grahamstown and the Eastern Cape adding value through the sharing of its knowledge resources.
- Fostering and ethos of voluntary community service amongst staff and students.
- Encourage the establishment of service-learning programmes that are integrated with academic course work.

(Rhodes, 2006c)

RU claims they achieve their vision and mission through many community engagement programmes and by realising that they are dependent on their local communities just as much as the local community is on them. RU also believes that their ability and expertise can make a difference.

3.2 Social and environmental responsibility at Rhodes

The focus at Rhodes University is more on environmental rather than social responsibility. RU's Community Engagement Programme extends mostly to the local community. They have a centralised body, the Community Engagement Review, that co-ordinate and manage all community programmes and initiatives. Rhodes does not necessarily include their employees in their definition of social, but when Hazell was asked about how Rhodes sees their employees, he immediately referred to their 'policy of no retrenchment'. This means that once Rhodes hires you cannot be fired. They may move you to different departments or divisions, but they may not fire you. They also have

an apprenticeship programme where staff can prepare and train themselves for promotion to a better job within the university.

RU's CSR policy also extends to their students. Students receive discounts on their tuition fees that are based on the level of their academic performance. The better students do, the less they pay. According to Hazell (2006), Rhodes is the most expensive university in South Africa. He ascribes this to the fact that they are situated a considerable distance from any major economic centres. They also strive to provide students with the same luxuries and amenities they would get at home that also add to the cost. For example, students accommodated in residences can choose between seven meals every time they eat.

At Rhodes, being energy efficient is purely driven by financial motives. Energy efficient light bulbs are used throughout campus. Boilers and geysers are turned to certain levels to preserve energy. Rhodes is also establishing a research programme where they convert used cooking oil from university residences into bio-diesel. A company was also appointed to look at their lighting perspective to see how much energy can be saved.

Rhodes uses its organic waste for compost as well as food stubs which they use as pig food. They have a comprehensive paper recycling programme with clearly marked bins throughout campus (Hazell, 2006).

They also have a programme where they plant indigenous fauna and flora throughout campus. Brick - which is more sustainable - instead of tar is also used for paths and roads on campus.

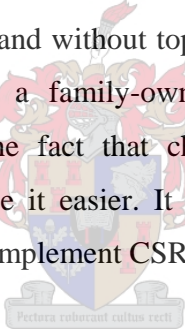
4. Evaluation

Spier is one of only eight companies with full Wine Industry Ethical Trading Association (WIETA) accreditation status. Spier, along with Table Mountain, Kirstenbosch and Cape Point, is mentioned as one of the top five tourism spots you have to see when visiting Cape Town. As shown above, they managed to integrate sustainable development with

their daily business operations. Added to that, Methvin credits their CSR policy for their growth in profit over the last three years. Hazell credits Rhodes's commitment to social and environmental responsibility for the fact that they attract more and more students each year. Spier shows that CSR is not only possible to integrate into business, but also adds to growing a healthy business. And, yet they have only started. Why have they been successful in integrating their CSR policy into their business operations?

a) They have top-level commitment

Perhaps the most important reason why CSR works at both Spier and Rhodes is because both have top-level commitment to sustainable development. The management of Spier and Rhodes passionately believe in sustainable development and this is fundamental to their day-to-day running of both the company and university. This ensures implementation of policies as well as a clear understanding of this strategy. Implementing CSR will require management time and without top-level buy-in of CSR, it will be very difficult to do. Spier however is a family-owned business, which has made the implementation of CSR easier. The fact that change was co-initiated by top-level representatives at Rhodes also made it easier. It might be more difficult to convince shareholders and board members to implement CSR.



b) They have a philosophical basis for their CSR policy

Spier's CSR policy is part and parcel of their philosophy about sustainable development. Everything they do is a result of their philosophical approach first and foremost. As mentioned before, this includes the values and principles they adopted as well as their vision of where they see their company positioned in South Africa and the marketplace. A philosophical approach to CSR provides a sound basis for its implementation. It will not only guide implementation, but it will serve as a guideline for decision-making. In Spier's case, their guidelines are their values, principles and their vision.

Rhodes's philosophical basis for CSR is evident and reflected in their mission, vision, goals, aims and objectives. Through these statements, they recognise that the use of

resources has an impact on the environment (socio-economic and natural) (Rhodes, 2006b).

c) They have a champion to drive and implement the policy

Both Rhodes and Spier appointed a champion to drive the CSR process. Tanner Methvin is Spier's Sustainability Director, and his sole responsibility is to implement and run Spier's CSR policy. At Rhodes, this is the responsibility of Mark Hazell. Without this "champion", it is possible that Rhodes's and Spier's good intentions might have stayed just that, good intentions. Methvin and Hazell are senior members of staff with access to owners, directors and university management (in the case of Hazell). They are also firm believers in sustainable development. This might sound useless to mention, but often people do their job, because it is their job, not because they truly believe in it. The fact that Methvin and Hazell believe in what they do, ensures implementation and progress.

d) They have third party accreditation and auditing

Spier is an accredited member of both Fair Trade in Tourism South Africa (FTTSA), as well as the WIETA. Both these bodies provide external validation of how they transformed their values and principles into daily practice (Spier, 2005:28). As mentioned before, FTTSA encourages fair and responsible business practices and expect their members to meet the stringent criteria mentioned before. WIETA is committed to promote ethical trade in the wine industry and members have to comply with the WIETA-code. Third-party accreditation ensures a balanced and fair approach to CSR. Both WIETA and FTTSA require signatories to adhere to their values and principles, but those are mostly social principles. According to Haysom (2006), Spier's environmental standards are not audited at the moment, but they are often assessed by a large number of their clients, especially by international tour operators. "Spier does however allow for self-auditing through their annual sustainability report. It is placed in the public domain and allows it to be challenged." According to Haysom (2006) environmental standards will this year be audited by the University of South Africa (UNISA).

Rhodes has regular audits conducted by the Environmental Science Department and also an external company that monitor electricity use. Hazell (2006) however did say that a complete external audit is something that will receive attention in the near future. They are also signatories of the Talloires Declaration (1990). (See page 103 for more detail on the Talloires Declaration.) Through this declaration they committed themselves to serve both as an example of environmental responsibility, but also to promote it. It is also one of their aims to conduct a campus environmental audit (see page 73).

e) They educate and train staff on their CSR policy

Implementing CSR in any company requires change. This is often not easy and changing the way you do business can and often will encounter resistance. A paradigm-shift requires education and training. Spier ensures that all staff are trained and educated on the importance and relevance of sustainable development. According to Methivin (2006) however, this is a long-term process and they have to communicate this repeatedly. They also do this by rewarding right behaviour and punishing behaviour that contradicts Spier's values and principles. Training and development help staff to make sustainable development part of their everyday endeavours. Staff tends to be more motivated doing things they believe in than if you have to convince them to do it.



In the case of Rhodes, staff and students were involved in the formulation of a CSR policy from the beginning. This in itself was an education process (Hazell, 2006).

f) Spier has a decentralised system of measurement

Spier embarked on a system of measurement that is decentralised. This means that each business unit is separately charged for their energy use. According to Methvin (2006), this helps to change behaviour. "It is about making people pay for the consequences. If people become conscious and aware at a localised level i.e. department, then people start thinking about it, they start changing their behaviour, so when they leave the office, they make sure that they switch the light off. This is because the bill will go to their department heads and their department heads will not be happy if they do not reduce cost. Then you put the energy-saving devices in on top of that" (Methvin, 2006).

Currently Rhodes has limited decentralised metering, but according to Hazell (2006), this is something that is receiving serious attention.

g) They innovate and turned challenges into opportunities

In 2004, to reduce cost, Spier decided to put out a tender for a new on-site laundry service. Spier had the equipment (washing machines) and they took responsibility for maintenance and servicing. The anticipated new laundry was based on Spier property to reduce transport cost. The new contractor had to be previously unemployed and someone who was previously disadvantaged. This was an experiment for Spier and it was unsure if it will work, especially when one of the washing machines broke in the first month. Due to the determination of the new owner however, he made a plan and all washing was delivered on time. This reduced concerns over delivery and reinforced relationships. Today wash volumes have doubled and expansions are planned (Ashley et al. 2005:12).

Another challenge that Spier turned into an opportunity came when they were looking for a company to clear alien vegetation on Spier property. The company with the cheapest tender for the job was a BEE company owned by Alfred Antony. Spier felt it was the right thing to do to award him the contract, but were concerned about his inexperience. They decided to overcome this obstacle by appointing one of the more established companies who also tendered for the job to consult and assist Antony. The cost for all this was still less than what the second cheapest tender after Antony was. By doing this, Spier helped to establish a BEE business and by doing so created nine new jobs (Haysom, 2006).

Rhodes University realised that they use quite a huge amount of cooking oil. Instead of throwing it away, they are now embarking a process where they convert cooking oil into bio-diesel (Hazell, 2006).

h) Spier and Rhodes look after their community

Spier spend about R272 million on procurement annually. They believe that this can be a powerful tool for change. In 2004 and 2005 Spier performed a comprehensive survey of all their suppliers. As a result of this 35 new jobs have been created. By doing this, they strengthened not only the local economy, but also their relationship with the local community. On the long run, the result of this will be a favourable and stable local economic climate.

Spier's corporate social investment is done locally. The reason for investing locally is because they believe that business "are going to find it increasingly difficult to survive in a market where the customer base is extremely limited by a lack of resources and opportunity, where the population is being overwhelmed by disease, where opportunities for social upliftment via education or economic opportunity are limited, and where access to beauty and the chance to dream are limited to the wealthy" (Spier, 2005:50).

Rhodes community engagement is done through service learning which benefits both the community and the university as well as their Community Engagement Programme. They recognise that they have the expertise to drive change in the local community.

i) Spier and Rhodes look after its employees

Spier believes that their employees are one of their most important stakeholders. Training and development at both Spier and Rhodes ensure that jobs are properly done, employees are trained and that employee-skills are being developed. At Rhodes you cannot get retrenched and Spier established their own minimum wage criteria which is sometimes twice the minimum wage prescribed by government. Spier fully complies with the Occupation Health and Safety Act and they require this from their suppliers and the businesses operating on Spier property like the Moyo Restaurant.

j) They look after the environment

Spier and Rhodes both have various initiatives (discussed above) which shows their commitment to look after the environment. They have reduced energy use, recycle water, paper, left-over food and other solid waste. Spier also financially support conservation

programmes like the Eagle Encounters and Cheetah Outreach programmes. They are also finalising plans to start a bio-diesel plant on Spier Estate. Rhodes incorporates environmental responsibility in various curricula and strives to encourage all Rhodes students to be socially and environmentally responsible. As mentioned above, Rhodes also has several programmes where they encourage and promote environmental conservation.

k) Transparency

According to Haysom (2006) transparency is one of the most important requirements for a successful CSR policy. Transparency keeps an organisation honest. "It is really difficult to assess and measure transparency, but Fair Trade actually go to staff and ask them if they have access to all documents and in Spier's case, they do." Any information with regard to both Spier and Rhodes are available either through their websites or in Spier's case, their annual sustainability report. Both Methvin and Hazell were helpful and honest about what these organisations are doing and where they can and should improve.

5. Do their philosophy and reasons for CSR mirror and support the reasons investigated in Chapter 2?

As investigated in Chapter 2 there are many reasons why every corporation should have a CSR policy. If these assumptions are correct, those reasons should be mirrored in corporations that engage in CSR. Are these reasons relevant for a corporation and can it be applied to Spier and Rhodes? The idea is to see if it works in practice and if can be supported and used by an actual corporation like Spier and Rhodes. This section will investigate whether these reasons are indeed mirrored in Spier and Rhodes operations.

First and foremost it is important to note that the sustainable approach of both Spier and Rhodes's is based on their philosophy discussed above, which in itself supports two of the most important reasons for CSR, environmental degradation and social responsibility. They believe that natural resources are in decline and that we need a sustainable solution to the problem. They also believe that business and universities have a social responsibility they need to take serious.

Spier and Rhodes are doing what Hawken proposes on page 24 – a restorative economy. Restoring the environment and making money is indeed the same process for them. They are working towards replicating the cyclical systems of nature (Hawken, 1994:12). Haysom also warns that with other businesses CSR and CSI (corporate social investment) often sits with the marketing team. It does not change anything about a corporation. “It is never really strategic. It is strategic for the marketing team, but not for defining the value set of the business” (Haysom, 2006). Spier and Rhodes both endeavour to make CSR part of their daily business operations. CSR is not outside of their daily business operations, but incorporated in it.

According to Methvin, there is a direct link between the profit Spier makes and its CSR policy. “We as a group are not profitable at the moment, but our profitability is a bit of a long-term plan. If you look at where we were three years ago when we began institutionalising all of our CSR practices, our sustainable approach to business, in those three years, we have become substantially more profitable than we were prior to that. There has been a dramatic shift and a good amount of that profitability has come from our sustainable approach to business. It has been everything from cost-saving stuff which is energy and water-related, all the way to more productive employees, to thinking differently about our supply chain and figuring out new ways. So, by thinking small, local and black, also saved us money” (Methvin, 2006). Haysom (2006) agrees with Methvin. He also believes that it is due to the fact that Methvin is devoted to finding a business case for sustainable development that keeps the focus on profitability.

Rhodes became energy efficient purely because it has financial benefit. According to Hazell (2006) CSR proved to be very profitable to them. He believes it attracts more students, because students are increasingly demanding that institutions of higher learning are sustainable. Holt et al (2004) from the Harvard Business School agrees. According to a global study they conducted in 2002, people are increasingly expecting firms to address social problems linked to what they sell and how they conduct business. Hazell also believes that having a good CSR policy helps to save on the university’s operating costs.

Unlike claims in Chapter 2 however, neither Spier nor Rhodes however saved any money on insurance because of a change in their operating practices.

As far as business taking over government's social role, Methvin believes that it depends on the kind of economy you are in. He believes that in an economy like South Africa's business drives the economy first and foremost and government second. However, when you look at other countries in Africa, government drives the economy and business second. "I believe that government's role always needs to be about an enabling framework that businesses function within and that government has to set legislative framework that mandates certain kinds of behaviour, but in terms of where do the action happen and where do the real impacts occur, it's got to be inside businesses. However, if you don't have that overlaying framework from government, then that impact won't actually happen. Government's role is critical, but it is about delivery. In theory, if you have 90% of the population employed then that is where the delivery is, if you have 50% employed, it's a different story. In South Africa where we have 30% unemployment, you got to have a balance of the two; you can't have solely business responsibility, because they are not affecting enough people" (Methvin, 2006). On the question whether he thinks the South African government is playing the role they should, Methvin answered: "a bit of yes and a bit of no. I think South Africa has a very aggressive approach to labour and the environment, but enforcement is the problem. The thinking has been there, but the application is weak".

Spier complies with all legislation, but still they do more. This is, because Spier believes that their values and principles are just as important as complying with the law. Methvin says that in some instances the law does adhere to their sets of principles and values and in other instances not. "For example, if you take minimum wage, you have to consider a whole range of things and how it affects overall business. They have to take into effect a broader economic impact. At an individual business level, you can take a completely different perspective and you can ask, can someone live off the minimum wage? Our answer is 'no', they can not. We took a different perspective and defined minimum wage for ourselves. You have to look at each issue individually and see where legislation

parallels with your own needs and value system and if legislation does not fulfil your own value system, you have to do something differently” (Methvin, 2006).

Rhodes also complies with all applicable legislation, but they too do more than law requires of them. They send e.g. all fluorescent tubes to a toxic waste site. This is not required by law, but due to the huge amount of mercury that is found in these tubes Rhodes accrues additional costs to ensure that these tubes do not damage the environment.

As far as accountability goes, Methvin feels that Spier is accountable to their broader pool of stakeholders. As with other corporations, Spier has primary stakeholders: employees, customers, suppliers, owners and secondary stakeholders: broader community, NGO's and according to Methvin, Spier believes they are accountable to all these people. Methvin does mention however that different stakeholders have different layers of primacy. “Let's say local government had a particular set of needs from a reporting standpoint, we wouldn't take that as primary as we would our employee-base. This does not mean that we don't consider everybody, but to the extent to which a decision had to be made between one or the other if that did occur, we would over-weigh one category over the other in certain instances” (Methvin, 2006).

Hazell (2006) believes that Rhodes is accountable to the community in which they operate. According to him, Rhodes has a social responsibility to improve life for all the people that live within the same community they operate in. Hazell says that this is also the reason why they try to procure locally as much as possible.

Spier uses the Global Reporting Initiative (GRI) as measuring-tool for their compliance. However, to ensure that CSR does not remain mere lip-service, Spier also has a third party set of standards to provide external validation beyond the GRI. For the Leisure Business it is the Fair Trade in Tourism South Africa's (FTTSA) standards, in the Wine Industry it is Wine Industry Ethical Trading Association (WIETA) and in the golf they are applying for FTTSA membership as well. FTTSA standards include: fair share,

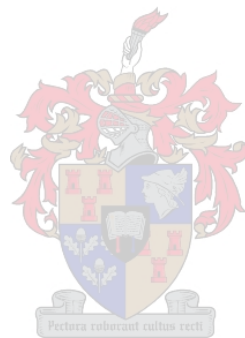
democracy, reliability, transparency and sustainability. WIETA has over 130 indicators to measure compliance. Amongst others, these indicators include: child labour shall not be utilised, employment shall be freely chosen, workers have the right to healthy and safe environment, workers have the right to freedom of association, workers have a right to a living wage, working hours shall not be excessive, harsh and inhumane treatment is prohibited, unfair discrimination is prohibited, regular employment shall be provided and worker's housing and tenure security rights will be respected (Spier, 2005:29-30). Haysom (2006) adds that this year, UNISA will do a complete external audit on Spier's CSR policy.

6. Room for improvement

Both Methvin and Hazell agree that there are always room for improvement, but that you have to remember that running a sustainable business is a long-term process. The goals they have for 2006 as set out in Spier's Annual Report 2005, is evidence of where they feel they can improve or should do better. Spier should and can recycle more, reduce their energy and water consumption, remove alien vegetation on Spier property, invest in alternative energy, reduce debt, increase revenue, recruit more people of colour, promote more people of colour, increase procurement from BEE companies, procure increasingly more from local businesses (within 35km of each business operation), fully comply with the OHSA and HAACP in terms of health and safety and develop policies on bribery and corruption. These are all improvements that Spier themselves agree on. Hazell feels that in the ten years Rhodes has worked towards becoming more sustainable, they haven't done nearly enough. They can do so much more.

Although there is always room for improvement, the present author believes that not only is Rhodes and Spier succeeding in becoming sustainable institutions, but they also managed to do it in such a way which can be copied and applied to other corporations. Yes, it is almost certain that there are plenty areas where Spier and Rhodes can still improve or initiate change. The difference however with Spier and Rhodes on the one hand and corporations that does not adhere to a CSR policy on the other is that Spier and

Rhodes have the will to change and become sustainable, and *that* makes all the difference.

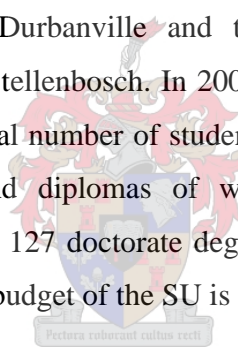


Case Study: Stellenbosch University

1. Introduction

The corporate social and environmental responsibility (CSR) policy of Stellenbosch University (SU) and the development of guidelines for a good CSR policy will be the focus of this chapter.

SU is a higher education institution with 10 faculties, approximately 22 000 students, 820 full time academic personnel and around 1500 full time non-academic personnel. The 10 faculties are located on four campuses: Stellenbosch (main campus), Tygerberg (Health Sciences), Business School in Durbanville and the Military Academy located in Saldanha, about two hours from Stellenbosch. In 2005 black students (brown, black and Indian) constituted 28% of the total number of students studying at the SU. In 2005, the SU awarded 5 616 degrees and diplomas of which 52% was for post-graduate qualifications. They also awarded 127 doctorate degrees which was proportionately the most in South Africa. The annual budget of the SU is R1,5 billion (SU, 2005:6-13).



In 2005, SU won the government Department of Science and Technology's National Innovation competition and was named as the technological most innovative university in South Africa. The three main focus areas of SU is teaching and learning, research and in 2005 community interaction was added as well (SU, 2005:13-14).

As one of the leading higher education institutions in South Africa, SU plays a leadership role. With many awards and accreditations to their name, it can be assumed that SU takes this leadership role in their academic sphere of influence quite serious, but do they assume this leadership role when it affects the community and environment they operate in? Like all corporations, SU not only relies on the local community and the environment, they also have an impact on it. What do they do to manage this interdependence?



Figure 15: Location of Stellenbosch in the Western Cape

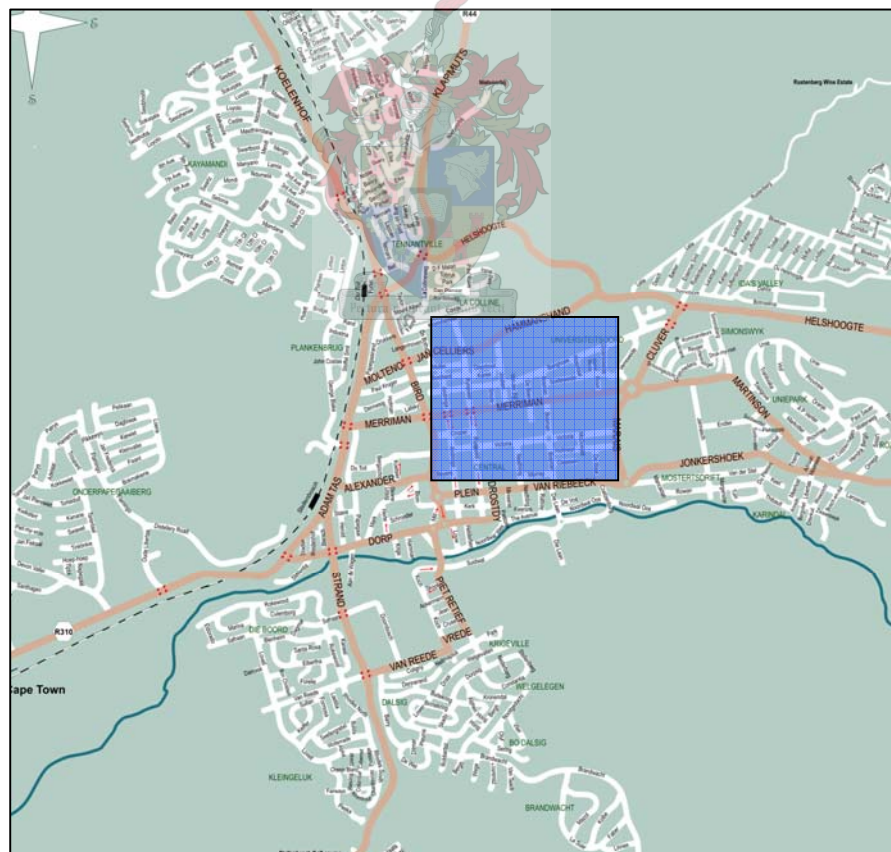


Figure 16: Central Stellenbosch - Blue indicates approximate area occupied by Stellenbosch University (Source: Stellenbosch Municipality)

2. Stellenbosch University's Approach to Corporate Social and Environmental Responsibility

In short, SU does not have an umbrella CSR policy. They do however have various different policies that are being run independently in terms of certain community and environmental involvements.

According to Prof. Julian Smith, Vice Rector (operations), corporate social responsibility is not the correct term for the university. He acknowledges however that the university does indeed have a social and environmental responsibility, but he believes that universities function differently in society from businesses and their responsibility is therefore different as well. "Our reason for existence is to equip people and to develop human capital. Our core functions are teaching, learning and research and through doing this we already play a massive role in social responsibility" (Smith, personal interview, 2005). Mark Hazell (2006, personal interview), the person driving sustainability at Rhodes University does not agree with this. According to him you have to ask yourself how responsible you are as an organisation – any organisation. Especially universities need to be role models for society (Hazell, 2006). It was only in the last year or two that SU adopted a formal policy with regard to community interaction. "By doing this it was decided to make community interaction our third core function. Historically however, it is mainly teaching and learning and research that are the main functions of the university and also the focus areas that receive the most financial support" (Smith, 2005).

In its formal documentation (mission, vision, commitments and values statements – see Appendix D), SU acknowledges its social responsibility towards the local community, but nothing is mentioned about the consequences of their environmental impact or the responsibility they have towards the natural environment. No strategy exists to guide management.

In April 2006, Mr Jerome Slamet, was appointed as Director Matie Community Interaction. The idea behind the establishment of such a division was for the university to adopt a more integrated approach to community involvement. In the future, any

community involvement by students, departments or residences will be centrally managed and driven by a central community office. According to SU's Strategic Framework (2000) "community"

"...should be broadened into a comprehensive concept, so that it covers all stakeholders – for example trade and industry, potential employers, and disadvantaged groups."

Mr Jerome Slamat (personal interview, 2006) elaborates on this: "Community' refers to any group or organisation that works in partnership with the University e.g. the government, NGO's and the local community".

Although the term "all stakeholders" is used, in reality community is seen as something outside of the SU – the surrounding community. It does not include employees or SU's supply chains.

The SU Mission is:

"...to create and sustain, in commitment to the academic ideal of excellent scholarly and scientific practice, an environment within which knowledge can be discovered, can be shared, and can be applied to the benefit of the community."

It's vision is:

Stellenbosch University:

- *Is an academic institution of excellence and a respected knowledge partner*
- *Contributes towards building the scientific, technological, and intellectual capacity of Africa*
- *Is an active role-player in the development of the South African society*

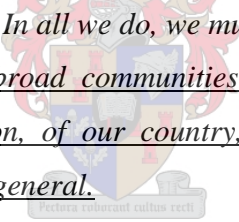
- *Has a campus culture that welcomes a diversity of people and ideas*
- *Promotes Afrikaans as a language of teaching and science in a multilingual context.*

SU is also committed to:

“...apply its capacities, expertise and resources to the benefit of the broad South African community.”

SU has the following values:

Equity, participation, transparency, readiness to serve, tolerance and mutual respect, dedication, scholarship, responsibility and academic freedom. Within these values two of these could be interpreted as a vague acknowledgement of SU's responsibility towards the natural environment:

- 
- ***Readiness to Serve.*** *In all we do, we must seek to serve the best interest of the broad communities of our immediate vicinity, of our region, of our country, of our continent and of the world in general.*
 - ***Responsibility.*** *We seek to be responsible, both by seriously considering the implications of actions, and by being responsive to the needs of the broader community, of South Africa as a whole, of our continent, and of the world in general.*

(Author's underlining)

According to Prof. Smith however there are elements of environmental responsibility throughout the university. “We do not have a policy on environmental responsibility, but we do acknowledge the importance of the environment in projects we undertake. For example, no big building project will be undertaken unless we've done an environmental impact assessment” (Smith, 2006). Since law requires an environmental impact

assessment anyway, this demonstrates the SU compliance with national law rather than them being necessarily environmentally responsible.

3. What does SU's approach to CSR mean in practice?

The SU is a diverse institution with many different employees, students, divisions and faculties. This sets the stage for various and often difficult management challenges. As mentioned above, the SU recently adopted a formal policy with regard to community interaction, but no formal policy in terms of environmental responsibility has been adopted. What does this mean in practice?

3.1.1 Social Responsibility

Although 'social responsibility' at the SU does not include employees or supply chains, many programmes are currently run to uplift previously disadvantaged communities. According to Jerome Slamat, the Community Interaction (CI) division has four aims: to facilitate and co-ordinate SU's community involvement, to build SU's community interaction capacity, to support any programmes both financially and with the division's expertise and finally to ensure quality control. The division itself will not engage in programmes. Research done at the University suggests that community interaction in the past was fragmented and scattered across all four campuses with service delivery as its main aim. It was very seldom integrated with academic goals (SU, 2004a:8). The aim of the CI division is to bridge this gap between the academic world, service delivery and the community.

Like Rhodes University, SU prefers the terms 'community interaction', because it describes "...in the broadest sense the interaction between the University and communities in society. The term includes the more limited notion of service learning, while at the same time considering other service-orientated academic and non-academic community interactions. It also allows the University to give expression to alternative forms of social responsiveness" (SU, 2004b:2).

SU currently has more than a 100 community programmes that take the form of:

- Community interaction integrated in learning programs or community based research.
- Community projects initiated by staff members who utilise their expertise.
- Contract research, consultative work, short courses or workshops by staff members.
- Expert and other civic participation as representative of the university.
- Voluntary, humanitarian or philanthropic service by staff and students.

The myriad programmes vary from free medical services, to teaching in informal settlements, to free legal advice (SU, 2006a).

SU decided to use “service learning” as basis for their community interaction, because this model strives to incorporate education, research and community involvement. This mix of service activities and academic curriculum gives students the opportunity to acquire first-hand experience while simultaneously helping the community. This will also encourage civil responsibility among students and prepare them for participation in a democratic society (SU, 2004b:2). Service learning is different from voluntary work. The focus of voluntary work is to provide a service where the primary beneficiary is the service recipient. With service learning, the student is required to accomplish tasks, which meet human need in combination with his/her conscious educational growth (SU, 2006b). By engaging in service learning, the university strives to combine their three main core functions, teaching and learning, research and community interaction. This is also reflected in the mission of the Community Interaction division:

“...to facilitate systematic change in the Stellenbosch University where knowledge acquisition (learning) and knowledge discovery (research) can be applied (community interaction) to the benefit of communities with which it interacts through mutually beneficial partnerships.”

According to the SU Community Interaction Policy (2004b:3), the university reserves the right to use its staff’s level of community involvement in the appraisal of its personnel.

Community Interaction falls within the Vice Rector's (operations) sphere of responsibility. This ensures direct access to the Rector and representation in top management. This will also ensure that there are close collaboration between community interaction and the other two core functions of the University (teaching and learning and research) (SU, 2004b:3).

It remains to be seen what the new Community Interaction division can and will do. However, before it was established, departments and students of the SU have been engaged in community development for a very long time. Community service can be traced back to 1964 when the Health Science Faculty provided free medical services and primary health care programmes to the local communities. Today this programme is still one of the main programmes run by the SU Community Service division (MCS, 2005). Other main projects include a youth and adult entrepreneurship programme, Adult basic education and training, the Masifundisane Computer Programme and the Khanyisa Learning Project which is a Saturday school for grade 12 learners (MCS, 2005). Smaller projects include students in various residences giving up their lunches or dinners to donate to communities less fortunate. They also donate clothes and stationery. There are also various projects where students help to build infrastructure like roads and houses in various less fortunate communities. Students also use their academic knowledge and other skills to teach extra classes and coach sport teams (Slamat, 2006).

Slamat is currently compiling an ethical code for the CI division. This code will address partnerships with other bodies or organisations, what the CI division's responsibility is within and what ethical standards should be followed with any project, e.g. clothes that are not in a good condition should not be donated to communities.

The social involvement of the Stellenbosch University currently involves only interaction with outside communities. 'Social responsibility' at the SU does not involve its employees or its supply chain. It is more about interaction with geographic local communities. Mr Slamet (2006) personally feels however that there are many areas where the SU can intervene to include these groups in their social responsibility e.g. provide a

crèche for SU personnel children, help less fortunate students with clothes and stationery. So far, however nothing has been done to address any of these concerns. Employee management falls under the Human Resources Division and all supply chains fall under the SU Purchase Division.

In present-day South Africa, one of the most important social issues with regard to supply chains is the issue of using black economic empowerment (BEE) companies as suppliers. According to Willie Durand, head of the University Purchase Division, they would use BEE companies wherever possible, but this is not always a viable option. The purchase of goods is best done through existing structures e.g. buying paper in bulk can only be done through either Mondi or Sappi – the only two big paper companies in South Africa. They do however try to accommodate BEE companies in services offered at the University. A BEE company is used for cleaning services at the new residence, Metanoia, that recently opened on campus and according to Durand (personal interview, 2006), they are providing an excellent service at a very good price. Using BEE companies is also not required by law. “This is something that many people do not understand. The Preferential Procurement Frameworks Act as well as the BEE Act are not applicable to tertiary institutions. We are not an organ of state and not a parastatal. This however does *not* mean that we do not support the BEE processes. Personally, I am a big supporter of the law. The University’s policy with regard to BEE suppliers is that they do support BEE, but they do not pay a premium and they do not compromise on quality or standards.” Although there is no formal policy on this, Durand also tries to support local businesses. He explains that if the Rand is strong, they would not even consider importing e.g. something like paper, but if the Rand weakens drastically, they would sometimes import paper. He adds though, “I do not like doing that and you would seldom see imported paper on this campus”.

At the moment the SU is also looking at something they call ‘targeting’. Durand (2006) explains: “You identify certain goods or services e.g. stationery that may not be bought from big companies like Waltons anymore. When targeting is applied, you have to buy from small black businesses in the Stellenbosch region. If you start doing that, it becomes

dangerous, because you must consider premiums. E.g. a smaller black company buys its good from Waltons anyway which means they sell it at a higher price. We use stationery each year with the value of around R10 million. A 20% or 30% premium on that is around R3 million. We cannot afford that. What they don't realise is that the SU is also a business. We must be cost-effective for students. That in itself is social upliftment. There is no use in applying social upliftment to supply chains, but not to the service the institution offers in the first place.”

3.1.2 Environmental Responsibility

The SU's attitude towards environmental responsibility is probably best summed up in the following quote by Vice Rector (operations), Julian Smith (personal interview, 2006): “We are not here for example to run a bus service or initiate a recycling programme. We prefer service learning - lecturers or students get involved when it relates to their academic work, otherwise there is not really good motivation to get involved in something like environmental responsibility.” Smith (2006) also warned that the University will not supply or invest in resources if it is not related to their core functions (teaching and learning, research and community interaction).

The lack of a formal environmental responsibility policy however does not mean that the need for one does not exist. A study done in 2002 by a Masters student at the Department of Geography and Environmental studies concluded that not a single SU hazardous waste storage area/facility fully conforms to requirements for such storage areas; not that of the SU or that of the government Department of Water Affairs and Forestry (Mohamed, 2002:53). Amongst others, “hazardous waste” refers to chemical, biological and radioactive waste.

According to Mr Piet van Deventer from the Risk Management Division, The above might have been true prior to 2000, but since then, the SU has been fully compliant with all legislation (Van Deventer, personal interview, 2006).

The few environmental programmes or any dealings with regard to environmental issues at the SU are fragmented and run in isolation. No-one knows what the other person is

doing. This makes it difficult to co-ordinate and run any successful operations. The present author experienced this when she had to speak to at least ten different people to form a holistic view of what the University is doing in terms of the environment. And even ten people were not enough to provide the whole picture. One person looks at energy, another deals with waste. Yet another deals with hazardous waste, another deals with water usage and none of these people knows what the other is doing. Within these different sectors, the aim is also not necessarily to be environmentally *responsible*, the aim is to comply with the law, to make life easier for all concerned or because they are forced to do something about it, e.g. energy savings due to recent power cuts. Opposed to this, the present author had to speak only to one person at both Spier and Rhodes to acquire all the necessary information she needed.

But why does the SU not have a formal policy in place? Vice Rector, Julian Smith blames limited funds and a lack of personnel for this. He also admitted that the “political will” is not necessarily there to do something about it. “There are many lecturers who are researchers first and foremost. They only want to do research and not worry about the environment or society. There are also a few institutional hindrances. For example, there is a Rector’s Award for research and one for teaching and learning, but none for community interaction. We are however thinking of introducing such an award later on. The level of a lecturer’s community involvement is also not currently considered in promotion or with the appointment of new personnel. All this means that personnel do not want to ‘waste’ their time on something that will not benefit them later on.” The same is true for being environmentally responsible. According to Smith there is also an element of ignorance that plays a part in the implementation of an environmental policy. “There are about seven people – including myself – on the University Management Team and of course it works out that if something is not within your immediate sphere of responsibility or influence, then you don’t pay attention to it” (Smith, 2006).

Maritha Nel (personal interview, 2006), senior planner from the Facility Management Division of the university, shares the same viewpoint as Smit. “The political will is not

necessarily there to do something about our social or environmental responsibility. The focus is just not there. People are still trapped in their archaic mindsets.”

The SU uses 40 tons of paper per month. This is about double the usage of previous years. Willie Durand, Head of Purchasing at the University blames the SU’s E-learning initiative for this phenomenon. “We’re supposed to go into a paperless environment, but students buy handbooks less and print notes and lectures off the WebCT network. Reasons for the increase in paper usage are difficult to determine since the SU Printing Company work for outside companies as well. They also buy their paper from us, so I am not sure what amount of paper they use for tertiary purposes and how much paper they use for their business purposes. On top of that, the number of students enrolling increase every year” (Durand, 2006).

There are isolated environmental projects that different departments, divisions or student bodies undertake. The success of it however is questionable. The SU has a deal with a paper recycling company to collect paper on Tuesdays and Thursdays. No paper recycling bins are provided however and if a department feels that they have enough paper to recycle, they call the SU Printers who in turn call the paper recycling company to collect the paper. The paper recycling initiative however is not a well-known fact throughout campus and new employees are not necessarily informed about it either. If you are indeed informed of such a programme, it is still up to you to call the Printers to call the paper recycling company. The lack of recycling bins and knowledge of this project makes this project very difficult. The following illustrates this. The present author works part-time at the Centre for Teaching and Learning (CTL) - the division of the University that is responsible for lecturer support. She never knew of any recycling programme until she started to enquire about it. If the office manager did not know about the recycling programme, she would not have known where to go to recycle. Recycle containers must be provided by CTL themselves. Upon general enquiry throughout campus, it became clear that the paper-recycling project is run with mixed results. Especially admin departments like the Research Development Division recycle religiously, but many academic departments are not aware of this project.

According to Assistant Director for Maintenance, John Villet (personal interview, 2006), it is not that anyone is against being environmentally responsible, but rather that there is not a champion to drive such an initiative and added to this, funds are limited. The SU for example has more than 430 structures on its property. This includes everything from residences and lecture halls to pump stations. These structures are all on a 10-year paint cycle. Every ten years all structures need to be repainted as part of maintenance. Due to limited funds however, structures are now on a 30-year paint cycle.

Prof. Hannes van der Merwe, lecturer at the Department of Geography and Environmental studies, agrees with Villet that the University needs a champion to drive and introduce an environmental policy. He is also of the opinion that the University's diverse character makes it difficult to have an umbrella environmental policy. This diversity sets difficult challenges for management, which is why the University have not yet introduced an environmental policy. The University has ten faculties that vary from Health Sciences to Agriculture and Engineering. Each faculty is an entity in its own with its own requirements for waste storage and removal, energy use, water usage and paper. According to Van der Merwe any environmental initiatives are isolated and restricted to certain departments. "You need initiative from top-management to create a new division to run this. At the moment we have a silo approach to environmental responsibility. There is someone that looks after waste, someone that looks after energy and someone that looks after the community. You need an umbrella approach. It must become a way of life, otherwise it will not work. If you don't recycle waste or treat the environment responsibly, you will get buried in your own waste" (Van der Merwe, personal interview, 2006).

The University of Stellenbosch in conjunction with the University of Cape Town were recently chosen by government to host the Centre for Renewable and Sustainable Energy Studies (CRSES). According to Katot Meyer (personal interview, 2006), research engineer at CRSES, the aim of this Centre is to research and promote the use of renewable energies in South Africa. SU is therefore not necessarily included in their

research objectives. Even if CRSES is a government body, it is still located on Stellenbosch and agreements of co-operation and information-sharing can provide the ideal opportunity for SU to become environmentally sensitive. If anything, this centre only provides Stellenbosch with a better infrastructure to become a sustainable university. It is now up to the university to make the most of this centre.

During the ten interviews the author conducted, the following expressions give an idea of the frustration middle management personnel experience – specifically with regard to being environmentally responsible. Many of these comments were reiterated by other personnel. (Due to the sensitivity of the comments, it was decided to keep it anonymous.)

- “Bureaucracy is the main reason why the SU does not have any environmental initiatives. Every umbrella programme must be approved by management and they usually have many other requirements that must be met before any programme can be initiated. This often suffocates new initiatives.”
- “We cannot continue taking things from nature without giving back. We desperately need to do something about it.”
- “There is also a lack of commitment from senior management. A popular attitude from certain senior management members is ‘if it’s not broken, why fix it?’ I hate this attitude, because if something works, it does not mean that it is working correctly or does not have an impact on the environment. We have to look at appointing someone to look after environmental standards.”
- “This university has always done bad management. When I joined the SU in the 1990’s, their systems were in bad shape. We’ve only started to renew archaic systems recently. You cannot get management information in this place and if you cannot get management information, you cannot manage.”
- “We are not pro-active. We’re only doing crisis management. We have to do impact studies. That is why we are often on the front page of the newspaper.”
- “We’re in a comfort zone here. You don’t feel the impact of not being environmentally responsible on your own skin. The day acid waste starts burning you, that is the day you start doing something about it.”

According to the head of Purchasing at the University, Mr Willie Durand, the lack of time, resources and money is the main reason why the Purchase Division does not apply any environmental standards. “In the USA you would find in a purchasing division of a corporation the size of this university sits 60 people. We have four. Overseas they have entire divisions devoted only to green initiatives. I honestly don’t have the time or money. Some of the companies we buy from don’t even do that.”

At the moment SU have neither environmental or social requirements nor such measurements for any product or company that supply goods or services to them. They also have no idea what their impact on either the human or the natural environment is.

They are specification-driven. This means that they will look at the department’s *needs* for products or services rather than look at the products or services themselves. Durand says the only thing they do look at is for example that cleaning products have the approval of the South African Bureau for Standards (SABS).

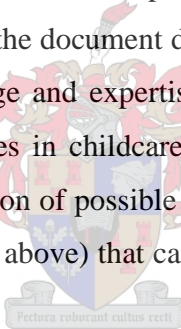
Measurement and assessment of products or services is also something that is neglected at SU. Durand agrees that if you cannot measure it, you cannot fix it, but he blames ineffective systems and processes and the lack of time, money and resources for this. “In America they do studies on paints and carpets and cartridges and all the gasses it releases. I don’t have the resources to do it here.”

Durand also feels that government must take more initiative and they must have better standards on imported goods. “If you would really like to ensure sustainable development, it must be enforced first and foremost from government level” (Durand, 2006, personal interview).

4. ‘Reinventing Stellenbosch’

Reinventing Stellenbosch is a forum where the mayor of Stellenbosch municipality and SU’s rector meets once a month to discuss issues of common interest. The idea is to conduct this in conjunction with the sustainable development policy context at provincial

and local level. According to the first draft of the Reinventing Stellenbosch Strategic Framework (Swilling, 2005), the idea is that SU provides the knowledge base for this re-invention and the municipality the framework and infrastructure in which these changes will operate. According to this first draft the opportunities listed as points of departure to a more inclusive, sustainable Stellenbosch, are mostly related to spatial re-organising and re-thinking of land and buildings (Swilling, 2005). There are amongst others, suggestions to develop Stellenbosch Mountain as a tourist-friendly hiking destination. Other ideas include using ecological design features in possible new developments. Organic farming is also suggested to promote land reform and establish local economic development opportunities. A possible day-care centre is suggested as well as a change in procurement policies to black and green economic empowerment. To achieve this, a summit is suggested where all stakeholders will come together to discuss possible changes. Although the document mentions possible co-operation with the World Wildlife Fund, who is also located in Stellenbosch, the document does not mention Stellenbosch College who can provide valuable knowledge and expertise in the reinvention of Stellenbosch. The College presents various courses in childcare and tourism, which might be useful with the day-care centre and expansion of possible tourist attractions. The document also does not mention CRSES (discussed above) that can provide knowledge and expertise on sustainable energy opportunities.



For a vision-document the first draft of the Strategic Framework is a noble idea with some good suggestions. However, if this becomes the priority or strategy for the university and/or town to become sustainable, they are missing the point. This document is about many signature projects that SU together with the municipality can undertake. There are no integrated projects that will promote sustainable development throughout both the university and local communities. Stellenbosch will benefit more from getting the basics right before embarking on bigger projects such as the development of a commercial district that links the university with the rest of Stellenbosch. The present author believes that something as simple as a proper paper-recycling programme, rolled out throughout the town of Stellenbosch will do more for sustainability and more for spreading awareness about sustainability than bigger projects will do where only top

management is involved. The question arises: how can a university help an entire town to become sustainable if they cannot even get their own paper-recycling programme right? By starting small, a basis for future sustainable development endeavours will be created. Smaller projects that involve the residents and students will not only create awareness, but also get more people involved. The first draft of the Strategic Framework (Swilling, 2005:4) also claims that “...[c]ompared to other South African universities, SU employs the largest collection of academics spread out across different academic departments who share a research and teaching commitment to sustainability and sustainable development”. If this is true, why did the present author experience so little evidence of this commitment to sustainability on campus?

5. International Declarations and Frameworks for Universities

There are at least seven international declarations or frameworks that exist to help universities develop an institutional framework to manage its environmental and social responsibilities.

5.1 Talloires Declaration (1990)

The Talloires Declaration is an “action plan for incorporating sustainability and environmental literacy in teaching, research, operations and outreach at higher education institutions” (Unesco, 2006). In 1990 rectors and other university leaders throughout the world expressed their concern about global environmental degradation and depletion of natural resources. At Talloires (France) it was decided that universities should play a more central role in sustainability and environmental management. This declaration has been signed by over 300 universities in over 40 countries (appended as Appendix F). Seventeen universities from Africa have signed of which five are from South African. They are the universities of Witwatersrand (WITS), Western Cape (UWC), Cape Town, Rhodes University and Natal University (IISD, 2006a). This ten-point action plan helps higher education institutions to incorporate environmental and social responsibility in teaching, research, operations and outreaches. Some of the actions and goals signatories have committed themselves to are as follows:

- To raise awareness of the urgent need for an environmentally sustainable future.
- Promote environmental education amongst their students.
- Set an example of environmental responsibility by establishing programmes of resource conservation, recycling and waste reduction.
- Establish partnerships with primary and secondary schools to teach about population, environment and sustainable development issues.
- Work with the United Nations Conference on Environment and Development (UNCED), the UN Environment Programme and other national and international organisations to promote a worldwide university effort toward a sustainable future.
- Establish a steering committee and a secretariat to continue this momentum and inform and support each other's efforts in carrying out this declaration.

(IISD, 2006a)

The Talloires Declaration was the first of numerous strategies to promote the concept of sustainable development at universities. A Summary of the Talloires Declaration is appended as Appendix E.

5.2 The Halifax Declaration (1991)

A year after the Talloires Declaration, presidents and senior representatives from 33 universities from ten countries on five continents met in Halifax, Canada to endorse the environmental commitment required in terms of the Talloires Declaration (appended as Appendix H). Amongst others universities from Brazil, Canada, Indonesia and Zimbabwe attended the meeting. They were joined by the business and banking community, governments and NGO's (IISD, 2006b). The focus of this meeting was to determine what the environmental and sustainable development commitments were for universities and also what role poverty played in terms of earth's degradation. The meeting was sponsored by the International Association of Universities, the United Nations University, College of Canada and Dalhousie University in Canada. The Halifax declaration invited universities to commit themselves to make a clear and uncompromising commitment for sustainable development. This declaration challenges them to utilise their intellectual

resources to encourage better understanding of the physical, biological and social dangers facing planet earth. It further asks them to recognise their ethical obligation to stop and overcome current malpractices, to advance sustainable development in university curricula, to form partnership and to advance sustainable development practices throughout campus (IISD, 2006b).

Various programmes, action plans and goals were also initiated with the Halifax Declaration. Amongst others, it included the celebration of 'Earth Days' and implementation units for sustainable development. Institutions are also expected to audit their actions, but should also be able to show what they are doing pro-actively to further sustainable development on campus (IISD, 2006b).

The Talloires and Halifax Declarations were the first of numerous commitments and pledges for more sustainable and responsible behaviour by universities. They were however, the only two sanctioned before the 1992 Earth Summit in Rio de Janeiro (Mohamed, 2002:30).

5.3 The Swansea Declaration (1993)

In 1993 at the end of the Association of Commonwealth Universities Fifteenth Quinquennial Conference in Swansea, Wales, entitled 'People and the Environment – Preserving the Balance', university leaders spoke out against the widespread degradation of natural resources (IISD, 2006c). This conference was attended by over 400 universities in 47 different countries. Leaders at this conference endeavoured to find a way to respond appropriately to the challenge of sustainable development. The declaration required of signatories to not only encourage sustainable development practices, but also for their own operations to reflect such practices (IISD, 2006c). A summary of the Swansea Declaration is appended as Appendix I.

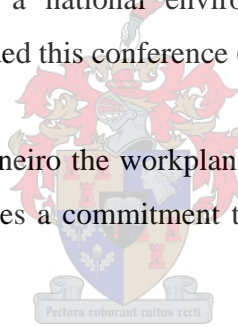
5.4 Other Declarations

In November 1993, the International Association of Universities issued a call to its 650 members in the Kyoto Declaration. This declaration embodied the language and substance of both the Halifax and Swansea Declarations (IISD, 2006d).

The University Charter for Sustainable Development is an instrument that is created by the sub-programme COPERNICUS (Co-operation Programme in Europe for Research on Nature and Industry through Coordinated University Studies). This charter is a collective commitment on behalf of a large number of European universities and by 1995 213 European universities ratified it (IISD, 2006d).

In Britain the CEED (Community Environmental Development organisation) held a conference in 1995 to produce a national environmental declaration for students. Approximately 90 delegates attended this conference (IISD, 2006d).

At the Earth Summit in Rio de Janeiro the workplan, Agenda 21, was called into being. Chapter 36 of the agenda expresses a commitment towards sustainable development in education (IISD, 2006d).



By signing the Talloires, Halifax, Swansea and/or other declarations, SU places a responsibility on itself to become sustainable. This will also show that they commit themselves to sustainable development. These declarations, action plans and commitments should also serve as an example and inspiration for Stellenbosch University and other South African Universities to formulate their own declarations and commitments to environmental and social responsibility.

6. Guidelines to sustainability

It is not that SU is not concerned about environmental responsibility; it is just that it is not yet a priority. Rectifying social injustices of the past enjoys a lot of attention and is

indeed a priority. Unfortunately SU does not include their employees or their supply chains in their social responsibility framework.

6.1 Suggestions to create a sustainable Stellenbosch University

This purpose of this section is to suggest guidelines to sustainability by applying lessons learned from various corporations like Spier, Rhodes University, Good Company and the literature discussed in Chapter 2.

6.1.1 Attitude makes all the difference

As seen at Spier, and Rhodes attitude makes all the difference. It is a willingness to learn and to accept that you do not always have the answer. Upon inquiry about SU's waste management system, the person responsible (whose name is being withheld due to the sensitivity of the comment) said that there is no paper or glass recycling bins on campus, because "there is no chance that students would make the trouble to take their waste to recycling bins". He also added that beggars often empty the bins before anyone else could, so that they can sell the waste themselves. Attitudes like these are not helpful in the quest for environmental and social responsibility. Attitudes often have a philosophical basis as shown in the approach of Spier to sustainability. This provides them with a solid basis to fall back on and provide them with reasons for their CSR policy. A corporation's attitude is often reflected in their mission and vision statements. As stated earlier, the SU has clear statements about being socially responsible, but none about being environmentally responsible. Having a policy on these issues not only gives it credibility, but ensures attention from management. However, a policy, mission and vision statements on its own will not accomplish anything if it is not enforced with the proper authority and processes. None of this could happen however without the willingness to be socially and environmentally responsible.

Many of the people the author spoke to complained about too few personnel and resources to be environmentally and socially responsible. Mark Hazell (personal interview, 2006) from Rhodes University's reaction to this is: "Hogwash! Absolute

hogwash! It is all about attitude. If you show initiative, things will follow. People are inclined to put money into something that shows initiative.” Hazell is of the opinion that you can start with what you have and that big changes have small beginnings. It takes one person to put a paper recycling bin next to the photocopier. Gareth Haysom, sustainable tourism practitioner for Spier feels exactly the same. “I would tell anyone who complain about too few resources and staff that they should stop lying to themselves. You have to be innovative” (Haysom, 2006, personal interview).

The problem with attitude though is that it is not something that is learned. It is a personal conviction that can only come through awareness and awareness is established through educating people. Awareness is often the key to change attitudes.

6.1.2 Education

If you want employees to have an attitude of being socially and environmentally responsible and to understand it, you have to educate them on the environment and society. People will live what they believe and unless they believe that the environment is fragile and we need to look after it, they will not live it. Similarly employees need to be educated on their rights and what they could and should expect from management. Education means empowerment. According to Tanner Methvin (2006), Sustainability Director of Spier, educating top management is crucial for the success of a successful CSR policy. He suggests that before any implementation, management needs to participate in formulating the CSR policy. Participation ensures that they believe in what they do and believing in what they do, ensures implementation and follow-through. Haysom (2006) believes that CSR cannot work unless management understands it. “I tell people, you should actually start understanding what energy use is. Assess it for a year or two so that you understand the trends. Management also needs to understand training and how your skills development process happens.”

6.1.3 Do not forget how important employees are

According to Haysom (2006) sustainability in any corporation starts with the employees. “It feeds into one of the primary labour organisations. Where to you employ your staff from? Are you employing local? Are they from disadvantaged communities? Are you

making an impact on the community and if you are, are you training your staff? What is the ration between permanent and temporary jobs? Can you make more jobs permanent? Creating work creates pride that creates training, which allows for promotion, which allows for the development of wealth. By focussing on staff, you start to think how your organisation is run. You start to think in terms of a value set of where your business is going. Once you start seeing staff as an asset, you start to fundamentally shift your thinking about how you treat other resources.”

6.1.4 Centralise control

The little the SU does for the environment and for the community is fragmented and uncoordinated. Communication between different divisions and departments are limited and sometimes non-existent. Having a central person and division that looks after the environment, co-ordinating programmes and initiatives and someone who creates awareness will benefit SU management and also create valuable research opportunities. At the moment it is a matter of too many cooks spoil the broth – that is if a ‘broth’ exists. You cannot manage and/or control what you are not aware of. Centralising control and better co-ordination is one of the aims of the newly established Community Interaction division, but still social responsibility is only seen as responsibility towards local predominantly previously disadvantaged communities. Employees and supply chains are not included in any social responsibility. Happy employees mean less conflict and more productivity (see Chapter 2 – Being a good corporate citizen is profitable).

6.1.5 Ensure top management representation

Ensuring commitment from management is one of the key elements to a successful CSR policy. As mentioned earlier many of the SU employees feel that there is not the commitment needed from management to implement a good CSR policy. Commitment from management means follow-through and proper implementation of policies and strategies. Both Spier and Rhodes experienced this and according to Mark Hazell (2006) from Rhodes, no CSR policy can be successful without top-management to buy in or a champion to drive the process.

6.1.6 Appoint a champion to drive the implementation and policy

At both Spier and Rhodes there is one person who is in charge of the corporation's CSR policy. He/she should drive the process. He/she should be innovative and knowledgeable of the sustainable development field. Without this person there is danger of such a process falling through the cracks. Having a person specifically working with this is crucial to ensure that pressure needed is put on management, but also that there is follow-through in any process or policy implemented.

6.1.7 Measurement, auditing and assessment

There is popular saying that says what gets measured gets changed. SU currently does no measurement or auditing on any environmental issues and limited internal auditing on community interaction. No auditing is done in terms of personnel or supply chains. This needs to change. Both internal and external auditing is needed each year to ensure that the SU is not only compliant, but that it is also a socially and environmentally responsible institution. This will also keep them up to date with anything that needs changing or improvement. Auditing needs to be done to ensure compliance to legislation and other industry requirements. Measurement needs to be done to ensure that goals are achieved and aims are reached. According to the Sustainable Pathway Toolkit for Universities and Colleges compiled by the Good Company (2004:5) – an American-based company that helps other institutions to become sustainable – assessment is the first step to gain information of current sustainable efforts being conducted. This also gives universities a “complete picture on of how things relate, what the opportunities are for improvement and therefore where to focus energies and efforts”. Assessment, auditing and measuring provides a sense of direction for long term planning (Good Company, 2004:7).

6.1.8 Start small

According to Hazell (2006), implementing a CSR policy in any corporation is like turning a ship around. You cannot do it too fast. Patience is needed and you need to start small. Methvin (2006) agrees. He suggests that the SU start with one division or one department and initiate change gradually. Hazell suggests starting with one project throughout the university and take it from there. He does however recommend big high profile events to create awareness. Haysom (2006) believes that a corporation can start

with signature projects and by doing so start to understand the impact it has on their business. The Good Company emphasises the importance of having ‘stretch goals’. These are goals that will require some effort on the part of the university. “This will inspire the collective creativity of your institution” (Good Company, 2004:7).

6.1.9 Ensures participation on all levels

According to Hazell (2006), participation on all levels is important to ensure the success of a CSR policy at a university. Top-management participation and the importance of it have already been discussed. Hazell however warns that student, admin and academic personnel participation is just as important. “Students will always challenge you and admin participation is important, because when it comes to the implementation stage, they will be very involved in that. If they participate, implementation will be all the more smoothly.” Academic personnel need to participate, because new policies will probably affect them most of all. According to the Good Company (2004:5) a larger part of campus can be involved when the focus of becoming sustainable is high-consensus issues like the use, tracking and feedback on energy and water usage, issues that concern everybody.

6.1.10 Make social and environmental responsibility part of the university curriculum

SU has a few courses that involve social and environmental responsibility. An Honours or Masters Degree in Sustainable Development is just two of the courses they offer. They also have a Department for Environmental Studies as well as a BA degree in Social Work. The Faculty of Agriculture is for obvious reasons involved in environmental responsibility. The newly established division for Community Interaction promotes service learning which means that students learn while they serve a community. The problem is that SU does a lot of research, but very little of that research is applied to SU itself. Rhodes University for example is currently busy with a project to transform used cooking oil from university residences to bio-fuel (Hazell, 2006). Rhodes has about 6000 students, Stellenbosch, 22 000. The research possibilities at SU are endless. By further involving environmental issues in different courses can serve as another form of environmental service learning. Due to the size and location of different campuses on

different sites, the author could not examine all research currently done at SU, but after conducting numerous interviews and reading the SU's annual report, it became clear that even though SU is on the brink of what promises to be a very successful community interaction plan, there is currently no evidence of any real commitment to the environment. By including it as a curriculum activity and more research on the environment and human impact on the environment could change how SU conducts their own business. CRSES supplies is the ideal opportunity for this. A university is supposed to play a leadership role in any society. New ideas and innovations are formed and researched at a university. Leaders need to lead by example. SU claims that they are the "technological most innovative" university and "the best research university in the country". These claims however lose credibility if the environment it operates in does not reflect the innovation and academic excellence it claims it has.

6.1.11 Create incentives for sustainability

Gareth Haysom (2006) believes that sometimes the only way to convince management and other employees to become sustainable is to use incentives to do what is necessary to become sustainable. "Give them non-financial sustainability orientated indicators (e.g. to use less water) that they are assessed from and incentivise them, e.g. tell them if they achieve what is required they will reap the financial benefits." The university could e.g. provide bursaries or extra money to departments who recycle the most or does the best research project on the environment.

6.1.12 Change procurement policies

SU currently has no environmental or social requirements for any of their suppliers. This needs to change. SU is a big institution with an annual budget of R1,5 billion. This ensures that they have bargaining power and influence. If a big institution like SU starts to demand responsible environmental and social practices from their suppliers, the ripple effect could be influential and could initiate a favourable chain reaction. This could change the way many companies do business and in return create a business environment that demands environmental and social responsible companies. In fact, with its size and financial power, SU can become the institution that starts a sustainable development revolution.

6.1.13 Become a signatory of international treaties on sustainable development

Signing international treaties not only shows commitment, but also puts responsibility on signatories. It promotes sustainable development and prevents it from remaining mere lip-service. Once SU becomes a signatory to an international treaty it will help mobilise them and also provide resources to help them become more sustainable. This might also be the impetus that is needed to establish similar aims, goals and commitments for other South African universities.

6.1.14 Establish own identity before becoming accredited

Patience is a virtue – also when it comes to sustainable development. Converting to sustainability may take time, but it should not be rushed. Many corporations are accredited with e.g. ISO 14000. Hazell (2006) warns however that this should not be done too soon. According to him a corporation should find their own CSR identity, see what they feel is important and work from there. Rhodes for example has their own model and focus areas that they focus on (see Appendix C). Starting small and ensuring you comply with your own standards first ensure that later accreditation is much easier. According to the Good Company (2004:6), when indicators are selected they must address the following concerns:

- Consensus – What is generally accepted in society as important sustainability issues? What significance does this issue have on campus and what is the ability of campus to react on it?
- Action – What technologies and strategies exist to improve performance? What can be learned from other institutions?
- Measurability – Will performance be measurable? Can it be compared to performances of other institutions for the purpose of sharing best practices?

6.2 General suggestions to create sustainable corporations

According to Paul Hawken (2000:64), there are six categories where corporations can improve on their material and energy productivity and efficiency. Only some of these categories will be applicable to SU. It will however be very applicable to most

corporations and should therefore also be discussed in this thesis. These categories are: design, new technologies, controls, corporate culture, new processes and saving materials. With the help of Hawken (2000: 64-79), these categories will be briefly discussed below:

Design: Hawken argues that it is often only a matter of asking different questions that can lead to new innovative designs. The best changes in design are often the simplest and large energy savings can often be achieved in such common equipment as valves, ducts, fans, dampers, motors, wires etc. Efficiency in industry is often only a question of more intelligent application of existing technology. Hawken (2000:65) gives the following example: “Steel slabs are normally cast far from the rolling mills that make them thinner, so by the time they arrive to be rolled, they need to be reheated. Moving the two processes closer together saves about 18% of that reheat energy.”

New Technologies: We live in a world where you buy your cell phone today and in one week's time, it will be outdated. There is no short supply of new technologies and innovations. Hawken (2000:65) argues that “technologies today can save about twice as much electricity as was feasible five years ago, at only a third the real cost.” This is mainly because engineers now manage to get more work out of each unit of energy and resources.

Controls: Controls help with running a factory or industry to its optimum. Simple computer programmes for example can help save millions of Rands. According to Hawken (2000:66-67), “controls should measure what is happening now, not what happened an hour ago, because problems not discovered and fixed immediately cause waste.” Good control means that control intelligence will be in each piece of manufacturing equipment, so that each part measures itself. Almost controlling it like an ecosystem would, with many decentralized decision makers that interact and learn from each other.

Corporate culture: Many companies are not using what they have optimally. Corporations need to have a culture of learning as they go along. Measurement can become a very helpful tool here. Many businesses are still run on linear processes of require, design, build repeat. Making it cyclic – require, design, build, *measure, analyse, improve*, repeat, can save a business a lot of money. This is true for a corporation who manufactures goods as well as for the operational side of any company. As Hawken puts it: “A business that ignores measurement will inevitably fall behind in making useful and cost-saving discoveries...”

New processes: New processes in manufacturing help factories and companies to optimize materials and costs. “They achieve better results, using simpler and cheaper inputs” (Hawken, 2000:69). New processes that help run a business more efficiently can often have its roots in nature. Nature is a closed loop process which means that nothing goes to waste. Hawken gives the following example: A hairdresser called Philip McCroy was watching TV one night when he saw a report on an oil spill. He noticed that sea otters’ fur soak oil very well. It kept them dry in clean waters, but also soaked up oil when it was being spilled. He decided to try and see if human hair will do the same and thus help pull oil out of water? He took hair that fell on his salon floor, made a dummy otter and put it in water with a gallon of motor oil. Within two minutes, the water was crystal clear.

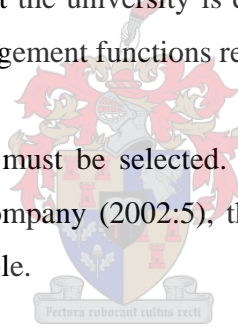
Saving materials: The direct result of using better technologies, better design, a learning corporate culture, better controls and new processes is that inevitably, materials will be saved. The better the design, and production line, the less material will be used to manufacture a product. The product will be better as well, because with all of the above-mentioned methods, products are efficiently manufactured with simplicity. The more efficiently raw material is converted to the finish product, the more material will be saved as well. The idea is that raw material is already moulded in the form it should be. Eg. instead of a windshield wiper consisting of 49 parts, it has been moulded to consist of one part (Hawken, 2000:79). Pre-cut and –assembled products can also be delivered just on time – thereby saving costs and time again, because it is ready for use and no work on it

is needed before hand. The best way to save materials however is to repair, reuse, upgrade, remanufacture and recycle materials.

7. Where to Start with an Audit

Doing an audit of SU is the first practical step in becoming a more sustainable university. The audit will help create a clear path to feasible action, capitalise on consensus and provide an excellent starting point for other sustainability efforts (Good Company, 2004:6). An audit is very important to determine the university's current state in terms of environmental and social responsibility. What are they currently doing? As soon as a holistic view can be established of what the university is doing, weak points can be addressed. Weak points must be acknowledged first before they can be addressed. With Stellenbosch University, an audit could be particularly helpful to help focus and centralise control in terms of what the university is doing socially and environmentally. This will help to co-ordinate management functions related to CSR policy.

When doing an audit, indicators must be selected. Choosing what to measure can be tricky, but according to Good Company (2002:5), they are guided by three key ideas: meaningful, feasible and measurable.



Meaningful refer to indicators that have the greatest impact on the footprint of an institution. "The focus on meaningful indicators is an attempt to select major factors and key proxies" (Good Company, 2002:5).

The audit should also lead to feasible **action**. Areas should be targeted where "campus stakeholders can realistically make a difference without prohibitive cost or effort" (Good Company, 2002:5). Indicators should focus on areas where change is realistic and where improvement is possible.

Indicators and impacts should also be **measurable**. The audit should aim for "clearly defined quantitative and qualitative measures" (The Good Company, 2002:5). Measurement should also be done within minimal cost and time.

According to the Good Company (2002:16-40), there are 12 broad categories under which a first-time audit could be assessed: resource use, solid waste and hazardous materials, paper, campus orientation and design, employee health and safety, employee benefits, curriculum content, campus community and beyond, campus operation and design, energy and food service. To determine the above-mentioned categories, Good Company first determines general ‘areas of concern’ and then within these areas ‘operational categories’. Within these ‘operational categories’ ‘indicators’ are formulated (see Table 1). These indicators in turn are then evaluated according to a ‘current benchmark’ (target level of performance based on research done on the specific indicator) as well as a ‘long-run target’ (see Table 2). The benchmarks and long-run targets “provide both a ‘sense of direction’ for long-term planning and an incremental reference for current performance” (Good Company, 2004:7).

Spier base their indicators and annual sustainability report on the 11 key principles of the GRI: transparency, inclusiveness, auditability, completeness, relevance, sustainability context, accuracy, neutrality, comparability, clarity and timelines (see page 61).

OPERATIONAL CATEGORY	INDICATOR	AREA OF CONCERN
ENERGY AND WATER	1. Energy use, tracking and feedback 2. Water use, tracking and feedback	ENVIRONMENT AND HEALTH
MINERALS AND WASTE	3. Recycling rate, infrastructure and systems 4. Waste: reduction, reuse and disposal 5. Computer hardware purchasing and disposal 6. Paper use and purchasing 7. Landscape maintenance	
HEALTH AND SAFETY	8. Ergonomic safety. 9. Indoor Air Quality 10. Custodial and maintenance chemical use.	
PLANNING AND PURCHASING	11. Campus construction and development: planning and policy 12. Transportation, infrastructure and incentives 13. Purchasing tools and strategies	
LEARNING AND GOVERNANCE	14. Curriculum and support for ecological literacy 15. Governance for sustainability	GOVERNANCE, LEARNING AND POLICY

Table 1: Overview of Indicators (Source: Good Company, 2004:6)

INDICATORS	CURRENT BENCHMARK	LONG-RUN TARGET
WATER USE, TRACKING AND FEEDBACK	<ol style="list-style-type: none"> 1. Use: Total water use does not exceed 70-120 gallons per Scaled Campus User per day. 2. Tracking: Complete and clear records exist of campus water use and there is a reporting process for all water use and cost data. Water use for irrigation is tracked separately from other water use. 3. Feedback: Information is provided to campus users about water use. 	WATER USE NOT TO EXCEED SUSTAINABLE-USE LEVELS FOR LOCAL WATERSHED

Table 2: Example of how indicators are measured (Source: Good Company, 2004:8)

Rhodes University focuses on the following broad areas of assessment: curriculum content, research, optimisation of spatial orientation, procurement, waste, hazardous waste, energy, indigenous fauna and flora and water (Hazell, 2006). Rhodes University Sustainability Checklist is appended as Appendix C.

8. Conclusion

The academic track record of Stellenbosch University is rather impressive. In the case of sustainable development however, the picture looks quite different. The problem is ignorance and a comfort zone where the attitude is one of ‘jobs for pals’. SU must be credited however for the newly established Community Interaction Division. The work that is done by them and work that has been done in the past by the Matie Community Service must be credited. Progress however seems to be very slow with regard to other issues that involve sustainable development. For example, progress with the ‘Reinventing Stellenbosch’ initiative is slow and when the present author tried to attend it, she was told that sensitive issues will be discussed and was therefore not allowed to attend. Professor Mark Swilling of the Sustainability Institute is closely involved with these meetings and according to him “the Stellenbosch process lurches forward, but has not found its momentum yet”. Although there is progress with regard to environmental and social responsibility at Stellenbosch University, this does not sound like the pro-active attitude and action that is needed and expected from a world-class university.

Conclusion

This chapter summarises the findings of the study in terms of its research question and give recommendations for further research in this field. It concludes with an evaluation of the thesis.

1. Summary of findings

The aims of this thesis were threefold: to evaluate the theoretical basis and authority for CSR, a case study to see if this basis was not only limited to theory or if it works in practice and finally a case study to investigate what a corporation looks like that do not engage in CSR practices and whether the last mentioned corporation is better or worse off than the corporation that does apply CSR practices.

More specifically, the reasons behind CSR were examined in terms of the moral and business case for CSR and they were also investigated and evaluated in terms of their validity and relevance. This was done through a thorough literature review. The relevance and validity of these reasons were further investigated with the help of two case studies: one where CSR is implemented and where it forms an integrated part of business and one where CSR is not implemented. The idea behind this was to see what difference CSR makes in the day-to-day running of a corporation.

Spier was studied as an example of good CSR practice. Rhodes University was also investigated as support for Spier, but not on such a detailed scale as Spier Holdings. Stellenbosch University served as an example of a corporation where CSR is not applied. It was then evaluated whether SU can learn something from Spier and if so, what can they learn? SU's role in the town of Stellenbosch was also discussed in terms of the Reinventing Stellenbosch monthly meetings with the mayor. International declarations were also suggested to serve as recommendations for SU to consider as part of their

journey to sustainable development. Finally suggestions on how to conduct a social and environmental audit were suggested.

2. Recommendations

In terms of the findings of this study, the following recommendations are suggested in terms of how SU can improve their CSR policy.

As shown through the interviews conducted with SU personnel, corporate social responsibility is vague and fragmented at SU. There are firstly very few CSR programmes run at the SU and the ones that are, like the paper recycling programme, are uncoordinated and often badly planned. A summary of the suggestions to help make SU a good corporate citizen given in Chapter 4 are as follows:

Develop an attitude of environmental and social responsibility. As shown in the Spier/Rhodes case study, ensure that this is reflected in a philosophical approach basis for your CSR policy and also reflect it in the mission and vision statements of the university.

Create this attitude through education and the training of staff. As Haysom (2006) explained, employees are a corporation's most important resource and by looking after them the corporation will also look out for the environment as well as the community within which the corporation operates.

Much of the confusion and vagueness regarding SU's CSR policy is related to the fact that control is not centralised. SU should follow Spier's example and ensure that control over all CSR practices are centralised so that it can be properly managed and controlled. Also ensure that top management commit themselves to the promotion of CSR. Mark Hazell pointed out that this is of particular importance at a university where different types of employees and clients (students, admin personnel and academic personnel) should receive the same message. This will ensure proper implementation of policies and strategies. Together with top management buy-in, it is of vital importance to appoint a champion who can drive the CSR process at the university. Part of Rhodes's and Spier's

success as sustainable corporations are because they appointed a champion to run and guide the CSR process.

To ensure transparency and a continued interest in CSR, it is important that regular audits are conducted both internally and externally. Hazell, Haysom and Methvin warn however not to be too hasty and to start small. Begin with one department or university division and implement CSR there or start with one project and ensure that it is properly implemented.

Make sure that all the parties involved at SU are involved and consulted on any new CSR policies. SU should learn from Rhodes who made trouble to include environmental responsibility in the university curriculum and who created incentives throughout campus to become sustainable.

Procurement is one of the first areas where CSR can and should be implemented. Spier lead by example by doing an evaluation of its supply chain which in turn lead to demands of sustainable practices from its suppliers. All services and goods entering SU enter through the procurement division. Hazell (2006) and Haysom (2006) reiterated that an excuse of no time, money or personnel is not valid and that green procurement starts with innovation. As a sign of its commitment to sustainable development and to ensure implementation, SU should sign an international declaration on sustainable development of which quite a few were discussed. This should be done rather than acquiring accreditation with international standards. Like Rhodes, it is however very important that SU develop their own sets of CSR values and principles first before engaging in any international accreditation. This will help the policy become an integrated part of the SU instead of staying a policy that is outside of SU.

3. Opportunities for future research

This thesis has identified the following issues for future research:

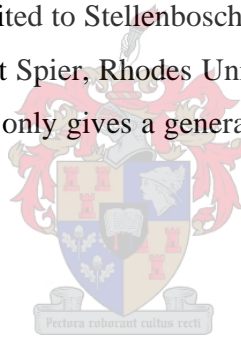
- There is a significant gap in the information about CSR at Stellenbosch University. An audit is needed to gather all that information. This information is crucial should

SU decide to make CSR a priority. This information can be used to determine the next step as a roadmap to sustainability.

- To the knowledge of the author, a current declaration of South African universities for CSR does not exist. Compiling such a declaration and liaising with all the universities is needed to initiate national action for sustainable development.
- In a country where golf estates and luxury, gated communities are increasing, the effect of golf estates and these gated communities on the environment and other local communities should be evaluated and investigated. This will be important research for SU's involvement in the reinvention of Stellenbosch. Stellenbosch is known for its natural beauty. Unfortunately, this natural beauty also provides great spots for gated developments – especially golf courses.
- Extensive interdisciplinary research is still needed to develop the technical side of CSR. Energy, waste management and water recycling are some of the areas that further research is needed. The economics of the above-mentioned research also require further investigation.
- Research is also required for the development of a management and organisational system for SU that will co-ordinate and help implement a successful CSR policy.
- This thesis only touched on the legislative framework that CSR operates in. An in depth study on what the implications of new laws will mean for corporations are needed. This is also important in the line with recent development in a court case in the United States that might expect the US government to control CO₂ emissions through legislation. The effect of this together with the study of new South African laws on corporations will be beneficial for South African corporations.
- SU needs to develop its own set of CSR indicators. The development of this as well as the execution of such a task will require research.
- This thesis was limited to corporations in Stellenbosch. A study on other South African corporations and also global corporations (or a study of the literature on these topics already available) and the effect they have on their environment and the rest of the world will provide important information for other corporations to follow suit. This will show how much of CSR is an integrated approach to business – one where the corporation made a paradigm shift to sustainable development.

4. An evaluation of the study

This thesis has successfully been able to demonstrate that there are valid moral and business reasons for any corporation to engage in CSR. These reasons however only become valid and relevant once they are incorporated in the psychology of a business otherwise CSR remains a concept that is developed outside of business instead of something that needs to be integrated with the daily management and operations of a corporation. The case studies have successfully shown that having an integrated CSR policy is beneficial for a corporation. Not only does it improve the management of the corporation, but also accounts for a healthier environment for the operations of the corporation and it saves costs. This thesis has also successfully given concrete steps for the University of Stellenbosch to become environmentally and socially responsible and also gave suggestions to do a baseline audit. Weaknesses of the thesis are that it is not exhaustive and geographically limited to Stellenbosch. The research methodology limited the assessment of CSR practices at Spier, Rhodes University as well as the University of Stellenbosch. The thesis therefore only gives a general overview of all the aims it set out to achieve.



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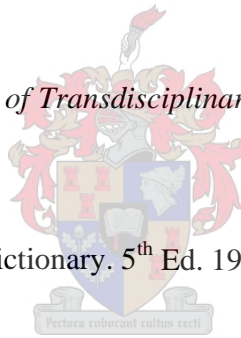
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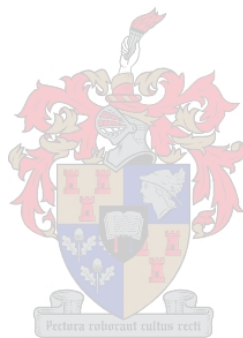
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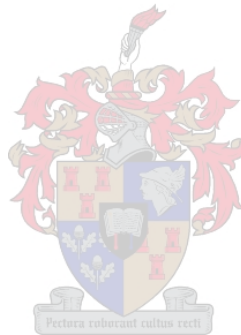
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Appendices

- A - Rhodes University Environmental Policy
- B - Rhodes University Community Engagement Vision and Mission Statements
- C - Rhodes University Sustainability Checklist
- D - Stellenbosch University Mission, Vision, Commitments and Values
- E - The Talloires Declaration
- F - Talloires Declaration Institutional Signatory List
- G - Talloires Declaration: Signatory Form
- H - The Halifax Declaration
- I - The Swansea Declaration



RHODES UNIVERSITY ENVIRONMENTAL POLICY

Goal | Aims | Objectives | The Talloires Declaration

In establishing an Environmental Policy for Rhodes University, the University recognises that its use of resources has an impact on the environment (socio-economic and physical). As a University that strives to meet internationally acceptable standards, Rhodes University should play a leading role within the Eastern Cape and South Africa in respect of environmental issues.

GOAL

The University will actively pursue a policy of environmental best practice in order to assist in creating an environmentally sustainable future.

AIMS

1. To include and improve the environmental components of curricula.
2. To provide opportunities for students to study campus and local environmental issues.
3. To conduct a campus environmental audit.
4. To implement an environmentally responsible purchasing and campus stores policy.
5. To reduce campus waste.
6. To improve hazardous waste identification and management on campus.
7. To maximise campus energy efficiency.
8. To encourage the planting of indigenous flora on campus.
9. To optimise and control the use of water on campus.

OBJECTIVES

1. Educational

Curricula

Rhodes University intends to enhance (increase and improve) the environmental content of curricula offered in all faculties at Rhodes University by:

1. Improving awareness amongst teaching staff around the environmental content of courses.
2. The inclusion of environmental issues in curricula where appropriate.
3. Promoting the environmental orientation of Rhodes for marketing and fund-raising purposes by producing suitable publicity.

Research

The University will commit itself to encouraging environmental research by:

1. Encouraging students and staff to conduct environmental research on campus and in local areas (communities). Environmental audits could highlight possible environmental research issues.
2. Ensuring that research carried out at Rhodes is ethically and environmentally sound.
3. To establish a set of guidelines for research that could have a possible impact on the environment.

2. Resource Use

Waste

The University will aim to improve its management of both general and hazardous waste produced on campus by:

1. Minimising (reducing and /or recycling) wherever possible its solid and liquid waste streams at all discharge points on campus.
2. Using recycled products wherever feasible.
3. Adopting a purchasing policy sensitive to environmental concerns.
4. Identifying and minimising hazardous wastes on campus.
5. Ensuring satisfactory disposal of wastes (hazardous and general) that cannot be re-used or recycled.
6. Conducting a regular waste audit to assess improvement of waste management strategies on campus and to communicate these results to relevant parties.

Energy

The University will aim to maximise campus energy efficiency by:

1. Minimising and monitoring the total energy consumption.
2. Implementing wherever possible to best available energy technology for all new buildings and in existing structures where possible.

Water

The University will aim to manage its water resources efficiently:

1. Minimising and monitoring the total water consumption.
2. Ensuring that water systems on campus are not wasteful.
3. Encouraging the planting of indigenous flora to reduce water usage.
3. Partnerships and Communication

Community Involvement

Through the implementation of the Rhodes University Environmental Policy it is important that partnerships are encouraged and formed between those directly associated with and affected by the actions of the University. This will be achieved by:

1. Approving and facilitating interactions and communications of the University's environmental actions between the University and members of the communities which surround its campuses and with which its staff interacts.
2. Reporting annually on how environmental practices in the community have been addressed by the University.

Student Involvement

The University will encourage students to play an important role in the implementation, maintenance and assessment of the environmental policy by:

1. Increasing the ways in which students can participate in the policy implementation i.e. through research.
2. Ensuring policy implementation is fed back to the students via relevant media.
3. Reporting annually on how students have been involved in implementing the policy and assessing environmental issues on campus.

Management Involvement

The University management will:

1. Incorporate the environmental responsibility into its mission statement.
2. Continue to uphold the University's responsibilities as a signatory of the Talloires Declaration.
3. Ensure the implementation and monitoring of the environmental policy.
4. Ensure that the University community is aware of the policy and to communicate the results of the monitoring process.
5. Maintain an environment which is conducive to good scholarship and provides good working conditions.

Further Information:

Mr Mark Hazell
Grounds and Gardens
cnr Prince Alfred and South Streets
Telephone +27-46-603-8240
E-mail: m.hazell@ru.ac.za



<http://www.ru.ac.za/community/welcome/mission.html>

Vision

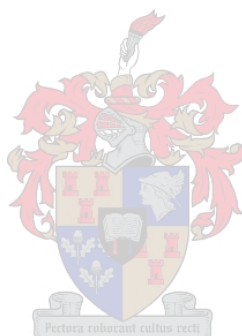
Rhodes University will be recognised for its vibrant interaction between institution and community, leading to their mutual enrichment.

Mission

Rhodes University is committed to the three core pillars of teaching, research and community service. It expresses its commitment to community service by:

- Working actively to improve the quality of life of individuals in Grahamstown and Eastern Cape communities, adding value through the sharing of its knowledge resources.
- Fostering an ethos of voluntary community service within its staff and student body, leading to well-rounded graduate citizens who will be active agents for positive social change.
- Encouraging the establishment of service-learning programmes which are integrated with academic coursework.

Rhodes University Policy on Community Engagement





Rhodes University Sustainability Checklist

updated 9/13/2006 17:02

APPENDIX C

Focus areas		action results							
No.	Item	complete	needing completion	needs further action	In hand	urgent	savings achieved	previous condition	
1	To include and improve the environmental components of curricula.								
2	To provide opportunities for students to study campus and local environmental issues.								
2.1	research programmes and sustainability			increasing opportunities					
3	To conduct a campus environmental audit.								
3.1	policy on parking provision								
3.2	policy on use of insecticides etc in residences and gardens								
3.3	life cycle costing for construction to include ongoing maintenance thereafter								
3.4	optimization of space utilization								
4	To implement an environmentally responsible purchasing and campus stores policy.								
4.1	policy on supplier's sustainability policies			no action to date					
4.2	purchase of environmentally safe products, includes chemicals, cleaning products								Report from John Stevens to VP
5	To reduce campus waste.								
5.1	removal of waste paper								
5.2	removal of waste cardboard								
5.3	removal of kitchen swill			Has deteriorated/closure of GHT recycling					
5.4	removal of old plastic			Has deteriorated/closure of GHT recycling					improved
5.5	removal of old metal			No progress					
5.6	use of plain paper copiers			New ones replacing old ones are being purchased					Improved
6	To improve hazardous waste identification and management on campus.								
6.1	removal of solid toxic waste								
6.2	recycling of nicad batteries			Some progress with folk sending for waste disposal					none
6.3	use of non toxic cleaning materials			See 4.2					
6.4	all old engine oil removed for recycling								Being done at engineering section
7	To maximise campus energy efficiency.								
7.1	reduction of energy consumption								
7.2	use of battery powered service vehicles								
7.3	use of energy efficient light fittings- internally								
7.4	policy on heating in offices- underfloor heating			energy & financial savings are possible					Needing attention
7.5	all boilers lagged								No Progress needing more attention
8	To encourage the planting of indigenous flora on campus.								
8.1	removal of healthy growing trees			Well managed					
				This needs attention especially when new building sites are being discussed					
9	To optimise and control the use of water on campus.								
9.1	reduction of water usage in toilets			Needs more attention					Needing attention
9.2	reduction of water usage on gardens			Some progress					Needs more attention
9.3	recycling water from baths etc			No progress					Needs more attention
9.4	sustainability policy in place in mission statement			complete					Needs more attention
9.5	reduction of water usage in showers								Needs more attention
9.6	storage of rain water, storm water			Very little progress- students break off shower heads.					Needs more attention
9.7	Building policy for sustainable material use			No progress					Needs more attention
9.8	Installation of solar systems			No progress					Needs more attention

 UNIVERSITEIT·STELLENBOSCH·UNIVERSITY						
General Information	Students	For staff	Research	Teaching Programmes	Alumni	A to Z
Faculties and Departments		News	Contact Information	Search	Home	Afrikaans
Mission Vision 2012 Values Strategic Framework Umyalezo, umbono nemithetho		<p>Mission</p> <p>The raison d'être of the University of Stellenbosch is — to create and sustain, in commitment to the academic ideal of excellent scholarly and scientific practice, an environment within which knowledge can be discovered, can be shared, and can be applied to the benefit of the community.</p> <p>(extract from the Strategic Framework)</p> <p>Vision 2012</p> <p>With this vision statement, Stellenbosch University commits itself to an outward-oriented role within South Africa, in Africa, and globally Stellenbosch University:</p> <ul style="list-style-type: none"> • Is an academic institution of excellence and a respected knowledge partner • Contributes towards building the scientific, technological, and intellectual capacity of Africa • Is an active role-player in the development of the South African society • Has a campus culture that welcomes a diversity of people and ideas • Promotes Afrikaans as a language of teaching and science in a multilingual context. <p>(extract from the Strategic Framework)</p> <p>Values</p>  <ul style="list-style-type: none"> • Equity. Equity, in terms (inter alia) of the bringing about of a corps of excellent students and academic and administrative staff members that is demographically more representative of South African society, must be fundamental to all our actions, including our redress of the inequalities of the past and our repositioning of the University for the future. • Participation. The people who are substantially affected by our decisions must have an effective say in the making of those decisions. • Transparency. We must base our decisions on considerations that are clear and that are known. • Readiness to Serve. In all we do, we must seek to serve the best interest of the broad communities of our immediate vicinity, of our region, of our country, of our continent and of the world in general. • Tolerance and Mutual Respect. We must respect the differences between personal beliefs, between points of view, and between cultural forms of expression. We must strive to foster an institutional culture that is conducive to tolerance and to respect for fundamental human rights and that creates an appropriate environment for teaching, learning and research. • Dedication. We prize dedication to work, and the purposeful 				

achievement of self-chosen goals.

- **Scholarship.** Our research, teaching, community service, and management must be characterized by the kind of objectivity and critical thinking that is intrinsic to excellent scholarly and scientific practice.

- **Responsibility.** We seek to be responsible, both by seriously considering the implications of actions, and by being responsive to the needs of the broader community, of South Africa as a whole, of our continent, and of the world in general.

- **Academic Freedom.** As an accountable public higher education institution,

(i) we acknowledge, at the institutional, faculty and departmental levels, our right to exercise our academic freedom in a responsible way, in teaching and learning, in research and in community service, and

(ii) we reject unreasonable strictures of any kind on our endeavours.

(extract from the [Strategic Framework](#))

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The Talloires Declaration: University Presidents for a Sustainable Future

We, the presidents, rectors, and vice chancellors of universities from all regions of the world are deeply concerned about the unprecedented scale and speed of environmental pollution and degradation, and the depletion of natural resources. Local, regional, and global air pollution; accumulation and distribution of toxic wastes; destruction and depletion of forests, soil, and water; depletion of the ozone layer and emission of "green house" gases threaten the survival of humans and thousands of other living species, the integrity of the earth and its biodiversity, the security of nations, and the heritage of future generations. These environmental changes are caused by inequitable and unsustainable production and consumption patterns that aggravate poverty in many regions of the world.

We believe that urgent actions are needed to address these fundamental problems and reverse the trends. Stabilization of human population, adoption of environmentally sound industrial and agricultural technologies, reforestation, and ecological restoration are crucial elements in creating an equitable and sustainable future for all humankind in harmony with nature. Universities have a major role in the education, research, policy formation, and information exchange necessary to make these goals possible.

The university heads must provide the leadership and support to mobilize internal and external resources so that their institutions respond to this urgent challenge. We, therefore, agree to take the following actions:

1. Use every opportunity to raise public, government, industry, foundation, and university awareness by publicly addressing the urgent need to move toward an environmentally sustainable future.
2. Encourage all universities to engage in education, research, policy formation, and information exchange on population, environment, and development to move toward a sustainable future.
3. Establish programs to produce expertise in environmental management, sustainable economic development, population, and related fields to ensure that all university graduates are environmentally literate and responsible citizens.
4. Create programs to develop the capability of university faculty to teach environmental literacy to all undergraduate, graduate, and professional school students.
5. Set an example of environmental responsibility by establishing programs of resource conservation, recycling, and waste reduction at the universities.
6. Encourage the involvement of government (at all levels), foundations, and industry in supporting university research, education, policy formation, and information exchange in environmentally sustainable development. Expand work with nongovernmental organizations to assist in finding solutions to environmental problems.
7. Convene school deans and environmental practitioners to develop research, policy, information exchange programs, and curricula for an environmentally sustainable future.

8. Establish partnerships with primary and secondary schools to help develop the capability of their faculty to teach about population, environment, and sustainable development issues.
9. Work with the UN Conference on Environmental and Development, the UN Environment Programme, and other national and international organizations to promote a worldwide university effort toward a sustainable future.
10. Establish a steering committee and a secretariat to continue this momentum and inform and support each other's efforts in carrying out this declaration.

[Jean Mayer, President and Conference convener Tufts University, U.S.A. | L. Avo Banjo, Vice Chancellor University of Ibadan, Nigeria | Robert W. Charlton, Vice Chancellor and Principal University of Witwatersrand, Union of South Africa | Michele Gendreau-Massaloux, Rector l'Academie de Paris, France | Augusto Frederico Muller, President Fundacao Universidade Federal de Mato Grosso, Brazil | Calvin H. Pimpton, President and Emeritus American University of Beirut, Lebanon | T. Navaneeth Rao, Vice Chancellor Osmania University, India | Stewart Saunders, Vice Chancellor and Principal University of Cape Town, Union of South Africa | David Ward, Vice Chancellor Canipinas, U.S.A. | Pablo Arce, Vice Chancellor Universidad Autonoma de Centro America, Costa Rica | Boonrod Binson, Chancellor Chuialongkorn University, Thailand | Constance W. Curris President University of Northern Iowa, U.S.A. | Adamu, Nayaya Mohammed Vice Chancellor Ahmadu Bello University, Nigeria | Mario Ojeda Gomez President Colegio de Mexico, Mexico | Wesley Posvar, President University of Pittsburgh, U.S.A. | Pavel D. Sarkisow, Rector D. I. Mendeleev Institute of Chemical Technology U.S.S.R. | Akilagpa Sawyerr, Vice Chancellor University of Ghana, Ghana | Carlos Vogt, President Universidade Estadual de Brazil | Xide Xie, President Emeritus Fudan University, People's Republic of China]

Thanks for providing this document go to: Heiko Weber

Pectora roborant cultus recti

TALLOIRES DECLARATION INSTITUTIONAL SIGNATORY LIST

March 2006

Total Signatory Institutions: 328

Africa: 17

Asia/South Pacific: 36

Canada & USA: 130

Europe & Russia: 33

Latin America & Caribbean: 110

Middle-East: 2

Listed Alphabetically by Country

Argentina

1. Universidad de Belgrano, Buenos Aires

Australia

1. Australian National University, Canberra
2. Royal Melbourne Institute of Technology, Melbourne
3. Southern Cross University, New South Wales
4. University of Canberra
5. University of Melbourne, Victoria
6. University of New England, New South Wales
7. University of New South Wales, Sydney
8. University of Technology, Sydney
9. University of the Sunshine Coast, Queensland
10. University of Western Sydney, Hawkesbury

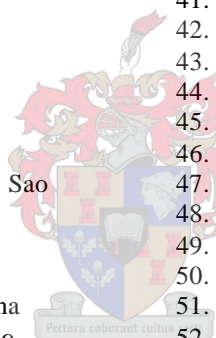
Belize

1. Galen University, San Ignacio

Brazil

1. Fundacao de Ensino Superior de Sao Joao Del Rei, Sao Joao Del Rei
2. Fundacao Universidade de Brasilia, Brasilia
3. Fundacao Universidade do Amazonas, Manaus
4. Fundacao Universidade Estadual de Maringa, Parana
5. Fundacao Universidade Regional Do Rio Grande do Norte, Mossoro
6. Institutos Paraibanos de Educacao, Paraiba
7. Pontifica Universidade Catolica do Rio Grande do Sul, porto Alegre
8. UNI-RIO, Rio de Janeiro
9. Universidade Catolica de Goias, Goiania
10. Universidade Catolica de Pernambuco, Recife
11. Universidade Catolica do Salvador, Salvador-Bahia
12. Universidade de Fortaleza, Ceara
13. Universidade de Guarulhos, Guarulhos
14. Universidade de Mogi das Cruzes, Mogi das Cruzes
15. Universidade de Pernambuco, Recife
16. Universidade do Estado de Santa Catarina, Florianopolis
17. Universidade do Rio Grande, Rio Grande
18. Universidade do Sul de Santa Catarina, Tubarao
19. Universidade Estadual da Paraiba, Campina Grande
20. Universidade Estadual de Campinas, Campinas
21. Universidade Estadual de Feira de Santana, Feira de Santana
22. Universidade Estadual do Ceara, Ceara
23. Universidade Estadual Paulista, Sao Paulo
24. Universidade Federal de Alagoas, Maceio
25. Universidade Federal de Goias, Goiania
26. Universidade Federal de Mato Grosso do Sul, Campo Grande
27. Universidade Federal de Mato Grosso, Cuiaba

28. Universidade Federal de Minas Gerais, Belo Horizonte
29. Universidade Federal de Ouro Preto, Ouro Preto
30. Universidade Federal de Paraiba, Joao Pessoa
31. Universidade Federal de Pelotas, Pelotas
32. Universidade Federal de Pernambuco, Recife
33. Universidade Federal de Rondonia, Porto Velho
34. Universidade Federal de Santa Maria, Santa Maria
35. Universidade Federal de Sao Carlos, Sao Carlos
36. Universidade Federal de Sergipe, Sergipe
37. Universidade Federal de Uberlandia, Uberlandia
38. Universidade Federal de Vicosa, Vicosa
39. Universidade Federal do Acre, Rio Branco
40. Universidade Federal do Ceara, Fortaleza
41. Universidade Federal do Maranhao, Sao Luiz
42. Universidade Federal do Para, Belem
43. Universidade Federal do Parana, Curitiba
44. Universidade Federal do Piaui, Teresina
45. Universidade Federal do Rio de Janeiro, Rio de Janeiro
46. Universidade Federal do Rio Grande do Norte, Natal
47. Universidade Federal do Rio Grande do Sul, Rio Grande
48. Universidade Federal Fluminense, Niteroi
49. Universidade Federal Rural de Pernambuco, Recife
50. Universidade Federal Rural do Rio de Janeiro, Leropedica
51. Universidade Metodista de Piracicaba, Piracicaba
52. Universidade Sao Francisco, Braganca Paulista

**Bulgaria**

1. University of National and World Economy, Sofia

Canada

1. Atlantic School of Theology, Halifax, Nova Scotia
2. Carleton University, Ottawa, Ontario
3. Concordia University, Montreal, Quebec
4. Dalhousie University, Halifax, Nova Scotia
5. Lakehead University, Thunder Bay, Ontario
6. McGill University, Montreal, Quebec
7. Mount Saint Vincent University, Halifax, Nova Scotia
8. Ryerson Polytechnical Institute, Toronto, Ontario
9. Saint Francis Xavier University, Antigonish, Nova Scotia
10. Saint Mary's University, Halifax, Nova Scotia
11. Saint Thomas University, Fredericton, New Brunswick
12. Simon Fraser University, Burnaby, British Columbia
13. University College of Cape Breton, Sydney, Nova Scotia
14. University of British Columbia, Vancouver, British Columbia
15. University of Guelph, Guelph, Ontario
16. University of Lethbridge, Lethbridge, Alberta
17. University of Manitoba, Winnipeg, Manitoba
18. University of Northern British Columbia, Prince George, British Columbia
19. University of Ottawa, Ottawa, Ontario

20. University of Saskatchewan, Saskatoon, Saskatchewan
21. University of Victoria, British Columbia
22. University of Western Ontario, London, Ontario
23. University of Windsor, Windsor, Ontario
24. York University, Toronto, Ontario

Chile

1. Universidad de Chile, Santiago
2. Universidad de Santiago de Chile

China

1. Fudan University, Shanghai
2. People's University of China, Beijing

Colombia

1. Colombian Politecnical "Jaime Isaza Cadavid" University, Bogota
2. Corporacion Universitaria Del Meta, Villavicencio
3. Environmental and Applied Sciences University, Bogota
4. Escuela Superior de Administracion Publica, Bogota
5. Fundacion Universidad de Bogota, Jorge Tadeo Lozano, Bogota
6. Fundacion Universidad Incca de Colombia, Bogota
7. Fundacion Universitaria CEIPA, Medellin
8. Instituto Colombiano de Estudios Superiores de Incoloda (ICESI), Cali
9. Ministry of Development, Bogota*
10. Pontifica Universidad Javeriana, Bogota
11. Universidad Antonio Narino, Bogota
12. Universidad Catolica de Colombia, Bogota
13. Universidad de Antioquia, Medellin
14. Universidad de la Amazonia, Leticia
15. Universidad de la Guajira, Rioacha
16. Universidad de la Salle, Bogota
17. Universidad de los Andes, Bogota
18. Universidad de Magdalena, Santa Marta
19. Universidad del Quindio, Quindio
20. Universidad del Rosario, Bogota
21. Universidad del Tolima, Tolima
22. Universidad del Valle, Cali
23. Universidad Francisco de Frola Santander, Cucuta
24. Universidad Industrial de Santander, Bucaramanga
25. Universidad Nacional de Colombia, Bogota
26. Universidad Pedagogica Nacional, Bogota
27. Universidad Pedagogica y Tecnologica de Colombia, Tunja
28. Universidad Pontificia Bolivariana, Medellin
29. Universidad Tecnologica de Pereira, Pereira

Costa Rica

1. Universidad Autonoma de Centrol America, San Jose
2. Universidad de Costa Rica, San Jose
3. Universidad Latina de Costa Rica, San Jose
4. Universidad Nacional, Heredia
5. Universidad para la Paz, Ciudad Colon

Croatia

1. University of Zagreb, Zagreb

Czech Republic

1. Charles University, Prague

Ecuador

1. Escuela Politecnica Nacional

Finland

1. Mikkeli Polytechnic, Mikkeli

France

1. l'Academie de Paris, Paris
2. Universite Pierre et Marie Curie, Paris

Germany

1. Augsburg University, Augsburg

Ghana

1. University of Ghana, Legon

Greece

1. University of Athens, Athens

Hong Kong

1. Chinese University of Hong Kong, Shatin
2. Hong Kong Baptist College, Kowloon
3. University of Hong Kong, Hong Kong

Hungary

1. Budapest University of Economic Sciences, Budapest

India

1. Devi Ahilya University, Indorre
2. Garu Nanak Dev University, Amritsar
3. Indian Statistical Institute, West Bengal
4. Indira Gandhi National Open University, New Delhi
5. Jawaharlal Nehru University, New Delhi
6. Manipur University, Manipur
7. North Maharashtra University, Jalgaon
8. Osmania University, Hyderabad
9. University of New Dehli, New Dehli



Italy

1. University of Tuscia, Viterbo

Japan

1. Meijo University, Nagoya
2. Tokai University Educational System
3. Tokai University, Tokyo

Kenya

1. Kenya Marine and Fisheries Institute
2. Moi University, Eldoret
3. University of Nairobi, Nairobi

Lebanon

1. American University of Beirut, Beirut
2. University of Balamand, Tripoli

Malawi

University of Malawi System:

1. Bunda College of Agriculture
2. Chancellor College, Zomba
3. Kamuzu College of Nursing
4. Medical College
5. Polytechnic Institute

Malaysia

1. University of Malaya, Kuala Lumpur

Mexico

1. El Colegio de Jalisco, A.C., Guadalajara
2. El Colegio de Mexico, Mexico City
3. El Colegio de Michoacan, A.C., Zamora
4. El Colegio de Sonora, Hermosillo
5. El Colegio Mexiquense, A.C., Toluca, Edo
6. Instituto Tecnológico y de Estudios Superiores de Monterrey, Monterrey
7. Universidad Juarez del Estado de Durango, Durango
8. Universidad Nacional Autonoma de Mexico, Mexico City
9. Universidad Regiomontana, Monterrey

Nigeria

1. Ahmadu Bello University, Zaria
2. University of Ibadan, Ibadan

Paraguay

1. Universidad Catolica Nuestra Senora de la Asuncion, Asuncion

Peru

1. Pontifica Universidad Catolica Del Peru, Lima
2. Universidad Catolica Santa Maria, Arequipa
3. Universidad Nacional de San Agustin de Arequipa
4. Universidad Nacional de San Antonio Abad del Cusco, Cusco

Philippines

1. Cagayan State University, Cagayan
2. University of Manila, Manila

Poland

1. AGH University of Minerals and Metalurgy, Krakow
2. University of Warsaw, Bialystok

Portugal

1. New University of Lisbon, Lisboa

Puerto Rico

Ana G. Mendez University System

1. Colegio Universitario Del Este
2. Metropolitan University
3. Turabo University
4. Universidad Interamericana de Puerto Rico, San German
5. University of Puerto Rico

Romania

1. University "Politechnica" Bucharest, Bucharest

Russia

1. Institute of Far Eastern Studies, Academy of Sciences, Moscow
2. Mendeleev Institute of Chemical Technology, Moscow
3. Perm State Technical University, Perm
4. University of Transportation, Petersburg

South Africa

1. Rhodes University, Cape Province
2. University of Cape Town, Cape Town
3. University of Natal, Durban

4. University of the Western Cape, Bellville
5. University of Witwatersrand, Johannesburg

South Korea

1. Hang Yang University, Seoul

Spain

1. Universidad Complutense, Madrid
2. Universitat de Barcelona, Barcelona

Switzerland

1. Universite de Geneve, Geneve

Taiwan

1. National Kaohsiung Normal University, Kaohsiung
2. National University of Kaohsiung, Kaohsiung

Thailand

1. Chiang Mai University, Chiang Mai
2. Chulalongkorn University, Bangkok

Tunisia

1. Ecole Nationale D'Ingenieurs, Tunis

Turkey

1. Ankara University, Ankara

United Kingdom

1. Liverpool John Moores University, Liverpool
2. Monkwearmouth College, Sunderland
3. University of Glasgow, Glasgow
4. University of Lancaster, Lancaster
5. University of Manchester, Manchester
6. University of Northumbria at Newcastle
7. University of Strathclyde, Strathclyde
8. University of Sunderland, Sunderland
9. University of Sussex, Brighton
10. World Wide Fund for Nature*

United States

1. Alaska Pacific University, Alaska
2. American Re-Insurance Company, New Jersey*
3. Antioch College, Yellow Springs, Ohio
4. Appalachian State University, North Carolina
5. Ball State University, Indiana
6. Bemidji State University, Minnesota
7. Blue Ridge Community College, Virginia
8. Bowling Green State University, Ohio
9. Brown University, Rhode Island
10. California Polytechnic State Univesrity, San Luis Obispo, California
11. California State University, Chico, California
12. Cape Cod Community College, Massachusetts
13. Christopher Newport Community College, Virginia
14. Clark University, Massachusetts
15. Clemson University, South Carolina
16. Clinch Valley College, Virginia
17. College of the Atlantic, Maine
18. College of William & Mary, Virginia
19. Colorado State University, Colorado
20. Connecticut College, Connecticut
21. Daemen College, New York
22. Eastern Connecticut State University, Connecticut



23. Eckerd College, Florida
24. George Mason University, Virginia
25. George Washington University, Washington, D.C.
26. Grand Rapids Community College, Michigan
27. Guilford College, North Carolina
28. Hampden-Sydney College, Virginia
29. Harford Community College, Maryland
30. Hartwick College, New York
31. James Madison University, Virginia
32. Keuka College, New York
33. Lewis & Clark College, Oregon
34. Longwood College, Virginia
35. Macalester College, Minnesota
36. Mary Washington College, Virginia
37. Maui Community College, Hawaii
38. Merrimack College, Massachusetts
39. Miami Dade College, Florida
40. Middlebury College, Vermont
41. Monterey Institute of International Studies, California
42. Morehouse College, Georgia
43. Mount Holyoke College, Massachusetts
44. Muhlenburg College, Pennsylvania
45. Norfolk State University, Virginia
46. Northern Arizona University, Arizona
47. Northern Virginia Community College, Virginia
48. Northland College, Wisconsin
49. Oberlin College, Ohio
50. Occidental College, California
51. Old Dominion University, Virginia
52. Pacific Lutheran University, Washington
53. Patrick Henry Community College, Virginia
54. Philadelphia University, Pennsylvania
55. Piedmont Virginia Community College, Virginia
56. Pitzer College, California
57. Radford University, Virginia
58. Ramapo College, New Jersey
59. Randolph Macon Woman's College, Virginia
60. Rice University, Texas
61. Richard Bland College, Virginia
62. Rollins College, Florida
63. Rutgers University, New Jersey
64. Saint Thomas University, Florida
65. Sewanee: The University of the South, Tennessee
66. Southern Illinois University Carbondale, Illinois
67. Southern University and A&M College, Louisiana
68. State University of New York at Buffalo (SUNY), New York
69. Sterling College, Vermont
70. Stetson University, Florida
71. Tri-County Technical College, South Carolina
72. Tufts University, Massachusetts
73. University of Alaska, Anchorage, Alaska
74. University of Albany, SUNY, Albany, New York
75. University of Arizona, Arizona
76. University of California -Santa Barbara, California
77. University of Colorado at Boulder, Colorado
78. University of Florida, Florida
79. University of Georgia, Georgia
80. University of Hawaii, Hawaii
81. University of Idaho, Idaho
82. University of Massachusetts at Boston, Massachusetts
83. University of Montana, Montana
84. University of Nevada, Nevada

85. University of New Hampshire, New Hampshire
86. University of North Carolina at Chapel Hill, North Carolina
87. University of Northern Iowa, Iowa
88. University of Pittsburgh, Pennsylvania
89. University of Puget Sound, Washington
90. University of Rhode Island, Rhode Island
91. University of Richmond, Virginia
92. University of Southern Maine, Maine
93. University of Virginia, Virginia
94. University of Wisconsin-Madison, Wisconsin
95. University of Wisconsin-Stevens Point, Wisconsin
96. Utah State University, Utah
97. Virginia Commonwealth University, Virginia
98. Virginia Community College System, Virginia
99. Virginia Military Institute, Virginia
100. Virginia State University, Virginia
101. Virginia Western Community College, Virginia
102. Warren Wilson College, North Carolina
103. Western Illinois University, Illinois
104. Westminster College, Missouri
105. Winthrop University, South Carolina
106. Xavier University of Louisiana, Louisiana

Vietnam

1. Institute of International Relations, Hanoi

Zimbabwe

1. University of Zimbabwe, Harare



**Non-academic affiliate members*



ULSF

Association of University Leaders for a Sustainable Future

**HIGHER EDUCATION INSTITUTION
SIGNATORY FORM**

As an institution of higher education concerned about the state of the world environment and the advancement of sustainable development, we shall strive to promote actions that will achieve a sustainable future. We endorse the Talloires Declaration and agree to support environmental citizenship at all levels including senior managers, administrators, faculty, staff, and students. Together we shall endeavor to advance global environmental literacy and sustainable development by implementing the ten-point action plan of the Talloires Declaration.

**Talloires Declaration Signatory
Chancellor/President/Rector/Provost**
(please type or print)



Name	Title
Institution	
Signature	Date

Mailing Address: _____

City: _____ State/Province: _____ Postal Code: _____

Country: _____ E-Mail: _____

Phone: _____ Fax: _____

[Please send signed copy to ULSF at 2100 L St., NW, Washington, DC 20037]

THE HALIFAX DECLARATION

Human demands upon the planet are now of a volume and kind that, unless changed substantially, threaten the future well-being of all living species. Universities are entrusted with a major responsibility to help societies shape their present and future development policies and actions into the sustainable and equitable forms necessary for an environmentally secure and civilized world.

As the international community marshals its endeavors for a sustainable future, focused upon the United Nations Conference on Environment and Development in Brazil in 1992, universities in all countries are increasingly examining their own roles and responsibilities. At Talloires, France in October, 1990, a conference of university presidents from every continent, held under the auspices of Tufts University of the United States, issued a declaration of environmental commitment that has attracted the support of more than 100 universities from dozens of countries. At Halifax, Canada, in December 1991, the specific challenge of environmentally sustainable development was addressed by the presidents of universities from Brazil, Canada, Indonesia, Zimbabwe and elsewhere, as well as by the senior representatives of the International Association of Universities, the United Nations University and the Association of Universities and Colleges of Canada.

The Halifax meeting added its voice to those many others worldwide that are deeply concerned about the continuing widespread degradation of the Earth's environment, about the pervasive influence of poverty on the process, and about the unsustainable environmental practices now so widespread. The meeting expressed the belief that solutions to these problems can only be effective to the extent that the mutual vulnerability of all societies, in the South and in the North, is recognized, and the energies and skills of people everywhere be employed in a positive, cooperative fashion. Because the educational, research and public service roles of universities enable them to be competent, effective contributors to the major attitudinal and policy changes necessary for a sustainable future, the Halifax meeting invited the dedication of all universities to the following actions:

1. To ensure that the voice of the university be clear and uncompromising in its ongoing commitment to the principle and practice of sustainable development within the university, and at the local, national and global levels.
2. To utilize the intellectual resources of the university to encourage a better understanding on the part of society of the inter-related physical, biological and social dangers facing the planet Earth.
3. To emphasize the ethical obligation of the present generation to overcome those current malpractices of resource utilization and those widespread circumstances of intolerable human disparity which lie at the root of environmental unsustainability.
4. To enhance the capacity of the university to teach and practise sustainable development principles, to increase environmental literacy, and to enhance the

understanding of environmental ethics among faculty, students, and the public at large.

5. To cooperate with one another and with all segments of society in the pursuit of practical capacity-building and policy measures to achieve the effective revision and reversal of those current practices which contribute to environmental degradation, to South-North disparities and to inter-generational inequity.
6. To employ all channels open to the university to communicate these undertakings to UNCED, to governments and to the public at large.
7. *Done at Dalhousie University, Halifax, Canada, the 11th day of December, 1991.*

- [Background information](#)
- [Action Plan](#)
- [Recommendations](#)
- From December, 9-11, 1991, the presidents and senior representatives of 33 universities from 10 countries on 5 continents met in Halifax, Canada to take stock of the role of universities regarding the environment and development. They were joined by a number of senior representatives from business, the banking community, governments, and non governmental organizations. The meetings were sponsored by the International Association of Universities, the United Nations University, the Association of Universities and Colleges of Canada, and Dalhousie University, Canada, which also provided the detailed planning and secretariat support. The Halifax Declaration was released at the conclusion of the conference.



THE SWANSEA DECLARATION

(released at the conclusion of the Association of Commonwealth Universities' Fifteenth Quinquennial Conference, August 1993, Swansea, Wales).

Human demands upon the planet are now of a volume and kind that threaten the future well being of all living species. Universities have a major responsibility to help societies shape their present and future development policies and actions into the sustainable and equitable forms necessary for an environmentally secure and civilized world.

As the international community marshals its endeavours for a sustainable future, following upon the United Nations Conference on Environment and Development in Rio de Janeiro in 1992, and its adoption of Agenda 21, the United Nations' Programme of Action aimed at reconciling the twin requirements of a high quality environment and a healthy economy for all peoples of the world, universities in all countries are increasingly examining their own roles and responsibilities. At Talloires, France in October 1990, a conference of university presidents from every continent, held under the auspices of Tufts University of the United States, issued a declaration of environmental commitment that has attracted the support of more than 100 universities from dozens of countries. At Halifax*, Canada in December 1991, the specific challenge of environmentally sustainable development was addressed by the presidents of universities from Brazil, Canada, Indonesia, Zimbabwe and elsewhere, as well as by the senior representatives of the International Association of Universities, the United Nations University and the Association of Universities and Colleges of Canada.

At Swansea, Wales, in August 1993, participants in the Association of Commonwealth Universities (ACU) 15th Quinquennial Congress drawn from over 400 universities in 47 different countries met to address the challenge of "People and the Environment - Preserving the Balance". They engaged in a quest for the ways by which the universities of the ACU, their leaders, scholars and students might engage and deploy their unique common traditions and comity to respond appropriately to this challenge.

The Swansea meeting inspired by the examples of Talloires and Halifax, and disappointed by the insufficient University presence at Rio de Janeiro and in Agenda 21, added its voice to those many others worldwide that are deeply concerned about the widespread degradation of the Earth's environment, about the pervasive influence of poverty on the process and the urgent need for sustainable practices. The participants expressed the belief that solutions to these problems can only be effective to the extent that the mutual vulnerability of all societies, developed and developing, is recognized, and the energies and skills of people everywhere be employed in a positive, co-operative fashion. Because the educational, research and public service roles of universities enable and impel them to be competent, effective contributors to the major additudinal and policy changes necessary for a sustainable future, the Swansea meeting invited thoughtful consideration by all universities of the following actions:

1. To urge universities of the ACU to seek, establish and disseminate a clearer understanding of sustainable development - "development which meets the needs of the present without compromising the needs of future generations" - and encourage more appropriate sustainable development principles and practices at the local, national and global levels, in ways consistent with their missions.
2. To utilise resources of the university to encourage a better understanding on the part of governments and the public at large of the inter-related physical, biological and social dangers facing the planet Earth, and to recognize the significant interdependence and international dimensions of sustainable development.
3. To emphasize the ethical obligation of the present generation to overcome those practices of resource utilization and those widespread circumstances of intolerable human disparity which lie at the root of environmental unsustainability.
4. To enhance the capacity of the university to teach and undertake research in sustainable development principles, to increase environmental literacy, and to enhance the understanding of environmental ethics within the university and with the public at large.
5. To co-operate with one another and with all segments of society in the pursuit of practical and policy measures to achieve sustainable development and thereby safeguard the interests of future generations.
6. To encourage universities to review their own operations to reflect best sustainable development practices.
7. To request the ACU Council urgently to consider and implement the ways and means to give life to this declaration in the mission of each of its members and through the common enterprise of the ACU.

Done at the University of Wales, Swansea, the 20th day of August 1993

* The declaration adopts, quite substantially, the language of the Halifax Declaration, which was written by Ivan Head and Walter Kamba in consultation with Halifax conference participants.