

The Late Rev. Leon H Sullivan & the Sullivan Principles: The Greatest Underrated Catalyst for Socio-Economic Development in Sub-Saharan Africa

By: Herbert A. Igbanugo<sup>1</sup> Igbanugo Partners Int'l Law Firm, PLLC 250 Marquette Ave, Suite 1075 Minneapolis, MN 55401 (612) 746-0360: Telephone (612) 746-0370: Fascimile

# Introduction

We would like to use this opportunity of Summit IX 2012 (August 20-24<sup>th</sup>), Malabo, Equatorial Guinea, to pay homage to a man whose life's work was and remains a living testament to the unimaginable success and social changes good Corporate Social Responsibility ("CSR") policies can bring about in underdeveloped countries and communities that need the most help. At a time when CSR was a concept yet to be fully developed and Corporate America's focus was purely on the bottom line, Rev. Leon H. Sullivan's life's work embodied his moral convictions and dedication towards achieving economic and social equality for society's most disenfranchised. His struggles and successes extend from the United States of America, his birthplace, to Africa, the land of

<sup>&</sup>lt;sup>1</sup> Herbert A. Igbanugo, Esq. is a founding shareholder of Igbanugo Partners Int'l Law Firm, PLLC, and its consulting division, Sub-Saharan African Development Enterprises (SSADE). As an SSA-focused law and development consulting firm with African cultural fluency, Igbanugo Partners provides consulting services to U.S. government agencies, corporations, institutions and non-profit organizations throughout SSA, concentrating in: 1) managing/liaison counsel services, 2) anti-corruption/anti-bribery/Foreign Corrupt Practice Act compliance, training. advisory/oversight, monitoring & legal services, 3) corporate social responsibility advisory/oversight services, 4) high level governmental/private sector access & interest advocacy, and 5) democratic governance and rule of law assessments/training. He can be reached by telephone at 612-746-0360 or by e-mail at higbanugo@igbanugolaw.com. #132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

his ancestry. His examples and principles continue to have a lasting impact on the way business is done around the world, especially in Africa. More importantly, his memory and principles live on, fostered through the extraordinary and noble efforts of the Leon H. Sullivan Foundation, headed by his distinguished and capable daughter, Hope Sullivan.

In his book Build Brother Build, Rev. Sullivan recorded his thoughts on his African heritage in both nostalgic and poetic language:

When I plan for the future, my thoughts turn eventually to Africa. Somehow, I believe, slavery will be turned to the advantage of our future. The day will come when the continent from which my forefathers came will blossom into a paradise. I have a feeling that my ultimate freedom and my ultimate security are tied to the development of Africa. Of course I have no intention of forsaking America, for America is my home and I have helped to build her and shape her. But like the Jews and others who came to make this country what it is, I need an anchor in the past, a place my children can proudly call their ancestral home. My citizenship is here, but a part of my spirit is in Africa, also.

I envision a bridge from America to Africa over which one day my children and my black brothers and black sisters will move freely from one side to the other and back again. The bible has said, "The day will come when Ethiopia shall stretch forth her hands again," and I know that day is coming, though I shall not live to see it. The time is not far off when black technicians, artisans and craftsmen by the thousands and tens of thousands will visit a flourishing Africa, helping to mold that continent into a new greatness glorious to see.<sup>2</sup>

When Leon Sullivan joined the Board of Directors at General Motors in 1971, he used his corporate foothold to oppose apartheid, the government policy of segregation in South Africa. Since the passage of a Declaration of Grand Apartheid in 1948, a number of reformers, including Nelson Mandela, had tried unsuccessfully to end apartheid. But imbued with an unusual compassion for humanity, this indefatigable leader, visionary

<sup>&</sup>lt;sup>2</sup> Leon H. Sullivan, *Build Brother Build* (Philadelphia: Macrae Smith, 1969), 178-79. #132834 2

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

and policy entrepreneur embraced the challenge. He personified stubborn persistence in the struggle and stood tall and undaunted in the face of seemingly insurmountable adversity.

# The Early Years: Leon H. Sullivan

Leon H. Sullivan was the son of Charles and Helen Sullivan. He was born in Charleston, West Virginia and was raised in Washington Court, one of Charleston's poorest sections. At the age of three, his parents divorced and he grew up an only child. In spite of growing up in extreme poverty, Sullivan recalled that "we never went hungry." Although an only child, he grew up in an extended family of aunts, uncles and cousins.<sup>3</sup> Rev. Sullivan credits his grandmother Carrie for his convictions and in so doing recalls that she "regularly reinforced the view that no one – not even God – would help me if I was not willing to help myself."<sup>4</sup>

Growing up as a poor black child in the segregated South came with many challenges; however, the obstacles segregation presented to Sullivan in his early years only served to strengthen his resolve to fight against discrimination. At the age of twelve, Sullivan had his first direct experience with bigotry. He tried to purchase a Coca-Cola in a drugstore in Capitol Street and was promptly ordered by the white proprietor to leave. The proprietor yelled, "Stand on your feet, black boy! You can't sit down here!" Sullivan recounts this story in his various writings and describes how it was a motivating factor in his life long struggle to exterminate racial prejudice.

Stand on Your Feet Black Boy, http://muweb.marshall.edu/revleonsullivan/principled/stand.htm

<sup>&</sup>lt;sup>4</sup> Leon H. Sullivan, Moving Mountains, The Principles and Purpose of Leon Sullivan, Judson Press, 2008. #132834

By the age of seventeen, Sullivan had chosen the path towards becoming a minister. He credits Rev. Moses Newsome for his career choice. Sullivan explained that, at a time when he was most impressionable, he witnessed Rev. Newsome reach out to the poorest and the lowest he could find. He further notes, "I admired him and determined this was the kind of man I wanted to be." Admirably, Sullivan became a preacher by age seventeen and the pastor of two churches by age eighteen. <sup>5</sup>

Sullivan attended the Union Theological Seminary and Columbia University, where he obtained a master's degree in Religion in 1947. He met his wife, Grace Banks, who he called his "Amazing Grace," while serving as an assistant Pastor at Abyssinian Baptist Church. He and Grace together brought three children into the world: Hope, Julie and Howard. Rev. Sullivan later became the pastor at First Baptist Church in South Orange, New Jersey and the pastor of Zion Baptist Church in Philadelphia. While at Zion Baptist Church, his congregation grew from 600 to 6,000 members, making it one of the largest congregations in America during this era.

# The Selective Patronage & Civil Rights Movements

Rev. Sullivan's fight against the scourge of racism and his quest for social equality never took a back seat to his career as a pastor. If anything, the two were one and the same. His work at Zion Baptist Church provided him with the opportunity to foster his life's mission in an urban setting riddled with social complexities and problems. Moreover, naiveté was never an attribute that hindered Sullivan's vision. He exhibited a perspicacious understanding of the socio-economic inequity in his society and knew from

<sup>5</sup> Id.

<sup>#132834</sup> 

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

an early age that self-help was the major factor in bridging a socio-economic gap plagued by over a century of racial prejudice, segregation and discrimination. Rev. Sullivan later explained:

Creating economic opportunities for blacks and other minority groups who had experienced discrimination stood at the top of my list of priorities. In the larger society, many mistakenly assumed that once the laws were changed to end segregation, all the problems of minority cultures would be solved. But black people learned from experience that social and economic discrimination would continue long after human rights laws were enacted as a result of the efforts of the civil rights movements.<sup>6</sup>

By 1960, Rev. Sullivan recognized that blacks made up less than one percent of the U.S. marginal job market. He also witnessed that the jobs in which most blacks were employed were severely limited to specific sectors of the economy, mostly labor and low paying government service sector. More concerning was the fact that blacks were virtually shut out of the job market of major industries like banks, insurance companies, corporations and retail stores. Sullivan also understood that despite this discrimination, blacks as a group made up a formidable sector of economic purchasing power. He was a brilliant student of business and had ingenious insight into the inner workings of corporate America. His participation in groups like Americans for the Competitive Enterprise System and Chambers of Commerce provided him with the discernment he needed to leverage an economic force once thought insignificant to the powers that be. Sullivan knew that blacks, comprising approximately twelve percent of the population, were an indispensable market force and as such, could make or break a corporation.

<sup>&</sup>lt;sup>6</sup> *Id*.

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

In an effort to instill basic fairness and rid the system of this racial plague, Rev. Sullivan formed a group of 400 black ministers in Philadelphia. In 1958, during the peak of the civil rights protests in the U.S., Sullivan's group of ministers launched a very successful boycott campaign to eliminate employment discrimination against black workers in the city. From their various pulpits each Sunday these ministers counseled their parishioners and advised them to boycott any establishment that discriminated against blacks. The group encouraged businesses to provide access to blacks in employment. For those businesses that insisted on carrying on the practice of discrimination, their companies were placed on a list of businesses to boycott and this list was distributed to parishioners each Sunday. Rev. Sullivan explained:

If our decision was to so advocate, word of the recalcitrant company went out from four hundred pulpits across Philadelphia on the following Sunday. By Monday morning, three hundred thousand (300,000) black people around the city had heard the message, even if they had not watched television, listened to the radio or read a newspaper. Abiding by the recommendation, they either stopped buying certain items, commodities, or brands, or they stopped patronizing certain establishments ... In 1962 as a result of our efforts, some three hundred businesses in the Philadelphia-Delaware Valley areas agreed to a policy of fair employment practices. For the first time, blacks began to appear in "good" jobs in private industry in ever increasing numbers throughout Philadelphia and its environs. In time, tens of thousands of jobs opened to young black workers as the message spread throughout the Philadelphia business community: "Get your house in order and employ blacks because the ministers are coming."<sup>7</sup>

Rev. Sullivan's work to promote equality and end discrimination was never ending. He also never lost touch with the fundamental principle of self-help. In 1964, he founded the Opportunities Industrialization Centers (OIC) of America, a program that

<sup>7</sup> Id.

#132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

provided those most disenfranchised with job training and job placement assistance. He also established the Zion Investment Association (ZIA), by mobilizing members of his congregation into becoming shareholders of the company. The company later invested in multiple economic-improvement projects that were instrumental in providing basic economic opportunities to those who believed that such opportunities were beyond their reach. His relentless efforts and persistence had him involved with dozens of projects to end racial discrimination and promote economic equality. Rev. Sullivan constantly urged political and business leaders alike to incorporate fundamental principals of basic equality into their social and corporate policies. He worked with other leaders like Rev. Dr. Martin Luther King Jr. during the civil rights movement and credits Rev. King's unfortunate passing for his appointment to the Board of General Motors (GM) in 1971, making him the first black board member at GM.

Rev. Sullivan recalls that: "On the Monday following the assassination of Dr. King, Jim Roche, the chairman of General Motors, was flying from a meeting in New York back to Detroit. As he peered through the airplane window, he later told me, "It looked like the whole city of Detroit was on fire." He said it was at that moment he decided something had to be done to improve race relations in this country and that he should start with General Motors and its board of Directors."<sup>8</sup>

At General Motors, Rev. Sullivan continued his life's work and was instrumental in creating opportunities and opening doors for economically disenfranchised blacks. He fought tirelessly at GM to increase black owned dealerships as well as black and other minority GM suppliers. Sullivan described that his efforts "took a lot of hard work and

<sup>8</sup> *Id.* #132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

consistent pushing, but eventually these efforts bore fruit. Black dealerships and salespersons throughout the United States increased, and black suppliers doing business with General Motors grew from \$3 million in investment when I joined the board to over \$12 billion in 1990. In fact, at that time General Motors was doing more business with black owned venders and suppliers than the U.S. government." <sup>9</sup>

#### **The Sullivan Principles & Emancipation of South Africa**

Rev. Sullivan's most prolific act at GM later set the cornerstone for what would become CSR as we know it today. It also extended his cry and fight for social justice and economic equality beyond the borders of the United States to the shores of Africa. Through his own life's work and experiences, Sullivan clearly understood that the system of apartheid in South Africa was a leper to humanity. As a member of the GM board, he wielded his influence to eradicate this system of organized injustice. On May 21, 1971, to the chagrin of his fellow directors, Rev. Sullivan took the stage at his first stockholders' meeting and boldly advocated that GM withdraw its business from South Africa for as long as the country maintained its system of apartheid. Rev. Sullivan postulated as follows:

My reason for speaking today ... regards General Motors' involvement in the Union of South Africa. Blacks in the Union of South Africa are relegated to subhuman treatment without freedom of movement, without economic equality in wages for the same job preformed, and without even basic, elemental rights. Apartheid must come to an end. To a great measure, the system of apartheid is being underwritten by American industry, interests, and investment, simply by virtue of our operations there. There are over three hundred American businesses and companies operating in the Union of South Africa today, including the General

<sup>&</sup>lt;sup>9</sup> *Id.* #132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

Motors Corporation. These companies by their very presence are helping to sustain the existence of this terrible practice I have alluded today. Either the leaders of the Union of South Africa will end apartheid in the Union of South Africa, or one day apartheid will mean the end to the Union of South Africa – and everything General Motors has in it.<sup>10</sup>

He further posited:

But even more than economic considerations or political considerations, American industry cannot morally continue to do business in a country that so blatantly and ruthlessly and clearly maintains such dehumanizing practices against such large numbers of its people. Admittedly, my concerns go deeper. When I realize I am a black man and that the vast majority of those who are dehumanized are black like myself, I hear voices say to me: "Things will work out in time; things are getting better; let us slow down on this matter." But then I ask, 'Why does the world always want to go slow when the rights of black men are at stake?"<sup>11</sup>

Rev. Sullivan, with no reservations, went on the record and announced that he would continue his fight to see that American enterprises, including GM, withdrew from South Africa, until changes were made in policies regarding the treatment of blacks and other nonwhites in the country. He enlisted help from the Episcopal Church of the United States, a GM stockholder, in calling for GM and other U.S. companies in South Africa to withdraw from the country.<sup>12</sup> Although Rev. Sullivan's address to the GM stockholders and board did not produce an immediate effect regarding GM's business dealings in South Africa, overtime, through consistent appeals and pressure, he convinced his other co-directors to see things his way, and GM practices in South Africa eventually changed for the better.

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

<sup>&</sup>lt;sup>10</sup> *Id.* at 27

<sup>&</sup>lt;sup>11</sup> Id. <sup>12</sup> Id.

<sup>100</sup> 

<sup>#132834</sup> 

Rev. Sullivan acknowledged that although his South Africa divestment efforts did not initially have the majority support of the board of GM, Chairman Roche defended his right to make his statement and fended off opposing views from other directors. Rev. Sullivan recalled:

Never before had a director of General Motors or any other large corporation made such a statement opposing a broad position. Later, when I was receiving an honorary doctorate at Yale University with Henry Ford II, Henry said to me, "Leon, I would never let anyone on my board who would oppose me and my company as you have done. I like you and you are my friend, but my friendship for you would never, never go that far."

This chilling remark did not stop Sullivan's crusade for honor and dignity for his black brethren in South Africa. He did not wish to resign this heart-wrenching problem to faith for "to resign ones self to faith is to be crippled fast."

In 1975, Rev. Sullivan visited South Africa, which exposed him to a front-row view of the true injustice and inhumane conditions the system of apartheid embodied and inflicted on the blacks and non-white people of South Africa. His visit and what he witnessed and experienced further strengthened his resolve to obliterate apartheid. Upon his return to the U.S. from South Africa, he preached to an overflowing congregation. The sermon was titled, "The Walls Must Come Down". He asked the children in his congregation to write down the date June 29, 1975 and stated, "In fifteen years, apartheid in South Africa will be no more."

During the advent of this uplifting sermon, Rev. Sullivan, by divine inspiration, jotted down on a piece of paper a document he titled, "Principles of Equal Rights for United States Firms in the Republic of South Africa." Two years later, a story regarding the Principles for Equal Rights would be published in the London Times and become

#132834

known as the "Sullivan Principles." After his return, Rev. Sullivan reported to the GM board about his visit to South Africa and renewed his request that GM and its board join him in his holy effort to end apartheid in South Africa by taking the lead in organizing other U.S. companies to work together for change. Rev. Sullivan went drastically further by announcing that he would resign from GM's board if it withheld its support.

The board members at GM understood the significance of Rev. Sullivan's resignation and knew the adverse impact such a move would have on the company as a whole, especially within the black community. After gaining the support he needed from GM, Rev. Sullivan took the lead in organizing a get together of U.S. firms operating in South Africa. On December 2, 1975, a meeting was held in Sands Point, New York. In attendance were corporate friends, chief officers and leading officials of twenty-tree major American companies doing business in South Africa.

Rev. Sullivan had his audience. He recounted his visit of South Africa and lamented about the unimaginable dehumanizing conditions that existed there. He warned that apartheid was not sustainable and that if nothing was done to address the problem then, that the fall of apartheid would necessarily result from a civil war supported by all of Africa, Russia and China. The consequence of such a conflict would mean the loss of everything western companies owned in the region and the region falling into the influence of its communist supporters.

By the end of the meeting, Tom Mury (Chairman of GM), Frank Cary (Chairman of IBM), John Reid (Chairman of Citibank), Brooks McCormick (Chairman of International Harvester) and John Travalerious (President of Mobil) were among members of a committee to refine the Principles of Equal Rights for Companies in South #132834 11

Africa. After a lot of hard work and many frustrating moments, on April 1, 1977 the Principles of Equal Rights (Sullivan Principles) were announced publicly with the names of twelve signatory companies, including GM, Ford, CalTex, Union Carbide, Otis Elevator, Burroughs, 3M, IBM, American Cyanamid, Mobil, CitiBank, and International Harvester.

The Principles called on U.S. companies and their affiliates in South Africa to support the following guidelines regarding their business dealings in the country:

- 1. Nonsegregation of the races in all eating, comfort, and work facilities.
- 2. Equal and fair employment practices for all employees.
- 3. Equal pay for all employees doing equal or comparable work for the same period of time.
- 4. Initiation of and development of training programs that will prepare, in substantial numbers, blacks and other nonwhites for supervisory, administrative, clerical and technical jobs.
- 5. Increase the number of blacks and other nonwhites in management and supervisory positions.
- 6. Improve the quality of employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation and health facilities.<sup>13</sup>

It is noteworthy that during the dark years of apartheid, South Africa was subjected to an onslaught of sanctions, including unilateral and multilateral arms, trade, investment and financial embargoes. By far the most crippling measure was the U.S. Comprehensive

<sup>&</sup>lt;sup>13</sup> *Id.* at 52 #132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

Anti-Apartheid Act passed by Congress in 1986. Amongst other things, the Act prohibited new loans and investments that were not directed at black-owned businesses. U.S. firms with twenty-five South African employees or more operating in South Africa were required to comply with the Sullivan Principles or submit an annual assessment of their activities to the Department of State. The Act also prohibited U.S. businesses from claiming foreign tax credits and deferral of United States tax on income earned in South Africa, ensuring that U.S. companies would be inflicted with double taxation on South African income. Further, the Act outlawed the import of some South African commodities, including gold coins, uranium, coal, steel, iron, textiles and sugar. Exports of computers, nuclear material, certain arms and oil were also severely restricted. Finally, American banks were banned from making loans to—or receiving deposits from—the South African government.<sup>14</sup>

In 1985, Rev. Sullivan took the most significant step since unveiling the Sullivan Principles in 1977. He courageously brought the struggle to a head in an editorial published in the *Philadelphia Inquirer* on May 7, 1985, in which he gave South Africa a two-year deadline for the government to end statutory apartheid, release Nelson Mandela, and afford black Africans the right to vote on an equal basis with whites. This ultimatum was reported extensively both in the United States and in South Africa. It became the lead story on all three major American television networks, along with CNN and many local television stations around the United States. The ultimatum was received with the same shock waves in South Africa itself. Additionally, Rev. Sullivan went on the *Today Show* 

 <sup>&</sup>lt;sup>14</sup> See Craig Forcese. Globalizing Decency: *Responsible Engagement In An Era Of Economic Integration*. 5
Yale Hum. Rts. & Dev. L.J. 1 (2002)

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

to further emphasize his line in the sand and to call on all U.S. companies remaining in South Africa to leave.

A few weeks later, the walls of apartheid began to crumble. Within six months, forty U.S. companies had announced they were leaving South Africa. In ten months this number had grown to seventy, including General Motors, IBM, and Mobil, all of which were among South Africa's leading U.S. companies. Within twelve months, South Africa lost \$1 billion in company investments. Within two years of the ultimatum, statutory apartheid had ended, and a year later, Nelson Mandela was freed from prison. After three years, blacks had the full right to vote. And within four years, Nelson Mandela was president of a democratic free South Africa.

By 1993, the Sullivan Principles had grown exponentially to nearly seventy signatories, including some of the largest companies in the United States. Leaving it to others to judge its impact, Rev. Sullivan noted an article by S. Prakesh Sethi that stated:

The experience of the Sullivan Principles offers a unique opportunity to learn about the possibilities and challenges of creating universal standards of conduct for multi-national companies ... Nowhere in the annals of the history of international business, especially the history of multinational companies, has there been such a unique and profound experiment as the operations of the U.S. companies in South Africa under the white-dominated regime which practiced legalized apartheid. The Sullivan Principles constituted the first voluntary code of ethical conduct applied under realistic operating conditions. The Principals possessed a large measure of moral authority for validating corporate actions and, where necessary, for exhorting companies to undertake activities they might otherwise consider ill-advised on pure economic or political grounds.<sup>15</sup>

Karen Paul's The Nonprofit Sector in Global Community also noted:

The final amplification of the Sullivan Principles in 1984 put Signatories in the position of outright defiance of the South African Government. Normally, multinationals operating abroad are expected to stay out of

<sup>&</sup>lt;sup>15</sup> Leon H. Sullivan. <u>Moving Mountains</u>, at 102.

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

politics, to refrain from attempting to exert undue influence on the Government, to respect local laws and customs. But United States companies in South Africa with the Sullivan Principles are being asked to lobby actively to create pressure for changing South Africa laws, to support those who challenged the government and to take a positive stand on social issues – in short to become an instrument for social change.<sup>16</sup>

Under the guidelines of the Sullivan Principals, U.S. companies, through their philanthropic giving, helped improve the lives and economic wellbeing of millions of blacks and nonwhites in South Africa. The socially responsible actions by said companies also helped create a more prepared workforce of blacks and nonwhites, through education, job training and simply opening up positions to those who previously were excluded because of their race. This also favorably impacted the Black Economic Empowerment ("BEE") subsequently implemented in South Africa to bridge the economic gap created by apartheid. In 1997, the Investor Responsibility Research Center in Washington, D.C. took a survey of 700 American companies doing business in South Africa. Their report concluded that American companies for the companies' name and products and earn goodwill from both the American public and the South African government." The report went on to conclude that companies committed to socially responsible practices have an edge over those that are not.

Rev. Sullivan's work did not end with the fall of apartheid in South Africa. He also recognized the abject socio-economic conditions of the people of Sub-Sahara Africa. Rev. Sullivan's concerns for Sub-Sahara Africa lead to his establishment of the African – African American Summit in 1991. This bi-annual summit, hosted by various Sub-Sahara African nations over the years, brought African leaders and other leaders from

<sup>16</sup> *Id.* #132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

around the world together to address some of the region's most crippling problems and to set realistic guidelines for addressing and resolving those problems. These summits continue today through the great efforts of the Leon H. Sullivan Foundation. Headed by Rev. Sullivan's capable daughter, Hope Sullivan, The Sullivan Summits, more affectionately known as "The People's Summit," gather not only world leaders for important discussions affecting sub-Sahara Africa, it also invites and encourages the involvement of well-wishers or anyone willing to participate.

# Anti-Corruption, the U.S. Foreign Corrupt Practices Act ("FCPA") & the Sullivan Principles

The FCPA was signed into law by President Jimmy Carter on December 19, 1977, and amended in 1998 by the International Anti-Bribery Act, which was designed to implement the anti-bribery conventions of the Organization for Economic Cooperation and Development. Congress enacted the FCPA to bring a halt to the bribery of foreign officials and to restore public confidence in the integrity of the American business system. The original Sullivan Principles of corporate social responsibility were also developed in 1977. The new Global Sullivan Principles were jointly unveiled in 1999 by Reverend Sullivan and United Nations Secretary Kofi Annan. The new and expanded corporate code of conduct emphasized promotion of fair competition, anti-bribery environment and corporate social responsibility.

In the world marketplace, business thrives on competition. Corruption has been a part of the playing field in Africa, much to the detriment of the Continent and it does not bode well for Africa or for U.S. businesses operating in that region. Bribery and #132834 16

corruption tilt the playing field and create unfair advantages for those willing to engage in unethical and illegal behavior. Corrupt practices penalize companies that play fair and seek to win contracts through the quality and pride of their products and services. As we proceed through the 21st Century, more people throughout the world are rejecting the notion that corruption is an inevitable part of doing business.

On a global level, the United Nations entered the anti-corruption crusade with its own *United Nations Convention Against Corruption* on December 14, 2005.<sup>17</sup> While the United Nations Convention had universal acceptance, there were still countries that voiced objections to certain provisions of the convention on political, sociological and economic grounds. Most countries including, the United States, could not agree to enforcement issues such as which court would have jurisdiction for enforcement of the convention. Other objections hinted on loss of territorial integrity of the member states. While all members agreed corruption was a problem and something needed to be done to eliminate or reduce its spurious impact in global business, there was not a universal voice on how to attack the problem.

Corruption costs Africa some \$175 billion per year and adds significantly to import/export costs for U.S. companies in terms of costs of transportation, production, labor, regulation and all other aspects of doing business.<sup>18</sup> Other foreign countries' high tolerance for corruption makes it extremely difficult for U.S. companies to compete in SSA, while complying with stringent FCPA requirements. U.S. companies must compete with, for example, Chinese and Indian companies, which are among the worst culprits for

<sup>&</sup>lt;sup>17</sup> UN Convention Against Corruption, Oct. 31, 2003.

 <sup>&</sup>lt;sup>18</sup> Corporate Council on Africa: The U.S. and Africa – Business Partners in Development (Policy recommendations from the American Private Sector for the Obama Administration) (presented March 4, 2009).
#132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

paying bribes in developing countries. Transparency International (TI) places China and India at the top of its Bribe Payers' Index of 30 exporting nations.<sup>19</sup> These companies are more likely to pay bribes in less developed countries where anti-corruption institutions are weak, such as Africa, than in highly industrialized ones.<sup>20</sup>

For many years, Dr. Leon H. Sullivan had warned Africa's leaders about the dangers of bribery and corruption and their corrosive impact on socio-economic and political development. The Leon H. Sullivan Foundation is playing an intimate role in promoting anti-corruption measures and economic development on the continent by encouraging America to participate in the growth of African business, trade, investments and education. In fact, the Foundation is intent on exponentially increasing its FCPA and anti-corruption compliance posture in Sub-Saharan Africa.

## **African-African American Summits**

This segment tells the story of a movement, rooted in the success of the Sullivan Principles, to bring together Africans, African Americans, the African Diaspora, and friends of Africa from around the world to meet on African soil in order to work together for the advancement of Africa and, in particular, for the development of Sub-Saharan Africa.

Sullivan organized the first summit in Abidjan, Côte d'Ivoire in 1991, as a result of a number of requests and conversations he had with African leaders seeking an honest

<sup>&</sup>lt;sup>19</sup> BBC News, China and India 'top bribe list', http://news.bbc.co.uk/2/hi/business/5405438.stm (last visited October 20, 2008).

<sup>&</sup>lt;sup>20</sup> Global Policy Forum, China's Rise: Hope or Doom for Africa, June 16, 2007, http://www/globalpolicy.org/security/natres/generaldebate/2007/0611chinaresources.htm (last visited October 20, 2008). #132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

dialog among and between leaders of African countries and government officials and leaders from developed countries. Since then, the biennial Leon H. Sullivan Summit has brought together the world's political and business leaders, delegates representing national and international civil and multinational organizations, and members of academic institutions in order to focus attention and resources on Africa's economic and social development. Their mission was inspired by Rev. Leon H. Sullivan's belief that the development of Africa is a matter of global partnerships. It was particularly important to Rev. Sullivan that Africa's Diaspora and Friends of Africa are active participants in Africa's development.

Issues discussed at the first summit included methods for urging the industrial world to forgive much of South Africa's enormous financial debt, reducing inflation and budget deficits, and improving education. Sullivan maintained that he would not cease his efforts on behalf of South African blacks until Nelson Mandela was released from prison, apartheid was eradicated, and equal voting rights were conferred by the country's government. Akin to the U.S. Peace Corps, Sullivan's vision was to create hundreds of African Support Committees. The following year, Sullivan had begun a \$40 million aid program to South Africa.

The second summit was held in Libreville, Gabon in 1993. But it was the third biennial African-African American Summit held in Dakar, Senegal, in 1995 that marked a special point in Sullivan's human rights crusade. By this time, a few key issues of the first summit were already achieved. Apartheid was eradicated in South Africa, equal voting rights were supported by the government, and the newly freed Nelson Mandela was able to participate for the first time. The South African president, who had spent 27

years of his life as a political prisoner, was one of the many individuals who benefited directly from Sullivan's decades-long efforts.

The fifth annual Summit in 1999 was responsible for drawing the largest contingent of black Americans ever to travel at once to the African continent. During the "Millennium Summit," more than 3,500 people, including the African leaders of more than 19 nations and 1000 distinguished African Americans, gathered with Sullivan in Ghana, West Africa. The "Millennium Summit" focused on the improvement of education and medical care, promoting agriculture and foreign investment, and basic business and economic development. President Clinton sent a delegation of six, headed by U. S. Secretary of Labor Alexis Herman. Other notable African Americans in attendance included the Rev. Jesse Jackson, serving as a special envoy to the president, NAACP President and CEO Kweisi Mfume, National Urban League President Hugh Price, and Coretta Scott King.<sup>21</sup>

In an interview with *Ebony*, Dr. Edith Irby Jones, former president of the National Medical Association, commented on the actions that came out of the summits. "We didn't sit around and talk about the health problems affecting Africa," she said. "We actually put down a plan of attack and timetables for addressing those issues. So that within weeks we will have people on committees, people procuring vaccines and people actually working to eradicate and stop the spread of things like AIDS and tuberculosis and some of these other very preventable diseases."

These "plans of attack" were the reason Sullivan's African-African American Summits had become more successful each year. The plan of attack for 1999 included

<sup>&</sup>lt;sup>21</sup> Gale Contemporary Black Biography: Leon H. Sullivan, Marilyn Williams & Leslie Rochelle. <http://www.answers.com/topic/leon-sullivan> #132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

launching the "People's Investment For Africa" (PIFA). PIFA raised money primarily from individual Americans for investing in and supporting more than 1,000 new small businesses on the continent. In late 1999, PIFA joined the Overseas Private Investment Corporation (OPIC) in its first micro-financing fund for Africa by pledging to raise \$1.25 million of a \$2.25 million loan commitment.

In the first three quarters of FY 2012, the Export-Import Bank of the United States (Ex-Im Bank) approved a historic \$1.5 billion in financing to support U.S. exports to Sub-Saharan Africa, surpassing the previous record of \$1.4 billion for the entire year in FY 2011. The increase was driven by export growth in several sectors, including machinery, vehicles and parts, commodities, and aircraft. Two of the top markets for U.S. exports in the region are South Africa and Nigeria, which are among Ex-Im Bank's nine key country markets. Sub-Saharan Africa is now a priority region because many countries have strong prospects for long-term economic growth and infrastructure development.

Because of a growing number of businesses being introduced to the African continent, in 1999 Sullivan also introduced the Global Sullivan Principles at a meeting of the United Nations. The Global Principles were aimed at businesses of all sizes and specifically targeted companies conducting business in developing nations. The Global Principles built on the basics of the Sullivan Principles for South Africa.

# The Sullivan Legacy

Speaking about his first day at GM as the first black member of the board of directors, Rev. Sullivan lamented:

Little did I know that my walk across the street would, by God's grace, sow seeds that would grow to help bring down one of history's most unjust and inhumane #132834 21

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

systems of racial segregation: South Africa apartheid. Little did I realize that my walk would lead to the building of a bridge between two continents- North America and Africa. This bridge of understanding, support, and interchange would in time make a difference in the lives of millions of Africans- especially youth- through education and business, as well as through the important task of building democratic nations throughout Africa.<sup>22</sup>

Perhaps the greatest legacy of the Sullivan Principles is, not what they did to help end apartheid, but what they have done to help improve the lives of blacks through education and the building of schools, the opening of clinics, and the supporting of hospitals—advocating a better and more hopeful life for black youth and advancing equal political rights. This legacy is being seen more and more now and will continue in the future. The Principles have helped prepare a generation of black and nonwhite leadership to lead and mold a nation in an effort to become a prime example to the world of a nonracial democracy that works.

When the walls of apartheid came down, there were young blacks prepared as a result of the Sullivan Principles to take leadership positions in business and in government. In addition, thousands of black-owned businesses had been established as suppliers and contractors to companies seeking to implement the Sullivan Principles. More importantly, the efforts of the Sullivan Principles to dismantle racial segregation extended beyond South Africa into every neighboring country of southern Africa, including Zimbabwe, Swaziland, Zambia, Angola, and especially Namibia, which had equally been caught in the clutches of apartheid and whose money was tied to the South African Rand.

<sup>&</sup>lt;sup>22</sup> Leon H. Sullivan. Moving Mountains. #132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

In 1963, Life magazine included Sullivan in its "Takeover Generation" issue. He was one of 100 Americans featured and was described as having "tough, self-imposed standards of individual excellence; a zest for hard work; a dedication to something larger than private success; courage to act against old problems; boldness to try out new ideas and having hard bitten, undaunted hopefulness." <sup>23</sup>

Sullivan was the recipient of numerous well-deserved awards during his life time, including: The Ten Outstanding Young Americans Award in 1955; Life Magazine Award which cited Sullivan as on of the 100 most outstanding young adults in the United States in 1963; the Common Wealth Award of Distinguished Service in 1986; the Presidential Medal of Freedom, the highest civilian award that the American government can give, by President George H. W. Bush in 1991; and the Eleanor Roosevelt Award for Human Rights, by President Bill Clinton in 1999. During his lifetime he was also awarded honorary doctorate degrees from over 50 colleges and universities and served as a board member of General Motors, Mellon Bank and the Boy Scouts of America.<sup>24</sup>

It is undeniable that Rev. Sullivan changed the face of black Africa for the better forever. I therefore, aver, with the greatest respect, that he stands toe-to-toe with the best of the best black international leaders of the 20<sup>th</sup> and 21<sup>st</sup> Centuries, such as Nelson Mandela, Martin Luther King, Jr., Desmond Tutu and Albert Luthuli, to mention just a few. I respectfully suggest and urge the African Union to honor Rev. Sullivan with a voluntary public holiday or a similar recognition. He has met the standard in every possible, imaginable or conceivable sense.

<sup>&</sup>lt;sup>23</sup> Sullivan Principles, Marshall University, <http://muweb.marshall.edu/revleonsullivan>

<sup>&</sup>lt;sup>24</sup> Gale Encyclopedia of Biography: Leon Howard Sullivan, <answers.com/topic/leon-sullivan> #132834

Herbert A. Igbanugo, Esq. Copyright © 2012 Igbanugo Partners Int'l Law Firm, PLLC. All Rights Reserved.

## **Conclusion**

On April 24, 2001, Sullivan died after a long battle with leukemia. He was 78years old. Clearly, Leon Howard Sullivan was a man with a vision, who spent his life working towards that vision of ridding society of racism and oppression by increasing opportunities wherever and whenever possible. People the world over were touched by his vision during his life and his foundations have resolved to continue his legacy after his death. Rev. Sullivan was truly a shining example of the human spirit and exemplary human behavior at its best. In all aspects of his life he strived for equality and fair play. He truly understood that all humans are entitled to the most basic necessities in life. Most importantly, Rev. Sullivan believed that injustice will maintain its presence wherever those with the power to create change, choose to do nothing and maintain the status quo.

Rev. Sullivan's leadership and his Principles, today, compel corporations to factor into their business formulas the human and social impact of their actions or inactions in every part of the world where they do business. Rev. Sullivan has helped companies realize that their corporate image, profitability and sustainability in certain regions depend on their business culture. Political and economic stability are essential to the profitability and long-term success of any company doing business in Sub-Saharan Africa. A company's ability to work with both governmental and non-governmental partners on socially sustainable projects that add real value to the lives of people is no longer just the socially responsible thing to do, it implicates long-term survivability.