

King II and the South African Way towards Sustainable Corporate Governance

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South Africa is proud to be at the forefront of corporate sustainable responsibility. The King Report on Corporate Governance for South Africa 2002, so-called King II or just the Code, was internationally appreciated as a blueprint for corporate governance. In May 2004, the Johannesburg Stock Exchange Socially Responsible Investment Index (JSE SRI Index) was launched to identify and support SRI in business.

The South African initiatives are interesting in two ways: The contribution of Sustainable Corporate Governance for the progress in a developing country and the lessons we can learn from it.

South Africa is facing huge social challenges that have to be addressed in the framework of sustainable development. The economy in South Africa has a rather slow though stable growth. Major constraints of development are global competitiveness, a decline of foreign investment and low progress in development of entrepreneurship followed by a still increasing unemployment rate and a high degree of poverty. Furthermore, HIV/Aids endangers progress massively and might contain the biggest threat for development in the long term.

King II and JSE SRI-Index are providing a framework in which South Africa's companies can incorporate their socially responsible initiatives. The framework is built on most progressive, internationally acknowledged standards on management systems and guidelines. According to King II and JSE SRI-Index content of corporate governance is determined by profound South African needs. The approach of bringing together international systems and national content leads to some major advantages for business.

The special quality of the South African Way is that SCG is highly interweaved with the country's development strategy. The specific strength of the South African approach is that it uses international structures and mechanisms and fills those with issues of acknowledged national interest. Apart from historic and social economic background, the cultural specifics are shaping the practice of CSR in South Africa by the same token cultural values are providing foundation for CSR efforts.

According to recent surveys however, South Africa is reflecting a well-known experience: Sustainable Corporate Governance at this stage is not mainstreaming but rather a promise, which still has to be fulfilled. On the one hand, mechanisms of monitoring and verification are not sufficient, stakeholder engagement is rather poor and sustainability is far away from being integrated into core business practises on a broad base, yet. More important, there is hardly any indication that current sustainable activities are sufficient to eradicate poverty in South Africa.

Nevertheless, there are achievements, which provide for some insights into success-factors of Sustainable Corporate Governance. South Africa has managed to embrace SCG as essential tool for the development of the country. International standards have been taken and filled with domestically acknowledged content. Sustainability matters and the country's specific needs are inevitably linked to each other. That is reason for an increased importance of sustainable performance for companies which goes beyond lip service. Thus, sustainable development has got a face – the commitment to the rainbow nation's democratic future.

Curriculum Vitae

Education

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| 1991 | Master of Arts (MA, German Literature, Politics) |
| 2002 | Master of Higher, Further and University Education |

Professional career

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| 1991 – 1992 | Management-Assistant at „VeraBra-Music“, Cologne (international music company: one-world-music, avantgarde, fusion) |
| 1992 – 1995 | Departmental Manager DGB Bundesvorstand, Düsseldorf (German headquarter of the Trade Unions)
Development of environmental consultancy structures in the new federal states of Germany; Collaboration in the union-focused realisation of the „EG-Eco-Audit-Regulation (EMAS) |
| 1996 – 2002 | Educational Manager at DGB Bildungswerk e.V., Düsseldorf
International projects on Environmental management, sustainable development, Agenda 21, E-learning |
| 2002 - 2004 | CIM-Expert for Project Management in South Africa, Cape Town
sustainable tourism development, CSR |
| 2004 - | Manager Sustainable Process-Design, CUTEC Institut GmbH
Regional sustainability processes, sustainability communication, CSG |

Publications (inter alias)

- **Working towards sustainability: trade unions as partners in environmental bargaining, Brüssel, 1997**
- **Innovation als Prinzip – Partizipation als Modell, in: Hoffmann, Esther; Jürgens, Gunnar; Rubelt, Jürgen: Öko-Audit – Reform überfällig, Berlin, TU 1997**
- Oeko-Audit – neues Werkzeug fuer den Umweltschutz (Hemkes, Weller) in: Praxishandbuch fuer Laborleiter, WEKA, 1998
- **Mitarbeiterqualifizierung: strategischer Ansatz zur Loesung von Umweltproblemen (Hemkes/Konter) in: Freimann (Hrsg.): Werkzeuge erfolgreichen Umweltmanagements, 1998**
- Umweltmanagement als Basis betrieblichen Innovationsmanagements (Hardersen/ Hemkes) in: Ellrigmann (Hrsg.) Praxishandbuch Umweltschutz Management, Fachverlag Deutscher Wirtschaftsdienst, 2000
- und plötzlich ist Umweltschutz so einfach wie miteinander reden. Erfahrungen aus 10 Jahren betriebliche Umweltarbeitskreise, Düsseldorf, 2001
- Betriebliche Kompetenzentwicklung zur langfristigen Sicherung von Umweltmanagement (Hemkes/Hardersen), in: Betriebliches Umweltmanagement, WEKA, 2001
- **Acht Schritte zur zukunftsfähigen Kommune. Leitfaden zur Lokalen Agenda 21 (Breyer, Hemkes, Schneidereit, U.), Düsseldorf, 2001**
- Kulimatji - we tell our old stories, project report, CWCI, Cape Town, 2004
- **For body and soul – Tourism Development Strategy for the Bolands, South Africa, Boland Municipality, Stellenbosch, 2004**
- **Tourism Development Strategy for Genadendal, South Africa, Overberg, Cape Town, 2004**

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