We owe Professor Kenneth Bond a good deal of gratitude for having addressed the issue of South African corporate divestment in the highly original way that he does. By asking four central questions, Professor Bond is able to raise discussions of the concept of corporate social responsibility, contemporary theories of justice and morality, and principles of normative ethics, while on the way to answering the general question of whether corporations have any duty to divest their assets from involvement with the apartheid government of the Republic of South Africa. We are indebted to Professor Bond not only for bringing these philosophical issues to bear on the South African divestment debate, but also for having done so in such a concise and precise way.

However, I will take the opportunity of these comments to argue that while Professor Bond’s paper raises some of the right questions about corporate divestment, he hasn’t raised all of them and in so doing he arrives at the wrong general answer and thereby offers an erroneous conclusion about the question of the morality of corporate involvement in South Africa. We are indebted to Professor Bond not only for bringing these philosophical issues to bear on the South African divestment debate, but also for having done so in such a concise and precise way.

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First, the fact that this work attempts to integrate the now perennial question of business ethics as to whether or not corporations have specific social responsibilities with special respect to the issue of South African apartheid is indeed admirable and long overdue. I agree with Professor Bond that apartheid is immoral and that there is no bona fide argument available which could prove otherwise. I further agree that businesses have social responsibilities, albeit for different reasons than those held in his analysis. Because business is inherently a social activity and its basic purpose is to fulfill various social needs, corporations engaged in business must be taken as full-fledged members of the moral community which is made up of a diverse number of members. Moreover, the members of a corporation are themselves likewise members of this moral community and as such they too have social responsibilities. Moral rules which determine moral responsibilities are never diluted by professional roles. We can never escape the primacy of our moral agency as individual members of a moral community. Likewise, corporations can never evade the primacy of their own moral agency as actual members of the same community. Thus, I have no quarrel with the outcomes of the first two central questions in Professor Bond’s analysis even though my analysis differs.

Also, the answer to question number three is unproblematic. While Professor Bond utilizes John Rawls’ account of justice and the social goals model of Manuel Velasquez to prove that the rights of South African blacks to freedom and dignity outweigh the rights of corporations in South Africa to do business freely, one could itemize other reasons as
well which would support this claim. To mention but one such additional justification, I would merely point to the Kantian principle of respect for persons which holds that it is morally wrong to treat people as a means toward an end. In short, one need not even raise the question of whether a South African black’s rights to freedom and dignity outweigh some corporate right to practice business freely. By merely being a person, the South African black is entitled to the exercise of freedom and is worthy of dignity befitting personhood. Of course, as a philosophy of racism, this is exactly what the system of apartheid has denied. Conversely, it is the respect of the South African black as a person which is affirmed by divestment proponents. Thus, any corporate right to practice business must take a place behind the rights of personhood which should be automatically ascribed to South African blacks.

The final question of Professor Bond’s four central questions is the crucial one. His formulation of it is: “Is the benefit to South African blacks greater with divestment than without?” Now immediately after raising this question, Professor Bond states: “For the purpose of this paper, it is presumed that a corporation will behave morally, if it stays in South Africa.” By this what is meant is that those corporations, which choose to stay in South Africa will act in a “socially responsive” way. They will, e.g., be signators of the Sullivan Principles and otherwise be good corporate citizens. The question now is formulated as whether these corporations so designated should pull out of South Africa. Professor Bond then goes on to survey and summarize some often-repeated arguments on both sides of the divestment issue and then offers his own position which can be characterized as a stilted species of the constructive engagement stance of the Reagan administration. He gives a purely consequentialist view of this stance and holds that (1) a strong South African economy will have good consequences for blacks there, and (2) divestment will not have the consequences of crippling the South African economy. Given these consequences, Professor Bond concludes that there is no moral obligation for U.S. corporations to divest themselves of their South African holdings.

Although I think these two consequences in Professor Bond’s analysis can be debated on an empirical basis — e.g. alternative statistics can be and have been cited other than those from *Forbes* and *Fortune* magazines which Professor Bond chooses to cite and which demonstrate that Blacks have not fared very well in good economic times in South Africa. Not to include these statistics amounts to a suppression of the evidence. Likewise, there is no telling or predicting the impact upon the South African economy, if there were to be a total economic isolation of South Africa by the free world of which the U.S. divestment movement is but one segment. But rather than debate on this empirical level, I would like to keep my critique on a plane where logical and ethical analysis is central.

The major thrust of such a critique is that purely consequentialist analysis of divestment issues never does complete justice to the deeper issues of morality. Given the formulation of the last central question in his work, given its teleological bias, there is little doubt as to where it will land its author. Of course divestment will not be beneficial to the economic life of black South Africans, but this does not automatically discount divestment from the realm of moral obligation. Rather, one can argue as follows: Since apartheid is immoral (Professor Bond’s first answer), and since corporations do have positive moral responsibilities (Professor Bond’s second answer), and since South African blacks have a right to freedom and dignity (Professor Bond’s third answer), and since divestment will not benefit blacks economically (Professor Bond’s fourth answer), then it can be concluded that U.S. corporate divestment is a moral obligation (given answers 1, 2, and 3) which will carry with it some burdens (given 4). In other words, Professor Bond’s first three answers do establish, and establish well, a moral obligation on the part of U.S. corporations to divest. The consequentialist’s analysis of the fourth point does not contradict what has been established, but only qualifies this moral obligation as one which is not free from hardship like so many other moral obligations. Professor Bond’s work does prove, I think, that divestment is a moral obligation which will provide future benefits to South African blacks while requiring present burdens.

Another approach to the claim of this paper that the consequences of divestment will harm blacks and that therefore U.S. firms are not morally obligated to practice divestment is to point out that such a teleological stance ignores real deontological import.