

Editorial

Letter from the Editors: Sustainability in Africa

Desislava Dikova, AIB Insights Deputy Editor¹, William Newbury, AIB Insights Editor², Elizabeth L. Rose, AIB Insights Deputy Editor³

¹ WU Vienna, Austria, & Kozminski University, Poland, ² Florida International University, USA, ³ Indian Institute of Management Udaipur, India

Keywords: Africa, biodiversity, decarbonization, energy transition, sustainable finance, AI

<https://doi.org/10.46697/001c.158903>

AIB Insights

Vol. 26, Issue 2, 2026

The second of three special issues focusing on international business in Africa brings together a diverse set of contributions examining the role of business, leadership, and governance in advancing sustainable development across Africa. Collectively, the papers provide a multidimensional perspective on how firms, financial institutions, policymakers, and leaders can drive inclusive, ecologically responsible, and context-sensitive development across the continent.

As the second in a three-part series, this *AIB Insights* issue aims to provide guidance to international business (IB) and sustainability-focused practitioners, and policymakers engaged in shaping responsible and sustainable economic development. It includes articles first presented at a two-day *AIB Insights* Paper Development Workshop held at Strathmore Business School in Nairobi, Kenya on May 28-29, 2024, combined with submissions to an open call for papers on international business in Africa.

Africa occupies a distinctive position in the global sustainability landscape. Although the continent contributes minimally to global greenhouse gas emissions, it faces disproportionate climate vulnerability and biodiversity risk (IPCC, 2023; UNEP, 2022). At the same time, rapid demographic expansion, urbanization, and the deepening of regional integration through the African Continental Free Trade Area (AfCFTA) are reshaping cross-border business dynamics and regional value chains (UNECA, 2021). For IB scholars and practitioners, sustainability in Africa presents a particularly compelling context because it unfolds within institutionally diverse and often institutionally “weak” environments. Many African economies are characterized by fragmented formal institutions, regulatory capacity constraints, and strong informal governance mechanisms (North, 1990). At the same time, MNEs increasingly operate within a global governance environment in which ESG standards, sustainability reporting regimes, and stakeholder expectations shape strategic decision-making (Kolk & van Tulder, 2010). For firms operating in Africa, sustainability is not merely a reputational concern but a strategic imperative that intersects with nonmarket strategy, institutional adaptation, and long-term value creation.

Africa’s continued reliance on commodity-based growth further intensifies the sustainability challenge. The AfCFTA offers a structural opportunity for regional upgrading and intra-African industrialization, yet integration without institutional harmonization may generate uneven outcomes (UNECA, 2021). Moreover, Africa possesses the globe’s youngest population, underscoring the urgency of inclusive

growth, entrepreneurial development, and leadership transformation. From an IB standpoint, sustainable development in Africa requires not only capital inflows but also knowledge transfer, capability building, and responsible governance structures. As global value chains become increasingly sustainability-oriented, African firms and institutions must align with international regulatory regimes while maintaining sensitivity to indigenous knowledge systems and socio-cultural contexts. Thus, sustainability in Africa represents more than environmental compliance; it is a multidimensional transformation process that intersects with core IB themes: institutional diversity, nonmarket strategy, global governance, regional integration, and the evolving responsibilities of multinational and domestic firms. The contributions in this special issue engage these themes from complementary angles, demonstrating how business strategy, regulatory reform, financial integration, technological innovation, and leadership development collectively shape Africa’s sustainability trajectory. Collectively, the papers move beyond narrow interpretations of sustainability as compliance and instead examine how firms, financial institutions, policymakers, and leaders can contribute to inclusive, ecologically responsible, and context-sensitive development.

The first paper, by **Wilson Odhiambo Odek** (Southampton Business School, UK), is a conceptual contribution titled “Realizing Moralized Value Creation: Unravelling Africa’s Social Conditions for MNEs Expansion into the Continent”. Odek challenges MNEs to rethink expansion strategies in light of Africa’s complex social conditions. Introducing the concept of Socialized Moral Hazard (SMH), the paper highlights how embedded social norms, relational expectations, and informal governance dynamics shape subsidiary management and integration. The proposed five-step Moralized Value Creation (MVC) framework offers a structured approach for firms to align agency considerations with socio-economic responsibility, reframing value creation as a morally grounded and contextually embedded process.

Simon Züfle and **Richard Adu-Gyamfi** (Reutlingen University, Germany) shift attention to international business-to-business (B2B) partnerships and their potential to advance the Sustainable Development Goals (SDGs). Their article titled “How Can International Business-to-Business Partnerships in Africa Contribute to Achieving the Sustainable Development Goals?” emphasizes the role of ethical supplier selection, transparency in technology adoption, and openness to indigenous African know-how in building responsible cross-border partnerships. Rather than positioning African firms as passive recipients, the authors advocate reciprocal knowledge exchange and collaborative value chains that contribute to poverty reduction, environmental sustainability, and long-term capability building.

Ecological sustainability is further developed in the article titled “Biodiversity and Inclusive CSR: Exploring an Integrative Framework for Ecological Sustainability in Africa” by **Edward O. Akoto** and **Lydia N. Takyi** (Akonten Appiah-Menka University, Ghana). As the African Continental Free Trade Area (AfCFTA) accelerates trade and intensifies natural resource extraction, biodiversity risks increase. The authors propose an eco-centric CSR framework that integrates biodiversity considerations into ESG and SDG alignment. Their integrative model calls for businesses and policymakers to move beyond traditional CSR toward biodiversity-inclusive strategies that balance economic growth with environmental preservation.

Sectoral transformation and innovation are examined in the study of goat pastoralism in Kenya by **Geoffrey Otieno** (Strathmore Business School, Kenya) titled “Transforming Goat Pastoralism in Kenya: Off-taker Innovations in Kajiado and Their Implications for Sustainable Agriculture in Africa”. Focusing on off-taker innovations in Kajiado County, the article demonstrates how structured trade agreements, value chain financing, vaccination programs, and climate-adaptive practices can stabilize pastoral livelihoods while enhancing sustainability. The study illustrates how local innovation, when combined with supportive policy frameworks and AfCFTA opportunities, can modernize traditional sectors without eroding socio-cultural foundations.

Leadership as a foundational pillar of sustainability is explored by **Isabel Wolf-Gillespie** and **Jeremias de Klerk** (Stellenbosch University, South Africa). Their article titled “The Inner Development of Business Leaders: A Pathway to Sustainable Leadership in Africa” argues that sustainable development in Africa requires transformative leadership rooted in ethical self-awareness and cultural authenticity. Drawing on indigenous leadership traditions and contemporary sustainability agendas, the authors propose inner development as a catalyst for systemic change. This perspective broadens sustainability debates by linking organizational transformation to personal growth and values-based leadership.

Sharan Bhawani (Xavier School of Management, India) advances the discussion through a pragmatic examination of ESG adoption in African contexts in the paper titled “Embracing ESG Framework in Africa: A Blueprint for Sustainable Development”. Recognizing regulatory uneven-

ness, informality, and financing constraints, the paper develops an Africa-specific ESG implementation framework. Using Olam International as an illustrative case, the article outlines governance alignment, materiality prioritization, supplier traceability pilots, and disclosure readiness as practical pathways for embedding ESG in both multinational and SME operations.

Financial systems and regulatory dynamics are addressed in the paper titled “International Regulation and African Multinational Banks: A Paradox for International Business Policy and Sustainable Development” authored by **Mesiet William Kamihanda** (Kent Business School, UK), **Miguel Matos Torres** (Kent Business School, UK) and **Ronaldo Parente** (Florida International University, USA). The authors identify a “paradox of regulatory constraints,” whereby global standards such as Basel III/IV and extraterritorial laws increase compliance burdens in fragmented institutional environments. While multinational banks are vital for financial inclusion and regional integration, regulatory fragmentation constrains their developmental role. The paper highlights the importance of harmonized frameworks, particularly under AfCFTA, for aligning financial integration with sustainable development objectives.

The climate transition agenda is addressed by **Dev K (Roshan) Boojihawon** (University of Birmingham, UK), who contextualizes decarbonization for Africa through a policy-to-action framework for developing net-zero pathways in the paper titled “Contextualising Decarbonization for Africa: A Policy-to-Action Framework for Developing Net Zero Pathways”. The article underscores Africa’s dual challenge: contributing minimally to global emissions while disproportionately experiencing climate impacts. By moving from abstract commitments to actionable strategies, the paper proposes context-sensitive decarbonization pathways that reconcile economic development with environmental stewardship.

Finally, **Shavonna Kearns** and **Vladislav Maksimov** (University of North Carolina at Greensboro, USA), explore the transformative potential of AI in Africa’s energy transition in the paper titled “Leveraging Artificial Intelligence in Africa’s Energy Transition: A Collaborative Governance Perspective”. Their collaborative governance perspective highlights how predictive analytics, smart grids, and demand forecasting can enhance energy efficiency and access. However, adoption barriers, including infrastructure gaps, regulatory uncertainty, and AI literacy, necessitate coordinated public-private partnerships and institutional capacity building. The paper situates AI as both a technological and governance challenge central to Africa’s sustainable energy future.

Taken together, the contributions in this special issue emphasize that sustainability in Africa cannot be reduced to a single framework or an actor. It requires morally grounded value creation, responsible partnerships, biodiversity protection, sectoral innovation, transformative leadership, pragmatic ESG implementation, regulatory harmonization, decarbonization pathways, and technological governance. Sustainability emerges not as an imported template but as a dynamic process shaped by Africa’s in-

stitutional diversity, indigenous knowledge systems, and evolving integration into global markets. This issue highlights that Africa's sustainability trajectory will be defined not only by external investment or policy frameworks, but

by the interplay between business strategy, leadership values, institutional reform, and technological innovation.

Published: March 17, 2026 EDT.



This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CCBY-4.0). View this license's legal deed at <http://creativecommons.org/licenses/by/4.0> and legal code at <http://creativecommons.org/licenses/by/4.0/legalcode> for more information.

REFERENCES

IPCC. 2023. *Sixth Assessment Report: Impacts, Adaptation and Vulnerability*. Intergovernmental Panel on Climate Change.

Kolk, A., & van Tulder, R. 2010. International business, corporate social responsibility and sustainable development. *International Business Review*, 19(2): 119–125.

North, D. C. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge University Press. <https://doi.org/10.1017/CBO9780511808678>.

UNECA. 2021. *The African Continental Free Trade Area: Economic and Distributional Effects*. United Nations Economic Commission for Africa.

UNEP. 2022. *Africa Environment Outlook 4*. United Nations Environment Programme.