

How business can help solve society's sizable challenges

By [Nick Rockey, MD, Trialogue](#)

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Society's challenges are well known and fundamental. Issues such as poverty, inequality and environmental sustainability are pervasive and large. Statistics SA has reported that more than half of South Africa lives in poverty.



Nick Rockey speaking at Trialogue's eleventh annual Business in Society Conference

Major forces like globalisation and the Fourth Industrial Revolution serve to marginalise those less educated and unable to find their way into the formal business sector. Government retains the primary responsibility for addressing these issues through policy frameworks and spending of taxes.

So what then is the obligation of business to get involved and can it respond in a way that makes a meaningful difference?



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Formulated initiatives and frameworks

We are familiar with various initiatives and frameworks formulated to address these national and global challenges. Our own National Development Plan provides a blueprint to end poverty and reduce inequality by 2030. Globally, the Sustainable Development Goals are a universal call to action to protect our planet and work towards peace and prosperity. Such guidelines, frameworks, codes and standards are confronting or encouraging business to get involved.

By spelling out priorities and common measures or methods, business is provided with the necessary guidance to contribute. Importantly, these standards provide a means for a collective response which in turn should translate into improved odds for achieving societal change.

Whilst a coordinated and collective effort by business should be encouraged, the individual response of a company can yield vastly different outcomes. When considering business and society, one immediately thinks of corporate social investment (CSI), and there are those that are disparaging of the impact that CSI programmes are able to achieve. Criticism stems from lack of collaborative effort, at best symptomatic relief as opposed to effective systemic change and lack of evidence of outcomes and change.



How CSI can help unlock the 'democracy dividend' - Thuli Madonsela

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Cases of success and abject failure

[Trialogue's](#) work in this field has predictably uncovered examples of success and abject failure. In the latter case, we have found projects where funds simply have gone to waste and people's expectations left shattered. Yet there are many examples where lives have been changed for the good, where initiatives gain momentum and are able to sustain positive outcomes. The extent of benefit derived from CSI in its totality is somewhat dependent on the extent to which initiatives prove to be effective or not.

I would suggest that in the main, a great deal of good is achieved, even if this can't be easily quantified. A sobering reality, though, is that CSI in itself remains limited when one considers the extent of socio-economic need and the quantum of funds available (CSI expenditure is estimated by Trialogue to be R9.1bn, which is in the order of just 1% of what government spends on developmental functions).

Beyond CSI

How then can this valuable and limited corporate resource be used effectively? Clearly, the contribution of business in society goes beyond CSI to include investment in skills, enterprise development and the like. Such contributions are substantial but only assist those already located within the company value chain. To reach into those elements of society which fall outside of the confines of business, CSI provides a useful tool.

However, so much more can be achieved if CSI is not separated from the business, but rather used to integrate the business with its societal stakeholders. This way, CSI can be combined and aligned with business imperatives to achieve more for development whilst reaping some return benefit for business as well. Real impact is achievable when business integrates CSI and other citizenship activities strategically into the way it operates. By way of example, think of the reach to millions of subscribers a cell phone company has. By tapping into this network at marginal additional cost, coupled with a dose of innovative thinking and business expertise, massive social impact can be achieved.

Collaborative initiatives

There are other ways that CSI can 'box above its weight'. Investment in collaborative initiatives that have an expressed aim of achieving systemic change provides another opportunity to leverage limited CSI budgets. Social problems are deep,

complex and multi-faceted. To get to the cause rather than address the symptom, initiatives need to involve all role-players.

Extensive engagement is required over long time periods. Patience and perseverance need to be prioritised over quick wins or PR opportunities. To play a part in achieving systemic change, companies will have to leave their comfort zones of providing contained support for limited scope projects. The upside though could be profound for those prepared to travel this road.



Business should be obsessed with state building, says Bonang Mohale

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Taking a stand on the socio-political issues

Another choice for companies wanting to make an impact is to invest in advocacy. In such cases, relatively small contributions can lead to behavioural change of others who control larger budgets or influence policy outcomes. Already we are seeing companies taking a stand on the socio-political issues of the day, with leaders voicing their companies' positions, either individually or through business alliances. Once shy of standing out for fear of being ostracised, business is now finding its voice.

The response to the dismissal of finance minister Nhlanhla Nene in December 2015, which galvanised business and led to its leaders meeting with the ruling party, is a case in point. Much could be achieved by utilising CSI to champion causes that could impact on the national or sectoral climate for doing business. This seems a missed opportunity if we consider that based on Trialogue's annual CSI research, less than 1% of spend went to social justice organisations.

Bolder alternatives available

The options presented above represent new territory for many companies. Business is most comfortable when it understands the boundaries of contributions made and can be provided with evidence of the good achieved. This approach is not to be belittled. Yet there are bolder alternatives available to those more ambitious.

At Trialogue's eleventh annual Business in Society Conference on 8 and 9 May in Johannesburg, we unpacked some of these alternatives. We explored the opportunities and risks associated with 'supporting social justice' and the potential of collaborating with other companies, a necessary ingredient to achieving systemic change.

Our keynote address by former public protector Thuli Madonsela, now chair in social justice in the Stellenbosch University Law Faculty, discussed closing the inequality gap. Bonang Mohale, CEO of Business Leadership South Africa, shared his views on leadership in the current environment.

Public, private interests overlapping

Panel discussions and breakout sessions incorporated organisations such as Section 27, the Social Justice Initiative and Equal Education. Delegates discussed how CSI strategies could be enhanced to achieve lasting change, debated whether activism has real impact, considered the challenges of partnerships and collaboration, heard about the role of ICT in development, and learnt from companies already contributing to such initiatives.

The times they are a changing (apologies to Dylan). Georg Kell, founding director, UN Global Compact, [has said](#): "Public and private interests overlap more and more in our fragmented world. Recognising this overlap and devising strategies and actions that advance both private and public interests is increasingly a winning concept."

It is fast becoming an imperative for business to reconsider how to respond to societal challenges, and I would suggest this

is best achieved in an integrated manner.

ABOUT THE AUTHOR

Nick Rockey is MD of Trialogue, a 51% black-owned company and the Southern African local authority of the CEEQ Global Exchange, which empowers corporations to be a force for good in society.

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