



**THE ROLE OF BUSINESS
IN SUSTAINABLE DEVELOPMENT**

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BY

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INTRODUCTION

- Traditional Models of doing business replaced by Inclusive Business models
- Role of business & trade is pre-eminent & central in meeting the economic, social and environmental aspirations of governments & peoples
- Three pillars of development: economic, social and environmental

INTRODUCTION

- Traditional Models – profit is the end game; it is Us and Them
- Inclusive Models – business is part of a bigger community to which it has a responsibility
- Sustainability – meeting the needs of current generations without comprising the ability of future generations to meet their needs - long term

AN ENTERPRISE ECOSYSTEM

- The Enterprise
- Regulatory Environment
- Education and Skills Development
- Access to finance
- Research & Development – Innovation and Technology Transfer
- Awareness and Network Building

WHAT BUSINESS ACTIVITIES CAN DO

- Create entrepreneurial opportunities
- Create jobs
- Cultivate/promote interfirm linkages
- Enable technology transfer
- Build human capital
- Generate public revenue for Government
- Offer a variety of products/services
- Each of these have multiplier effect on social and economic development

BUSINESS & ECONOMIC DEVELOPMENT

- Cannot talk economic development without talking. Cannot talk business without talking entrepreneurs
- Bedrock for the economy – productive capacity
- Have a critical role in developing the economy
- Zimbabwe – falling productive capacity as reflected in capacity utilisation led to fall in economic development and growth as reflected by stagnation then regression

BUSINESS AND SOCIAL DEVELOPMENT

- Has to do with the livelihoods, culture and general wellbeing of society
- Creation of businesses within communities through start-ups, entrepreneurial training & development partners
- Raises the standard of living of communities and improves their livelihoods, and capacity to participate in the economy
- Multiplier effect - the incomes acquired from these business are put back into the communities - development

BUSINESS AND SOCIAL DEVELOPMENT

- Income earners have dependents who rely on them
- Social infrastructure – schools and hospitals, community libraries and recreational facilities – social clubs
- Support to social activities such sports at schools sport development

BUSINESS & THE SOCIAL PILLAR

- Support to sports for the larger community – soccer league and other sports – removes the youth from the streets
- Privately owned health facilities and schools – up the health and education profile of the country-development
- General social well being translates to progress and development of a nation

THE ECONOMIC PILLAR

- Focuses on economic sustainability
- Businesses are a form of economic sustainability as they provide monthly turnovers year in year out
- Need for sustainable business practices to ensure cash keeps being injected into the economy & society – continuum, longevity of the enterprises

THE ECONOMIC PILLAR

- Locally started enterprises promote cash circulation & cash injection into the communities
- Leads to economic self sustenance & growth as the business industry grows
- Proceeds invested into other economic clusters – economic growth

THE ENVIRONMENT PILLAR

- Business plays a major role in environmental development
- For businesses to function or even produce their products raw materials are used
- Have a footprint on the environment when producing their products

THE ENVIRONMENT PILLAR

- Emit greenhouse gases, consume energy and natural resources, use toxic materials and produce waste & have industrial accidents which all have repercussions on the environment and the human race
- Be aware of their footprint and work on ways to reduce it. This can involve environmental awareness campaigns or replacement initiatives – value chain approaches to sustainable business
- Alternative raw materials that can be recycled in an effort to reduce the depletion of the environment

BUSINESS AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

- End poverty and hunger by 2030
- Embrace the need for economic development that leaves no one behind & gives every child chance for a decent life
- 15 years of MDGs : Hunger reduced by 50%; Extreme poverty down by 50% worldwide

BUSINESS AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

- Zimbabwe – degenerated, economic decline, more joblessness, industry closure; illiquidity and threat of bond notes
- No to poverty
- Zero Hunger
- Gender Equality

SDG 1 – NO TO POVERTY

- High levels of poverty in Zimbabwe – 75% of the population is rural and majority is poor
- High levels of unemployment – 350k graduates enter job market annually
- Urban poverty at unprecedented levels
- Families live on one meal per day
- What can business do?

BUSINESS & SKILLS DEVELOPMENT

- Basis for skills development
- Private sector needs to inform and drive skills development profile
- Work readiness skilling – life skills
- Opportunity for apprenticeship/intern and mentor
- Spurs private/public sector profile

SDG 2 – ZERO HUNGER

- Achieve food security and improved nutrition and promote sustainable agriculture
- Zimbabwe agriculturally based – opportunity to feed Africa and the rest of the world
- Business – promote agriculture - support to small scale farmers through a variety of initiatives – contract farming, capacity strengthening, but more needs to be done
- More support along the value chain for more gains

SDG 5 – GENDER EQUALITY

- Women and girls lag behind despite being in the majority
- Gross inequalities in work and wages
- Potential market for most businesses

GENDER PERSPECTIVES

Globally

- Gender equality and female empowerment are now universally recognized as core development objectives, fundamental for the realization of human rights, and key to effective and sustainable development outcomes.
- No society can develop sustainably without increasing and transforming the distribution of opportunities, resources, and choices for males and females so that they have equal power to shape their own lives and contribute to their communities

WHY WOMEN

- Empowering women to participate in and lead public and private institutions makes these institutions more representative and effective
- Increasing girls' and women's education and access to resources improves the health and education of the next generation.
- Women also play critical roles as effective peace advocates, community leaders, and champions of civil and human rights.

INVESTING IN WOMEN

Women have the right stuff

Women make better leaders than men, according to research conducted by Zenger Folkman. “They build better teams; they’re more liked and respected as managers; they tend to be able to combine intuitive and logical thinking more seamlessly; they’re more aware of the implications of their own and others’ actions; and they think more accurately about the resources needed to accomplish a given outcome,”

INVESTING IN WOMEN

- Diversity improves performance and increases innovation. Research by a USA based company - Organizations that are the most inclusive of women in top management achieve 35% higher return on equity (ROE) and 34% better total return to shareholders versus their peers – research shows gender diversity to be particularly valuable where innovation is key
- Women have become the power-users of technologies, such as the internet, mobile, and social media. Think Gina Bianchini who founded Mightybell and Ning, two social networking platforms. More innovation that better meets the needs of women

INVESTING IN WOMEN

- Women approach problem-solving differently than men. They adopt a holistic and systematic way, according to Larry Keeley, author of *Ten Types of Innovation: The Discipline of Building Breakthroughs*. He analyzed three decades of innovations, who made them, and how they did it. Women are not looking for simple answers. They create comprehensive solutions - speaks to inclusivity and sustainability

INVESTING IN WOMEN

- Untapped spending power. 80% of consumer spending controlled by women. They have considerable influence on spending categories that are considered the domain of men, such as cars, houses and electronics
- Two research reports find that women deliver better on company performance.
- Discrimination based on gender increases poverty, slows economic growth and weakens governance.
- A growing body of research demonstrates that societies with greater gender equality:
 - experience faster economic growth, and
 - benefit from greater agricultural productivity and improved food security.

WHY GENDER?

- **Gender discrimination** has a negative effect on a country's economic growth. Excluding 52% is problematic from a rights perspective; it is also a failure to take full advantage of the human capital the country is endowed with.
- Studies demonstrate a **strong link** between **gender equality** and **poverty reduction**.
- Women tend to invest in the welfare of their families and local communities; an investment which helps reduce future poverty

IN ZIMBABWE

- Women cross border traders saved households and the general economy during the period of economic crisis in Zimbabwe.
- Women have proved to be a driving force in achieving project effectiveness and reducing poverty.
- Above all, to promote gender equity is to promote fundamental human rights.

THE CHANGING FACE OF ZIMBABWE'S ECONOMY

- 1990s – Voices for new economic policies, austerity measures leading to increased economic problems, drought impacted agricultural production, falling economic growth. Increasing fiscal deficit, indigenisation debate
- 2000 to date – Shrinking economy, political turmoil and capital flight. Land reform and impact on agriculture. From productive to trading nation
- Corruption continues unabated – very costly on the struggling economy

THE CHANGING FACE OF ZIMBABWE'S ECONOMY

- Birth of SMEs was a natural phenomenon under such conditions. Need to embrace the new type of enterprise and to have policies and initiatives that support such an enterprise – both government and large businesses
- Women mostly in the majority in the SME sector as men were still in employment, but soon forced to join the SME sector
- Large business and Government recognising the place that SMEs play in development

IN CONCLUSION

- Business must embrace SMEs if there is to be sustainable development
- Business must embrace women if there is to be a reduction in poverty and the economy develops
- New business models are inclusive, operate as ecosystems –business must understand its ecosystem and help strengthen it

IN CONCLUSION

- A business cannot succeed if it adopts a singular approach to its operations. Do away with Traditional Models
- Businesses are part of a value chain or supply chain and such a chain is as strong as its weakest link
- Adopt a win – win approach when doing business

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