



## The CBM in the Transition to a Democratic South Africa

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The CBM was a values based movement prepared to meet with all political parties; political movements and mass based social movements, large and small, from the far left to the far right of the spectrum and never stated any political objectives apart from a commitment to peace, democracy and economic growth. Furthermore, the CBM never publicly stated that it was aiming to change political power. However, this was its underlying aim. It wanted to change the leadership, install democracy, and improve socio-economic balance through partnerships and trust.

Questions, amongst others, that have been raised are:

- What was the motivation of business in taking on the roles it did?
- What were the motivations of other actors to accept business in those sensitive roles, in light of the many negative roles business played in that period?
- How did the participating business people overcome opposition from within the business community itself?
- How was the business community able to act as an agent for peace and engage in sensitive roles against the backdrop of, in the words of the Truth and Reconciliation Commission, 'the role business played or failed to play in the apartheid years'.
- How do we understand business engagement from a broader stakeholder perspective?
- What is the role of business as an advocate for peaceful development in present day South Africa?
- Where are there greater possibilities for collective impact?
- What is required for business to exert influence within a still-conflictual socio-political context?

The following are a number of learnings and insights that have been extracted from the CBM experience in an attempt to begin to answer questions reflected below. Besides conversations with a number of individuals, documents relied on are as follows:

- The CBM Brochure;
- The CBM submission to the Truth and Reconciliation Commission (TRC);
- An article on the CBM, “The Consultative Business Movement 1987 to 1990”;
- The address by Neil Chapman at the Harvard Business School Club of South Africa, awarding of the Business Statesman of Year Award to the CBM;
- NBI/CBM Paper by Andre Fourie;
- The Business Community after Apartheid and Beyond, a paper by Dr Theuns Eloff;
- The NBI Business Government Relations (2009); and
- High-level overview of the NBI.

These documents are available at [https://www.dropbox.com/sh/9gti5cbaiizpzt/AABSKXi7yKCn\\_3-ghiNip8hya?dl=0](https://www.dropbox.com/sh/9gti5cbaiizpzt/AABSKXi7yKCn_3-ghiNip8hya?dl=0).

The Consultative Business Movement (CBM), as per the description in the corporate brochure, was a voluntary, committed and independent group of senior business leaders and corporations, who from a business perspective acknowledged and supported the need for constructive transformation of South Africa’s political economy. Given that the CBM was not a formally mandated organisation, it was flexible, dynamic and quick in responding to national issues, and was supported by a small staff.

The CBM came about in the mid 1980’s due to Business Leaders’ concerns with their operating environment and context; for example, PW Botha’s State of Emergency and the negative effects of Apartheid on the Economy and on Human Rights. While these individual Business Leaders were not a homogeneous group, what they did have was enough common ground, which was not dependent on individual motives, to agree that a role should be played. The documents reviewed all contain more detailed descriptions of how the CBM came about.

Thoughts around what made CBM relatively successful, given its limited resources and reliance on a minority of Business Leaders (the document entitled “Consultative Business Movement 1987 to 1990 has further detail in this regard) in achieving its objectives are as follows:

- The presence of a catalyst: initially within the CBM, this role was played by Christo Nel with support from Rosemary Grealy, (whose roles are described in further detail in the CBM’s TRC Submission) who found fertile ground (supported by the timing) in a small minority of visionary, pioneering and creative Business Leaders, who had gravitas, and who, through their personal commitment and leadership, opened the possibilities of what business and others could do.

- Commitment to and agreement on a common purpose/agenda/goal: even though the Business Leaders concerned did not, as such, agree on all aspects there was an overriding agreement that Business must do something given the operating environment/context.
- This overriding agreement could be attributed to two drivers, i.e. a moral/human rights driver in that the system was wrong, immoral and inhumane; and the economics/enlightened self-interest driver – the phrase that comes to mind is one that was coined by the World Business Council for Sustainable Development (WBCSD) then president, Bjorn Stigson, in March 2008, "Business Cannot Succeed in a Failing Society" and taking this further, Business has a role to shape and influence the environment that it operates in. The drivers would have different weightings per individual Business Leader but it could be argued that both would need to be present to some degree for these Business Leaders to commit to be part of this voluntary movement, and within the movement a balance would have been created between the two drivers.
- Once agreement had been reached that 'something must be done', a movement, i.e. the CBM, was formed and was not set up as a formal organisation, which was also important. Business Leaders committed to this movement in their individual capacities and were not representing their companies' views; but rather standing up for their own values and views. These Business Leaders through their actions built up relationships of trust, despite differences. However, their companies were aware of their participation and their positions within these companies did help vis a vis their gravitas as Leaders in their communities and sphere of influence.
- The role that CBM staff played was also important in that they were individuals that had their own personal credibility with and trust of both the Business Leaders and the other parties that were engaged with. So the facilitation/bridging and shuttle diplomacy role played by the staff within the movement was a key success factor.
- The CBM 'staff' created awareness with Business Leaders to understand that one cannot divorce/separate the economy from politics and that a political economy does exist. This was another key success factor for the Business Leaders that were grappling with its role in Society and with these issues. Once again, the independent positioning of the CBM staff allowed them to play the role of robustly, honestly and authentically engaging with the said Business Leaders.
- What then contributed to the ability of Business Leaders to engage in the 'political economy' is that the values they stood for were clear (values based) and were non-partisan, without having to support/choose a political party or to focus on a narrow issue.
- Furthermore, through the CBM, the Business Leaders awareness of how change happens was created, and this enabled real and authentic engagement to commence with the UDF and others on the journey to achieving the common purpose.
- Engagement workshops held and other interactions were key, although today this could be viewed as something that happens automatically - 'process consultation' (the commencement of a process without knowing what the outcome will/would be and the asking of, and listening to the other

parties within the process, i.e. “what do you think”) and the need for engagement to understand where the other party is coming from, did not exist at the level that was required in the past.

- Process consultation is not without difficulties and complexity in that individuals by and large approach issues and situations from their own perspectives. The use of process consultation as a methodology to take a process forward was important for understanding to be built of the perspectives of others – which was generally a new experience for both the Business Leaders and the other parties.
- Given this complexity, it was once again clear that the role of the CBM staff as an independent and credible facilitators/bridging role was fundamental in bringing parties together and developing understanding, without saying that all agreed on everything.
- Through this process, very importantly, trust was built, which then allowed for the process to become more formalised with engagement continuing on an ongoing basis. Given the approach and positioning of the CBM, and the values based ethos, it appeared that the movement was more ‘trusted’ to play the role that it was playing, than traditional business and mandated business structures.
- This also enabled the CBM to get Business Leaders to think critically about their role in society (which was an achievement) and remains an ongoing imperative in today’s world.
- The formalisation of the movement also resulted in programmes being implemented in for example, the Role of Business in Transition Programme, the National Economic Forum, The Constitutional Options Document and the Business Election Fund (further detail is in the document entitled “The Business Community After Apartheid and Beyond by Dr Theuns Eloff).
- CBM remained true to its ethos of process consultation and the values base which in turn deepened the trust in the CBM, which has carried through into other organisations that the individuals concerned, participate in today. Therefore the issue of individuals and their roles within an organisation, how these individuals work and their personal credibility is another key success factor when there is an independent role to be played, i.e. facilitation, shuttle diplomacy, etc.
- Another consideration was the relatively low profile of the CBM and in a number of cases; issues were resolved without Business being profiled and without press statements being issued. There are though subtle ways that this role can be perceived, communicated and experienced which would be important given the trust deficit vis a vis business and its role in society.

The question has been asked as to whether the peace process and the events that followed would have gone ahead as they did if business had not been involved. This is a question that cannot be answered definitively, however, one could surmise that South Africans would have found each other and that there would have been some kind of peace process but that it would have happened much later than it did and that it would have been much more difficult, with many more lives having been lost in the process.

Business, through the CBM, played the role of ‘oiling the wheels’, with the political issues and trade-offs being dealt with by political parties. Business had to change its mind-set, face up to and come to terms with its role and realise that, as Mike Rosholt, the then Chairman of Barlow Rand said, “The Business of Business is to stay in Business”, and this links back once again to the statement by Bjorn Stigson of the WBCSD. It is clear that the cost of conflict for Business is high, i.e. security costs, loss of production and productivity, premium required on investment, opportunity cost of uncertainty and instability, insurance, people costs and reputation amongst others. Furthermore that peace is more than the absence of conflict for Business, i.e. Business is an influential actor in any society; the relationship between conflict, instability, economic development, stability, peace, democracy is complex; dealing with violence and conflict is often an immediate challenge; longer term challenges include democratisation and socio-economic development/transformation and that Business has a moral obligation to fulfil its role as a responsible corporate citizen which is an ongoing and evolving journey (further detail around the Business Case for Peace is in the document entitled “NBI/CBM by Andre Fourie).

The CBM got business to think critically about their role in society and a number of the key success factors listed above goes to the heart of how did/does Business develop and grow in awareness about this role, how is it defined (if at all) and decided upon/legitimised.

Using the context that prevailed when the CBM was formed, Business saw that trouble was coming and that it would impact upon them so the decision was made to play a role to avert or mitigate the trouble, or in the words of the late John Hall, “Business perceived a clear and present danger”. The role of a trusted intermediary is an important factor and helpful.

There are views that the reputation of business is still today as negative as it was then, in spite of what has been achieved, and that there is still a long way to go. The circumstances under which the CBM were formed are not unlike what we have today, despite the fact that we have a legitimate government.

There is also a view that the younger business leaders, and the leaders of other sectors of society, of today could benefit significantly from a deeper understanding and implementation of process consultation given the huge challenges and problems that South Africa faces today, i.e. poverty, inequality, unemployment (particularly of the youth), corruption.

There would need to be acknowledgment by Business of these current problems and challenges which has in a sense materialised through, for example, the setting up in 1995 of the National Business Initiative (NBI) as the successor organisation to the CBM and the Urban Foundation and more recently, the CEO Initiative movement which was commenced with by Business Leaders and Government in January 2016. The CEO Initiative is a good example of how individuals rise to the challenge when things turn ‘abnormal’ within a political economy and the need for an informal movement (with all its attributes) becomes important.

Briefly, on the NBI: It was established in 1995, and launched by the then President Nelson Mandela, as a voluntary business coalition to focus on the necessary socio-economic transition and transformation that had to be delivered upon to underpin the political transition that had culminated in the election of

the first democratically elected government for South Africa in 1994. As a voluntary business coalition of over 100 leading companies focused on business's role in society and on sustainability, the NBI engages with business, government and with society from the standpoint of business's legitimate role, interests and responsibilities in society and its ability to make a valuable contribution to the broader public interest. By virtue of its partnership approach and the fact that the NBI's agenda is not a defensive business agenda but rather a progressive and proactive business leadership approach to a sustainable future, the NBI enjoys a particular kind of access to and influence with government, different from but complementary to that of other business organisations. Furthermore, the NBI fully understands the importance for business, the economy and the country of sound relationships between business and government and sees itself as an integral part of this relationship, playing a voluntary role within the overall landscape of business organisations. This positioning has also enabled the NBI to play a valuable role in building trust between business and government and in fostering dialogue and cooperation between them. Today the role of the NBI as abridging and independent organisation continues to be validated through the level of support it enjoys from its members and other stakeholders, and has focused its current strategic outcomes on driving business participation in an economic transition and social transformation, through a variety of mechanisms and programmes, underpinned by the following fundamental beliefs:

- A sustainable society is possible.
- The social contract between business and society needs to be renegotiated.
- Acknowledging that our past and present ill treatment of the environment will cause inflationary pressure on our businesses for some time.
- Business success is inextricably linked to a thriving society, building trust and relationships with government and other key stakeholders.
- Collective action between business, government and civil society will support large scale system change in a sustainable way; and
- The role of business as a key enabler shaping a sustainable future.

More detail on the NBI is reflected in documents entitled NBI CBM by Andre Fourie, the Business Community after Apartheid and Beyond by Dr Theuns Eloff, The NBI Business Government Relationships by Andre Fourie and the High Level Overview of the NBI.

There are views that would argue that this is not the job of Business, but given the scale of the problems, collective action needed as Government (and civil society) cannot achieve the system changes that are required alone. Business by and large recognises this for the reasons cited above, including the points around the cost of conflict.

Peace and economic stability are intertwined, which makes a partnership between Government and Business imperative for South Africa and Africa's sustained growth.