

MiNDSPACE

ISSUE 1

ENRICH YOUR THINKING

2020

Old Mutual Corporate MD Prabashini Moodley looks at ways big businesses could support SMMEs

For the first time, five generations share one workplace. We look at the real-life implications

Special section:
What will the world look like in 2030?
We asked the experts

**THE
MAKE-OR-
BREAK
DECADE**

+

**EXCLUSIVE:
IN
CONVERSATION
WITH
RICHARD QUEST**

75
YEARS
OF DOING
GREAT
THINGS



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IN AFRICA, 29% OF SENIOR LEADERSHIP POSITIONS ARE HELD BY WOMEN*



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* Harvard Business Review Study



MiNDSPACE was voted Best Printed Magazine: Editorial (B2B) at the 2017 Pearl Awards in New York City and the Best External Magazine (category C) at the 2019 SA Publication Forum awards.

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PHOTO: MATT PHOTO

Pandemic. Uncertainty. Change. Shock. Fallout. Suffering. These are some of the words you will find throughout this issue. For how can you talk about Covid-19 without admitting that the virus took a wrecking ball to many of our expectations and assumptions? Yes, we've come to know the virus a little better, but we still don't know what the final outcome will be. Every day the numbers

this issue of MiNDSPACE was scheduled to go to print, but once we had left the office and settled into our kitchens/studies/bedrooms/dining rooms, it had become clear that we could not go to print without acknowledging Covid-19. We therefore pinned down a few brave experts and asked them whether this was it. Is this how we are going to live from now on? Or can we expect even more far-reaching changes in the next five, 10 years? You will find their predictions on page 8.



On a more personal and happier note, I am delighted to have our first international interview in this issue. Turn to page 26, where we talk to CNN's Richard Quest about the role and ongoing relevance of event's such as the World Economic Forum's talk shops. Despite the interview being conducted in February, his views are still relevant, and some of the points he made are being emphasised by Covid-19. Another change that we've been seeing for a while is that people are living longer and

keep rising – the number of businesses that have closed, the jobs that have been lost, the children affected as a whole year's education is wiped out. That's without counting the mothers, brothers, sisters, fathers, husbands, wives, children, friends and grandparents who have lost their lives to this latest incarnation of the coronavirus.

postponing retirement. As Old Mutual Corporate Consultants' General Manager Malusi Ndlovu says (page 42), here, too, the word 'normal' no longer applies. Undoubtedly, we will never return to the 'old' normal, but then again, that might not be a bad thing.

The power a pandemic has to bring things to an abrupt halt was brought home to me in March, just before President Cyril Ramaphosa announced the lockdown. March was also the month

Here's to new ways of thinking, doing and living. Let's make the most of them.

Gugu-Lisa Zwane-Johnson
Editor



OLD MUTUAL
Editor **Gugu-Lisa Zwane-Johnson**
Project Manager **Charlene Murphy**
Project Assistant **Hayley de Vos**
Email mindspace@oldmutual.com

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EDITORIAL
Consulting Editor **Kelda Lund**
Deputy Editor **Charles Thompson**
Features Editor **Erla Rabe**
Copy Editor **Linda Scarborough**
Art Director **Anelia Gates**
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MANAGEMENT
Managing Director **Lani Carstens**
Group Content Director **Justine Drake**
General Manager **Joanne Hope**
Account Director **Delicia Krause**
Production Director **Nina Hendricks**

John Brown South Africa
Tel. 021 486 7600

Contributors Debbie Goodman-Bhyat, Sheryl Hendriks, Leonie Joubert, Nozipho Mbanja, Refilwe Moloto, Wandile Sihlobo, Laura-Ann Tomasella, Melusi Tshabalala and Mark van Dijk

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Contributors



KENEILWE KWANAITE
Cover artist

How would you define beauty?
I don't think beauty has a single definition. It cannot be described or characterised, it exists in many forms and each person sees it differently.

What sparks your creative process?
Oblivion. As weird as that sounds, I rely more on *not* knowing what I'm doing in terms of creativity because it forces me to challenge what I've done before. I don't believe that an artwork can ever be finished, so it's interesting to figure out when I should step back.

Which South African artist most inspires you?
Karabo Poppy. I believe that I speak for many South African artists, designers and illustrators when I say that she has opened the door to a bold new world. Karabo has undertaken countless inspiring commissions and collaborated with diverse big businesses to bring art into the corporate environment.

[behance.net/kwanaite](https://www.behance.net/kwanaite)



ADRIAN SAVILLE
Story on page 8

What is the best financial advice your parents gave you?
Even better than advice, my parents taught me the discipline of budgeting and to live within my means.

Three words you believe anyone wanting to invest in South Africa should hear?
Build your dream.

What's your biggest money mistake?
An error of omission – starting to save and invest later than I could have. Compounding is the most powerful force in investing, and every year delayed is a missed opportunity.

Which five things could you not live without?
Assuming family does not count as a 'thing', I would not want to live without: music (electronic dance music tops the list), books (biographies and anything on survival), stand-up comedy, coffee and... coffee.



REFILWE MOLOTO
Story on page 26

What enriches your daily thinking?
Reading. I consume information on a range of subjects, voraciously. As I understand it from my folks, I spent more time reading than engaging with other children my age. I also value empathetic human engagement, in particular with people who don't necessarily share my opinion.

What are your thoughts on curiosity?
Curiosity drives my quest for answers and for solutions, and my commitment to fairness and equity. Anyone who doesn't ask 'why?' is a lemming and allows the world and life to happen to them.

Which word do you most overuse?
Lately, it's a toss up between, 'Breakfast' and 'Baaaaabes!'.



PRABASHINI MOODLEY
Story on page 40

Which three words best describe your first few months as Managing Director of Old Mutual Corporate?
Welcoming, energising, optimistic.

Who challenges you?
All people who overcome seemingly insurmountable obstacles to thrive in this world. It's a reminder that I have so much to be thankful for and to do more with what I have.

What did you learn during your time working in Mexico that could apply in South Africa?
The Mexican people have an incredible sense of national pride that comes through in their appreciation of their art and culture. It's also easy to get around and connect, as there's a highly accessible public transport system, and Wi-Fi and mobile data are affordable.

What advice would you give to 15-year-old you?
Stop worrying so much about the future and enjoy the present more.

PHOTOS: SUPPLIED

On our radar

Old Mutual Trophy Wine Show

This year we are celebrating the 19th Old Mutual Trophy Wine Show. Once again, more than a thousand South African wines will be judged in categories such as Best Red, Best White and Discovery of the Show (Best Value) before the overall judges' trophy winner is announced. Narina Cloete, Heidi Duminy, Christian Eedes, Spencer Fondaumiere, Patson Mathonsi, JD Pretorius and François Rautenbach will make up the South African judging panel under the chairmanship of Michael Fridjhon.

Judging had been delayed due to the lockdown and the tentative dates of the public tastings are 28 August 2020 in Cape Town and 3 September in Johannesburg. Keep an eye on trophywineshow.co.za for possible date changes due to the Covid-19 outbreak.



IDEAS WATCH



The Rolling Stones of advertising

Advertising has long been the preserve of hip young things. That's why wAncient & Modern, a London agency, has made everyone take notice: the average age of its co-founders is 64. They include a former Lowe and Partners Worldwide chairman (66), an award-winning creative director (72) and a branding and strategy expert (55). Their motivation? 'We're doing it because we love doing what we do.'

A credit card with a carbon limit

Swedish fintech company Doconomy and Mastercard have created DO Black, the world's first credit card that tracks your CO₂ emissions based on where you've swiped, whether at the butchery, petrol station or fruit & veg store. Once you've reached your limit for the year, your card is blocked. Best of all, users don't have to change banks as the card can link to all Swedish banks.

Making prosthetics from plastic waste

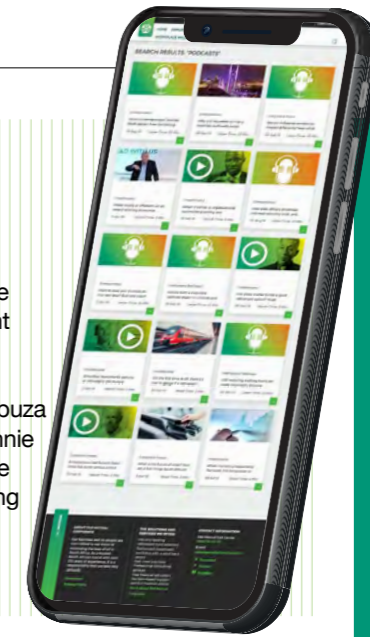
Her 'basic science project' – a prosthetic hand 3D-printed with filament made from recycled PET bottles – won 18-year-old Farida Cajee from Schweizer-Reneke second prize at the 2020 Taiwan International Science Fair. After seeing how expensive medical care is when her mom was in hospital, she decided to come up with an affordable solution to one such item. Cajee's 'recycled' hand cost R9 000 to make, whereas, she says, a below-elbow prosthetic typically costs around R140 000 in South Africa.

Tune in to MINDSPACE

MINDSPACE is so much more than a magazine – our online home is a rich source of information and inspiration relevant to your and your team's work, wellbeing and life. Among our podcasts, you will find:

- 'Balancing work, life and productivity' with Amanda Dambuza
- 'Should millennials be treated differently?' with Linda Ronnie
- 'Practical advice for managing remote teams' with Debbie Goodman-Bhyat (Turn to page 30 for her article on working with five generations on one team.)

These and all other MINDSPACE podcasts are available to download for free.



Artist TO KNOW



FIND HIS WORK ON PAGE 8

Wesley van Eeden

resoborg.com

What sparks your creative process?

There is so much negativity in the world that I am inspired to create beautiful images in an attempt to uplift and inspire others. I believe that happiness follows you. I believe in making the world a better place. That is really at the root of everything I do as a creative.

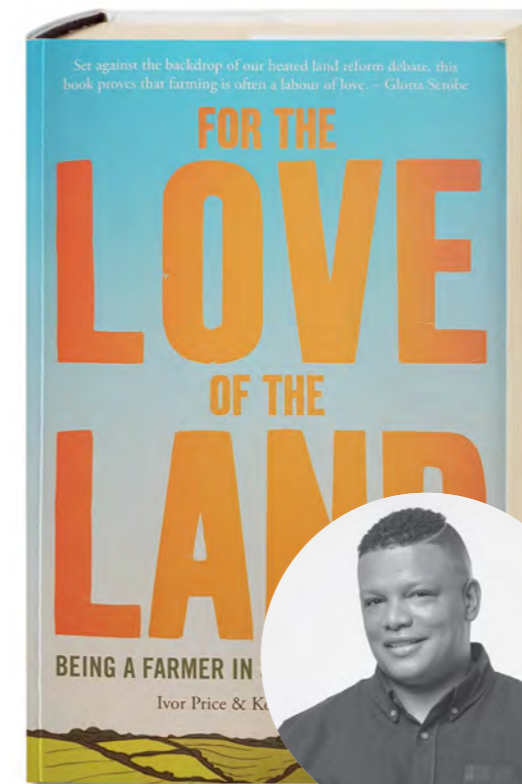
Do you think someone can be creative without being artistic?

I believe everyone is creative and artistic. Often people are unaware of the incredible abilities they have. The biggest focus in schools should not be on how to draw well, but on learning how to express oneself from within.

Which South African artist most inspires you?

I am inspired by Paul Senyol, a Cape Town artist I have collaborated with in the past, and love his work. His approach is organic and much looser than my own aesthetic.

WHO TO READ...



TEXT: ERLA RABE. PHOTOS: FREEPIK, THE LOUDHAILER, UNSPLASH AND SUPPLIED

IVOR PRICE, co-author with Kobus Louwrens of *For the Love of the Land: Being a Farmer in South Africa Today* (NB Publishers)

Who inspired you to become a writer?

'Growing up, our parents dragged us to the library at least once a week. The librarian knew I wasn't interested in the kids' and teens' sections and allowed me to use the "grown-up" section. I read André P. Brink's *A Dry White Season* and *The Fire Next Time* by my favourite writer, James Baldwin, at 13. But it was only when Kirby van der Merwe, my former primary school teacher, released an Afrikaans novel, *Klapperhaar slaap nie stil nie*, in 1999 that I was inspired to become a writer too.'

Why this book?

'I was invited to present the first four seasons of a TV show

featuring exceptional farmers. Well, it turned out to be one helluva obligation. I travelled more than 100 000 kilometres to film with 52 different farmers. Halfway through I started hearing the thunderous voice of my late grandfather saying, "The only good farmer is a dead farmer." I wished that he was still alive so I could tell him how wrong he was, but since I couldn't, I decided to write a book saluting the unsung heroes of agriculture.'

Sell *For the Love of the Land* in one sentence.

'Our book is an anecdotal account of how farmers often transform barrenness into bounty, redefining what it means to be a farmer in this broken, beautiful country called South Africa.'


The times
certainly are
a-changing.
But what can
we expect?
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dark cloud
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up and
showing up
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**'Business
differentiation will
be much harder.
You won't be able to
entice consumers
in the way you could
before Covid.'**

– Lee Naik, CEO
of Transunion

changesPACE

Covid-19's effect on our world
and how we respond to it

Future shift or future shock?



AS THE WORLD NAVIGATES THE AFTEREFFECTS OF COVID-19, WE ASKED 11 FUTURISTS AND INDUSTRY EXPERTS THE SAME QUESTION: HOW WILL THE PANDEMIC CHANGE OUR LIVES?

By Mark van Dijk

THE DECADE ISN'T OFF to the best of beginnings. In January 2020, few of us could have predicted the vast shadow that the Covid-19 pandemic would cast over the year. Even now, few can know for sure what its lasting impact will be on the years that lie ahead, or what the rest of the decade might hold in store.

Luckily, some of South Africa's leading voices in their fields are happy to take this risk in the interests of staying ahead of the curve. But when someone like Graeme Codrington outlines his vision of the future, the conversation quickly veers from being perfectly relatable to completely alien. 'I think Work From Home will become Work From Anywhere,' he says. 'Some people are not that keen on working from home, but they will have disconnected themselves from having to be at the office.'

That's all perfectly understandable, but then he starts talking about wearable tech, and it all turns into science fiction. 'One of the big trends in robotics is the human/machine hybrid,' he says. 'Your phone is easy to lose or to steal, so if all your transactions are running on your phone, wouldn't it be better to have a chip implanted in your finger?' Then he stops, laughs, and adds: 'I'm pretending that I'm not shocked when I say that!' Of course, the future is not what anyone expected. It's shocking. It's new. It's undiscovered. But it's also eerily familiar.



'The key lies in seeing how machines could make our lives better, so that it's not a case of Me or The Machine; it's Me and My Machine.'

– Adrian Saville

THE WAY WE LIVE

By Professor Adrian Saville, Gordon Institute of Business Science, University of Pretoria

THERE ARE THREE KEY structural drivers which we believe will continue to have a material impact on systems, societies, business models and industries, and which will change the way we think, act and operate. What makes them interesting from an investment perspective is that they either haven't been fully appreciated, or they have been mispriced – or not priced at all.

The first is life expectancy. Populations are getting older through access to modern medicine and advanced science. A large swathe of Africa's population is still excluded from that,

but that's changing. About 90% of the typical person's lifetime healthcare spending happens in the last three years of their life, which means, from a financial perspective, that people will live deeper into their retirement years, with what we might call a 'balloon payment' at the end.

The second is peak population. To sustain a population, you need 2.2 children per adult couple, and we're seeing negative population growth in more than half the world. Africa is the exception. While the world at large is close to population slowdown, Africa's population will only peak around 2050. By 2040 the continent will have the largest labour force in the world. If economies and industries are working well, Africa could become both a consumer and producer economy. The risk is that if they don't, you could land up with a population time bomb.

Finally, AI. These ubiquitous technologies have the capacity to bring material risks when they disrupt and displace. That emotional fear is well founded: machines do take jobs. There's an argument that labour is sufficiently cheap in Africa, but the truth is that the price differential is so substantial that no human labour anywhere can come remotely close to competing with automation. The key lies in seeing how machines could make our lives substantially better so that it's not a case of Me or The Machine; it's Me and My Machine.

'The "new normal" will tend towards 5G; it will become one of the elements in our hierarchy of basic needs.'

– Lee Naik

HOW WE COMMUNICATE

By Lee Naik, CEO, TransUnion Africa

COVID-19 HAS a few pre-existing digital trends. For example, robotic process automation (RPA) was an option before Covid; after Covid, as businesses need to become more efficient with how they spend money, we're going to have to look at new ways of working, and adopting technologies like RPA, AI and so on.

I expect to see an even greater internet uptake by end consumers enabled by cheaper smartphones and cheaper connections. Consumers will be less willing to transact in the physical world. As life becomes more centred on homes and living rooms, the mobile phone or smart device will become the real estate in which

consumers transact. Businesses will have to pivot to a seamless, digital-first customer experience.

Business differentiation will be much harder in a world where digital first is the way you go to market. How you engage with consumers will ultimately depend on what they perceive as valuable. You won't be able to entice them in the way you could before Covid.

We will now consume our experiences. We've gone from 2D movies to 3D to 4D. Now there's 8D sound. Add augmented reality and virtual reality (VR) to this, and content producers will be able to create a completely immersive virtual world in which to put the consumer. If you combine VR with 8D sound, you could place yourself inside a virtual Wembley Stadium or at a Coldplay concert, hearing eight dimensions of sound... all without leaving your home.

Apple recently had a patent approved for a VR pencil. Imagine you're reviewing your house: the architect walks you through a VR representation of the space while you mark it up in the virtual world using that virtual pencil. As you make a change, the tasks are simultaneously communicated to the builder or architect.

What we might start to see is not necessarily a rush to fibre (because fibre requires effort in the ground), but rather the rollout of 4G and 5G technology. As a result, Covid-19 will become an accelerator for broader mobile coverage in wider areas. The 'new normal' for communication will tend towards 5G; it will become one of the elements in our hierarchy of basic needs.





‘The citizens of the world have not changed all that much in how they see the world.’

– Gabila Nubong

HOW NATIONS INTERACT

By Dr Gabila Nubong, Political Economist, North-West University

WHAT MANY PEOPLE SEE

as the recent rise of nationalism is actually a response to the shift in the global balance of power. The America of today is not the America of the 1970s. China has quietly developed the capacity to challenge America, so President Donald Trump needs to play the ‘Make America Great Again’ card to justify some of the actions he is taking to address that rebalancing of global power.

Some see Brexit as symptomatic of a rise in nationalism. I would not describe it as such. If you go back to the formation of the European Coal and Steel Community in 1952, when Britain tried to form an organisation parallel to the European Union, you’ll realise that Brits today are being consistent with the beliefs they’ve held for the past 60 odd years. Stoking

anti-foreigner sentiment to pull out of the EU is just political expediency.

There are no global national elections. Every government is responsible to its own people. There’s nothing inherently illogical about politics. People just need to make the argument that you’re acting irresponsibly during, for example, the Covid-19 crisis, and you’re out of power.

It may sound like a conspiracy theory, but as much as there are forces pushing countries towards this perceived nationalistic sentiment, there are also forces pushing us towards globalisation. If a South African does business in Zambia or Nigeria and finds restrictions in terms of moving resources across borders, they’ll put pressure on the government to make things happen. There is a business drive to get countries to integrate and cooperate.

The citizens of the world have not changed all that much in how they see the world. Whenever a society’s resources are threatened, the default reaction is to blame foreigners. It’s like saying, ‘I can’t feed my own children, so I don’t see why I should be feeding extra mouths. It’s not because I don’t believe that I should be sharing with the person who’s living with me; it’s just that I have problems of my own.’ The outsider then becomes a soft target.

Nationalism is not on the rise because people suddenly feel less cooperative and more nationalist. It’s just politics.

HOW WE LEARN AND EDUCATE

By Mary Metcalfe, Education expert

IN THE FIRST

INSTANCE, the Covid-19 pandemic has spotlighted the inequalities in education in such a way that we have to recognise that they are bad for all of us. This starts with the fundamentals of having water and sanitation in schools before we can even start examining other dimensions of education inequality.

We are a long way from having e-learning as a viable option to supplement learning at school. One of the big challenges with e-learning is inclusion, and Stats SA’s 2018 General Household Survey shows that only one in every 10 South African households has internet at home.

We must overcome these challenges. In order to make e-learning work, we don’t only need access to connected devices and to the internet, we also need the support systems that help and enable learners and students to overcome problems they may have with using the devices and accessing the internet.

As one looks ahead to the rest of the decade, the greatest challenges lie in building the foundational skills of literacy and numeracy, and finding the resources required for this. Children learn to read by reading, and to do that, they need material. This starts with having books and other reading material in their first language.

The 2020s were always going to be a decade of tech-driven change. With

technologies changing so quickly, tertiary institutions – like universities and colleges – will have to reconsider their approach to teaching. The key will be to not depend on a ‘body of knowledge’, but on the process of learning and enquiring about adaptability and innovative thinking.

Local and global economies might take years to recover. Yet, as jobs become even scarcer, education will have to be less about getting to the top of the professional pile and more about serving the community and making contributions to the family – and through this, having a sense of purpose and personal value. We will have to think more about livelihoods, and less about jobs.

‘Education will have to be less about getting to the top of the professional pile and more about serving the community.’

– Mary Metcalfe



HOW WE BUY AND SELL

By Graeme Codrington, futurist and author

OUR TEAM HAS BEEN

looking at trend scenarios for an extended state of disruption (18 to 24 months), and whether any of them might become permanent. Many people knew that e-commerce existed and have ordered one or two things online before, but have now become a lot more confident and comfortable ordering online, from appliances to alcohol. A large number has shifted to e-commerce as their default setting: Unless I have a reason to go out to the shops, why should I? It’s a shift you’ll never come back from.

The first, and simplest, trend is the shift away from cash. This has been happening for at least half a century already with credit cards, but now there is a remarkable move to an app-based world. The best example of this is WeChat – not the version most South Africans would know, but the version you see in China. It does everything: Facebook, Uber, UberEats, banking, booking movies, rating restaurants... Forget cash. In China, you don’t

even have to carry credit cards any more. Everything revolves around WeChat.

The second important development is currencies which don’t require the existing banking system. M-Pesa is the best example here. I honestly believe that the reason M-Pesa didn’t work in South Africa is because a traditional bank ran it. In Kenya – where 80% of the population uses it on a feature phone – M-Pesa runs on the back of users’ mobile phone contracts, and it bypasses the banks. It’s designed to break transactional banking and because it’s a zero-fee system, it’s destroying traditional banking.

The third development follows on from that: cryptocurrencies. Crypto is a financial instrument for the blockchain, where you have a payment mechanism linked to the flow of information. Bitcoin has ruined that to a degree because people see it as either a crazy online scam or an exciting new digital product. It’s neither. It’s just money. It’s not an asset class nor an investable product. It’s a unit of exchange.



‘The crisis revealed the need for leaders who have what it takes to govern societies.’

– Mzukisi Qobo

HOW WE CHOOSE OUR LEADERS

By Mzukisi Qobo, Associate Professor of International Business and Strategy, Wits Business School

COVID-19 HAS BEEN A MAJOR TEST for the South African government. President Cyril Ramaphosa did very well at the beginning. He was reassuring, he had gravitas, the right temperament and clarity of thought. But his team was also tested, and they were found wanting. Early on we had two ministers who broke the lockdown rules. There was also ineptitude in the management, communication and consultation around various lockdown regulations.

The Minister of Trade and Industry, Minister of Health, Minister of Police and indeed the whole security cluster

overreached, and I don't think they fully grasped the mood of the time. The crisis was revealing of the inadequacy of key personnel in the security forces, as well as high up in the cabinet. It revealed the fundamental weaknesses of leadership and governance in our country. By and large, there's been a massive failure in managing state/society relations. At some points early on, the state did fairly well, but as time went on and more regulations were promulgated, the wheels came off.

The pandemic is a global phenomenon. It's okay, in a situation such as this, for governments to make mistakes. What is unforgivable is ineptitude: making costly mistakes that demonstrate a lack of care for society and lack of grasp of fundamentals.

People understand that there are bound to be mistakes when you are leading through a crisis period. But leaders are expected to show a degree of humility, to level with citizens and to demonstrate maturity in their communication. It's okay for governments to be vulnerable; it's not okay to be inept.

The crisis revealed weaknesses that have been there all along. It showed us that we have leaders who are just not ready to govern, and who are not prepared to rise up to a very difficult set of circumstances. It shone a light on authentic and inauthentic leaders, and it revealed the need for leaders who have what it takes to govern societies, who are transformative, who are selfless, and who take their work seriously.

HOW WE TREAT THE ENVIRONMENT

By Melissa de Kock, environmental and climate activist

NATURE UNDERPINS all human wellbeing. It provides the goods and services that are essential to life, such as fresh water and clean air, crop pollination and fish. But our misuse of the planet and its resources will have, and in many cases is already having, serious repercussions for millions of people globally.

In my work across East and Southern Africa, I've seen how loss of nature and a changing climate are devastating people's lives. Many rural communities are no longer able to rely on traditional crops for food security due to rising temperatures, more extreme weather events, such as longer and more intense droughts, and more intense storms. A shift in seasons further comes with great uncertainty as to when or if the normal rains will come. When this happens, people tend to turn, as they have always done during times of hardship, to the natural resources in their area. Except that there now are less resources available, as their forests or fish are harvested commercially for overseas markets.

Coastal communities, too, suffer more frequent and intense cyclones, and other storm events. For commercial farmers, hotter temperatures and less available water compromise the viability of agriculture.

Many studies have shown that it is our way of life which is behind such widespread changes in land use, increased greenhouse gas emissions and the destruction of savannas, forests and marine habitats.

Continuing on this path will be disastrous. Avoiding increasing crop failures, zoonotic diseases (like Covid-19), mass migrations and social and political upheaval, and conflict over water, food and natural resources requires us to transform our economic and financial systems as well as the way we live and the way we work.

The sea-change needs to be created by governments, but only citizen action will spur them to do so. Arm yourself with information about both the issues and solutions, inform others – catalyse conversations, get involved with civil society organisations to work collectively on advocating for better policies, and encourage your financial-services provider to create green investment portfolios.

On a personal level, we can all aim to reduce our consumption, and thus our waste, and the energy, water and resources used in products' manufacture and transport. Refuse to use unsustainable goods, such as single-use plastics; reduce your use of water, electricity and transport; reuse, repair and refurbish whatever you can. We need to rethink our relationship with our planet, our only home.

‘Nature underpins all human wellbeing.’
– Melissa de Kock

Find out what each of us can do to fight climate change in ‘It's time to get serious about climate change’ by Leonie Joubert on page 46.



HOW WE DEAL WITH DISEASE

By Professor Adriano Duse, Head of Department: Clinical Microbiology and Infectious Diseases, University of the Witwatersrand

THE INTERCONNECTED WORLD brings wonderful opportunities, but poses serious challenges from an infectious diseases point of view. The speed with which SARS-CoV-2 – Covid-19 – spread from China to the rest of the world over a few months is a clear example that population mobility via travel, migration, displacement, etc., is the biggest determining factor in the spread of infectious diseases. With busy travel hubs, increasing population density, varying levels of personal hygiene, and underlying co-morbidities added to the mix, it creates the perfect storm for an efficiently spread respiratory virus.

The Covid-19 crisis gripping South Africa hasn't played out yet. As I write this, the worst has yet to come. Furthermore, Covid-19 will remain with us for possibly the next two to three years, or until a vaccine is widely available (whichever comes first). Given the substantial financial commitment that the South African government has made to Covid-19, it will be difficult to roll out national health insurance in the immediate future.

It is important to keep in mind that we had already seen several pandemics prior to this one. More specifically, we are currently in the seventh pandemic of cholera and the third pandemic of

plague. Recent pandemics include SARS, another type of coronavirus (2002-2003), swine flu (2009-2010) and Zika virus (2015-2016). Pandemics are not new to us. The regular emergence of novel infectious diseases has for years been highlighted repeatedly as a threat to both human and animal health. We were warned.

Covid-19 has laid bare the level of ‘pandemic unpreparedness’, not only of developing countries, but also of those with a seemingly strong level of operational readiness for health crises. Important lessons emerging from the current pandemic include the importance of strengthening health systems, self-reliance in the manufacturing of PPE, implementing better surveillance systems and early detection, and effective contact-tracing mechanisms. It also stresses the significance of acting quickly now that we have learnt lessons on how to contain it, better coordination of all response activities, social sensitisation, governmental accountability and restoring people's trust in science and governments.

Finally, cooperation between countries is critical. All of this we should have learnt from past pandemics. Will the Covid-19 crisis be the lesson of all lessons, or just another warning? That remains to be seen.

HOW BIG AND SMALL BUSINESSES WORK TOGETHER

By Ellen Fischat, Managing Director of Oribi Village and Founder of Story Room (Pty) Ltd

THE PANDEMIC HAS shown us how fragile South African businesses – large and small – really are. Large multinationals may have a longer runway than SMMEs, but the layoffs and retrenchments showed that even their liquidity is not as strong as we thought it was.

We also saw how much small businesses actually contribute to the national economy. ‘Support small business!’ is a statement we often heard, but now we have seen the extent to which they are the job creators. But they’re lean. The number of people employed by small businesses who were either

retrenched or put on short time show that there’s no fat.

It’s a big deal if I, as a small-business owner, can’t keep on my 10 employees. It’s said that on average, one South African employee provides an income for 10 family members. Those 10 family members are the most vulnerable, and there should be more interventions to protect the income earner.

Small businesses also suffered the most under lockdown. In my opinion, it’s because they’re the last in the food chain. At some of the small businesses I work with, I saw how some very big corporates simply postponed payments. What can you, as a small business, do? Threaten them with legal action? You’d have to pick a number.

That highlights the bad business practice of some large enterprises (it’s very short-term thinking to simply not pay your suppliers during a crisis), and it also shows the inequality in our society and the power games that are played. It says something about the bankruptcy of the entire system. Big business needs to be called out on that kind of behaviour.

Small businesses, on the other hand, have to be more intentional about the way in which they go about doing business with large businesses. They need to take a stronger stance when it comes to the reciprocity of the relationship. Yes, you’re being paid for a service, but the relationship between you and the buyer has to be at the core of the transaction. We always fight for the people with whom we have a good relationship. If you’re just a number to the other party, or if you’re easily replaceable, you’ll never be secure.



SOLVING SOCIAL PROBLEMS

By Segran Nair, Director of Open Academic Programmes, Graduate School of Business, University of Cape Town

I CAN’T TELL YOU HOW

many times I’ve been in meetings where everyone thinks in a particular way and moves in a certain directions until someone says: ‘Can you help me understand where this is coming from? In my part of the world it doesn’t work that way.’ It’s human nature to take certain things for granted until we’re questioned.

When you have an engineer sitting next to an accountant, next to a chemist, next to someone from an NGO, you have a lovely environment to brainstorm solutions that, individually, they might never have thought of.



HOW (AND WHAT) WE GIVE

By Andy Hadfield, CEO, Forgood

A LOT OF CORPORATE

giving in South Africa is well intentioned but misaligned. For instance, having an accountant volunteering to paint a school instead of tutoring maths or accounting is a waste.

What’s really rather interesting to see is the growth in skills-based needs. ‘Help me to design a website.’ ‘Help me with my social-media profile.’ ‘Help me to write a liability waiver for volunteers.’ The connections that occur around them are far more meaningful. **M**

ARTWORK: WESLEY VAN EEDEN. PHOTOS: SUPPLIED

‘It’s a big deal if I, as a small business owner, can’t keep on my 10 employees.’

– Ellen Fischat



Covid-19: more than a health crisis



AS COUNTRIES LOCKED DOWN AND CLOSED BORDERS, THE AGRI-FOOD SYSTEM CAME UNDER PRESSURE, HIGHLIGHTING SEVERAL WEAK LINKS IN THE CHAIN. SOUTH AFRICA, AND AFRICA AS A WHOLE, SHOULD TAKE NOTE.

By Wandile Sihlobo



Also read 'Africa: Growing cities vs growing food' by Professor Sheryl Hendriks (page 48) on the effect of rapid urbanisation on food production in Africa.

THERE IS NO TELLING how long the current global food system will be able to sustain the pressure of the Covid-19 pandemic. Since its start, government policy responses to both supply and demand-side disruptions mainly hinged on three major interventions. They include the initial intent to implement protectionist trade policies in major agricultural producing countries, followed by a pullback of direct trade restrictions; supply-side support for agricultural

industries in the form of historic budgetary support for small and large companies, and demand-side support through wage support.

CLOSING RANKS First, in the early days of the pandemic, countries such as Russia, Kazakhstan, Cambodia and Vietnam introduced export quotas and bans on rice and wheat exports. They were attempts to ensure stable domestic staple food supplies amid uncertainty around how long the pandemic would last. Such policies were

abandoned after a month and by July 2020 these countries were signalling a return to open-market trading terms. One of the reasons for this change of heart was the exemption of agriculture and food-supply chains from Covid-19 trade restrictions. The International Grains Council has also lifted its 2020/21 global grains harvest by 2% year-on-year to 2.2 billion tonnes. This is welcome news for South Africa and other African countries that depend on grain, wheat and rice imports, and had feared food insecurity

in light of the initial protectionist policies.

Second, as initial worries about agricultural production abated, it became clear that the biggest challenge was not a lack of food in the global market, but logistical disruptions. This is specifically the case for the shipping industry. Between February and May this year, shipment volumes were down worldwide. With that said, one can expect it to pick up as countries, including South Africa, began to slowly reopen their economies.

There have also been aggressive government policy responses from global leaders, which have been underpinned by unprecedented fiscal spending that surpasses that of the 2008 financial crisis and the Great Depression. Richer countries have implemented financial relief programmes to support businesses, including farmers.

In South Africa, the Department of Agriculture, Land Reform and Rural Development ring-fenced R1.2 billion for financially distressed small-scale farmers. As yet it is unclear if this will be sufficient.

We haven't yet quantified the impact of the pandemic on the country's agriculture. Suffice it to say, the goal of such funding should be to assist those who have been negatively affected by weak demand and are struggling to move to the next production cycle, and those whose farming businesses were hard hit by lockdown regulations.

SUSTAINING DEMAND

Third, governments tried to preserve incomes and livelihoods and, in turn, supported the demand side of the food sector. The rapid increases in already high levels of unemployment in most parts of the world translate into weak demand for food, particularly high-value products, in the near to medium term. Income protection and support in countries such as the UK and the US is expected to mitigate the weakening demand, and somewhat keep demand at levels that will help their economies to bounce back quickly once they have been fully opened up. Meanwhile, in emerging markets, South Africa has been among the countries that provided support by increasing social grants and via food parcels and food vouchers. Although short-term measures, they sustain household demand for food products to an extent. These measures were based on the view that the pandemic would keep the economy closed for a maximum of three months.

If the global economy is put under further pressure by a new wave of infection that will lead to a much slower reopening, household income and purchasing patterns might change over the short to medium term. The implications for the agricultural and food sector could be dire. The demand for higher-value products is expected to inevitably decline after Covid-19, but if this decline is sustained for the long term, it could lead to a shift in supply chains that may become

permanent if critical businesses are forced to shut down permanently.

This is crucial for countries like South Africa that have an export-orientated agricultural sector. Roughly 49% of our produce in value terms are exported, and South Africa's high-value exports are mainly fruit, wine and beef destined for the EU and Asia. They accounted for nearly \$10 billion in 2019, according to data from Trade Map.

In a nutshell, the resilience of global agriculture and food systems will continue to be tested as the pandemic impacts both the supply side and demand side of the global economy. There is no telling how long the global food system in its current configuration will withstand the pressure of Covid-19. What is becoming increasingly clear is that the longer the pandemic continues to impact the global food system, the more likely structural shifts will become. The end result will be fundamental changes in the way our food systems are configured, as they will have to adapt to new consumer demands. One such change could be in export markets, as countries that had a sharp fall in income would have a slower or smaller demand. As an exporting country,

South Africa will have to look beyond its typical markets, such as the African continent (roughly 40% of our exports), and Europe (roughly 30% of our exports), and expand its footprint in Asia, specifically India and China.

What is particularly worrying is the lack of support measures for businesses and households in developing countries. In resource-poor nations – especially on the African continent, where countries were already struggling under worsening debt levels – governments do not have the means to support private businesses and farming communities to the same degree as the US, UK, China and the like. This means that the developing world is one cog in the global food system and economy that remains extremely vulnerable to the pandemic.

So far there have been relatively lower numbers of Covid-19 cases reported in sub-Saharan Africa. But if what is happening in the global north is a harbinger of what is to occur in sub-Saharan Africa over the next couple of months, the continent's largely informal food system will likely come under extreme pressure, a scenario which will evoke a food-insecurity catastrophe. **M**



Wandile Sihlobo is chief economist at the Agricultural Business Chamber of South Africa (Agbiz) and author of Finding Common Ground: Land, Equity and Agriculture. This article benefited from insights and comments from Dr Tinashe Kapuya, head of supply chain research at the Bureau for Food and Agricultural Policy (BFAP).

PHOTOS: GALLO IMAGES/GETTY IMAGES



Is there a silver lining?

ALTHOUGH THE FULL EXTENT OF THE COVID-19 CRISIS REMAINS WRAPPED IN UNCERTAINTY, ONE PRO COULD LIE IN OPPORTUNITIES FOR LONG-TERM INVESTORS.

By Clement Chinaka

THE COVID-19 CRISIS is unprecedented. They don't call it the novel coronavirus for nothing. It's unlike anything we've seen in living memory, and anyone who says they know how the pandemic is going to unfold is a liar. We still know very little about it. More than half a year since the initial outbreak, we still don't have a scientific solution, and despite some promising

trials, a vaccine appears to be many months away.

THE IMPACT ON AFRICA It is still too early to quantify the real impact of Covid-19 on Africa's economy, but there are estimates from credible economists (including the International Monetary Fund) that suggest a GDP contraction of the order of 2% to 5%, which will make it the region's first economic recession in 25 years. Nigeria, for

instance, has been hit hard – not because of the virus directly, but because of the fall in the demand for oil.

The full public health impact hasn't hit Africa yet, but unfortunately, judging by what we've seen in Brazil, it appears to be only a matter of time until it does. Perhaps we can take some hope from what appears to be a relatively low mortality rate so far. Is this thanks to Africa's warm climate, or because the continent has a relatively large (when compared to Europe) proportion of young people? We don't know. Nobody does.

The shock to the global economy has been deep, and what's worse is that it didn't just come in March and end in April. We expect economic recovery to be slower in our African markets, as most depend heavily on primary commodity exports for fiscal revenue and foreign exchange. Poor liquidity in certain markets also explains some of the outsized reactions we have seen.

FINDING LONG-TERM OPPORTUNITIES

Developed nations in the northern hemisphere will want to stimulate their economies through fiscal and monetary packages like the ones some have already begun to implement. That will lead to a pile of cash looking for yields. As a result, liquid long-term investors will have the opportunity to buy into relatively cheap assets from distressed sellers.

Covid-19 has accelerated growth of industries that had been nascent, such as the information and communications technology, and digital sectors. There is also an increased focus on healthcare.

Global supply chains may be realigned with more countries opting to produce more at home. This could benefit local industries, but may be inefficient for small African markets. Africa will be better served driving the African Continental Free Trade Area.

Also, there are certainly good opportunities in alternative investments and in potential partnerships with governments in this space. Old Mutual's Absolute Growth Portfolios, for example, have not lost much value in the Covid-19 months.

I think many countries will realise that they need to get their houses in order – both from a policy perspective and an infrastructure perspective – to ensure that they're better able to handle similar crises in future.

With regard to insurance, there's a growing realisation that people have to be encouraged even more to save for a rainy day so that they're better equipped to weather situations like this.

What we want to see in terms of recovery, once everyone is confident that the virus is contained, is people going back to their day-to-day business and adapting to the new normal. **M**



In November 2019, Clement Chinaka was appointed Managing Director of Old Mutual: Rest of Africa after nearly five years in the same position at Old Mutual Corporate. His 28-year career with the Group also includes senior roles at Old Mutual Life Assurance Company (Zimbabwe) and Old Mutual Emerging Markets.

ILLUSTRATION: GALLO IMAGES/GETTY IMAGES. PHOTO: SUPPLIED

Still a certain friend in uncertain times

OLD MUTUAL HAS WEATHERED UNCERTAIN TIMES BEFORE AND IS, LIKE BEFORE, READY AND PREPARED TO HELP WHERE IT CAN.

By Iain Williamson

OUR WORLD HAS CHANGED OVERNIGHT.

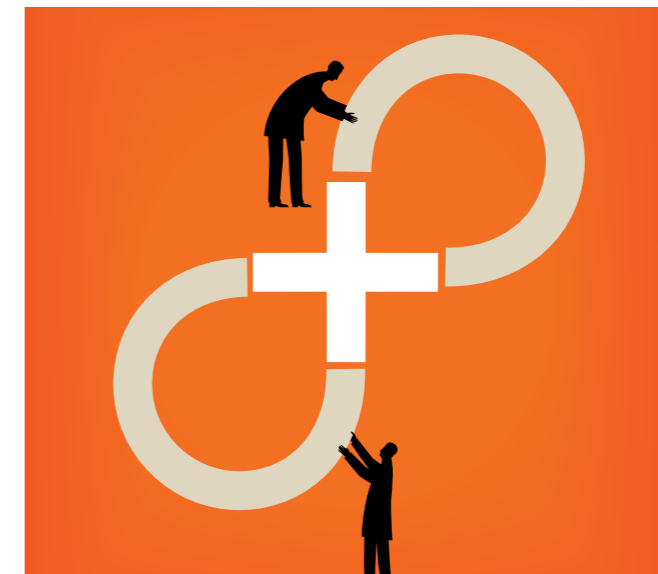
Covid-19 is here – and indications are that it will stay for a while, impacting how all of us live our daily lives. It's perfectly normal to be overtaken by fear, anxiety and panic. What we all need right now is stability, security and hope.

Old Mutual has been adapting to changing circumstances, and rising to new ones, for 175 years. We've been through many crises in our history and have overcome many headwinds along the way. Time and time again, we have emerged stronger and more resilient.

BUSINESS CONTINUITY

The core of our business is providing certainty and protection to people in times of uncertainty, and being – as we promise – your 'certain friend in uncertain times'.

What does that mean in practice? For clients, it means that Old Mutual will be here to support you when you need it most. We have put in place processes to ensure business continuity. We are also working across the Old Mutual Group with our partners in government, business, civil society and elsewhere to make a positive impact in the communities in which we operate. We have made available R4 billion of premium-free cover to



Iain Williamson was appointed CEO of Old Mutual Limited in July after being Interim CEO for a year. His career with Old Mutual includes leadership positions at Old Mutual Retail Affluent and Old Mutual Emerging Markets, and two years as Chief Operating Officer of Old Mutual Limited.

qualifying healthcare workers during this period. The Group also supports national drives to provide personal protective equipment (PPE) to essential-services workers, and has pledged more than R50 million towards community health, education and food-security initiatives via partnerships with the Department of Basic Education and the Department of Social Development.

Additionally, Old Mutual has provided R300 million relief to our short-term

insurance customers, including premium holidays, reduced premiums and leniency on missed debt repayments.

Our Executive Committee agreed to forego salary increases, and the company is directing these funds to the Solidarity Response Fund. We also added the fund as a beneficiary on our Staff Payroll Giving Programme, which allows employees to donate to several causes.

In the territories outside South Africa where

Old Mutual has a presence, the Group has collectively committed more than R8.5 million to Covid-19 relief efforts. This includes initiatives such as providing premium-free cover to healthcare workers and providing PPE to essential-service workers, as well as addressing food security, health and education needs in vulnerable communities.

LOOKING AHEAD

While some of these initiatives are short-term in nature, our outlook – especially when it comes to investments – is always focused on the longer term. Covid-19 is causing a lot of financial uncertainty, and markets are very volatile. It may be tempting to make rash, short-term decisions, but we encourage our clients to remain invested and to consult a financial adviser before taking any steps they may regret in the longer term.

I want to reassure all our stakeholders – our clients, communities and employees – that Old Mutual is financially extremely strong as a business. The Group is well capitalised, and managed by talented, dedicated people. We are here to help, and we will do everything we can to continue to provide the service that our clients expect and deserve from us as we walk this road together. **M**

ILLUSTRATION: GALLO IMAGES/GETTY IMAGES. PHOTO: SUPPLIED

Time to show up

THROUGH ALL THE VOLATILITY, UNCERTAINTY, COMPLEXITY AND AMBIGUITY, OLD MUTUAL AS A BUSINESS – AND SOUTH AFRICA AS A NATION – IS RISING TO THE COVID-19 CHALLENGE.

By Glynis Pattison

ECONOMISTS HAVE A WORD for times like this: VUCA.

It stands for Volatile, Uncertain, Complex and Ambiguous, and is a very good way of describing what we're living through right now. Covid-19 is impacting countries all over the world at different rates; and with the varying responses from governments and societies, the world is certainly in the midst of a VUCA period.

OUR TOP PRIORITIES

Although Old Mutual has remained open for business, it is not

in the traditional way.

Our large offices are all closed and most staff are working from home.

Only a very small number of essential staff are continuing to go into the office from time to time. A limited number of retail customer branches remain open across the country, again with essential staff only.

Early on, before lockdown officially started, Old Mutual Corporate reduced travel to essential business travel only, and then escalated this restriction to no travel at all. Large gatherings were cancelled and alternatives put in place.

Our quarterly business updates were converted to video messaging via Microsoft Teams.

We also re-contracted around deliverables, as we knew it could cause anxiety for those who are accountable for work that they simply cannot do during the lockdown.

The safety of our customers is, of course, of utmost importance too. Old Mutual Corporate cancelled the Old Mutual SuperFund Summit, our flagship event, and videoed all presentations so that intermediaries and financial advisers could still 'attend' and earn



Glynis Pattison is General Manager of Distribution at Old Mutual Corporate, a position she's held since October 2011. With over 30 years' experience in the financial-services industry, most of which she acquired at Old Mutual, she has a wealth of knowledge of employee benefits. Glynis holds a BCom degree, is a member of the Financial Planning Institute and serves on the Board of Old Mutual Alternative Risk Transfer (OMART).

Continuous Professional Development (CPD) points.

BEYOND OLD MUTUAL

As a responsible business, Old Mutual is deeply involved in responding to the Covid-19 crisis. We pledged R50 million towards a comprehensive response, partnering with the Department of Basic Education specifically with regard to an initiative to provide nutritious food to thousands of South African children who are otherwise dependant on school feeding schemes.

We also helped to raise hygiene awareness and provide e-learning and

other materials to support continued learning during school closures, as well as financial education across our markets.

Key properties in our portfolio are used as depots, and the group's training centre at our Pinelands head office has been converted into a 300-bed isolation and quarantine facility.

Plus, Old Mutual made R4 billion available as health cover for the 43 000 or so healthworkers in the country. No premiums are due and everyone who is registered with the Health Professions Council of South Africa or

the South African Nursing Council can apply.

WHAT WE LEARNT

The news from local and global markets – volatile, uncertain, complex and ambiguous as it is – confirmed what we've known all along: markets react (and sometimes overreact) on a daily basis in sometimes unpredictable ways. Over the long term, however, equities have exhibited real growth, and being patient and waiting out the storm are actually the best things to do.

We are going through a globally unprecedented

level of uncertainty, so – no matter what your circumstances are – it's best to focus on the things you *can* control. Know your investment horizon and remember what you are saving for. Make sure you have a diversified portfolio. Cash might feel like a good idea at a time like this, but over the long term we know that cash does not provide inflation-beating returns.

Yes, these are VUCA times. But they are also times of opportunity – to learn, to help and to remind ourselves what matters most. **■**



ILLUSTRATION: GALLO IMAGES/GETTY IMAGES. PHOTO: SUPPLIED

Where to from here
for talk shops such
as the WEF's?
p26

Making the most of
multigenerational
teams
p30

'The rich are getting richer, but the poor haven't been getting poorer, they haven't been sharing in the wealth.'

– Richard Quest, *Quest Means Business*
anchor, CNN

thoughtSPACE

Essential reading and
current discussions



ILLUSTRATION: GALLO IMAGES/GETTY IMAGES

In conversation with Richard Quest

AS AN ATTENDEE OF WEF AFRICA, I CAN BELIEVE IN THE POWER OF TIGHTLY NETWORKED GROUPS WITH SKIN IN THE GLOBAL GAME TO MAKE EFFECTIVE DECISIONS. BUT AFTER THE PAST DECADE, I HAD TO ASK RICHARD QUEST, A VETERAN OF SUCH GATHERINGS: WHAT IS THE FUTURE OF EVENTS SUCH AS THE WORLD ECONOMIC FORUM'S?

by Refilwe Moloto



Refilwe Moloto

Refilwe Moloto is an economic and strategic adviser, and the founder of Ambassador Advisory, a strategic investment firm focused on economic development in Africa. She is also the host of Breakfast with Refilwe Moloto on CapeTalk 567. Her interview with Richard Quest took place in February this year.



Richard Quest

Richard Quest is CNN's foremost international business correspondent. As the presenter of Quest Means Business, his authoritative, entertaining style has convinced many outside the world of business to take an interest in finance.

NEITHER SIDE IS PLEASED: large swathes of the world

have lost faith in its order and extreme political shifts to the right have dominated the biggest developed economies alongside a rise in left-leaning protest culture which has engulfed capital cities on most continents.

Nature, too, is making her voice heard and has – even before Covid-19 – walloped humanity to attention with bush fires across the Amazon and Australia; drought, famine and locust plagues across Africa; flooding in Europe; tropical storms devastating islands in the Caribbean and Latin America; and record Arctic blasts in the US.

Both threats are existential and require an urgent response. Historically, the custodians of such a response have been leaders of the (mostly Western) world, who fashion solutions behind closed doors at the likes of the World Economic Forum (WEF), Conference of Parties (COP), World Bank meetings and central bank symposiums. A brief look at the last decade that followed the great commodities boom and the great financial crisis lends some scepticism to their effectiveness. So I asked Richard Quest: are these conversations moving the needle, or are we just making ourselves feel better by discussing the needle?

‘It’s the middle class that basically said, “Oi, we’re over here, you’ve forgotten about us. Now we’re going to rebel.” That’s what got Donald Trump elected. That’s what got Brexit sorted.’

To jump right in, what impact do events like Davos, or COP, or the Clinton Global Initiative really have?

‘There’s a difference. COP is meant to make decisions and is by far the most important in terms of the environment. That is where countries make their commitment and justify their failure.

‘Davos and the Clinton Global Initiative are talk shops. They set agendas and you get to see where people stand. They’re not part of the process of reaching an agreement on any of the things that are discussed.

‘Take income and inequality. We can look at the number of people that have been pulled out of poverty by globalisation. When you contrast it with the sobering statistics in Oxfam International’s 2020 Time to Care Report that just 2 153 billionaires in the world hold the same wealth as 4.6 billion of the world’s poorest, this same “success” questions how successful we have been. Of course, they’re not mutually exclusive. You can have a lot of people coming out of poverty while the ones at the top get wealthier.

‘As for the environment, it beggars belief that we’re still arguing about it. While I don’t always agree with Greta Thunberg, she made an important point: never mind future commitments, countries haven’t lived up to their existing commitments at the last COP or the Paris Agreement.’

HOW DO STAKEHOLDERS WHO ARE NOT SHAREHOLDERS HOLD THESE BODIES ACCOUNTABLE? You mentioned the changing face of attendees at Davos with more NGOs

coming forward, the likes of Greta Thunberg standing up and other voices of dissent being heard. For those of us on the outside, they seem to be very hard-hitting, but do these moments of speaking truth to power ever amount to anything on the inside?

‘There are many reputable, established, respected organisations inside the rooms. I suspect activists would say they have sold out, that the only way for real change is through the ramparts. Well, you pay your money and you take your choice on that one. The reality is that you can protest as much as you like, but you need to be at the table.’

We agree, then, that new stakeholders with an alternate view can navigate a path through these talk shops. At the same time, I am deeply versed in the increasingly influential and impactful lingua franca that protest has become in South Africa and am not satisfied that the marginalised have no voice. ‘You can’t really conflate the two. If you’re talking the environment, it is an existential issue and if we don’t get it right, we won’t have a world to worry about. If you’re thinking income inequality, it has been getting worse for a long time. The rich are getting richer, but the poor haven’t been getting poorer, they haven’t been sharing in the wealth in quite the same way as one would have hoped or expected. That, I think, will be the fighting ground on that issue.’

The reason I’m raising the protest culture is that there’s a great deal more resistance than before when governments want to put policy in place. How

useful are talk shops for the elite which impact the very people who are increasingly dissenting? Are their conversations changing in line with changes in the world?

‘If you take the narrowest definition of talk shops, they can be quite useful. Many are highly specialised and bring together people who have a particular vested interest in a subject. But general talk shops are not worth the time.

‘You also can’t generalise in terms of the actual conversation. The biggest change relates to the issue being discussed. If you go back to 2008, 2009, even 2012, you had the aftermath of the global financial crisis and frankly, everybody was more concerned with saving the global economy than anything else. Now there is much more involved. Now you have tech taking part and they have a much closer accord with the joint venture people, who are there because they have their own issues – data privacy, artificial intelligence, quantum computing. They therefore not only have technical issues, they also have societal issues, which puts them in the same camp as many activists. That’s why everybody who was at Davos this year had much more common cause – it wasn’t just the financiers and central bankers out there on their own, trying to put out global fires.’

You mentioned tech and how it has become a societal issue...

‘To give you an example, everybody in Africa has leapfrogged the landline. The status symbol now is the latest smartphone with the latest apps. These technologies will have, and already are having,

tremendous value in rural Africa, helping farmers with better crop management, knowing prices, being able to trade and deal. But with all of this come certain responsibilities. What are the greater privacy rules? What are the regulations behind it? I’ve seen this before, where developing economies want to cherry-pick the best bits of technological and economic advancement from advanced economies, but forget what has to sit behind it, which is transparency, lack of corruption, proper HR regulations. None of these are luxuries. They are necessities to be put in place in developing economies, too.’

Without policy-driven technological advancement, surely the African population will be left behind in discussions of AI and the like?

‘You’ve got to go back to basics first. You’ve got to look at individual African countries and ask: are they really better off in terms of governance than they were five or 10 years ago? Have they actually advanced towards a market economy in the sense that they aspire to? Are there investor protections in their markets that are enforced properly? Once you’ve answered those fundamental questions, you can start to discuss whether or not they’re sitting at the table.

‘I think some African leaders would like to say, “We love your economic progress and we love your culture in terms of theatre and television and movies, but we don’t want any of that other stuff.” It doesn’t work like that. I think they should look at what makes these other economies so vibrant. Why is there so

much ingenuity, so much development? Because there’s freedom.’

PROGRESS OR PAROCHIALISM?

Against the backdrop of increasingly nationalist leadership in the developed world, are multilateral engagements and discussion, think tanks and talk tanks, therefore more necessary or are they becoming obsolete?

‘This is really two things. One obviously is the Trump administration that seemingly wishes to do bilateral rather than multilateral arrangements. The other is Brexit and, for example, what’s happened with the far right in Germany. These are deeply worrying signs that are best exemplified by the rise in antisemitism. When you get the Chancellor of Germany, Angela Merkel, having to warn about antisemitism, as she did in a speech commemorating the Holocaust, you’ve got to say, woah, what’s really going on here? Let’s get back to basics. Let’s not worry about what the latest app is... let’s go back to basics.’

‘The reality is that you can protest as much as you like, but you need to be at the table.’

But, Richard, how useful are these discussions if the policy can’t be implemented?

‘You’ve got to accept that the elite failed the population. They were not aware, they did not take note, they were not sufficiently cognisant of deep worries about immigration. They’re not aware of inequalities. The elite, the ruling classes, basically ignored what’s happening and consequently it’s not surprising that huge amounts of obloquy is being heaped on their heads. It was an accident waiting to happen. It did not happen overnight.’

I want to challenge you on this. As an investment strategist, I find that things are driven largely by utility and around the economy. Inequality did not come about by accident either. It’s the natural evolution of the capitalist cycle.

‘No, no, no. I don’t accept that. This is not an argument about rampant capitalism, about Victorian mill owners sending children up chimneys. This is about elites who forgot who elected them. There was an arrogance of “we know better”. This was the people saying, “No one’s listening to me.” A middle class saying, “I’m paying the bills, I’m taxed to the hilt and no one’s listening to me. If I’m at the bottom of the tree, I’m getting welfare and I’m paying too much for that; if I’m at the top of the tree, I’m getting tax benefits galore and I’m okay.” It’s the middle class that basically said, “Oi, we’re over here, you’ve forgotten about us. Now we’re going to rebel.” That’s what got Donald Trump elected. That’s what got Brexit sorted.’

The fact is that the system is being rejected by the electorate at the same time as the leadership has rejected the multilateral system of globalisation. I think we’re just using different terms to say similar things.

‘Because I use the language of the street. That’s what people told me. “I’m 55 and I’m out of work. What do I do? I’m 42 and paying 35% tax. Why am I paying this and Amazon and Google are not paying tax?” People were angry! And they’re angry because leaders haven’t listened to them.’

That’s because the global economic system has shifted in favour of the elite. ‘Yes, but that’s not capitalism’s fault. That’s just politicians being greedy.’

How do we change this? ‘Markets, as you well know, are not finely tuned like a clock. They swing to extremes before finding an equilibrium. That’s exactly what’s happened now. We’ve gone from too far left to the other side of the spectrum. The elites are being beaten, governments are being railroaded. But somewhere in the next five years it will even out. We’re going to muddle through.

‘The real issue becomes, for me, how much damage is done in the meantime. How much is not done for the environment? How much is not done for inequality? What will it look like at the end?’ ■

Five generations, one workplace

SETTLEMENTS IN AGE-DISCRIMINATION LAWSUITS HIT EMPLOYERS IN THE US TO THE TUNE OF \$810 MILLION OVER THE LAST DECADE. AS SOUTH AFRICA'S WORKFORCE BECOMES INCREASINGLY MULTIGENERATIONAL, IT WOULD BE WISE TO TAKE NOTE OF THIS CANARY IN THE COALMINE.

By *Debbie Goodman-Bhyat*

DURING THE PAST TWO DECADES, employers have made great efforts to address and eliminate discrimination in South African companies, but the focus has been almost exclusively on ensuring that there is no unfair treatment based on race, gender and religion.

As more and more workers postpone retirement, whether by choice or necessity, it is not unusual to also have several generations in the same workplace who need to work in harmony, despite wildly differing life experience, attitudes, behaviours and expectations.

Now the time has come to proactively assess the impact of this and implement strategies where necessary.

If not, the result will be increased dissonance between generations, workplace stress and, at its most basic level, office politics, which will impact workplace wellbeing and, ultimately, productivity.

DIFFERENT VIEWS, DIFFERENT WAYS

Older generations typically have a different value system. They see short tenure and frequent moves as a lack of commitment and loyalty, and tend to rate a potential candidate's suitability for a job based on their own values. Younger generations are more likely to change jobs every few years to achieve the things that they value highly,

namely variety, breadth of scope and opportunity to try new things. When faced with increased workloads or tight deadlines, this could cause real problems.

These differences are what makes managing multigenerational teams so tricky. What's more, the management teams that have to lead multigenerational workforces themselves are frequently made up of members with very different values and world views. This kind of incoherence can be very unsettling, and even result in toxic work cultures, which lead to reduced productivity and reduced engagement. If unchecked, it will erode a company's culture and its bottom line.

THE SOUTH AFRICAN ADVANTAGE

The good news is that managers in South Africa are, for the most part, well positioned to deal with a multigenerational workforce because managing other kinds of diversity is already core to their working reality.

Leaders may therefore already have some experience in dealing with conflict and, at the very least, most professionals will have a level of consciousness and awareness about issues relating to diversity.

Intergenerational issues in the workplace, however, haven't been given as much attention and energy as other areas of difference and diversity. As a result, background friction often manifests in toxic behaviours that undermine and unfairly discriminate against others.

If the ultimate goal is a cohesive, productive environment, the strategy for managing generational diversity is nothing new. Firstly, it requires

that the issue and the potential consequences are recognised. Then, the approach must be to ask questions, listen and seek to understand.

On a personal and professional level, the first step will be to recognise your own cultural or values bias when you catch yourself making judgments about someone based on their generation or age. These days, all of us are hyperaware of our own biases and consequent judgments based on gender or racial diversity. Generational diversity is set to become the next area for serious attention. The upside is having the best of both worlds: on the one hand, fresh ideas, innovative mindsets and new perspectives; and on the other, wisdom, maturity and insight into cause and consequence.



Debbie Goodman-Bhyat is an author and the founder

of Jack Hammer, an executive-search firm. She has 20 years of experience helping companies find senior-level staff throughout Africa and the US, and her latest venture uses AI to connect entrepreneurs, leaders and professionals with global business coaches.

While South Africa is comparatively less litigious than the USA, employers shouldn't necessarily be focusing on preventing lawsuits. Instead, they should be taking note of any toxic behaviours and attitudes that threaten company culture. This, ultimately, is part of ensuring that all employees have a healthy workplace. **M**

SURELY MILLENNIALS RULE THE WORKPLACE?

While 35- to 54-year-olds still make up most new appointees and account for more than two-thirds of employment growth (67.6%), this is a significantly smaller proportion than their share of the total employment-age population, which Stats SA puts at 74.4%. Even more tellingly, Stats SA's Q3 2019 Labour Force Survey reported that only 47.5% of 25- to 34-year-olds are employed. When it comes to 35- to 44-year-olds, the corresponding figures look only slightly better: they make up 80.8% of the available workforce and 62.4% are employed.

Currently, the 55-65 cohort makes up about 7% of South Africa's overall population, but about 40% of them are employed. Based on trends identified by Stats SA, this number is likely to continue rising as people in general continue working until they are much older, whether it be in permanent, formal or consulting/part-time capacities.

At the same time, the National Economic Development and Labour Council (Nedlac) expects the number of 60 plus employees to increase significantly from current levels of under five million to almost 15 million by 2060, representing a 200% increase over a 40-year period.



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Making the most of
a mid-career change
in direction
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What does it take to
really communicate
with your teams?
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‘Seeing as you
have the tools,
experience and
qualifications to do
your current job
successfully, you
can use these very
means to reinvent
your career.’

– Laura-Ann Tomasella,
executive coach

YOURSPACE

Insights and ideas to change
the way you look at things

Should I stay or should I go?

WHEN THAT MID-CAREER CRISIS HITS, SHOULD YOU CHANGE DIRECTION OR STAY THE COURSE? EITHER WAY, IT'S IMPORTANT NOT TO SQUANDER THE OPPORTUNITY.

By *Laura-Ann Tomasella*

WHILE WRITING THIS ARTICLE,

I've chatted to clients and friends who have tackled a career switch in their 30s, 40s and 50s... that's a pretty wide spectrum. If age isn't the common denominator spurring change, then what is? One of my clients has just turned 72. He climbed the ladder in corporate engineering for almost 50 years, and at 69 he retired. Determined to keep himself relevant he, well, 're-engineered' his identity. It took two years before he could see results, and going from a team of 600 to working alone from home took getting used to. But he's feeling fulfilled. Another client quit her full-time job as a technical writer at 55 and is now a model and influencer with a rocking Instagram account. In her previous incarnation, she says she was 'a square peg in a round hole'.

LIFE IS MESSY. EVERY STORY IS COMPLEX.

What motivates change in the middle of an already successful career? As thinking and feeling human beings, our species is characterised by the ability to learn. On the one hand, boredom and dissatisfaction may influence the urge for change. Alternatively, the stimulus could be positive: choosing to recalibrate your profession to align with your maturing identity, life phase or appetite for risk, or a renewed interest in finding more meaning in life.

These are the internal influences. Externally, we all know what's happening in 4IR and the future of

work, not to mention the rough economy.

The big question is *how* to respond productively to a defining moment in your career. A mid-career crisis is not what you want, and changing tack to an entirely new career may not address the underlying problem behind the desire to shift who you are when you are in work mode. We are limited in our ability to control the environment, but we can learn to manage ourselves optimally.

How you set boundaries, build relationships, communicate with others, manage stress, make decisions and deal with criticism is part of your 'operating system'; who you are and how you behave won't change because you've switched jobs. If your need to move into something new is motivated by office politics, boredom or burnout, you should – before making a radical move – carefully consider whether the opportunity to improve self-awareness, confidence and self-respect is actually right here, right now. The same mindset will show up again in your new venture until you do the work to strengthen and develop personally.

JOB SATISFACTION REQUIRES SERIOUS EFFORT

If you are considering a transition to a new career, ask yourself how much your desire is motivated by reactive problem management versus leading a proactive change in your own life. This is why I get my clients to do a SWOT analysis (looking at strengths, weaknesses, opportunities and threats)

'We are limited in our ability to control the environment, but we can learn to manage ourselves optimally.'

on their life and career. The clarity this brings will help you tackle the road ahead strategically. Seeing as you have the tools, experience and qualifications to do your current job successfully, you can use these very means to reinvent your own career.

Articulating your purpose – the big driver that gives meaning to your life – is the one constant that will guide you in making your next move.

My client with the enviable Instagram account uses her influence to inspire her followers to challenge themselves and be brave. At 43, a friend with a background in marketing and research started a

non-profit helping children with chronic disease. South Africa is humming with exciting initiatives spurred by highly skilled people who are giving back. By expressing their unique strengths and passions, they are able to imbue their work with meaning, inevitably elevating the people around them. The personal discovery of what really excites and fulfils you would have less value if it didn't translate to others.

Even so, we aren't all cut out to be Mother Teresa. When the connection between your work and yourself is robust, you can find purpose in almost any organisation. Align your personal values and purpose with the bigger picture of what your employer is doing and all parties will benefit: when engagement increases, performance follows closely behind.

Long-term studies of wellbeing show that we become happier as we age. Tuning in to a new career that has meaning for you will use all the skills and experience you have garnered up to now as you hit 'middle age'. Chances are that your impact on the environment will be pretty significant, too. As the quote (often ascribed to Mark Twain) goes: 'The two most important days in your life are the day you were born and the day you find out why.' **MA**



Laura-Ann Tomasella is an executive coach by trade with a master's degree in management, specialising in business coaching. She helps professionals learn ways to optimise their potential and overcome limiting beliefs, and her special interest is people in transition.

Three habits of highly effective communicators

TO COMMUNICATE BETTER, IT'S IMPORTANT TO FIRST PRACTISE LISTENING BETTER.

By Nozipho Mbanjwa

OFTEN SEE PEOPLE on all levels who make the mistake of engaging in conversation as if words fully capture the essence of what is being conveyed. When this happens, we miss the opportunity to use conversation as a leadership tool.

The first lesson in conversational leadership is understanding that

words are just the tip of the iceberg. Words do not tell us any more than what a person feels safe enough to say and is willing to say in that moment.

Think of an iceberg. It typically has two 'parts': the 10% that juts out above the water and the 90% that is obscured beneath the surface. Our actions and words are what's visible above the waterline. To

truly understand someone's behaviour, or even our own, we need to engage with what is hidden. Usually this is a combination of the value systems we hold, fears we carry, beliefs that have been embedded in us and mental models we tap into when trying to make sense of the world. Leaders who engage with values, fears, beliefs and mental models in addition to someone's visible behaviour are far more likely to be successful in influencing their teams' and organisation's behaviour.

The same applies to conversation. Words are just the tip of the iceberg and like visible behaviour, words are no more than what we hear in the audible realm. When a leader is courageous enough to go beneath the waterline in a conversation, they can open up a new world of understanding of their teams and organisations. Beneath the waterline they will 'hear' the underlying anxieties, fears, mental models, biases and conditioning that together influence a team's culture and performance.

HOW DO YOU GO BENEATH THE SURFACE?

I always tell clients that if they want to truly understand where their teams and organisation are, they have to make conversations a critical part of leadership. That means being very deliberate about building the organisation's conversational muscle. Like any muscle, it starts with a consciousness

'Building your listening muscle starts with not making the mistake of thinking that silence is silent.'

about the regime (the targeted exercises that build conversational capability) and a commitment to keep practising them over time.

1. LISTEN TO YOUR OWN INTERNAL VOICE

Silencing your own internal voice is not the same as active listening. Active listening means minimising and eliminating distractions so as to stay focused on a speaker. Silencing your inner voice is much harder and requires you to first identify your own patterns and points of reinforcement. This will reduce cognitive dissonance, which could be why you avoid conversations about certain topics that run counter to your own beliefs or dismiss research or a suggestion outright when it clashes with your values.

If you are not conscious of your internal voices, you will only hear what you already believe to be right and true, even when you are listening actively. To really 'hear' what's beneath the surface you have to be vulnerable enough to silence your internal voice and create space for the voice you are trying to hear. Being conscious of the patterns and reinforcement you look for when entering a conversation will help you to tackle cognitive dissonance head on and really tune in to what you would ordinarily filter out.

2. LISTEN WITH YOUR HEART

If you want to tune in to the frequency where the real conversation is taking place, you need to listen with your heart. This requires more than reading someone's body language or facial expressions; it is being able to hear what is communicated by their silence and even the hidden intent, insinuations and fears in what is said and what is unsaid. For example, when someone who should be contributing to a conversation doesn't, what is their silence telling you? What is the unsaid statement or unasked question they are holding back, and what does that tell you about what they are feeling in this conversation? In racially and culturally diverse teams, listening with the heart is critical for any leader who

wants to unlock performance and productivity in the whole team. Building this muscle starts with not making the mistake of thinking that silence is silent.

3. DROP THE SHIELD OF DISBELIEF

Even if a conversation makes you uncomfortable, or you hear something that you don't believe, it is essential that you remain engaged. To do this, you must drop what can be termed 'the shield of disbelief'. Whenever you have the urge to say 'I can't believe my ears!' in reaction to what you've just heard, it's a good tell. Conversational leadership means giving up the luxury of disbelief and staying engaged in uncomfortable and difficult conversations.

When we are engaged, we are curious; when we disengage, we instantly cease to be curious. If you can stay engaged, you will give yourself and your teams and organisation the opportunity to build capacity for courageous conversations. ■



Nozipho Mbanjwa is a conversation strategist and award-winning journalist. As the founder of Akwande Communications, she works with governments and executive teams around the world to develop conversational leadership to influence their audiences.



What role can big
business play in
growing SMMEs?
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How to leverage the six
factors that determine
your retirement income
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'More than simply looking for quick sales to SMMEs, it means understanding their challenges and exploring ways in which big business can partner with them.'

– Prabashini Moodley, Managing Director, Old Mutual Corporate



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The little big challenge

IF SMMEs TRULY ARE TO BOLSTER SOUTH AFRICA'S ECONOMIC SUCCESS, THEY NEED SUPPORT FROM BIG BUSINESS.

By Prabashini Moodley

GLOBALLY, ABOUT 95% OF businesses

are small, medium and microenterprises (SMMEs) and they employ about 60% to 70% of the working population. There is no reason this should be any different in South Africa, despite official statistics that cite government and large corporates as the largest employers. This is partly because we have very fragmented and poor data on these enterprises but also because a vast number operate in the informal economy outside the formal tax base.

At the same time, South Africa has a huge unemployment issue (just over 30%), which is even worse at youth level where it's above 50%. On top of that, we have a young population.

If there's going to be growth in the economy,

it will therefore come from SMMEs, and Old Mutual is committed to following a shared-value approach to promoting them. This requires far more than simply taking the products we have and looking for quick sales; it means understanding what their issues and challenges are, and exploring ways in which we can partner with them to support them in growing and sustaining their businesses.

The reason we call this a 'shared-value approach' is because strong SMMEs mean a strong economy, and a strong economy is good for business generally, and good for us specifically, as it grows our market.

A HAND UP, NOT HANDOUTS

Like any business, SMMEs face many challenges, particularly access to market; access to credit (the start-up phase can be

very capital-intensive, and small businesses usually struggle with cash flow); access to skills; and the red tape involved in doing business in South Africa.

How, then, can big businesses help? On the skills side, big businesses can, through participation in industry forums, provide opportunities for mentoring and skills development.

Most large organisations already procure goods and services from SMMEs, and the next, relatively easy, step requires looking at our procurement practices and making access easy for them.

The second step, specifically for financial institutions like Old Mutual which make funding available, is to see if we have assessment approaches that are sufficiently tailored to SMMEs. There is a lot of credit available, but it isn't necessarily accessible to



Prabashini Moodley

Prabashini Moodley has been Managing Director of Old Mutual Corporate since November 2019. She has more than 18 years' experience in the financial services industry, most recently as Chief Financial Officer of the Old Mutual Mass and Foundation Cluster. Her diversified background has given her a deep understanding of changing customer expectations spurred by innovation and globalisation.

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SMMEs. We have to check whether we are applying a one-size-fits-all approach to our scorecards and treating a business wanting to borrow R5 million the same as a business that needs R500 million.

THE FORMAL/INFORMAL CONUNDRUM

One of the very interesting things about South Africa's business environment is that, although our SMMEs employ many people, it is mainly in the informal space. The Small Business Institute's (SBI) 2018 Baseline Study of Small Businesses in South Africa

found that formal SMMEs make up nearly 98.5% of the firms in our economy, yet account for only 28% of jobs. Globally, as mentioned at the start, that figure usually sits at around 60% or 70%. Therefore it's true that the majority (56%) of formal jobs in South Africa come from only 1 000 larger employers, including government, and those jobs are increasingly at risk in our current economy, which is worsened by the Covid-19 pandemic.

But here's the catch: the SBI study used data from SARS, so it ignored South Africa's vast informal

economy. This illustrates the unique challenge South Africa faces of helping businesses move from the informal space (mostly survivalist one-man shows) into a more formal, established space. Many aspects of running a small business become easier when you're in the formal economy – not least of which is access to credit from formal financial services.

It's not yet known what the solution is, but as business, and government, we need to find ways of building that bridge between the formal and informal economies.

THE NEXT DECADE

Looking ahead, many things that are challenges for large businesses might be opportunities for a smaller business. SMMEs can respond more quickly to change. They have fewer employees and less of a legacy issue, and that agility is something they should be leveraging.

Technology will continue to change very rapidly, and SMMEs might not have the capital to constantly invest in new technology. Instead, they will have to focus on operating models that are not too capital-intensive and that will allow them to continue to move and adapt quickly.

Despite being more agile, SMMEs don't always have the market access big business has that allows them to sell their product or service. Bringing them into the big-business value chain can unlock that potential.

All around the world, small businesses drive innovation and competition. Their size makes them hungry and allows them to try new things. As part of our shared-value approach, Old Mutual Corporate is exploring ways to grow the market and create more partnerships between smaller, newer enterprises and larger, more established businesses. That, we believe, will take our economy forward. **M**



Mastering these six levers will boost your retirement savings



REGARDLESS OF OUTSIDE FACTORS, THESE SIX LEVERS IDENTIFIED BY OLD MUTUAL CORPORATE CONSULTANTS WILL ASSURE YOU OF THE BEST RETIREMENT OUTCOMES. IT'S A MATTER OF KNOWING WHICH TO PULL WHEN.

PLANNING FOR RETIREMENT is a complicated business. You need to save

enough while you're still earning, and make sure you get good returns on your investments so that your money will last for your entire retirement. There's no magic formula, though, and no one-size-fits-all solution, but the team at Old Mutual Corporate Consultants have identified six factors that drive better retirement outcomes.

'We think of them as levers,' says Old Mutual Corporate Consultants Head of Advice Andrew Davison. 'They're intertwined, and we want our clients to be able to play with all six. For instance, if you pull one lever, what will the impact be on the other five?'

'There are combinations that make sense and many that don't,' adds Old Mutual Corporate Consultants General Manager Malusi Ndlovu. 'Ultimately, as you examine the six levers, you'll come to understand what makes sense for you.'

LEVER 1: CONTRIBUTIONS

'Contributions don't do the heavy lifting,' says Davison, 'but they are your ticket to the game. If you don't contribute enough to your retirement pot, there won't be enough to grow.' This raises the question of how much you *should* contribute. There is no one answer and it will ultimately depend on your time horizon and investment returns. 'We encourage clients to save at least 15% of their salary and aim for a return of 5% above inflation over 35 to 40 years,' says Ndlovu.

It doesn't mean that you have to chase high-return,

riskier investments. If you're a conservative investor who is happy with relatively low returns, that's fine too; it simply means that you will have to contribute more. If you want to keep your contributions low, that's also okay; it just means you'll have to retire later.

LEVER 2: INVESTMENT STRATEGY

'The "secret sauce" of retirement investing is compound interest, which only works over the long term,' says Davison. He uses his own experience to illustrate the difference it can make and the extent to which it does the 'heavy lifting': 'I left my previous employer and their pension fund 16 years ago, and preserved my retirement savings in a preservation fund. Since then I haven't touched it, but I also hadn't added anything to it. Today it's worth close to six times the amount I initially transferred purely thanks to the magic of compound interest.'

LEVER 3: PRESERVATION

Old Mutual Corporate Consultants recommend having about nine or 10 times your annual salary saved up when you retire. The trouble is, everyone is likely to change jobs a few times in their career – and every time you'll be given the option (and be tempted) to withdraw your retirement savings rather than leaving it in a preservation fund.

'Each time you cash in your savings, you'll have to start from scratch,' Davison cautions. 'The money I preserved all those years ago is now equal to almost a year's salary. If I hadn't, I'd be down one of those nine or 10 annual salaries I'd need and would have to contribute even more now.'

'Contributions don't do the heavy lifting, but they're your ticket to the game.'

LEVER 4: WHAT YOU DO AT RETIREMENT

On the day you retire you will be faced with an array of very important choices, yet most people are utterly unprepared for them. 'They really are momentous decisions that will determine how you live from then on, yet you're thrown in at the deep end and a bad decision can undo a lifetime of good savings behaviour,' says Ndlovu. Fortunately, a well-managed retirement fund gives you free access to a retirement benefits counsellor who can talk you through your options and the implications of each.

LEVER 5: RETIREMENT AGE

For some of us, 'normal' retirement age is 65. For others it may be 60, or 55. And that's before you consider gig workers, whose idea of retirement age is entirely flexible. 'The word "normal" therefore should probably be removed from the lexicon,' says Ndlovu. 'George Foreman put it well: "The question isn't at what age I want to retire, it's at what income." Although not everyone has full control over when they retire, your focus shouldn't be

on a retirement age, but rather on when you will be financially ready to retire.'

LEVER 6: PENSIONABLE SALARY VS COST TO COMPANY

The difference between your pensionable salary and cost to company (CTC), Davison points out, might seem like a trivial matter but could have a significant impact on your retirement savings. Your CTC is the most accurate measure of the income sustaining your lifestyle prior to retirement. It thus makes sense that this is the salary that you need to replace with a pension in retirement. Yet many funds use a definition of pensionable salary that is much lower than CTC.

As an example, if your CTC is R50 000 a month, but your pensionable salary is 80% of your CTC, all your retirement calculations will be based on R40 000. If your pension fund targets a post-retirement income of 70% of your at-retirement salary, which is a perfectly reasonable target relative to pre-retirement income, 70% of your CTC salary would be R35 000. But 70% of your pensionable salary – 70% of 80% of your CTC – will be just R28 000. This is equal to 56% of your CTC. You see the problem? If you base your calculations on your pensionable salary instead of your CTC, your departure point will be wrong and you won't get to where you want to be. **M**

Visit Old Mutual MiNDSPACE online for more information and advice on employee benefits.

TEXT: MARK VAN DIJK. PHOTO: GALLO IMAGES/GETTY IMAGES

Legacy SPACE

Creating the world we'll
live in tomorrow today

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about to get serious
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'It's no longer
enough to hope
that climate
change will be
solved by the
actions of a few
well-meaning
consumers who
are turning away
from straws.'

– Leonie Joubert, environmental
writer and author

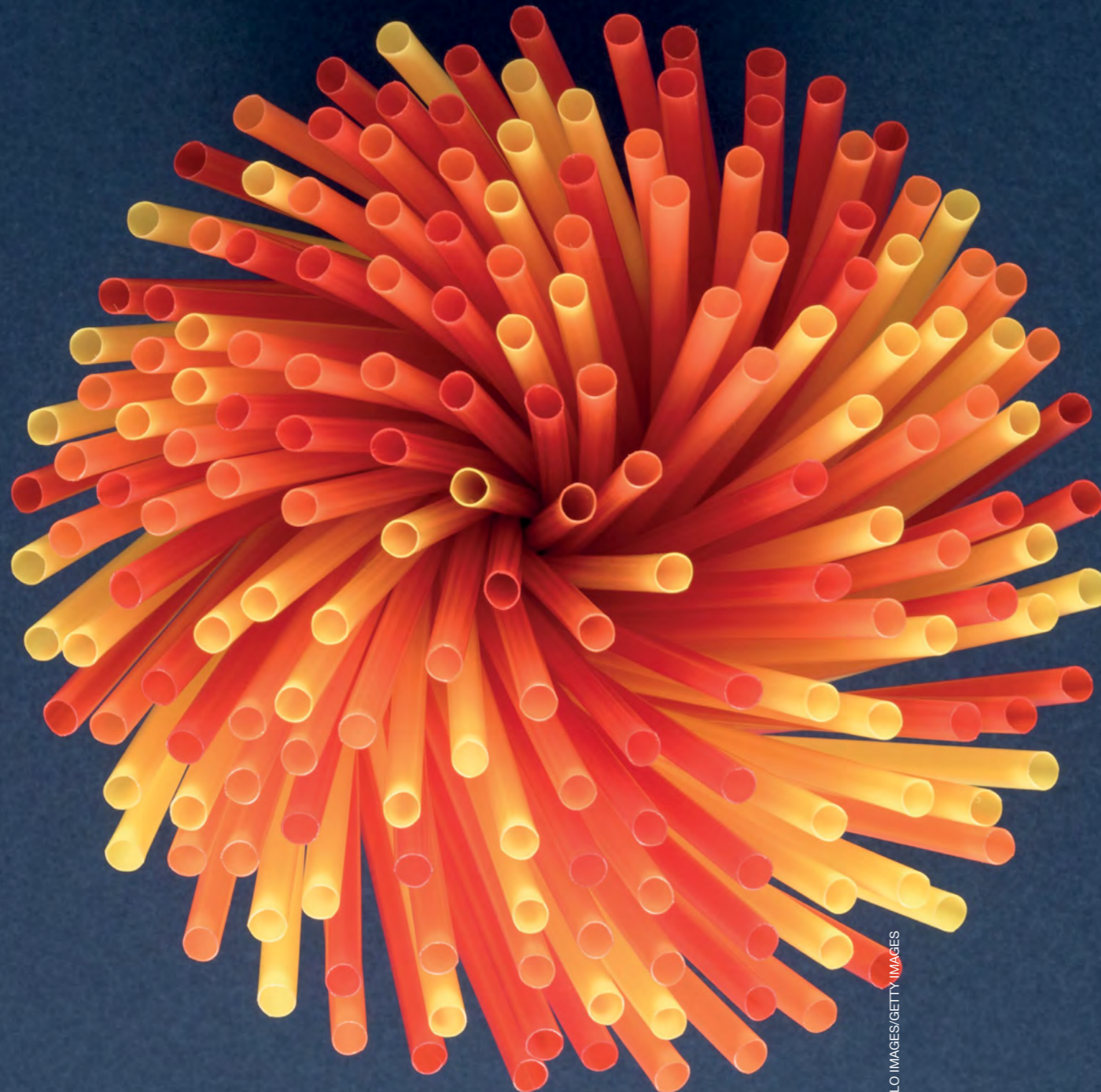


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It's time to get serious about climate change

WHAT WE DO IN THE NEXT DECADE WILL DETERMINE WHETHER OR NOT OUR CHILDREN INHERIT A HABITABLE EARTH. SMALL TWEAKS IN INDIVIDUAL BEHAVIOUR ARE WOEFULLY INADEQUATE AND IT'S TIME TO STEP UP OUR CLIMATE ACTIVISM.

By Leonie Joubert



RECORD-BREAKING EXTREME WEATHER

events around the world paint a bleak picture of a collapsing climate system. And this, with just 1°C rise in global temperature. Current carbon pollution rates are setting us on course for four times that warming.

Here's a non-negotiable to-do list for South Africans and South African businesses.

GET POLITICAL

How government salvages debt-crippled Eskom is the single biggest opportunity for South Africa to meet its emissions-reduction targets.

Eskom produces 95% of South Africa's electricity, and 42% of the country's carbon pollution. The financial and maintenance crises that have ground the national utility to a near standstill is a chance to force a rapid transition to a renewable-energy grid.

National Treasury's economic strategy, released in August 2019, recognises the need to prioritise renewable energy over dirty coal. But the government's energy blueprint, the Integrated Resource Plan, still puts a ceiling on how much renewable-energy development it will permit, even though the plummeting costs of renewables make wind and solar more affordable than new-build coal. Corruption and political patronage within pro-coal sectors in government have been widely reported in the media, explaining many government decisions that favour coal over renewables.

Being an active citizen means being politically engaged in any government decision relating to energy-development approvals, carbon taxes and state subsidies for the fossil-fuel industry.

MOVE YOUR MONEY

The financial tide is turning against fossil fuels, as the risks of staying invested in a dying industry are driving rapid capital flight from coal, oil and gas.

According to the international divestment campaign Divest Invest, investors around the world are pulling their cash out of fossil-fuel-intensive developments and insurance companies are no longer willing to underwrite these risky assets. There is also a growing number of private banks and state-owned development finance institutions like the World Bank that will no longer fund new investments in carbon-polluting industries.

The climate action group 350.org reported in 2019 that international commitments to move money out of fossil-fuel companies and invest in low-carbon climate-friendly solutions had reached pledged assets of \$11 trillion globally, an increase of 22 000% in five years. These pledges are from sovereign wealth funds, banks, global asset managers and insurance companies, cities, pension funds, healthcare organisations, universities, faith groups and foundations.

This raises the question of whether fossil-fuel-intensive companies will still be a safe investment option by 2050. By mid-century, today's pension funds will be maturing in a global economy that has moved away from coal and oil, leaving these industries with worthless and stranded assets.

SUPPORT A CLIMATE MOVEMENT

When President Jacob Zuma's administration was trying to ram through a deal with Russian energy corporation Rosatom that

THE TASK AWAITING THE AFRICAN UNION

'While African countries have not created the climate crisis, they are some of those that are most vulnerable to climate impacts. '2020 provides a unique opportunity for African leaders to simultaneously address the risks of political instability, pressing development needs, and the impacts of climate change. This process clearly can – and must – target social and economic benefits to enhance equity and improve the livelihoods of the poor.' – Ngozi Okonjo-Iweala, former Finance Minister of Nigeria and co-chair of the Global Commission on the Economy and Climate (Source: CNBC.com)

would have committed the country to a financially crippling investment in nuclear power stations, Earthlife Africa and the faith group SAFCEI took the state to court, arguing that it had not followed due process required of the state before approving such a large infrastructure investment. The court ruled in their favour, buying enough time for the factions within the ANC government to oust Zuma and the political interests that were driving the nuclear agenda.

This case demonstrates the power of the courts to leverage government decisions towards an affordable and lower-carbon energy pathway. Smaller legal challenges have also helped to slow down polluting coal developments, such as the legal challenge led by the Centre for

Environmental Rights, which stalled the approval of the Thabametsi coal-fired power plant earmarked for development near Lephalale in Limpopo.

Historian Yuval Harari's advice to ordinary people wanting to leverage change in today's world is: join a movement, or start a movement. Supporting civil-society organisations that are willing to take on these technically complex and costly court battles is a powerful way to exercise democratic power.

DEMAND MORE OF THE NEWS MEDIA

The climate crisis is the 'defining story of our time', according to Climate Action Now, a global journalism initiative aimed at bringing the climate story front and centre of the news agenda.

The news media came under heavy scrutiny in 2019 for failing to report on the issue. Newsrooms have largely relegated climate stories to the environmental 'beat', treating them as nice-to-have stories after newsroom resources have been prioritised for the more 'important' stories on the political, the financial and even the sport pages.

The media is a load-bearing wall in any healthy democracy, where its role is to educate citizens, inform public discourse, and hold governments and big corporate carbon polluters to account. South Africans have to demand that its media houses meet the responsibilities

required of the fourth estate, through lobbying news managers and owners to prioritise climate-crisis issues in all their reporting.

LOBBY BIG CORPORATES

Plastic isn't just a hazardous source of pollution that's clogging up waterways and contaminating ocean food chains. It is a considerable source of carbon pollution. The US-based Center for International Environmental Law calculates that business-as-usual plastic production will use up 10% to 13% of the remaining carbon budget. Atmospheric carbon pollution comes from every part of the plastic value chain: mining and moving the fossil fuels used to make plastics, refining and manufacturing the products, and managing the waste.

During an annual global plastics waste audit in 2019, Coca-Cola was found to be the biggest offender, followed by Nestlé, PepsiCo, Mondelēz International and Unilever. A previous survey found South Africa ranked 11th in the world in terms of mismanaged plastic waste. Citizens need to rally together and lobby big plastic-using corporates, and use shareholder power, and demand that these corporates stop pouring plastics in at the top of the value chain. It's no longer enough to hope that the problem will be solved by the actions of a few well-meaning consumers who are turning away from straws and single-use plastics. **M**



Leonie Joubert is an award-winning author who uses storytelling to grapple with the tough issues of today as we try to find ways to live together on a tightly packed planet. Her seventh book, *Day Zero: One City's Response to a Record-Breaking Drought* (co-written with Gina Ziervogel) came out in 2019.

ILLUSTRATION: GALLO IMAGES/GETTY IMAGES. PHOTO: SUPPLIED

AFRICA'S RAPID URBANISATION IS SET TO SKEW THE RELATIONSHIP BETWEEN FOOD PRODUCERS AND CONSUMERS, CHALLENGING HOW WE VIEW FOOD SECURITY.
By Sheryl Hendriks

THERE ARE TWO VERY DISTINCT NARRATIVES about Africa in public media and academic debate. The first refers to Africa as a basket case of failed development efforts to turn it into the breadbasket of the world. The second, a more upbeat and growing account, is that Africa's transformation agenda is gaining traction and that the commitment – on behalf of our leaders and the rest of the world – to turn Africa into a story of growth and development is starting to bear fruit. After two dire decades, agricultural growth in Africa recovered despite the global food and fuel crises of 2007/8. But, says the Malabo Montpellier Panel, this has only brought food production back to the level it was at in the 1960s.

SUSTAINING AND ACCELERATING GROWTH
 Sustaining and accelerating food production across the continent is necessary to provide enough affordable and nutritious food for Africa's 1.2 billion people, now and when this number has doubled or tripled by 2050 as expected.

For more on the effect of Covid-19 on Africa's food systems, read 'Covid-19: More than a health crisis' by Wandile Sihlobo on page 17.



Africa:

Growing cities vs growing food

‘The definition of a secure food system includes a population that is well nourished throughout their lives and having enough food at national level to feed the entire population.’

However, existing policy and programme drivers will have to change as Africa will challenge and stretch our understanding of food security in next two decades. In the past, development focused on helping rural smallholder households to become self-sufficient and/or providing cheap staple foods, which were later fortified with essential vitamins and minerals. Numerous development efforts have tried to raise the rural poor out of poverty and create sustainable livelihoods. Yet poverty persists and undernourishment deprives generations of the opportunity to escape it. A new approach is therefore necessary to cope with the undeniably formidable and complex obstacles to food security in Africa.

The continent has the highest growth rates in terms of population, urbanisation and middle-class consumers, fuelling a sharp increase in food demand. This puts pressure on food systems to produce more food, increase yields and provide more diverse and nutritious foods to address all forms of malnutrition (undernutrition, micronutrient deficiencies as well as overweight and obesity).

FILLING THE FOOD GAP

This increase in demand means that many countries need to import food, making them dependent on other countries. We know from the 2007/8 global crisis that this is a risky position to be in given climate change, volatile weather patterns and global politics. In addition, public debt levels and debt risk are rising, challenging debt sustainability in some countries and the purchasing power of governments. Such imports require GDP growth and foreign earnings to be able to purchase

and transport bulky staple foods. In many African countries, staple-food supply is managed by the state rather than the private sector, burdening public funds, crippling the efficiency of the food system and acting as a disincentive to farmers and essential private-sector investment.

The World Bank puts Africa’s GDP growth at 2.9% in 2019 and expects it to remain robust, despite ongoing global and domestic uncertainty and fragility. Some of its largest economies (Nigeria, Angola and South Africa) are bringing down this average, while Cote d’Ivoire, Ethiopia, Ghana and Rwanda are among the fastest-growing economies and contribute to this growth rate. Ghana and Rwanda have also halved hunger during the Millennium Development Goal era (2000 to 2016).

At the same time, Africa’s total agricultural growth has increased to 5.1%, almost double the rate at which its population is growing (2.7%). Much of this can be attributed to policy, institutional and programme changes in countries that are implementing strategies to improve agriculture and food security through the Comprehensive Africa Agriculture Development Programme (CAADP) adopted in 2003. Yet it is below the 6% growth rate required to achieve CAADP targets and keep abreast of population growth.

Although one in five Africans is chronically undernourished, Africa has made remarkable progress in reducing extreme hunger, despite recurring famine related to persistent conflict, extreme poverty in segments of the population and drought. These challenges could reverse gains achieved over the last two decades.

GLOBALISED VS LOCAL FOOD SYSTEMS

The definition of a secure food system includes a population that is well nourished throughout their lives and having enough food at national level to feed the entire population. This calls for access to a variety of foods that provide the nutrients required for strong, healthy bodies and optimal intellectual development to be able to secure a livelihood. To become food secure, households could grow food, but they also need sufficient, stable incomes to buy adequate, safe, nutritious food. Food-secure communities, moreover, are inclusive, caring and supportive.

The globalisation of food systems poses many challenges for such systems. The African Continental Free Trade Agreement has the potential to change the direction of development in Africa for the better or worse. On the ‘worse’ side, it could put the quality and diversity of agricultural and food systems at risk if it were to drive a dietary transition to a spectrum of nutrient-poor, energy-dense products.

The Global Panel on Agriculture and Food Systems for Nutrition states that a healthy diet is unaffordable for a large proportion of the world’s population, especially low-income or marginalised groups. However, the detrimental impact unhealthy diets have on health, biodiversity and climate change is something no country can afford either.

The private sector has to take responsibility and communities need to actively participate in decisions about their food and food systems. Local food systems offer opportunities for entrepreneurs to merchandise production and

processing, simultaneously providing employment and making food more readily available year-round while reducing food waste.

DON’T TAKE YOUR EYE OFF URBANISATION

While food security is often considered a rural problem, rapid urbanisation is already creating new food-security challenges. Between 2000 and 2018, the populations of the 1 146 world cities with 500 000 or more inhabitants grew by 2.4%. In South Africa, the average population growth of four cities – Cape Town, Ekurhuleni, Pretoria and Johannesburg – exceeds that number.

Most of the world’s fastest growing cities are in Africa and Asia, and according to the United Nations Department of Economic and Social Affairs, the number of African cities with 500 000 or more inhabitants

is expected to grow by 57% by 2030. This level of in-migration from rural areas will be unprecedented.

Along with food-security-related challenges such as the provision of clean drinking water, sanitation, housing and healthcare, this will change the number of food producers compared to food consumers in Africa. Feeding a significantly larger urban population requires careful thought by urban planners and government policymakers, and is one of the factors not often discussed in the current land debate in South Africa.

South Africa’s Global Food Security Index for 2019 was 67.3, putting the country 48th on the list of 113 countries. It was placed first overall in Africa as the most food secure and ranked tops in terms of three factors: food affordability, availability, and safety and quality. US agri giant



Professor Sheryl Hendriks is head of the Department of Agricultural Economics, Extension and Rural Development at the University of Pretoria. She also serves on the Africa Food Prize Selection and Malabo Montpellier panels, and participates in food-security policy debates and research in Africa.

Corteva identifies low public expenditure on agricultural research and development, and poor economic growth measured as GDP per capita as two key food-security challenges in South Africa.

Surprisingly, the index does not identify South Africa’s capacity to absorb this urban influx as a critical challenge for food security. It raises serious concerns about our capacity to cope with current, let alone future, urbanisation and our capacity to feed the population.

Although South Africa’s ranking compares favourably with that of other African countries,

Stats SA’s 2018 General Household Survey found that 10% of South African households experienced hunger. This means that one in 10 goes hungry.

While the government’s focus on redistributing land to address past injustices is understandable, little attention is paid to how the land in question will be harnessed to keep pace with the inevitable but unprecedented level of urbanisation, and how the country will feed its growing population. If this is not addressed, it is very likely that more than one in every 10 homes will go hungry in the not too distant future. **M**



PHOTOS: GALLO IMAGES/GETTY IMAGES, UNSPLASH.COM AND SUPPLIED

One day I received 3 000 Facebook friend requests.

Three thousand. In one day. It made no sense. What made it even more bizarre was that most of the requests came from middle-aged women. What did they want from me? Did I owe them money for home-made chutney or koeksisters? But then I figured they probably just wanted to learn isiZulu from my word-a-day isiZulu posts on the social media platform. I was right.

At this point, we need to rewind to understand how I even began posting an isiZulu word a day on Facebook.

THE IMVELAPHI (THE BACKGROUND)

The story started in 2017. With my 40th birthday approaching, I was looking at my life and was not entirely happy with what I saw. This being the 21st century, I turned to podcasts and listened to a whole lot of them. Two messages stood out. One was that if you have a talent, you should give it away for free. If you give your gift away for free without expecting anything in return, what you get back might surprise you.

The second message was that people generally do not listen to angry people. Instead, they shut down. This is not to say that you



The *isingqumo* that changed my life

WHAT WAS THE DECISION THAT CHANGED YOUR LIFE? TWO YEARS, A BOOK AND 15 011 FACEBOOK FOLLOWERS LATER, WE PUT THIS QUESTION TO THE MAN BEHIND 'MELUSI'S EVERYDAY ZULU'.

by *Melusi Tshabalala*



As his entertaining and often downright funny isiZulu lessons on Facebook grew and grew, Melusi Tshabalala added classes. For every 10 or more employees enrolled by a company, he signs up an equal number of high-school students for free. For details, mail sales@everydayzulu.co.za

should never become angry because sometimes anger changes the world. It's how you deliver your message that's important.

All this coincided with the fact that I had just written a biting article about the really poor way in which the South African advertising and marketing industry treats languages that aren't English or Afrikaans. This was something that bugged me from the first day I walked into an advertising agency as a junior copywriter 22 years ago.

With my new-found wisdom gained from podcasts, I decided to shelve the article and try a different approach – one that came from a place of love and which would also allow me to give my talent away for free. Since my talent is writing, and since the great majority of my Facebook friends work in advertising and marketing, I began posting an isiZulu word a day on Facebook, each accompanied by a story to bring that word to life. I wanted my friends to start seeing the language in a different light.

Even though the project has grown far beyond posting an isiZulu word a day, and although it now generates an income through the sales of my book *Melusi's Everyday Zulu*, radio features, magazine columns and an isiZulu beginner's course, I continue to post an isiZulu word a day on Facebook and give my talent away for free.

To be honest, I am also generally a happier person now. Even when I'm angry. **M.**

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