

# Southern Business Challenge

## Report of the Launch at the World Summit on Sustainable Development

Business Forum, Sandton Hilton Hotel  
& Civil Society Forum

29 August & 2 September 2002  
Johannesburg, South Africa



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DUTCH MINISTRY OF HOUSING  
SPATIAL PLANNING AND THE ENVIRONMENT



## **BACKGROUND TO THE INITIATIVE**

*The Rio Earth Summit in 1992 was a watershed in the history of environmental diplomacy but not a turning point for unsustainable global production and consumption patterns. Will the World Summit for Sustainable Development (WSSD) in 2002, the ten-year review of the Earth Summit in South Africa, be any different? Or will the same voices, arguments and counter-arguments dominate? This will depend on how different parts of society mobilise to make this an event that matters. The future of the planet will depend upon it.*

*Business has a key role to play. Agenda 21, the Earth Summit's Global Action Plan, devotes an entire chapter to the role of business and industry. Southern business, in particular, has a crucial though much overlooked role to play. A powerful engine of development, progressive Southern business has been overwhelmingly absent in international policy discussions. It is the missing link. The force that can propel developing and developed country decision-makers, in partnership with civil society actors, to undertake reforms in the direction of sustainable development and poverty eradication.*

*It is now time to bring the dynamism of progressive Southern entrepreneurs to the international stage. To connect policy with practitioners in the cause of sustainable development and social justice. Progressive Southern businesses must now engage with the international policy debate on environment-development issues to challenge governments and break political and ideological deadlocks. The WSSD is an important opportunity to signal this change and breathe new life into global efforts for sustainable and equitable development.*

### **What is the Southern Business Challenge?**

The Southern Business Challenge (SBC) is a new international network bringing together progressive companies and entrepreneurs from developing countries to promote an action agenda for sustainability and social justice. The network has been initiated by the UK and India-based Centre for Social Markets. All SBC Members are committed to the four principles of sustainable development, social justice, personal ethics and corporate integrity.

### **What is the goal of the Southern Business Challenge?**

The goal of the SBC is to transform debate at international policy fora and promote practical action for equitable and sustainable development. SBC Members are an important new voice and a major new constituency. They mark the emergence of a powerful economic force for progressive change in developing countries. Politicians and policymakers, everywhere, should take note: - this is a network with a mission.

## **SOUTHERN BUSINESS CHALLENGE - WSSD LAUNCH REPORT**

*“The SBC added an important dimension to the business presence at the summit, by presenting examples of successful southern entrepreneurs to an appreciative audience. In fact, one or two of the case studies were so good I borrowed them for own presentation later that week.”*  
Andy Wales, Sustainability Director Europe, Interface Inc.

On Thursday 29 August, 2002, the **Southern Business Challenge (SBC)** was officially launched at the **World Summit on Sustainable Development** in Johannesburg by the **Centre for Social Markets**. The launch took place at the Hilton Sandton, the venue of the Global Business part of the summit. In front of a packed room, members of the SBC from around the world, offered their perspectives on the WSSD and the unique contribution being made by the SBC to the work of the summit.

Also present were representatives of the SBC’s sponsors and associates including:

- Heinrich Böll Foundation
- African Institute of Corporate Citizenship
- Prince of Wales International Business Leaders Forum



Regrettably, no representative from VROM (Directorate General for Environmental Protection) of the Dutch government, one of the initiative sponsors, was able to attend the launch of the Southern Business Challenge.

### **Before Johannesburg**

The Southern Business Challenge was conceived a couple of years ago when CSM’s founder and director, Malini Mehra, realised the glaring lack of southern business input into international policy-making. In the period leading up to the World Summit on Sustainable Development, the process began of laying the foundations for a solid and sustainable network of progressive companies who would fill this gap.



Using contacts across the world, the Southern Business Challenge was born, and even before the official launch the initiative could boast 19 full members, with many others in the process of applying. Some companies that applied were not selected, either on technical grounds, or because they did not fulfil the stringent criteria expected of member companies. Along with the for-profit members, there are also already three Associate organisations, again with others

considering formalising their links.

### **Official Launch**

The Southern Business Challenge was launched at the Sandton Hilton, a few minutes walk away from the Sandton Convention Centre, the main forum of political debate. The Hilton was the main venue for business meetings and the SBC Launch was attended by a number of the northern business representatives in Johannesburg.

The two hour session opened with an introduction from Malini Mehra, Founder and Director of Centre for Social Markets, which outlined the context within which the Southern Business Challenge is developing, and explaining why the voice of southern businesses is a vital stimulant to progress in international policy making on sustainable development.



Ms Mehra was joined on the panel by representatives of five SBC member companies, three of whom had been sponsored by the Centre for Social Markets in order to come to the summit:

Regina de Castro  
Laputa Hwamridza  
Cindy Sampson/Dean Cooper  
Yankila Sherpa  
Natan Zeidenweber

*NatuScience*  
*Dezign Inc*  
*Parallax*  
*Snow Leopard Trek*  
*Fulcrum Ecosystems*

Brazil  
Zimbabwe  
South Africa  
Nepal  
Mexico

Each of the five companies outlined its business activities, detailing how their attitudes to doing business were profoundly affected and influenced by the values and methodology of sustainable development. They outlined the importance of the SBC both as a new network to influence policy-makers and as a means for like-minded companies such as theirs to share ideas and experiences (e.g. marketing techniques, dealing with bureaucracy, lobbying at the national level).



Profiles of all SBC member companies are available on CSM's specially created **website** on the Southern Business Challenge: [www.csmworld.org/sbc](http://www.csmworld.org/sbc)

At the back of the hall some of the member companies laid out examples of their work alongside the SBC and CSM written materials.

### **Contents of the Launch Pack**

#### *Declaration*

This concise document was the SBC's key advocacy document at the WSSD. It was compiled from responses to a survey of member companies, as well as individual in-depth interviews. It contains 12 recommendations for consideration by policymakers at the WSSD and beyond.

#### *Member Profiles*

One important function of the SBC is showcasing companies that are not only talking about sustainability, nor waiting to be told what to do, but are actually forging new paths in responsible business practice. So an important item at the launch was the Member Profile pack. Each member was allocated one side within which to sum up their business practice and describe the ways their business model furthered the cause of sustainable development. They also describe why the SBC is important to them.



#### *SBC Flyer and Application Pack*

These basic documents explain the context and genesis of the SBC, and provide details about who is eligible to join and how to apply.

#### *Media Release*

The Launch was attended by a number of journalists, and many others knew about it via the media releases distributed around the conference area and in strategic points.

### **How did the SBC influence policy at the WSSD?**

The World Summit on Sustainable Development provided Southern Business Challenge members with their first opportunity to influence political negotiations, the outcomes of which will directly affect their businesses, along with thousands of progressive businesses like them throughout the world.

### **Written submission**

The SBC's main advocacy document at the WSSD was the SBC Declaration to the *World Summit*

on Sustainable Development. Drawing on an in-depth consultation carried out with all SBC members in the run up to the WSSD, the Declaration was published at the official launch, and was used as the SBC's key advocacy tool throughout the summit.

Calling on world governments to "Acknowledge that southern business – especially small, medium and micro enterprises – is crucial to the creation of sustainable livelihoods and the pursuit of sustainable development," the Declaration goes on to make a series of concrete recommendations as to how conditions could be created to ensure the sustainable growth of progressive southern businesses.



### **Personal interaction with national delegations**

National delegations were universally extremely happy to meet SBC members from their countries. While many are used to encountering civil society members at such conferences, they were particularly pleased to meet representatives of the business community, especially with such a passion for sustainability.



While many issues and recommendations had been finalised well before the delegates reached Johannesburg, there were an unusually large number that were still unresolved and were up for negotiation in Johannesburg. SBC members were able to make their views known on a number of issues.

In one case an SBC member was invited to join the official government delegation in the Plenary Session. She was able to witness the infamous address given to the assembly by Colin Powell, US Secretary of State.

As it was the first major event that the SBC has participated in, it was a good opportunity to learn about how best to target policy issues at future conferences. As the profile of the SBC is raised at an international level, so more opportunities, both formal and informal, will arise.

### **Others draw on SBC's example**

A number of guests at the launch were so impressed with what they saw that they promoted the SBC within their own circles, meetings and organisations. For example, Andy Wales, a Sustainability Director Europe and Asia Pacific at Interface (an international carpet company committed to sustainability), asked Regina de Castro of NatuScience if he could use her example in a presentation he made at the IUCN environment centre.

### **Indirect influence and networking**

SBC members and staff visited a wide range of official summit meetings, as well as side events and parallel events. They included such diverse fora as:

- Lekgotla – Business Day, *Business Action for Sustainable Development*
- Civil Society India Forum, *Heinrich Böll Foundation*
- Sustainable Tourism and its contribution to poverty alleviation, *World Tourism Organisation*
- Launch of the World Development Report 2003, *World Bank*
- Mountain Sustainable Development: International Partnership, *Swiss Government*
- Innovative Financing for Sustainability, *UNEP/WBCSD workshop*
- New Partnerships: Institutions and Networks of the Future, *IUCN Partnerships for the Future Day*
- "Is Biodiversity an Employment Opportunity?" *IUCN Business Day*
- High Level Roundtable, *UN Global Compact*



At each of the above workshops and meetings, and many others, SBC representatives were able to present their unique perspective in open discussion and in private conversation with leading policy makers and other relevant parties. The voice of progressive southern business is beginning to make itself heard at all levels of policy debate.

### **Civil Society Launch**

Subsequent to the main launch at the Sandton Hilton, a secondary launch was held at the Civil Society Forum at NASREC. This was the main focus of activity for non-governmental organisations and campaign groups. This second launch was reached a very different audience and indicates the Southern Business Challenge's commitment to attracting support across the range of actors in the political process.



The Civil Society Launch was hosted by one of the Southern Business Challenge's main sponsors, the Heinrich Böll Foundation at their Forum. Rather than hold a theatre-style panel we invited those present to join an open workshop-style discussion.

After introductory interventions from the SBC members about their work and the value of the SBC to their development, the other conference participants contributed their ideas and questions to the debate.

### *Small business development*

A number of those present were either in the process of setting up small businesses, or had previously been involved in the SME sector in the locality, near Soweto. The differences between providing an informal service and conducting a business were discussed at length, as were the options for regional entrepreneurs seeking professional assistance in one or more aspects of their business. These include local government agencies specifically set up for this purpose. It became clear that although a number of mechanisms exist in South Africa, and Johannesburg in particular, to support small businesses, these need to be communicated more widely as knowledge of them in some parts of the society is lacking.



### *Links between African countries*

African countries represented at the workshop included Mali, South Africa, Zimbabwe and Liberia. Networks were discussed that would enable better cooperation and joint ventures between progressive businesses in such countries. If the sustainable business agenda is to grow into an increasingly powerful force in Africa, contacts made at workshops such as this are vital. Broker fora and similar workshops should be held more frequently in Africa.



### *Role of northern financing initiatives*

Those present from northern countries (such as Switzerland and Canada) and organisations were interested in how they would be able to support southern business and the SBC in particular. There was a strong call for improved partnerships.

### **SBC Member's reflections on World Summit on Sustainable Development**

*Mrs Yankila Sherpa, Managing Director, Snow Leopard Trek Ltd*

"After the WSSD I really appreciated the efforts made by CSM to acknowledge that SMES in developing countries have a definite role to play in helping to sustain livelihoods more generally in sustainable development. I am in full agreement with the SBC declaration.

“The best thing about bringing together five SBC members from southern countries was the sharing of experience and expertise of sustainable business processes. It was also an opportunity to learn about the socio-economic situations in different. There was a great deal of informal interaction among the SBC members themselves which helped to build not only understanding but also a strong basis for working together in the future



“The formal launch of SBC at the WSSD was a great success and the presence of many international delegates and media people helped to spread information on the SBC mission on a global scale. The presentation at NASREC was an introduction of SBC members to mainly African entrepreneurs. I hope the women entrepreneurs found our information especially useful.

“This special and informal interaction of businesses and business chambers was very informative and useful for all of us. Besides the formal meetings set up by SBC, I took the opportunity to attend the special meeting on Sustainable Tourism and its contribution to Poverty alleviation organized by World Tourism Organization (WTO), Sustainable Development in Mountain Areas, The Need for Adequate Policies and Instruments, Mountain Ecosystems in 2002 Year of Mountains, and a number of other excellent meetings.



“My participation at the above meetings were especially very valuable for me personally because of my role as a member of the Upper House of the Nepalese Parliament. The issues discussed at the Mountain meetings were obviously very relevant to mountain development in Nepal. Listening to members of WTO executives gave me good insight into global tourism scenario. I have been enriched with knowledge and information that should be useful for my roles as both a woman entrepreneur and as parliamentarian in Nepal.

“I want to thank the CSM and the SBC group again for inviting me to the WSSD summit as my participation at the summit has definitely contributed on a national level too.”

Please also see our Southern Africa SBC Workshop Report for information on the latest in the SBC’s series of regional workshops.

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 South Africa  
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## **ABOUT THE CENTRE FOR SOCIAL MARKETS**

The Centre for Social Markets (CSM) is an independent non-profit organization dedicated to making markets work for the triple bottom line - people, planet and profit. Through our offices in India and the United Kingdom, and an international network of partners and associates, CSM promotes responsible entrepreneurship, ethics and accountability worldwide. Founded in 2000, we are a values-based organisation committed to sustainable development and human rights.

CSM's work is divided into **five main work streams** focussing on business, investors, workers, consumers and governance respectively. Our primary **geographical focus** is on developing and transition countries, and our **key constituencies** are ethnic minority communities in industrialised countries, and domestic industry and stakeholders in developing countries.

Our primary activities include the following:

**Education:**

Conferences, workshops, bespoke seminars and training programmes;

**Consultancy:**

Consultancy services, incl. event facilitation and project development;

**Programmes** (local, regional & international):

- Southern Business Challenge
- Diaspora communities, ethnic minorities and corporate citizenship;

**Policy:**

Engagement in policy debate and advocacy at key fora;

**Portal:**

Focus on corporate responsibility in developing countries;

**On-line Services:**

Newsletter 'Social Markets', and regional e-list serves, e.g. CSR Asia;

**Resource Centre:**

Focus on corporate responsibility in developing countries;

**Research & Publications:**

Books, reports and discussion papers.

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