

Action points: The role of stakeholders in building a well-being discourse

South Africa | 07 June 2018 | Initiative

Authors and contributors



Anne Cabot-
Alletzhauser

Policymakers:

have an important role to play in shifting the debates on development away from a narrow focus on growth targets.

- > Engage in multistakeholder dialogues and consultations on the notion of inclusive growth, how to achieve it and how to measure progress towards it. This will shift the policy debate towards a broader focus on multidimensional well-being in a context where growth has been largely unaccompanied by a broad-based redistribution of income and opportunities.
- > Initiate multistakeholder dialogues on how we could reconceptualise the way we measure societal progress, beyond the notion of GDP growth. Some key discussion points include:
 - > a progressive measure of social progress that takes account of well-being
 - > constructing a new baseline and set of indicators (or metrics) in our theoretical toolkit to measure social progress independently of economic progress
- > Creating an index that provides a roadmap for how corporates can engage with other stakeholders in their ecosystem, both private and public, to build a common language in addressing needs that are greatest in that ecosystem

Financial service and benefits providers:

have an opportunity to rethink and remodel financial and other products and services that best respond to the specific needs of the end users.

- > Refocus financial saving models from catering only for those who are employed to addressing the needs of a society where a wellspring of indigenous schemes has emerged to cater for the poor.
- > Take into account the societal ties and social capital communities rely on to mobilise money outside the formal solutions currently on offer.

The role of workplace organisations as microcosms of society

As potential microcosms for a well-being economy, **employer organisations** are instrumental in actualising the principles and goals of a well-being ecosystem.

- > Respond proactively to social problems and challenges by integrating transformation, diversity, gender equality, inclusion and social cohesion into strategic and operational plans.
- > Build supportive industry clusters (including small business) and facilitate investment in areas where there is great potential to diversify the sources of productive economic activity in South Africa.
- > Create a well-being workplace:
 - > Build platforms of engagement and establish transformation forums in the workplace where people can exchange ideas, cross divide and build social cohesion.
 - > Create frameworks for engagement on the role employers can play in strengthening social ties with other stakeholder groups, such as suppliers, customers and regulators.
 - > Launch communications campaigns that send a unifying message of employers and employees working together for mutually beneficial outcomes that have a positive impact on employment and the company's bottom line.
 - > Establish early childhood development facilities on-site for the children of all employees, regardless of their salary or position, to foster early voluntary interactions across barriers of class and culture, contributing to greater social cohesion.
 - > Prioritise employees' physical and mental health through preventative stress management approaches.

- > Respond to their financial vulnerability by facilitating access to financial products that meet specific needs.
- > Reposition workplace organisations as transformation change agents in society by supporting small business development, channelling investments to underserved economic corridors and second-tier cities, and pursuing diversity and transformation.
- > Popularise a model of integrated strategic planning around issues of skills development, diversity and inclusion, transformation, gender equality, enterprise development, social cohesion, and social mobility and protection.

Confronting the barriers to social mobility

Recognise that there are barriers to social mobility and, therefore, access to opportunities. These include the absence of a strong middle class, and structural and spatial barriers shaped by past and current policies.

- > Consider deliberate corrective measures at a macro level, including the allocation of incentives, educational improvements, efficient transportation networks and new settlement patterns.
- > Financial services players should combine their expertise in investing, markets and technology with a greater understanding different backgrounds, levels of wealth, time horizons, life goals and aspirations to provide products and services that meet a wide range of individual needs.
- > They should acknowledge and embrace technological change to create client-centric solutions that facilitate financial inclusion and social mobility.

Build a model of multistakeholder collaboration

Recognising that the pursuit of well-being is not the preserve of a single party, a model of multistakeholder collaboration based on tradeoffs between interest groups, individuals and organisations should be considered as the best route to the pursuit of well-being.

This model is premised on a shared-value approach, loosely defined as a model of development which produces value for society by addressing society-wide challenges.

A response to specific barriers to the equitable distribution of investment, educational, recreational and social capital opportunities requires thoughtful multilevel collaborations between various groups of stakeholders, including:

- > **individuals and families** with expectations that demand constantly evolving solutions
- > **employers and labour**, who provide access to social insurance and enable social mobility – primarily because government simply does not have the fiscal capacity to fully play that role
- > **fiduciaries**, who must ensure there is a robust governance process for deploying those benefits effectively and efficiently
- > **policymakers and regulators**, who provide the parameters and guidelines for how these support systems should be framed and delivered
- > **financial service providers**, who are the frontline in both determining what is really needed to meet these demands and how products and services should be best structured to meet them

Specifically, the following should be considered:

- > **Re-conceiving products and markets:** Organisations, alongside government and the NGO sector, have the potential to be effective by creating and marketing products and services that solve community problems. An intimate understanding of social problems and challenges presents opportunities to differentiate, innovate and grow. This can be done by redesigning products, or implementing innovative and unique distribution methods.
- > **Redefining productivity in the value chain:** This refers to the importance of linking productivity to societal progress, and internalising externalities such as environmental degradation of the production process.
- > **Building supportive industry clusters in company locations:** The success of any company is influenced strongly by certain clusters: the geographical concentration of the organisation, related businesses, suppliers, service providers and logistical infrastructure. Clusters also include entities like academic programmes, industry associations, utilities and competition policy that reinforce a broadly defined social compact.

Recasting the allocation of incentives

Engage policymakers in reallocating tax and non-tax incentives to target key investments crucial to reducing supply-side bottlenecks in certain sectors with a view to diversifying away from resource extraction and towards sectors like tourism, agriculture, construction, and community economies and personal services, where economic and employment multipliers are highest.

- > Specific interventions to be considered include:
 - > reversing the entrenchment of apartheid settlement patterns
 - > developing skills to meet the needs of an increasingly sophisticated tertiary sector (in particular services)
 - > government expenditure allocations and infrastructure development priorities
 - > lowering regulatory and cost barriers to new enterprise formation
 - > integrated planning and data-sharing within public entities and agencies

The key message here is the need to reallocate both tax and non-tax incentives towards a more labour-intensive growth path, with a bias towards the unskilled, who constitute the bulk of those who are unemployed.

