

SOUTH AFRICA'S Man of Many Hats

Business leader and fedora aficionado **JABU MABUZA** speaks candidly with Brunswick's **MARINA BIDOLI** and **MIYELANI SHIKWAMBANA**. The country's government and businesses both need to do better, he says

WEARING ONE OF HIS TRADEMARK HATS, Jabu Mabuza strides into the boardroom carrying a tray of coffees. "I have worked long enough in the hospitality industry to know how to do this," he declares.

Some titans of industry might not want to be seen serving beverages. But Mabuza, who began his career as a taxi driver, isn't afraid of being mistaken for the rank and file. Nor does he find anything objectionable about the idea of service. At 59, he devotes most of his time to serving as the voice of business, dedicated to improving the investment climate in a nation with 28 percent unemployment (68 percent among youth), a nation of extreme inequality that is particularly hard on black people.

In his leadership roles at Business Leadership South Africa and Business Unity South Africa, Mabuza sells "SA Inc." at the World Economic Forum and other global investor gatherings. It's a cause in which he firmly believes. "Our problems are not insurmountable. There is nothing wrong with our country other than its current leaders. We have a good landscape, beautiful climate, beautiful weather and lovely people who are resilient and passionate," says Mabuza.

His rise to the top convinced Mabuza that leadership should be earned, continually, and he is not shy about calling out those he believes are falling short. When South African President Jacob Zuma sacked two respected finance ministers, as well as a deputy finance minister, within a space of 15 months, Mabuza openly expressed his disapproval, noting that political infighting had sapped confidence in the country, scared away investment and resulted in a downgrading of the country's credit rating.

His license to speak truth to power is derived from a 30-year history of building trust across the public and private sectors. As the head of the

CEO Initiative, a group of around 80 CEOs who engage with government at its highest levels, he struggles against practices that benefit politicians and corrupt business associates, rather than the country as a whole.

"Government ministers know that when Jabu criticizes them, he is not against them," says Mabuza. "I'm not about regime change. I am clear that it's not business's place to choose political parties, let alone their leaders. That's a right that citizens express freely and fairly during elections. My role is to point out what's needed for businesses to invest; to have confidence in the economy."

Mabuza's criticisms of government carry such weight, in part, because he also admonishes business, which he says needs to upend the racially skewed marketplace and pursue more inclusive economic growth. "Business whines a lot, 'Your part of the boat is leaking.' But we are all in the same boat. We must take joint responsibility, have frank discussions, but also do our part to provide proposals and solutions," he says.

Mabuza ranks as one of South Africa's most accomplished executives. Previously he held top



executive positions at JSE-listed hospitality Tsogo Sun and Southern Sun Gaming. He currently chairs the Africa board of the recently merged AB InBev-SABMiller. He is also chairman of telecommunications operator Telkom, where he oversaw a dramatic turnaround in the fortunes of the partly state-owned company.

Yet Mabuza is also an advocate for the little guy. As president of Business Unity South Africa, he has gone a long way toward working with labor unions on the development of a minimum wage.

In 2012, when the government asked Mabuza to take over the 40-percent state-owned Telkom, “I knew nothing about telecoms,” he says. But he knew that reversing declines at the troubled company would require strong governance and independence to limit the cronyism that has permeated other state-owned companies.

“I requested two things: that the President allow me to constitute my own board and that he allow the board to appoint its own chief executive, who in turn appoints his own competent and professional executives.” Telkom has been lauded as the blueprint for successful public-private partnerships. Not reliant on the state for funding, Telkom’s financial performance has been reflected in the sharply rising share price – which increased from a low of 11 rand (\$0.79) to around 60 rand today – as well as larger dividends for its shareholders.

Mabuza grew up in a poor rural family and drove a taxi from a young age. Having started a law degree, he was forced to drop out of university due to a lack of money. The repressive Apartheid regime’s crackdown on student activists also prompted his move to the safety of an administrative job in local government. Throughout, he kept driving a taxi, sacrificing sleep in his effort to get ahead. By the mid 1980s, at the height of Apartheid, Mabuza had saved enough to buy his own taxi. His entrepreneurial acumen caught the eye of the South African Black Taxi Association (SABTA), which brought him into its leadership.

“These older taxi drivers said, ‘Here’s a man that can minute our meetings, interpret when we talk business, who speaks English,’” says Mabuza.

A problem at the time was accessing finance. The banks regarded the black taxi sector as high risk. Yet they were the largest consumer of automotive products outside of government and had considerable bargaining power. Mabuza devised new ways to use that power. Frustrated



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Jabu Mabuza is the Chairman of Telkom South Africa Limited. He also chairs Business Leadership South Africa, Business Unity South Africa, and the Africa board of AB InBev-SABMiller. He also heads the CEO Initiative.

with the obstacles facing black business owners seeking credit, he helped found Future Bank in 1991, and became its founding Chairman.

Proving that his negotiating prowess extended beyond the borders of South Africa, Mabuza persuaded Japanese auto makers to increase the braking capacity of so-called *kombi* buses that became popular among his fellow taxi drivers. “With no disrespect, 10 African people in a kombi have a different weight component to 10 Japanese people in a kombi,” Mabuza says. “We had to go to Japan and sit with Nissan and tell them to produce braking capacity according to weight and not the number of people. And they did that for us, which is why you only find these vehicles here.”

To circumvent laws that discriminated against black business owners, Mabuza helped create an association for small and semi-formal businesses called the Foundation of African Business and Consumer Services. With Mabuza as founding CEO of FABCOS, it soon had a million members operating taverns, cleaning services and restaurants. It remains a powerful force today.

These accomplishments caught the eye of Meyer Kahn, then Chairman of SA Breweries, who in 1993 told Mabuza, “You belong here.” Explaining that SAB “hired for attitude and trained for skills,” Kahn gave Mabuza the newly created role of Group Advancement Manager. From there his executive career soared.

Throughout his career, Mabuza has proven adept at reconciling opposing parties for the greater common good. Despite their shock and frustration at the Cabinet reshuffle of March 2017, when five cabinet ministers were unexpectedly fired, the CEO Initiative under Mabuza’s leadership is still working with government toward the development of a scheme that would take one million poor young people through corporate internship programs.

As he recently told a group of young business leaders: “If the companies we lead don’t make an active contribution to inclusive economic growth, we’re going to find ourselves in a very unsustainable situation indeed. Business must be a valuable member of the communities in which it operates – and of society in general. That’s the real bottom line.”

MARINA BIDOLI, a Partner, specializes in cross-border crisis work and corporate transactions. She was formerly an award-winning journalist and editor at the *Financial Mail*. **MIYELANI SHIKWAMBANA** is an Associate. Both are based in Brunswick’s Johannesburg office.