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A new coalition for universal values

By Kofi A. Annan

Today at United Nations headquarters in New York, we shall be making a bit of history.

Global leaders from the worlds of business, labor and civil society will come together to forge a new coalition in support of universal values.

Why is that necessary?

Eighteen months ago, at the World Economic Forum in Davos, I warned international business leaders that globalization might be far more fragile than they realized. Since then, events in Seattle and elsewhere have reinforced my warning.

But it would be tragic if local or national communities react to the challenges and shortcomings of globalization by repeating the mistakes of history, and turning in on themselves. Why? Because open markets offer the only realistic hope of pulling billions of people in developing countries out of abject poverty, while sustaining prosperity in the industrialized world.

What we must do instead is to ensure that the global market is embedded in broadly shared values and practices that reflect global social needs, and that all the world's people share the benefits of globalization.

That is why, in Davos, I proposed the Global Compact, based on nine key principles drawn from the Universal Declaration of Human Rights, the International Labor Organization's fundamental principles on rights at work, and the Rio Principles on environment and development – which were agreed at the Earth Summit in 1992 and enjoy universal consensus among the world's governments.

The essence of the Compact is that, to help make markets sustainable at the global level, enlightened corporate leaders of the new world economy will act on these principles in their own corporate management practices.

At today's meeting, the corporate leaders who are prepared to take this step will be joined by heads of international labor and civil society organizations active in the fields of human rights, economic and social development, and protecting the global environment.

They, too, are taking a bold step. Their joining this coalition doesn't mean they've abandoned whichever cause their particular group was set up to champion. It does mean they accept the need to place that cause in a broader context, because it is more likely to flourish in a freer and more prosperous world.

Some may say that business should stick to business, and leave wider concerns to government. Certainly it is true that neither corporations nor voluntary groups can replace the indispensable role of the state.

But we cannot wait for governments to do it all. Globalization operates on Internet time. Meanwhile, governments tend to be slow moving by nature, because they have to build political support for every step. That is especially true in international affairs, where they also have to reach agreement with each other.

Moreover, business, labor and civil society organizations have distinct skills and resources that are vital in helping to build a more robust global community.

Over the last 12 months, many of the firms and organizations represented at today's meeting have been working with the United Nations to define their roles in the Global Compact.

Specifically, our business partners have agreed to do three things:

- They will become public advocates for the Compact and its nine principles in their corporate mission statements, annual reports and similar venues.
- At least once a year they will post on our website specific examples of progress they have made, or lessons learned, in putting the principles into practice in their own corporate domains.
- And they will join with the United Nations in partnership projects, either at the policy level – for instance, a dialogue on the role of corporations in zones of conflict – or at the operational level, such as helping African or South Asian villagers link up to the Internet, or strengthening small and medium-sized firms in developing countries.

The labor and civil society partners will help build and deepen the Compact, and lend their expertise and support to designing and implementing its undertakings.

So what do I hope today's meeting will achieve?

First, I hope it will send out a clarion call for others to join us. We need to gain a critical mass among leading companies, and in their supply chains, so that the Compact can truly be called Global.

Secondly, I hope we can establish the Compact as a forum for ongoing dialogue among the three sets of partners – devising common solutions to common problems.

Thirdly, and most important, our new coalition for universal values must move swiftly to translate good intentions into concrete actions. The success of the Global Compact will be measured by its ability to make a real difference to the lives of real people.

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