



# Private enterprise can turn tide of global inequality

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Partnerships between business and the UN and its agencies are essential to bridge the gap between rich and poor nations, writes Louise Frechette.

THE World Summit in New York last month was a potential turning point not just for the United Nations, but for the world community. One of its most significant achievements was to reaffirm the central importance of economic and social development — as a goal in its own right and because of its crucial links to peace, security and human rights.

The summit expressed strong and unambiguous support for millennium development goals (MDG). These include halving poverty by 2015, reducing child and maternal mortality, protecting the environment and making sure that each boy and girl attends school. At the core of this agenda is meant to be a global partnership in which good-faith efforts by developing countries are supported by developed countries through more and better aid, debt relief and a fair playing field in trade.

The past few decades have seen remarkable progress on development, particularly in Asia. However, some regions, notably in Africa, are lagging. Still, experience and research show MDGs can be achieved in nearly every country if efforts are accelerated.

The summit's decisions give us hope that such concerted action will be forthcoming. Developing countries reaffirmed their primary responsibility for their own development. They pledged to adopt MDG strategies by next year, and to continue their efforts to create macro-economic stability, strengthen governance and create an environment conducive to the private sector.

Developed countries made unprecedented commitments to cancel multilateral debt and to increase official development assistance. But experience also shows that governments alone cannot achieve the MDGs. The broader community must be involved.

The summit recognised the vital role of the private sector in generating investment, employment and wealth, and propelling local entrepreneurial energies. But the role of the private sector is not just a matter of "doing well by doing good". Embracing responsible practices, ensuring decent workplace conditions and engaging with civil society and others is not only the right thing to do; it also is a smart way to manage risks and

opportunities, build markets, strengthen social fabrics and drive long-term corporate values.

In recent years, the UN has opened its doors ever wider to business, civil society and the philanthropic community. Since its launch in 2000, the UN Global Compact has become the world's largest and most widely embraced corporate citizenship initiative, based on 10 principles in the key areas of human rights, labour, the environment and anti-corruption. The UN Office for Partnerships, established following the remarkable \$US1 billion contribution from Ted Turner in 1997, has become one of the main gateways for partners looking to support UN causes.

With the tremendous capacities of business, the flexible capital of philanthropy, the rigour of the marketplace, and the legitimacy and convening power of the UN, the ability to generate life-saving and life-enhancing solutions to the world's problems is far greater than any single actor could generate on its own. Partnerships are not a panacea. But the benefits of working together, from policy making to concrete projects, are so numerous, and the challenges we face so formidable, that teaming up in this way is indispensable.

Philanthropy Australia and like-minded organisations can play a critical role, including by encouraging their memberships to invest in venture-capital philanthropy. And Australia's increasing global role provides a strong platform for corporate investment in the world's poor. The MDGs have already galvanised action throughout the world. The time is ripe for more collaboration. We should not miss this opportunity.

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