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**JOINING HANDS WITH BUSINESS VITAL TO PROMOTING PEACE, DEVELOPMENT,**

**DEPUTY SECRETARY-GENERAL SAYS AT US BUSINESS COUNCIL DINNER**

Following are the remarks delivered on 12 October by Deputy Secretary-General Louise Fréchette at the United States Council for International Business dinner in New York:

It is a pleasure to join you as we honour Jean-Rene Fourtou. Indeed, I am truly delighted to see a leading French citizen being honoured by an American institution here in the halls of the United Nations.

I know that you have been chosen for this honour, M. Fourtou, because you have been an extraordinary leader at Aventis and Vivendi International, and an outstanding Chairman of the International Chamber of Commerce these past two years. Toutes mes félicitations, Monsieur. Vous méritez certainement ce prix. (Congratulations, Sir. You certainly deserve this award.)

I know that many of you lead large corporations. I have never done that, and I can well believe it is a tough job. But imagine if you had a Board of 191 very different directors, each with a particular point of view, and if your product line was everything from fighting disease to stopping wars and raising living standards. That, of course, is the position of the Secretary-General.

Each of the Member States here in this house, quite naturally and properly, carefully promotes its own interest. But the Secretary-General and his colleagues are servants of all nations and loyal to the Charter of the United Nations. So it is in our DNA to try to see things a little differently. We try, however imperfectly, to see the global interest. And we try to remind our Member States that they should define their national interest broadly, bearing in mind each State's long-term interest in a peaceful, prosperous and sustainable world. We also encourage them to pursue their interest in a way that does not impinge on the legitimate interests of other nations. In short, we don't place utopian expectations on our Member States -- but we do challenge them to pursue a policy of enlightened self-interest.

I want to suggest tonight that the same sense of enlightened self-interest is driving the ever growing partnership between the United Nations and business. The UN has long worked with business -- indeed, the International Chamber of Commerce was granted consultative status a year after the UN was founded. But it is only in recent years that the UN has really opened up to business and tried to breathe life into our relationship. We've done that because we think that joining hands with business is vital to promoting peace and development -- and we are glad we have found partners on the other side who are equally willing to work with us.

The forces of globalization are today being felt by people everywhere. Globalization is bringing many people more choices and new opportunities for prosperity. But it is also creating huge uncertainties, and millions of people around the world still aren't benefiting from it. Indeed, many people feel exploited by it -- and, quite frankly, many people blame business.

It is clear that governments, on their own or even in association with other governments, do not have the capacity to address these concerns fully. Many things have to be done to build a fairer and more sustainable globalization. But one of them is to work more closely with the key agents of globalization, including business, and to encourage them to assume their responsibilities.

That's why we at the United Nations are doing everything we can to encourage business to respect some basic principles founded in universal values, and to harness the potential of business to promote development. The private sector is needed to create jobs and wealth, to promote trade, investment and stable markets, and to develop new technologies that benefit poor people -- all of which, if done in the right way, will help achieve progress towards the Millennium Development Goals, agreed to four years ago by world leaders.

So we need you -- but I suggest that it is also in your interest to work with the United Nations. We all pay a price for the persistent inequality, injustice, and poverty in our world. Much of the violent conflict that plagues too many countries can be traced to these root causes. Civil wars are seldom fought in rich countries, since people who have hope for their economic future usually have a strong interest in maintaining peace. Likewise, the ideologies of extremism that pose such a grave threat to people of many nations are often the desperate refuge of frustrated young people -- people whose lives are devoid of hope or opportunity, and who feel excluded and alienated from society. Providing those young people with hope is both a moral obligation and an investment in the security of people everywhere -- not to mention an investment in stable markets.

In the spirit of closer UN-business cooperation, the UN and the ICC have worked together in recent years on a number of important initiatives. For instance, the ICC and the UN Conference on Trade and Development -- UNCTAD -- have created guides to help steer foreign investment to some of the world's poorest countries. In addition, at the Monterrey conference on financing for development in 2002, the ICC and UNCTAD launched an effort to bring investment and know-how to Africa. The ICC also works closely with the World Intellectual Property Organization, the UN Environment Programme, the UN Development Programme, and other UN agencies, and its voice is heard in numerous intergovernmental deliberations.

Perhaps the most innovative example of our successful collaboration is the Secretary-General's Global Compact initiative. The ICC has given strong support to the Compact from the very beginning -- and I am glad to say that it is maintaining that support to this day. The Global Compact is different from the many other corporate social responsibility initiatives, since it is based on universal principles legitimized by virtually all governments of the world. Its ten principles are distilled from international legal instruments in the areas of human rights, labour, the environment and corruption.

The Compact is not a compulsory code of conduct. It is a voluntary initiative. And it starts with leadership from the top. CEOs take a public stand on universal principles. They engage in learning, dialogue and projects with other actors in society. And they subject themselves to public scrutiny, reporting annually on their progress in advancing the Compact's aims.

Since it was launched in 2000, the Global Compact has become the world's largest and most widely embraced corporate citizenship initiative. Today, more than 1,500 companies from over 70 countries participate in the Compact. Half of those participating companies are in the developing world, as are two thirds of its 50 country-level networks. We held a very successful Leaders Summit here at UN Headquarters in June -- and the ICC's support for the Summit was critical to its success.

At that Summit, a tenth principle on anti-corruption was added to the Compact. Corruption is anathema to basic values, to good business practice and to sound development policy, and I am glad that the principles of the Global Compact now reflect this. The ICC has been heavily engaged in working to combat bribery and corruption, and I thank the ICC for the expertise it is providing to help make this new principle of the Global Compact operational.

But let's not only work to promote shared values. Let's do projects together, and make a real difference on the ground. Many in the private sector are already doing this, to great advantage. Partnerships involving the UN, the private sector, non-governmental organizations and foundations have ballooned, and they are having an impact that no actor could achieve working alone.

There is no finer example than the contribution made by Ted Turner, whose historic pledge of \$1 billion has helped the United Nations do so many things it otherwise could not have done. We

at the United Nations have learned a lot working with Ted Turner's United Nations Foundation these past six years. And the United Nations Fund for International Partnerships -- UNFIP, which was originally set up to handle our relationship with Ted Turner's Foundation -- is now providing a gateway for other corporate partners to work with the United Nations.

I am pleased to say that a number of major multinational companies are using that gateway to play their part in making this world a better place. For example, a range of companies -- including leading telecommunications companies and financial institutions -- are capitalizing on volunteerism among their employees to support UN causes, or making long-term investments in social programmes, or assisting microcredit initiatives. A leading telecommunications company is rounding down the phone bills it sends to consumers and donating the savings to health programmes in Africa. And some leading IT companies are making available their expertise to strengthen capacities at the local level in poor countries.

So, ladies and gentlemen, I am glad to report that the partnership between the UN and business is alive and well, and it is growing stronger. It is just one instance among many which demonstrate that, whatever its faults, the UN is not the sclerotic bureaucracy or useless Tower of Babel that some pretend it is. On the contrary, we are reaching out to partners of all kinds, and we are changing to meet the challenges of the age we live in. It also proves that there are fine corporate leaders who embrace the notion of good corporate citizenship, and who are prepared to put their money where their mouths are. The man we honour this evening is one of them.

Let's build on that relationship. When I see the commitment to a better world on display here tonight, I have no doubt that we will. I, therefore, thank all of you for the support you give our common efforts. And I take this opportunity to ask each of you to think of new and creative ways in which your company can help advance the global interest, even as you pursue your commercial interest. This is a clear instance where the right thing to do is also the smart thing to do. Please rest assured that, when business looks to play its part in making this world a better place, the United Nations is open for business, and open to business.

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