

Statement
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I do not represent government and nor do I do business. In 1998, I was associated with the Independent Commission on International Humanitarian Issues in calling on the United Nations General Assembly for the *New International Humanitarian Order*¹. I thank, among others, Government of Sweden, for appealing to the world assembly for the creation of *Fundamental Rights of Humanity*. In Dennis Meadows' *Thirty Years Update of Limits to Growth*², the Club of Rome Report, he told us that humanity today is burdening the carrying capacity of Mother Earth, by the factor of 1.2 and 85% of consumption and depletion of natural capital is caused by the 'rich minority' of 20% of the world population.

Cristovam Buarque, the former Minister of Education of Brazil, said the other day, "The 'gold curtain' which has replaced the iron curtain is actually favouring 1.7 billion consumers in the world." Jim Wolfensohn, former head of the World Bank refers to three tiers of humanity, one in the "golden curtain", if I can paraphrase and two in the hopefuls and in the aspirants. I am not referring to those who have arrived in the Security Council in the rubric BRIC countries of Brazil, Russia, India and China. But, whenever I speak with my friends in Brazil and India, I ask them if they get into the Security Council how they are going to change our world?

Could I suggest that as we speak of 'Compact', we also try to develop the concept of 'covenant', which includes not only the GSC, the Global Social Contract, but the GCS, the presumed but nonexistent Global Civil Society. I would like to suggest that we talk about a global social contract in terms of adding a further G, a Global Social Contract of Generation, because it has been 30 years since the Club of Rome Report, *Limits to Growth*³, and today we find that 85% of consumption, and depletion of natural capital, to quote Meadows, is caused by the rich minority of 20% of the world population.

I thank McKinsey and Company for their study and would like to point out that the study suggest that the rules which guide the behavior of CEO's of corporations have undergone important changes. I hope I don't sound patronizing as I have no intention

¹ In 1981, HRH Prince Hassan addressed the 36th Session of the United Nations General Assembly and proposed the establishment of a New International Humanitarian Order based on the law of peace approach. Two years later, HRH co-chaired with HH Prince Sadruddin Aga Khan, the Independent Commission on International Humanitarian Issues (ICHI), whose final report I presented in 1987 to the Secretary-General at the 42nd General Assembly.

² *Limits to Growth: The 30 Year Update*, published by Chelsea Green www.chelseagreen.com, 2002.

³ *The Limits to Growth, a Report to The Club of Rome (1972)*, by Donella H. Meadows, Dennis I. Meadows, Jorgen Randers, William W. Behrens III.

of doing that, but I thank the visionary CEO's for recognising demands as opportunities to gain competitive advantage.. When McKinsey and Company talks about witnessing the dawn of a new era in corporate innovation and experimentation, where new partnerships and standards will emerge, that the disjoint between regional responsibility and international responsibility is attended to immediately. I have with me here the Millennium Development Goals in the Arab region for 2007. The United Nations Economic and Social Commission for West Asia, speaks of five pressing issues, also *megatrends*; “The regional political predicament of instability, violence and conflict; the exploding demography; growing water scarcities; stark sub-regional disparity and gender disparity”. According to the 'Human Development Report' of 2006, two million children die each year for want of a glass of clean water and adequate sanitation.

When we speak of the Middle East as I did at the Senate Foreign Relations Committee Hearing chaired by Senators Lugar and Biden in June 2004, I asked them what, in their view, they defined as the Middle East. They described the region as one from Marrakech to Bangladesh, from Cairo to Calcutta. I said, “You are talking about the most populous, the poorest and the most dangerous region in the world”. So, coming from this region, I would like to thank McKinsey and Company for envisaging a level playing field. I would also like to thank Paul Volcker. When speaking of a Middle East Development Bank, he speaks of the importance of asymmetry, which continues among the world's consumers. Three of the richest people in this world own the equivalent of the GNP of 48 countries. It is tragic to see the expenditure on arms in our region totalling billions of dollars at a time when, sadly, the investment in human security is so damagingly overlooked. In the past fifty years, one-third of all expenditure in the region has been on arms; one-third on development and one-third on corruption. Not only has the investment in human security been overlooked, but we are actually hot-housing the parallel polity, the parallel economy, the parallel society of drug lords and war lords. We are hot-housing the extremism that we claim to fear. C.K. Prahalad of the University of Michigan, says that “four billion poor can be the engine of the next round of global trade and prosperity”⁴.

I would like to see this next round moving from principles to realisation as you have all been saying here, not only in private participation and the delivery of public goods, but also in the delivery of regional standards, as Hans Küng put it in our interfaith conversations, in terms of standards which are more important than values. I am privileged to be the only Muslim member of the Centre for Jewish and Hebrew Studies at Oxford University, so I hope nobody will accuse me of being anti-Semitic in anything that I say, other than within the context of the one Semetic family to which, despite all indications to the contrary, I still believe that I belong. We have long emphasised the importance of values in dealing with each other. We must go further and apply common standards to which we all adhere.

I have with me here a statement on a Code of Ethics on International Business for Christians, Muslims, and Jews⁵. I am afraid that we cannot develop a code of conduct

⁴ *The Fortune at the Bottom of the Pyramid*, C.K. Prahalad, Wharton School Publishing, 2006.

⁵ *An Interfaith Declaration: A Code of Ethics on International Business for Christians, Muslims and Jews*, UK Interfaith Foundation (under the auspices of St. George's House, Windsor; the Al Al Bait Foundation and Arab Thought Forum, Jordan), October 1993.

for anything, let alone for international business. I would like to see a code of conduct on reducing the human dignity deficit, which basically means that we are looking, not as the study suggests, “market based globalisation is no panacea”, and I agree with that, but at ESG and beyond. I think we are talking about environment, society and governance. With due respect to the presentation by Jeremy Oppenheim (McKinsey & Co.), one issue that concerns me is the alarming oversight by McKinsey of the fact that “price signals” in the “market place” cannot, by their very nature, deal with problems of “climate change”, which are by definition “negative externalities” to the price system, let alone doing it better than central planning or state enterprise. As Joseph Stiglitz put it, “The underlying economic principles are both simple and clear. When an individual or a country does something that hurts someone else, and for which they do not pay, there is a negative externality”. I would also add that the production of these externalities cannot be subject to “price signals”, or mechanisms of the market. If the private sector is to participate in the production of public goods, it will have to be adequately subsidised and properly regulated by the public sector. Self-interest, enlightened or otherwise, is simply not consistent with preventing “negative externalities”, or pursuing “positive externalities”. I come to the point here by saying that the “democratic deficit”, unfortunately, is one of our problems, but, only one of our problems. Democratic deficit extends to our conversations with international institutions, and I said this many times in the Helsinki Commission on Democracy and Governance, when, of course, we broke-up into two polarised groups – working groups we call them. With all due respect to the IMF, the World Bank and the WTO, which have been entrusted to writing the rules of the game and managing the global economy, I want to ask do these rules of the game reflect the interest of the advanced countries, or more particularly special interests in say, agriculture or oil, within those countries? This imbalance is in some cases the result of a distortion in the governance system of those institutions reflected in distorted voting rights in their boards of governors, and at other times it is the sheer economic power of the countries and interests involved.

At the international level I would like to say that the leading world powers have prevented the development of democratic political institutions that are required if globalisation is made to work for the benefit of mankind through insuring that the power of the global market economy is to function in a way that leads to the improvement in the lives of most people and not just the richest of the rich. Because of the democratic deficit in international governance, the side effects of globalisation have not been tempered, rather have often curtailed the ability of national governments to temper the market economy. The need for global institutions has never been greater, ladies and gentlemen, but confidence in them and in their legitimacy has been eroding. I know, I spent three years with the World Intellectual Property Organization⁶, until I started asking myself, how can I answer the questions of my third-world friends? The third world is, after all, my first world. I just couldn't make ends meet, so, a little nagging doubt called integrity forced me to present my resignation.

Next year, 2008, is the sixtieth anniversary of the Declaration of Human Rights. I want to remind you that clean drinking water is not perceived as a human right. Clean

⁶ HRH served as Chairman of the Policy Advisory Commission for the World Intellectual Property Organisation (WIPO) from 1999–2002

air is not perceived as a human right. The time has come for us to step up, despite all the conferences and all the contradictions, possibly through a quiet retreat somewhere, to a moment of wisdom, where we share in contributing to a vision of ethics-based globalisation. I don't want to say globalisation or cosmopolitanism, because cosmopolitanism leads to conviviality and conviviality can lead to rape and we've seen enough of that, at least in my neighbourhood. But, what we need for global institutions is confidence, and the examples of the debacle with the IMF in managing crises in the past decade, or the failure of the WTO to act on the premises given in the Doha round of 2001 by the vast industrial countries to make up for the previous unfairness in negotiations, is a reality.

Let me talk about children for just one moment. I am sorry to say that my tiny country is the largest host country to refugees on God's earth. In the case of Iraq, just up the road, I am sad to tell you that we have over a quarter of a million Iraqi children to put into school in Jordan at the beginning of the next school year. We will have more than fifty in each class. The school system, I think, is going to face major challenges. The time has come to recognise that basic requirements in that benighted country are not being recognised. UNICEF called for \$42 million to provide relief over the next six months for children inside Iraq as well as those who have fled with their families to neighbouring Jordan and Syria. Now, my question is – and I know that this is not a specialised forum – why is it that in the Balkans they were able to bring about a cohesion fund, a citizens charter, a social charter? With the leverage of the presence of international forces, why is it that we cannot – and with the leverage of this Global Compact – at least exercise whatever direct or indirect influence we have in talking of the importance of enabling our population, our silent majority, or our silenced majority. In this sense, I would like to suggest that the Global Compact becomes a way of rewarding not only performing corporations, as John Ruggie the professor at Harvard Kennedy School has put it. But maybe – just maybe – we can talk in the future about blue-washing business.

Collective security and enabling environments means Mutually Assured Survival (MAS). I assure you, ladies and gentleman, that at this stage in our development we can talk of very little else other than survival. In our region we have no collective responsibility. There is a disjunction between policy formulation and implementation at the local and country levels as well as those pursued at the international level. I would like to say that it seems that politics and private agendas are more important than policies. There is no supra-national view. I would love to see TREC developing – Trans-Regional Energy Collaboration. Germany has 170 thousand people working in alternative energy today. I would love to see solar cooperation such as has been forwarded by Dr. Gerhard Knies in Germany, taking solar energy all the way from the Gulf across to North Africa and to Europe. I would love to see the *Mare Nostrum* becoming a *Mare Nostrum*, not north and south and east and west, but a shared and participative contribution to peace.

The Secretary-General today spoke of aspirational principles of the Compact developing into concrete actions. I think the first thing we need to do is to monitor all the good news stories that actually do exist out there, in developing not only the interdependence to which he refers, but, the intra-independence. You have many natural allies, if you wish. On a scale of ten, we may not agree on all ten points, but, let us at least develop a civilized framework for collaboration and possibly even for

disagreement. It is not a question of whether we are with you or against you. It's a question of how can we develop an understanding of what it takes to stabilise this world? I received on the same platform as Al Gore the other day, a UNEP award. He received it for global warming. I believe I received it for human warning. He sent an actress to receive the prize. Had I known, I would have sent a Bishop.

Thank you, ladies and gentlemen.