



BUSINESS AND THE UN: **An Agenda for Shared Leadership**



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■The Global Compact

The New York Times

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Multinationals Sign U.N. Pact on Rights And Environment

By JOSEPH KAHN

UNITED NATIONS, July 26— Executives of DaimlerChrysler, Nike and Royal Dutch Shell filed a chamber today where diplomats usually conduct business, as the United Nations recruited many well-known multinational companies to help protect workers and the environment in places where governments do not.

Secretary General Kofi Annan organized the session to encourage companies that operate across borders to spread Western-style human and environmental values or risk seeing the erosion of the consensus that favors open trade and investment.

50 Multinationals Sign U.N. Compact on Rights and Environment

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the daylong meeting here. "If companies lead by example, the governments may wake up and make laws to formalize these practices."

Since the collapse of world trade talks and noisy street protests last year in Seattle, multinational companies have been scrambling to forge alliances with some of their critics, including unions and human rights and conservation groups. The compact sponsored by the United Nations is the most visible example of such alliances, and it is an attempt by Mr. Annan to make the world body a more effective force for social and labor standards.

The effort seems highly unlikely to alter the global economic landscape immediately. The pact, which took 18 months to negotiate, binds the sin-

ternational trade and investment but have found it difficult to act in isolation. Multinational companies, particularly those subject to barrages of criticism about how they conduct business in poor countries, are now eager to join the organizations.

"This global compact has the potential to become an historic partnership," the chairman and chief ex-

Huge vulnerable companies are eager for accords covering business conduct.

ecutive of Nike, Philip H. Knight

International and the World Wildlife Fund.

United Nations officials acknowledged that they had trouble attracting some American companies because the companies feared endorsing an instrument that might legally bind them to act in a certain way and subject them to fresh scrutiny. A United Nations official declined to identify companies that decided not to participate.

In the 1990's, the United Nations made a similar effort to forge international standards for foreign investment and workers' treatment. But that collapsed after rights groups, United Nations officials and executives clashed over the terms of the agreement.

This time, Mr. Annan, who became secretary general in 1997, selected nine loosely worded principles drawn from international accords that the

se strict compliance, Mr. Annan said the United Nations did not have the "capacity or the mandate" to police the companies. Several executives warned that the compact would fail if it became the basis for sanctions.

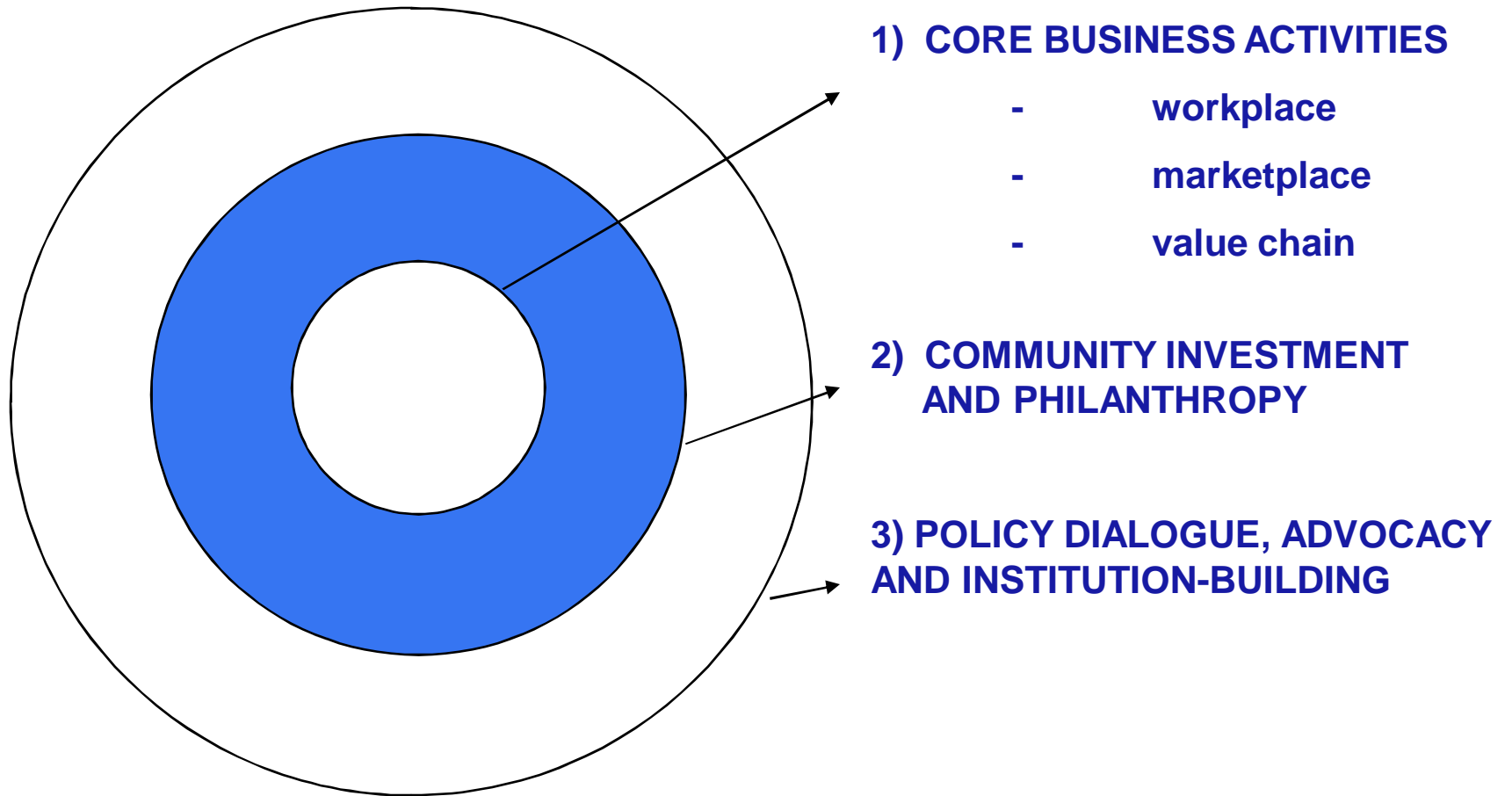
Some social and environmental groups, including Greenpeace, did not sign the accord. They wrote to Mr. Annan that some of the participants — the letter cited Nike, Shell and Rio Tinto, the British-Australian mining company — had poor records of operating abroad and did not deserve to be United Nations partners.

The letter urged Mr. Annan to "re-assess your overall approach to U.N.-corporate partnerships."

"The mission and integrity of the United Nations are at stake," it added.

Still, some outside observers see the partnership as vital as the world

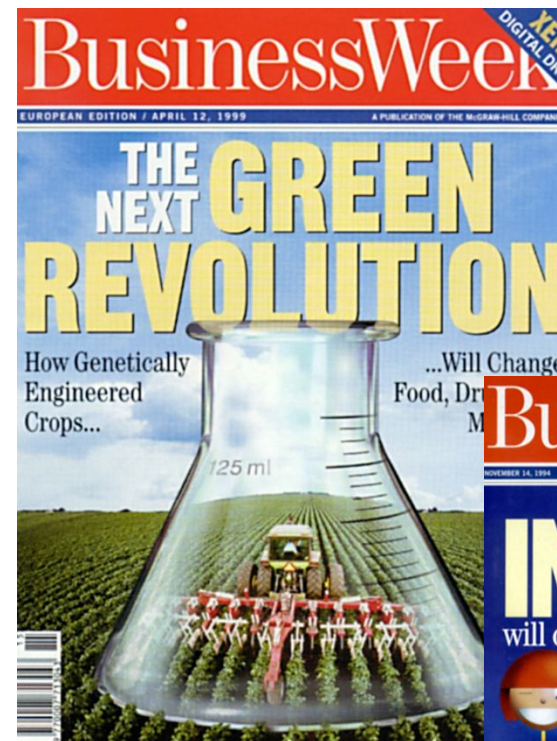
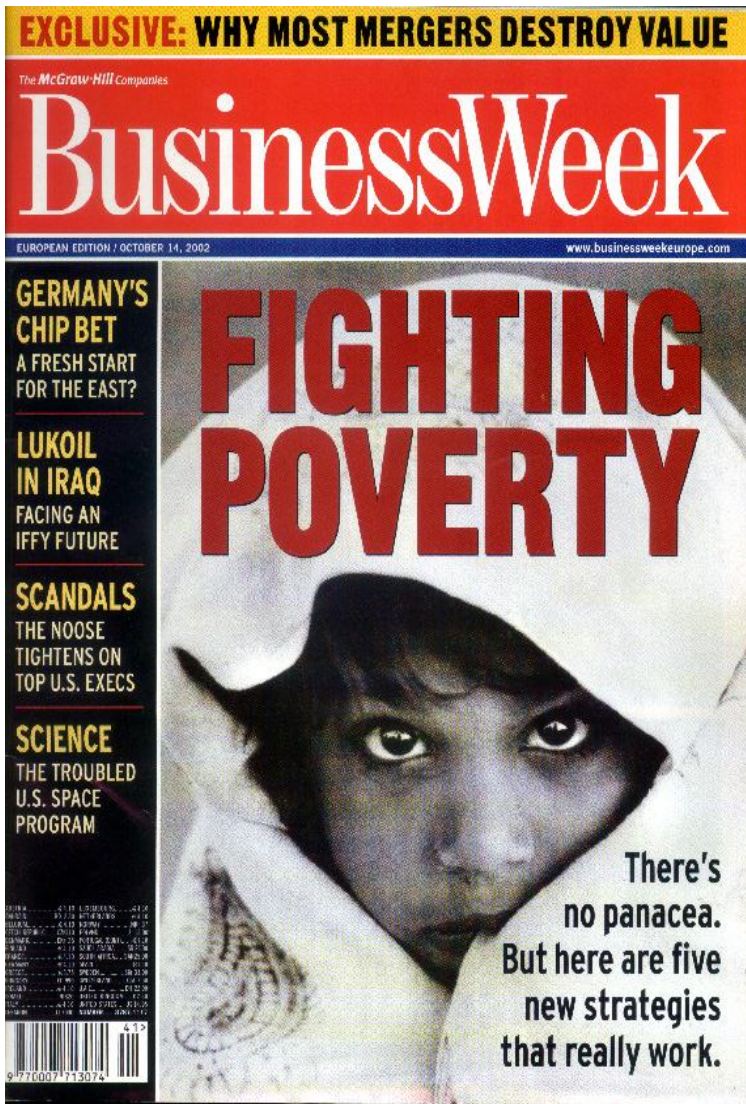
Business areas for potential cooperation



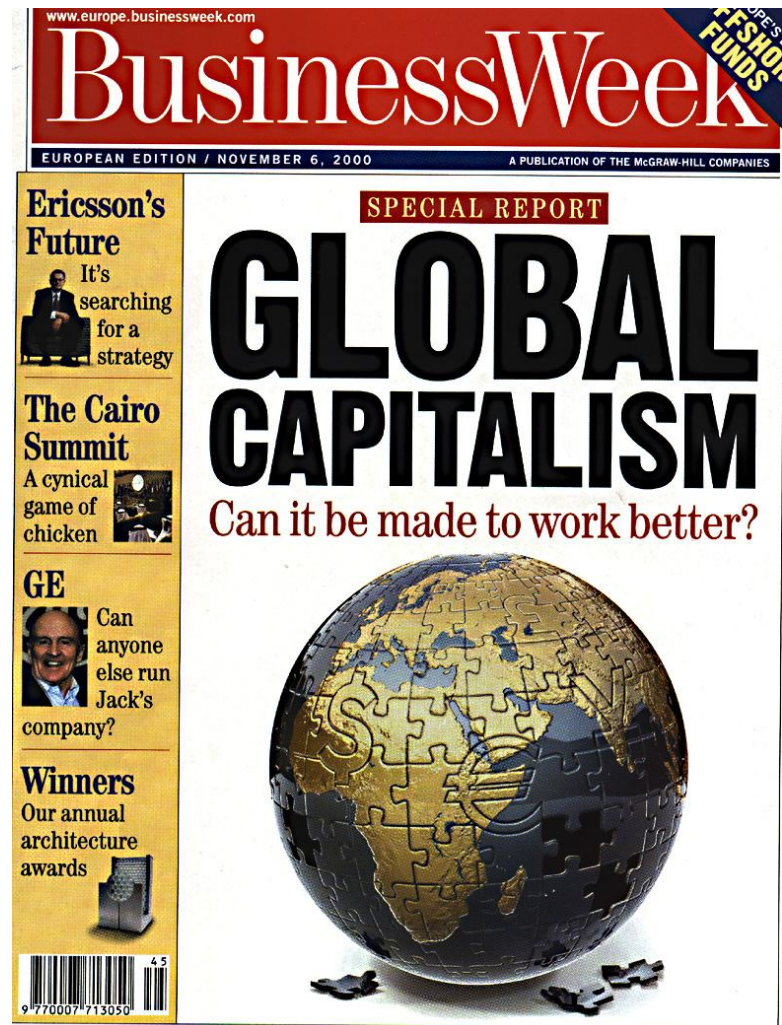
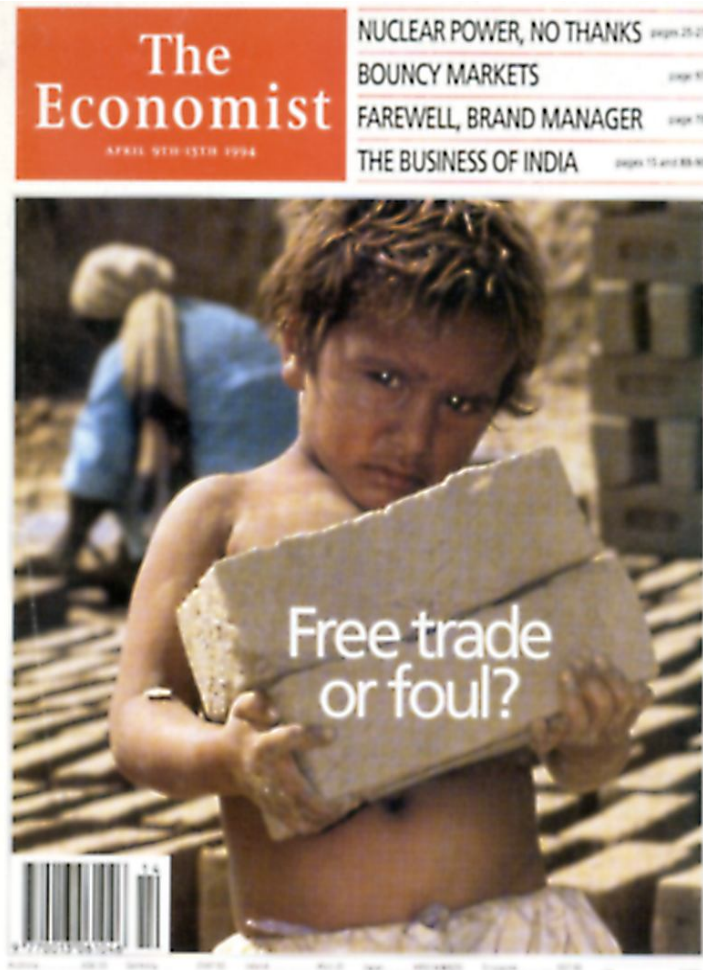
UN's needs/areas of interest...

- **OPERATIONAL:** Resource mobilization, service delivery and local capacity building through private sector development, market-based solutions, volunteering and philanthropy
- **STANDARDS:** Setting and diffusing norms, guidelines and standards
- **ADVOCACY:** Sharing and spreading universal values, promoting UN causes and policy agendas
- **GLOBAL GOVERNANCE:** Improving joint regulation and addressing governance gaps

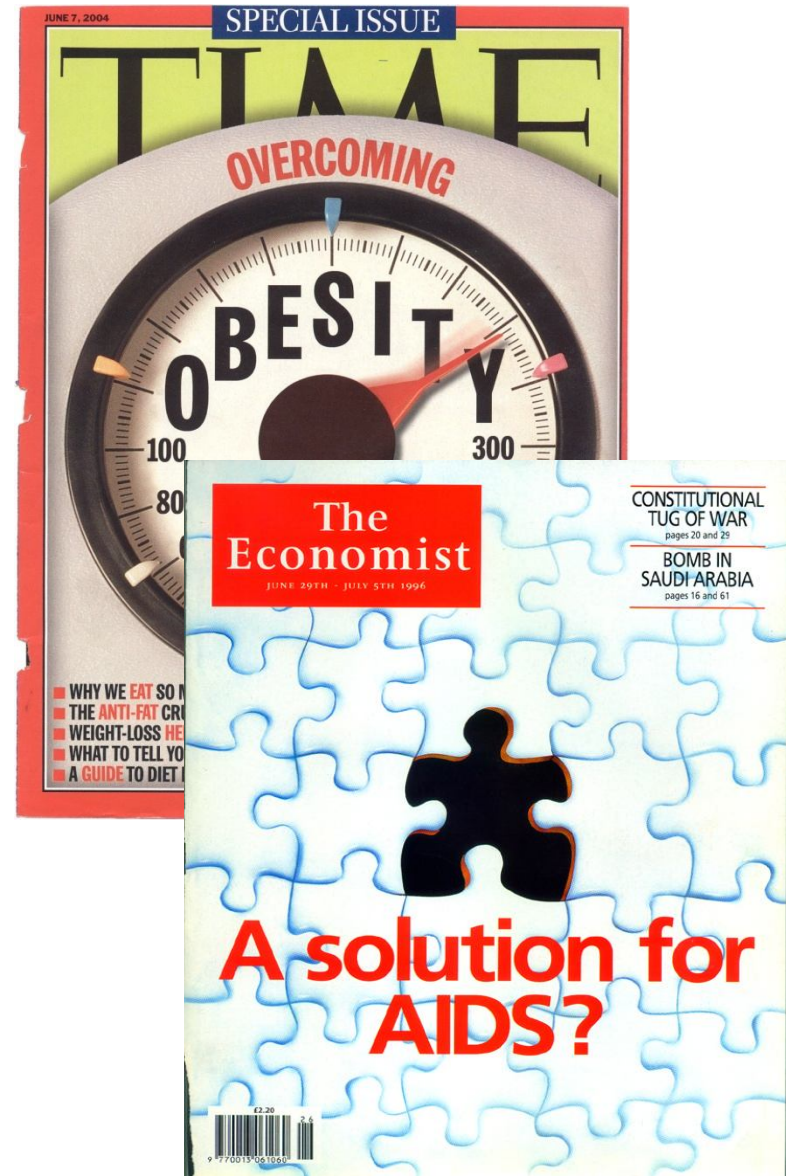
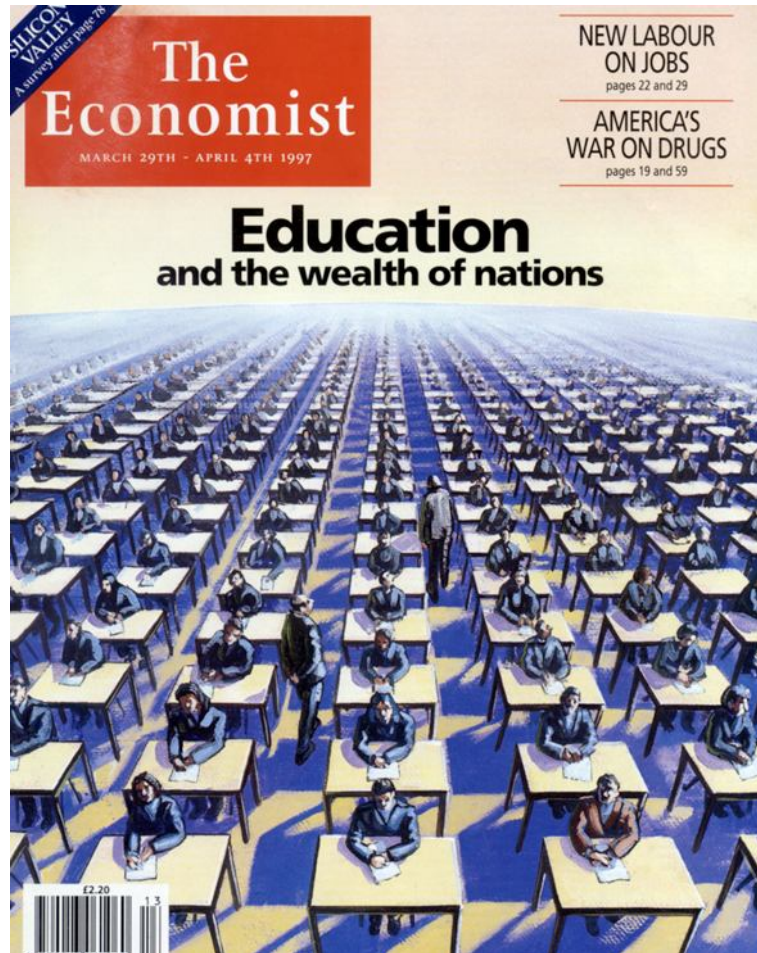
1. Alleviating Poverty: ACCESS to water; medicine; financial services; energy; basic products; technology...



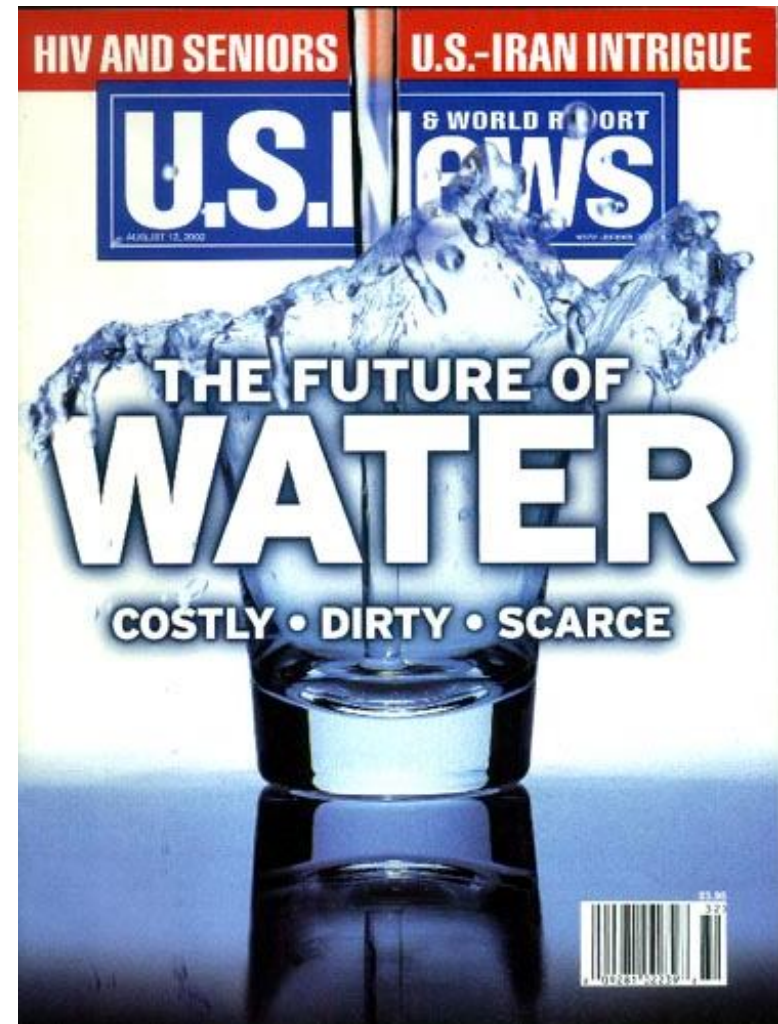
Job creation and decent work: market access; enterprise development; capital flows; business standards



2. Human capital development - health and education



4. Tackling environmental challenges



5. Increasing global governance, accountability & transparency

The Economist

MARCH 2ND-8TH 2002

The disgraceful Mr Byers
PAGES 15, 33 AND 38

Is Latin America losing its way?
PAGES 12, 26-30 AND 59

Why Europe needs a constitution
PAGE 13

A SURVEY OF THAILAND
AFTER PAGE 64

The business of bribery



Newsweek

THE INTERNATIONAL NEWSMAGAZINE

July 10, 2000

**FOOD FIGHT
EUROPE VS.
McDONALD'S**

The Gems of War

How Illicit Diamonds Finance Africa's Bloodiest Conflicts

Albania	LeK 800	France	Fr 27.00	Israel	NR 15.00	Norway	NK 22.00	Sweden	SKr 22.00
Austria	Sch 49.00	Germany	Dm 27.00	Italy	L 5.00	Poland	PL 7.75	Switzerland	Sfr 4.25
Belgium	Bf 105.00	Gibraltar	G 2.00	Kazakhstan	K 4.00	Portugal Cont	Esc 600	Turkey	TL 1,000,000
Bulgaria	BG 1,300	Guinea	G 18.00	Latvia	L 4.00	Romania	Lei 30,000	Ukraine	UAH 100
Canada	C\$ 15.00	Hungary	H 310.00	Lithuania	L 4.00	Russia	R 400	United Kingdom	£ 3.25
Cyprus	C\$ 1.80	Iceland	Isk 225	Luxembourg	Lf 105.00	Slovakia	SK 50.00	U.S. France	\$ 3.25
Czech Republic	Czk 60.00	Ireland	Ir 2.50	Netherlands	Fl 7.50	Slovenia	Sit 420	Yugoslavia	YUD 40.00
Denmark	Kr 30.00	Ireland (incl tax)	Ir 2.50	Netherlands	Fl 7.50	Spain	Pes 175		

Challenges of cooperation

Operational and management-related

- **Dealing with difference**
- **Managing expectations**
- **Building skills and capacity**
- **Improving information and access**
- **Overcoming bureaucracy**
- **Evaluating what works**

“Development case” for cooperation

- **More effective and efficient resource mobilization**
- **Richer policy debate**
- **Better quality of decision-making**
- **Increased innovation**
- **Greater awareness and support for UN values and development issues**
- **Increased trust and mutual understanding**
- **GREATER IMPACT AND RESULTS**

“Business case” for cooperation

- Reputation and ‘licence to operate’
- Better risk management and access to financing
- New market opportunities
- Access to development expertise
- Improved government and other stakeholder relationships
- Employee retention and development
- Increased innovation and new approaches
- Better enabling environment/ international norms
- More stable society and healthy economy
- **BETTER MANAGEMENT OF RISKS AND OPPORTUNITIES**