

Socially Responsible Corporations

**Their Critical Role
and Global Impact**



**Alfredo Sfeir-Younis
Dzambling Cho Tab Khen**

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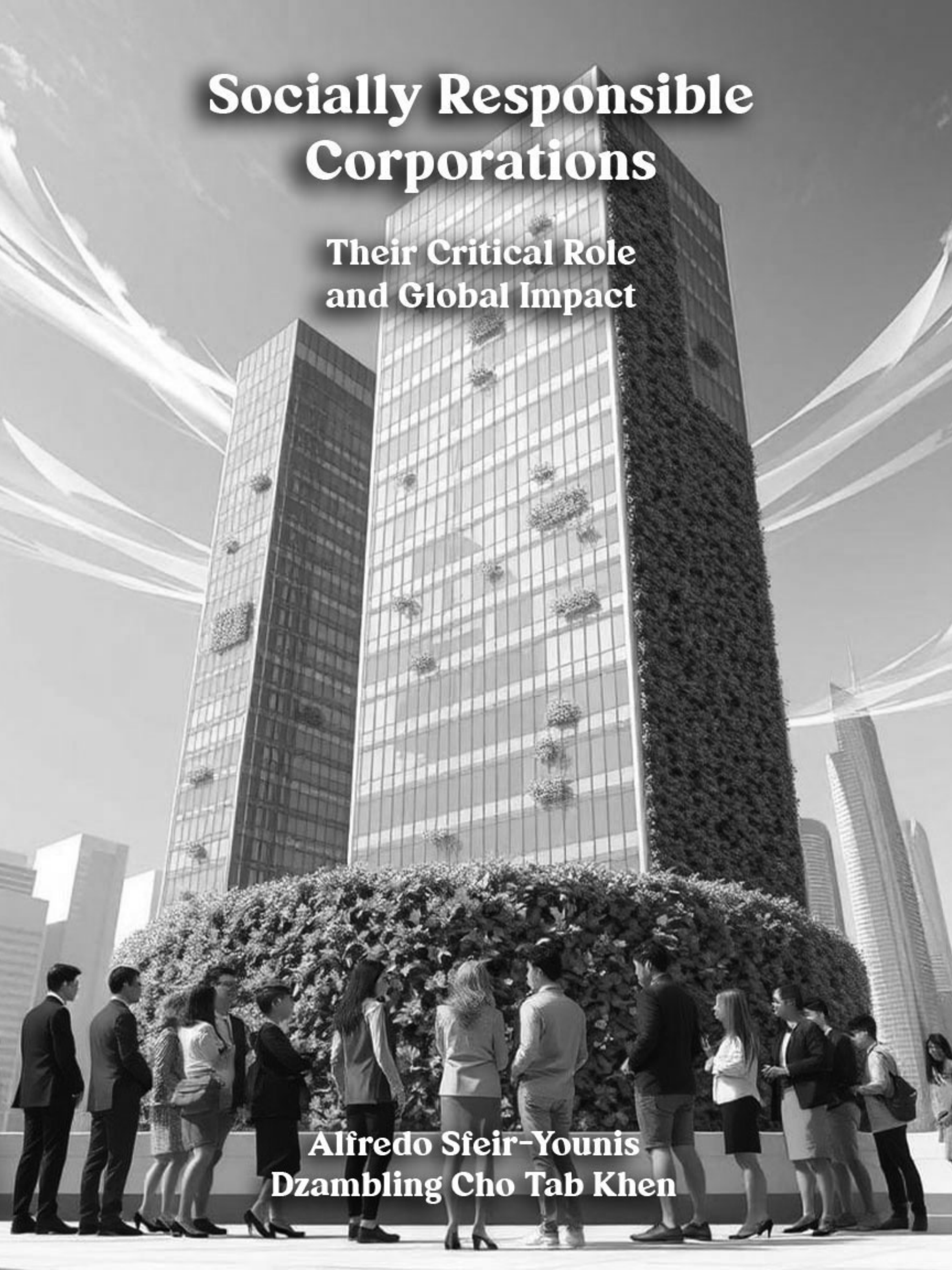
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Mr. Alfredo Sfeir-Younis is an economist who graduated from the University of Chile, with a Master's and Bachelor's degree, and holds a PhD from the University of Wisconsin and the University of Rhode Island, United States. He is the representative of the Institutional Focal Point on human rights and related issues of the World Bank and President of the Zambuling Institute of Human Transformation.

Excellencies,
Ladies and Gentlemen,

This is a very special moment, when many of you are being awarded a special prize.

This an occasion organized to celebrate your contributions not only to profits and financial returns of all sorts, which has traditionally constituted the bottom line for businesses, but to the fact you have embraced an extended bottom line, which includes ethics, accountability, governance, employment practices, community involvement and environmental protection. I have left purposely aside those that are more traditional as regards standard business practices.

There is no doubt that business has made a major contribution to human development and progress. In the end, it is business that create the jobs and produces the type of commodities we are all looking for. It is clear that in presenting the major statistics and scores in the world, one could tell a tremendously positive story.

However, there are many who really do not benefit from the market economy nor from globalization.

For people who are being awarded based on ethics, morals and on accountability we must share the other part of the story.

I do not have to explain to you, champions of social responsibility how important it is to extend this bottom line, when we see that:

- Half of the world earns less than one dollar a day
- Nearly one billion people are suffering from hunger
- 600 thousand women are dying every year because they do not have access to primary health care during pregnancy or post partum.

- Nearly 30 thousand children die every day of diseases whose cures are very well known.
- There are 125 million children that do not go to school and nearly 40 million who are in armed conflicts as young soldiers or leading a family because their parents have died of HIVAIDs

To the above, we can add the tremendous devastation taking place in our natural environment, as we pollute our air and waters at an unprecedented rate, and we deplete our forests and eliminate existing wildlife and biodiversity as if these plants and animals were not worthy at all. We see national parks and their protection as something romantic, as something we only focus on as we decide to go on a vacation.

We are involved in a model of life style that has detached us from the Laws of Nature, as if the laws determining the path of human transformation had nothing to do with those laws of nature. A great flaw, a great fallacy.

This fallacy will come to a halt as world population is growing to the point that many of us have seen the world population to double in our life time, from 3 to 6 billions. And, if we are healthy and stay a few more decades, we will see the world population to double again.

Population and demographics combined tell us that most people who are coming will be born in the large cities of developing countries, where the social and environmental stress are the greatest. This will translate in social instability and, in turn, into business instability.

If we are concerned about terrorism of all sorts, including economic and social terrorism, wait and see when we have 10 billion people in our planet.

We see in front of our eyes how technology and technological change –while yielding a tremendous benefit for humanity—has also become a source of anguish and desperation for many. Accelerated technological change has left behind many little boats in the tidal wave of development and progress.

Just think for a moment, that there are more internet connections in London than there are in all Sub-Saharan Africa combined.

Yes, technological change is essential but access to its benefits by the poor and the voiceless is even more important.

TELL THE STORY OF TICH NAHN HAN ON TECHNOLOGY AND THE HORSE: “WHERE ARE YOU GOING; ASK THE HORSE”

With regard to our children, we are teaching them through toys and media how to kill and how the world has lives of different values. The violence in media and communication is having tremendous impact on teenagers and on the rate of crime and suicide in the world. Toys are not anymore what we had in the past, but extremely sophisticated weapons, children must know how to use to perfection. If you have any doubts just go to the internet cafes and see what are the young doing at a couple of cents an hour.

THE STORY OF MY SON AND THE USE OF GUNS

Is there any responsibility we bear as business people, or these are the responsibility of someone else?

But, there is more to this world situation.

Today, we are consuming more than 26 trillion dollars and 25 times more than 80 years ago. Yes, consumption seems to be the engine of development. I have asked many audiences what would happen if we need to cut consumption by half. The answer is: “it is impossible, it will be chaotic, everything will collapse”. Thus, we continue creating an economy and empowering a culture of more and more material consumption, at the expense of many other aspects of our lives.

What is most interesting is that out of these 26 trillions, the top 20% of the population, ranked by level of income, consumes 86% of the total, and the bottom 20%, or the poorest people, only consume 1,6% of the total.

The wealth gap we are creating in the world is immense and we need to think about our responsibility in all of this.

And, let us look at how we spend our moneys. This is a good indication of whether we are consistent with our ethical and moral values.

I will be using as the comparator 50 billion dollars, representing the total amount we spend in development assistance to poorer countries.

For many people, this seems to be a large figure.

But did you know that:

- Europeans are spending three times that in cigarettes and alcoholic beverages,
- Japan spends 25 billions just on entertaining
- US and Europe spend 300 billions in drugs
- And we are spending more than one trillion dollars on weapons and arms

This is the translation of our ethical and moral values.

This is why it is so important to have you honored here today, as you represent the real consciousness of business and business activities.

- Let me share with you that I am a utopian. I hope, a happy utopian.
- I do believe in a world at peace and without any conflict.
- I do believe we can live in a world without crime
- I do believe we can live in a world where people are healthy, holy and happy.

Yes, indeed, I believe in all of the above, which is considered by so many as a utopia, understood as something we will never attain.



-----Dr. Alfredo Sfeir-Younis
Dzambling Cho Tab Khen
Washington D.C., 2003-----