

ETHICS & PROGRESS

TOWARDS CONSCIOUS CAPITALISM



Supported by

Colophon

Ethics & Progress, Towards Conscious Capitalism

This booklet was established in the context of the Week of Integrity 2020, an initiative of the Week of Integrity Foundation and ICC Netherlands.

© ICC Netherlands. 2020. The views expressed in this publication are those of the authors and do not necessarily reflect the views and policies of ICC The world business organization or ICC Netherlands. ICC Netherlands does not guarantee the accuracy of the data included in this publication and accepts no responsibility for any consequence of their use.

ICC Netherlands holds all copyright and other intellectual property to this work.

Week of Integrity Foundation | Stichting Week van de Integriteit

Bezuidenhoutseweg 12, 2594 AV, The Hague, The Netherlands

www.weekofintegrity.org/booklet

The Week of Integrity Foundation is an ICC Netherlands initiative, part of ICC The world business organization

ICC Netherlands, part of ICC The world business organization
Bezuidenhoutseweg 12, 2594 AV, The Hague, The Netherlands
www.icc.nl | www.weekofintegrity.nl/booklet | iccwbo.org

Graphic Design: Odesign, www.odesign.nl

Cover illustration: Suzanne van Soest

Photo John Denton: © International Chamber of Commerce

Photo Rhoda Weeks-Brown: © International Monetary Fund

Photo Matthias Thorns: © International Organisation of Employers

ISBN: 9789090339900

TABLE OF CONTENTS

| | | |
|---|----|---|
| Henk W. Broeders , Chairman, ICC Netherlands | 9 | PREFACE |
| Prof. Robert H. Wade , Professor of Political Economy and Development, London School of Economics and Political Science (LSE) | 11 | ECONOMIC PERFORMANCE AND MORAL BEHAVIOUR |
| Rhoda Weeks-Brown , General Counsel and Director of the Legal Department, International Monetary Fund (IMF) | 19 | STRENGTHENING GOVERNANCE AND FIGHTING CORRUPTION TO FOSTER SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH |
| Shinta W. Kamdani , Chief Executive Officer, Sintesa Group | 25 | UNLEASHING THE ETHICAL LEADERSHIP IN THE ERA OF CONSCIOUS CAPITALISM |
| Prof. Githu Muigai , Member, UN Working Group on Business and Human Rights | 31 | ENHANCING GLOBAL CORPORATE ACCOUNTABILITY: THE CASE FOR A BINDING TREATY ON HUMAN RIGHTS |
| Dr. Ngozi Okonjo-Iweala , Special Envoy, African Union | 37 | BUSINESS LEADERSHIP AND THE DRIVE FOR STAKEHOLDER CAPITALISM |
| Gonzalo Guzman , Global General Counsel, Unilever | 41 | A BUSINESS INTEGRITY AGENDA FOR THE 'DECADE OF ACTION' |
| Nicola Bonucci , Managing Director Investigations and Compliance, Paul Hastings | 47 | COMPLIANCE AND CORPORATE PURPOSE: TWO SIDES OF THE SAME COIN |
| Matthias Thorns , Deputy Secretary General, International Organisation of Employers | 53 | GROWTH, RESPONSIBILITY AND LEADERSHIP |
| Beth deHamel , Interim Chief Executive Officer, Mercy Corps | 59 | THE PRACTICE OF ETHICAL LEADERSHIP |
| Prof. Ronald E. Berenbeim , Adjunct Professor of Business Ethics, Leonard N. Stern School of Business | 65 | ETHICAL STEWARDSHIP IN THE CONTEXT OF CONSCIOUS CAPITALISM |
| Prof. Jan Peter Balkenende , Chair, Dutch Sustainable Growth Coalition | 71 | A WORLD TO BE WON |
| Marina Grossi , President, Brazilian Business Council for Sustainable Development | 77 | HARVESTING THE SEEDS OF AN EMERGING FUTURE |
| | 83 | THE WEEK OF INTEGRITY |
| | 85 | ICC AND ITS LEGACY ON BUSINESS INTEGRITY |

"The interlinked health and economic impacts of the COVID-19 pandemic have clearly exposed the business case for a new operating model where purpose and profit are pursued in tandem. Simply put, there will be no successful businesses in a failed world. The rebuild from this crisis will require genuine systems change and meaningful public-private collaboration to address the critical issues which serve to cause chaos in our world - economic exclusion, social inequality and environmental degradation.

As the institutional representative of 45 million companies worldwide and the recognized voice of business in intergovernmental fora, the International Chamber of Commerce is committed to enabling responsible business practices to accelerate progress to a more resilient, sustainable future. In this context, we applaud ICC Netherlands' leadership in developing this publication to highlight the power of the private sector in unlocking and enabling long-term benefits for the economy and society at large which we hope will serve as an inspiration to businesses and governments alike."



John W.H. Denton AO

**Secretary General
International Chamber of Commerce**

PREFACE

This booklet connects integrity and ethics on the one hand, and sustainability on the other. To the question, 'are you integer?', nobody would say 'no I am not'. That is the answer that no doubt always, or at least for a long time, has been given. To the question, 'are you sustainable?', the answer in the meantime will have turned into 'yes', or at least 'most of the time' or 'yes, I am trying'. I think that these answers have only recently become obvious. Two decades earlier, the most common answer would have been 'what do you mean?'. However, in a few years from now, a resounding 'yes' to the question of one's sustainability will be as obvious as the 'yes' to the question of integrity.

In short, these are both questions that cannot be answered with a 'no'. This does not mean that there is actual integrity or sustainability. In my view, corruption and fraud are decreasing, yet still existing, sustainability is improving, but is by no means at a level the UN Sustainable Development Goals (SDGs) require of us.

Improving sustainability and reducing corruption and fraud go hand in hand. As the social expectation rises to be or to become more sustainable, the yields of unethical behavior increase. After all, by saying 'yes' to sustainability, but 'no' to being sustainable, social expectations are met without the burden of the actual costs.

If we want to make the world more sustainable, and if we want to achieve the SDGs, we can only do so if we reduce fraud and corruption in every form and continue to improve the integrity of our actions. It is also for this reason that we have argued several times for integrity to be added as the eighteenth (or perhaps the first) SDG.

Finally this. Integrity, both on an individual and an institutional level, must be maintained. The level of integrity can only be maintained and improved if one is constantly working on his or her integrity and if one is permanently aware or made aware. With the 'Week of Integrity' and this booklet, we seek to contribute to this. Enjoy reading.



Henk W. Broeders

Chairman, ICC Netherlands
Chairman, The Week of Integrity Foundation



ECONOMIC PERFORMANCE AND MORAL BEHAVIOR

Prof. Robert H. Wade

Professor of Political Economy and Development, London School of Economics and Political Science (LSE)

Robert Hunter Wade is a Professor of Political Economy and Development at the London School of Economics and Political Science (LSE). He was awarded the Leontief Prize for Advancing the Frontiers of Economic Thought in 2008 and in 1992 the American Political Science Association's 'Best Book in Political Economy, 1989-91', for *Governing the Market: Economic Theory and the Role of Government in East Asia's Industrialization*. Previously, he worked at the Institute of Development Studies, the World Bank, US Congress, Princeton University, MIT and Brown University.

ECONOMIC PERFORMANCE AND MORAL BEHAVIOUR

The objective of the conference, in the words of the ICC organizers, is 'to ... raise awareness and promote ethical behaviour in both the boardroom and the workplace.' Any such discussion has to be grounded in an understanding of how firms behave in the real world, and why. In this context, the recent report from KKS Advisors and The Test of Corporate Purpose makes sobering reading. It found that the member firms of the Business Roundtable (a club of 181 chief executives), which last year promised to broaden its traditional focus on profits to include societal concerns, had done no better than other companies in protecting jobs, labour rights and workplace safety during the pandemic, or in advancing racial and gender equality (Goodman 2020). Here I make a further caution, and argue that lasting improvement in ethical behaviour in the boardroom and workplace has to be grounded in knowledge of the 'average' level of moral behaviour in a society, and its causes. (I work in a university whose motto is 'Know the causes of things'.) I argue that the level of moral behaviour depends on, among other things, the rate of economic growth and the distribution of income (the perceived 'fairness' of the distribution), not only in the society in question but in the wider region and even in the world system as a whole.

Economic performance and moral behaviour

We know that when a large cross-section of a modern society is stagnant or declining economically, moral behaviour is likely to suffer. The power of the norm of 'fairness' shrinks, especially fairness towards the poor; opportunities for economic advancement become limited to in-groups; tolerance towards racial or religious minorities becomes attenuated; distrust grows among the public and between public and the state; commitment to democracy falters as more of the electorate swings in favour of authoritarian politics.

The reasons for this shrinkage of moral behaviour stem from how people derive satisfaction or well-being. One source is the comparison between how they live today and how they lived in the past the better they live today compared to the past (in material terms of 'better'), the higher their satisfaction. The other is how they live today compared to others around them (who today may be far away on social media) the better they live compared to others the higher their satisfaction.

To some extent the two sources of satisfaction are substitutes. People who are becoming much better off compared to the past will be less focused on living

better than those around them. On the other hand, when people in general, are not becoming better off than in the past and/or have little confidence that their children will be better off than they are, self-protective instincts come to the fore in the shape of intolerant, antidemocratic, ungenerous, status-advancing behaviour. The instincts are manifested in religious and ethnic intolerance, hostility to immigration, hostility to state assistance to the poor, distrust of many state institutions (except the military), support for cuts in state spending coupled with cuts in middle-class and upper-class taxes, and support for 'illiberal' political leaders who present themselves as saviors of the anxious middle and poor and benefactors of the rich (Friedman 2005).

This suggests that when a national or regional economy (like the EU) is growing fast and most of the population experiences significant growth in real incomes, opportunities will broaden, trust will rise, democratic processes will strengthen, and state aid to 'those who are only just managing' will grow. The average level of moral behaviour will rise, or at least not fall.

Economic performance of the North

Growth in most of the North since the turn of the century has been relatively slow compared to previous decades, and income inequality has risen since the 1980s. The rise in inequality is seen in a higher gap between median income per person and average (or mean) income per person, and in a higher share of the top 10 percent (or top 1 percent) over that of the bottom 10 percent. A startling statistic comes from the US Federal Reserve, which reported that 41 % of US adults in 2017 said they could not meet an unexpected expense of only \$400 without borrowing or selling – down from 50% in 2013 (Federal Reserve 2018).

Economic performance of the world economy

At the world-economy level there seems to be good news, since the 1980s the proportion of the world's population living in extreme poverty has fallen dramatically (using the World Bank's very low bar as the threshold of 'extreme poverty'). The Gini coefficient of inequality between-country average incomes has also fallen since around the turn of the century (both trends are pre-Covid-19). (Wade 2020a)

On the face of it, this might suggest that average moral behaviour is improving on a global scale. Not so fast. First, world economic growth has steadily declined decade by decade since the post-war decades, despite the opportunities for expanding globalisation.

Second, very few developing countries have become developed. Another startling figure is the number of 'non-western' 'countries' which have become 'developed' in the *past two centuries*: only around seven, even when we expand

the boundaries of the categories in quotation marks to the outer limits of plausibility. They include: Japan, Russia, Hong Kong, Taiwan, South Korea, Singapore, Israel. Using World Bank thresholds, only 10 % of the 101 middle-income countries in 1960 reached high-income by 2008, half a century later (excluding countries with under 5 million population). The 10 % constitute a tiny sliver of the world's population. The low rate of upward mobility gives some substance to the idea of 'the middle-income trap' (World Bank 2013) or 'middle-capability trap'.

The EU, too, has a pronounced 'center-periphery' structure, the periphery in south and east, the center in north and west; and virtually no movement from one to the other since the 1980s. Standard measures of between-country inequality, like the Gini coefficient, obscure the North/South bipolar structure. Third, the North/South income gap remains huge. The average income of the *wealthiest quartile of the population of the South is one quarter that of the poorest quartile of the North.*

The overall result is that broad cross-sections of countries' and regions' populations have lost or never had confidence in getting ahead economically for themselves and their children. At the same time, they are today much more aware, compared to prior generations, of their 'falling behind' status relative to their own country's elites and to the (social media image) of 'typical' westerners. These economic conditions constrain the level of moral behaviour.

Cause-effect mechanisms and moral behaviour

This perspective allows us to trace through several cause-effect mechanisms that affect the level of moral behaviour;

- Cheap labour in the South puts downward pressure on wages in the North, through trade and migration, *raising income inequality in the North.*
- Southern elites aim for northern elite consumption levels, *rising inequality in the South.* The average income of the bottom five percent of Chile equals the bottom five percent of Mongolia; the average income of the top two percent in Chile equals the top two percent in Germany (Milanovic 2019).
- *Politics of the North are constantly roiled* by the efforts of migrants from lower-income countries to cross borders into the North, while existing residents increasingly resist using a variety of dehumanizing stereotypes to justify the morality of their resistance.

- *Right-wing political leaders build support* on the back of voters' 'left-behind' grievances by blaming migrants, Jews, Muslims or Others for shortages of housing, health care and employment.
- *Politics in the North and in the South shifts towards 'illiberal democracy', 'authoritarianism', and 'identitarian politics'* as elites defend against social unrest fuelled by relative deprivation, amped up by social media.
- *Democracy is 'in recession' around the world.* The Freedom House Index of global civil and political rights has *fallen every year since 2005;* and other prominent global democracy barometers show the same global trend, including both advanced (eg US, UK) and new (eg Poland, Hungary, Turkey) democracies, and including hardening autocracies. (But the share of people who think democracy is a bad system is significantly higher and rising faster in 'weak' democracies' than in 'strong' ones.) Democratic recession goes with *social polarization and mobilization of identity politics* (Diamond 2015, Milstein 2020).

But the Covid-19 crisis reminds us that the standard distinction between 'democracies' and 'authoritarian regimes' is too simple, despite the generally-believed argument that democracies have inherent advantages over authoritarian regimes because they score higher on flexibility of decision-making, accountability of local governments, and transparency. That distinction is cross-cut by the distinction between 'high trust societies' and 'low trust'. China has been strikingly successful in combating C-19 compared to the US ('the beacon of democracy') and India ('the largest democracy in the world'): as of 20 September 2020, 0.1 million confirmed infections, as against 7 million and 5.5 million. The standard western narrative says that China's success in implementing drastic measures is due to top-down, Leviathan imposition on the people. It ignores that China's efforts in combating the pandemic enlisted active cooperation between state and people, less evident in the US and India (Dic Lo, 2020).

I began with a caution against focusing on micro details of how to promote ethical behaviour in boardrooms and workplaces while overlooking the level of moral behaviour in the society at large. I explained the link from economic conditions to moral behaviour. I then argued that economic conditions in both North and South are characterised by (a) slow growth of real incomes for most of the population, (b) fast growth at the top, and (c) widespread social-media knowledge of people living 'better than us'; while economic conditions for most of the population of the South remain far worse than even poor people's in the North. These conditions have a depressive effect on moral behaviour.

To raise the level of moral behaviour in a society and in the world at large the economic conditions have to change. The agenda has to include at least the following:

- Shift away from arrangements (in both North and South) that create a high level of *'precarity'* in the population towards social insurance and towards corporations with long time horizons, stable relations with bankers, and stakeholders able to express concerns beyond profit maximization and shareholder value.
- Revise the international 'code of capital' to enable governments to restrain capital's privileges in line with a stronger direction of *public purpose*, within the rule of law. At present this code gives holders of capital the ability to choose among many legal systems where they incorporate their assets to find the one that offers them the best benefits in terms of taxes, regulation, shareholder benefits, profit repatriation, entry and exit, *without having to move themselves or their business there*. So states compete to offer the most benefits, lowest taxes, least regulation (Pistor 2019, Slobodian 2018). There must be limits placed on the *place of incorporation*, to shrink the scope for tax avoidance and regulatory arbitrage.
- Revising the 'code of capital' entails revising the international rules which since the 1980s and 1990s have made the WTO, IMF and World Bank into champions of the vision of the global economy integrated by the free flow of capital, unrestrained by governments or publics: rules like the WTO's TRIPS and TRIMS, and Investor-State Dispute Settlement. In turn, international organizations should be governed not (as now) by executives of national governments but by representatives chosen by parliaments so as to give publics opportunity to take responsibility for international affairs and form alliances across national borders.
- Protect the independence of the judiciary and the freedom of the press against rampant attacks underway in both young democracies (eg Hungary, Poland, Turkey) and long-established ones (eg UK, US).
- In the South, construct more regional institutions giving the South protection from northern pressures; more organizations like the Asia Infrastructure Investment Bank, New Development Bank, Chiang Mai Initiative (Wade 2004, 2014, 2020a, 2020b).

Governments of lower-trust societies (eg US, UK, India) governments must make investments to reduce distrust among the citizenry.

- Diamond, L. 2015, 'Facing up to the democratic recession', J. of Democracy, 26 (1), January.
- Dic Lo, 2020, 'The politics of Covid-19 reflex vs. reflection', SOAS, 22 September, blogs.soas.ac.uk/china-institute/2020/09/22/the-politics-of-covid-19-reflex-vs-reflexion
- Federal Reserve, 2018, Report on the Well-being of U.S. Households in 2017. Washington DC.
- Friedman, B. 2005, The Moral Consequences of Economic Growth. Alfred Knopf.
- Goodman, P. 2020, 'Profits still come first', New York Times (International), September 23.
- Milanovich, B. 2019, 'Global inequality: Chile: the poster boy of neoliberalism who fell from grace', October 26, glineq.blogspot.com/2019/10/chile-poster-boy-of-neoliberalism-who.html
- Milstein, A. 2020, 'Covid-19 accelerating 'democratic recession', warns Larry Diamond', The Stanford Daily, April 20.
- Pistor, K. 2019, The Code of Capital: How Law Creates Wealth and Inequality, Princeton University Press.
- Slobodian, Q. 2018, Globalists: The End of Empire and the Birth of Neoliberalism, Harvard University Press.
- Uchitelle, L. 2002, 'Challenging the dogmas of free trade', *New York Times*, 9 February.
- Wade, R.H. 2004, Governing the Market, Princeton University Press.
- Wade, R.H. 2014, "Market versus state' or 'market with state': how to impart directional thrust", *Development and Change* 45 (4): 777-98.
- Wade, R.H. 2020a, 'Global growth, inequality, and poverty: power and evidence in global 'best practice' economic policy', chapter 12, J. Ravenhill (ed), *Global Political Economy*, 6e, Oxford University Press.
- Wade, R.H. 2020b, 'The world economy as a two bloc hierarchy', *Real-world Economics Review*, 92, June.
- World Bank 2013, *China 2030: Building a Modern, Harmonious, and Creative High-income Society*. Washington DC.



STRENGTHENING GOVERNANCE AND FIGHTING CORRUPTION TO FOSTER SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH

Rhoda Weeks-Brown

**General Counsel and Director of the Legal Department,
International Monetary Fund (IMF)**

Rhoda Weeks-Brown is General Counsel and Director of the Legal Department of the IMF. She advises the IMF's Executive Board, management, staff and country membership on all legal aspects of the IMF's operations, including its lending, regulatory and advisory functions. Over her career at the IMF, she has led the Legal Department's work on a wide range of significant policy and country matters. Ms. Weeks-Brown was named one of the Top 27 Global General Counsels (2020) by the Financial Times and one of the Top 5 General Counsels in the area of Promoting Ethical Standards.

STRENGTHENING GOVERNANCE AND FIGHTING CORRUPTION TO FOSTER SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH

Corruption, the abuse of public office for private gain is about more than wasted money: it erodes the social contract and corrodes the government's ability to help grow the economy in a way that benefits all citizens. Indeed, the origin of the word 'corruption' implies disintegration, rotting, decomposing, devastating effects on both social bonds and economic progress.

When corruption is pervasive, it undermines and destroys the necessary foundations for economic development and can lead to civil strife and political conflict. Ultimately, corruption directly undermines the IMF's basic objectives of promoting global economic stability and helping its member countries achieve strong, sustainable and inclusive economic growth.

The dire economic impacts projected to result from the COVID crisis including severe economic scarring, declines in living standards and massive increases in inequality and poverty have made the fight against corruption more urgent now than ever before. With consequences this severe, it is imperative that public funds are not lost to poor governance vulnerabilities and corruption. The IMF, accordingly, is unwavering in its commitment and efforts to help its member countries strengthen governance and fight corruption.

Macroeconomic impact of corruption

Through a number of channels, corruption can profoundly impair a country's macroeconomic position, financial stability and regulatory frameworks.

On the revenue side, corruption results in massive lost revenues and can ultimately delegitimize the tax system, leading to low tax compliance. IMF research shows that the least corrupt governments collect 4 percent of GDP more in taxes than those at the same level of economic development with the highest levels of corruption. In turn, this tax revenue loss decimates governments' capacity to pay for the critical infrastructure projects and other productive expenditures needed to boost economic growth.

On the expenditure side, corruption leads to manipulated procurement processes and off-budget transactions, resulting in both higher public expenditure and lower-quality public investment. Corruption also distorts public spending by skewing it towards kickback-generating projects and away from investment in education, healthcare and effective infrastructure that can deliver large economic and social benefits.

Corruption weakens financial oversight and stability. This can lead to lax lending practices, poor banking supervision, and unwarranted regulatory forbearance threatening the stability of the financial system. More broadly, corruption hurts a country's legal and enforcement framework. It creates incentives to maintain unchecked discretionary power, and complex and opaque regulations that undermine transparency and accountability and stifle innovation and competition.

The pernicious effects of corruption also extend to the private sector, as corruption impedes foreign and domestic investment. The costs associated with corruption, including compliance costs, regulatory uncertainty and increased 'country risk,' are a form of tax on investment.

Corruption also has disastrous effects on social outcomes, which in turn have knock-on economic effects. Spending on education and health is typically lower when corruption is rampant, making it harder to reduce poverty and inequality. Among low-income countries, for example, IMF research shows that the share of the budget dedicated to education and health is one-third lower in highly corrupt countries.

The IMF's role in addressing governance vulnerabilities and corruption

Given these significant macroeconomic effects, addressing corruption falls squarely within the IMF's mandate. Our policy framework in this area, recently enhanced in 2018, focuses on governance vulnerabilities, and not only corruption. This approach reflects the realization that it is not effective to treat corruption solely as crime with a focus on catching and punishing the perpetrators. Rather, the most sustainable way to end corruption is to address underlying governance vulnerabilities the 'cracks' through which corruption can enter and spread in the first place.

Accordingly, the IMF's policy focuses on corruption, but also on the adequacy and effectiveness of the institutions and frameworks underlying six key governmental functions: fiscal governance, financial sector oversight, central bank governance and operations, market regulation, rule of law (with a focus on contract enforcement and other property rights), and anti-money laundering and counter-terrorist financing.

We assess these issues in our member countries on a regular basis. If the assessment for a particular country shows severe governance and corruption vulnerabilities, then our annual economic review of that country (called an 'Article IV consultation' after the relevant provision of the IMF's Articles of Agreement) will analyze the weaknesses and economic impact, and provide tailored policy advice to help address them. If a country seeks IMF financing, it can also be called upon to address these vulnerabilities as a condition for that financing.

We also provide technical assistance and training to strengthen our member countries institutional and human capacities to fight corruption. A key tool in these capacity development efforts has been our governance ‘diagnostic’ reports in-depth, country-tailored assessments of corruption and governance vulnerabilities that draw heavily on local knowledge and expertise and ultimately provide a blueprint for countries reform efforts.

Since 2018, our members, in particular those with more advanced economies, have also been encouraged to have the IMF assess their frameworks against transnational corruption specifically, the extent to which they effectively criminalize and prosecute the bribery of foreign public officials and prevent the concealment of proceeds of corrupt acts. Powerful multinational corporations and other actors that bribe foreign officials often come from richer countries with large financial sectors, where proceeds of corrupt acts are often concealed and laundered. These countries might not suffer direct economic impacts from corruption elsewhere, but weaknesses in their legal and institutional frameworks contribute to global corruption. Here, the private sector has a role to play, as it is private actors in these countries that most often facilitate global corruption.

Governance and accountability during the COVID-19 crisis

The COVID-19 pandemic is a crisis like no other, given the tragic loss of life and disruptions in the social and economic order on a scale that we have not seen in living memory. The IMF’s response to help its member countries manage the crisis and save lives and livelihoods has been similarly unprecedented, including in the sheer speed and size of that effort. In only seven months, the institution has provided lending assistance of more than US\$100 billion to over 80 countries, including over US\$30 billion in emergency financing to 76 countries (as of October 20, 2020).


Despite the speed of this response, we have focused on safeguards to ensure that appropriate governance, transparency and accountability measures are in place even for the IMF’s rapid emergency financing. This financing supports countries’ commitments to level up healthcare spending and provide income support for affected households and businesses. Our advice to countries has been ‘spend what you can, but keep the receipts.’ Governments, in turn, have made firm commitments to address governance, transparency and accountability, including to undertake credible audits of crisis-related spending and publish the results; to publish crisis-related procurement contracts, including information on the companies awarded contracts and their beneficial owners; to validate the delivery of services and products under the contracts; and to use various budget mechanisms to facilitate the tracking and reporting of emergency expenditures. The IMF is also providing technical assistance to some countries to help them implement these commitments.

Monitoring the implementation of these commitments will be key, and some countries have already begun publishing audits and information on procurement contracts. IMF country teams will follow up with the authorities on their implementation and include updates in future country reports. In many countries, it is expected that civil society, media and other stakeholders will also play a part in following up on the commitments implementation.

Support for sustainable and Inclusive growth

Our focus on governance weaknesses and corruption is part of the IMF’s mission to promote global economic stability, and to help its members achieve strong, sustainable and inclusive economic growth. In this global fight, the IMF has a key advantage thanks to the close and ongoing dialogue that we have with our member countries through the Article IV consultation process, as well as through our financing and capacity development. The IMF also benefits greatly from close collaboration with other institutions, including the World Bank, UN, OECD and FATF, to leverage their expertise and minimize duplication. Our ongoing engagement with those on the ground is also critical, including civil society, the private sector, academia and media.

Ultimately, success in improving governance and curbing corruption depends on a number of factors, including high-level political ownership indeed, leadership of the reform effort, along with country-relevant legal and institutional reforms, development of institutional capacity, and a joint effort with international and domestic partners. It also requires a long-term commitment, as the process is frequently non-linear and requires the persistent implementation of reforms over many years.

The IMF has a long-term commitment to this effort. The ultimate goal is to avoid economic and social ‘disintegration’ from the disease of corruption. And to achieve instead the ‘integration’ that flows from a global economy that is more productive, efficient and inclusive. This goal is hugely challenging but achievable, as we work assiduously together with our member countries and other partners in this critical fight. 



UNLEASHING THE ETHICAL LEADERSHIP IN THE ERA OF CONSCIOUS CAPITALISM

Shinta W. Kamdani

Chief Executive Officer and Owner, Sintesa Group

As Owner and Chief Executive Officer of the Sintesa Group, Shinta is responsible for the Management and Expansion of the Group's business interests in Indonesia. As part of her achievement, she received awards amongst others from FORBES Asia's 50 Powerful Businesswomen (2012, 2013, & 2016). And in 2019, she was awarded as Woman Entrepreneur of the Year at the Asia Corporate Excellence & Sustainability Award (ACES Award).

UNLEASHING THE ETHICAL LEADERSHIP IN THE ERA OF CONSCIOUS CAPITALISM

Capitalism provides the biggest virtue in fostering economic growth, accelerating innovation, and has become the dominant economic system. While the benefits of capitalism are self-proving, we live in a world with stark disparities of economy and society within and across countries. The vastly unequal well-being and living conditions of people all over the world are raising awareness of systemic causes. The top 42 individuals possess wealth equal to the 3,7 billion of the world's poorest as more than 80% of the global wealth generated in 2017 was distributed to the top 1%. In contrast, one in nine people lacks access to clean water.

Moreover, the COVID-19 pandemic has made it even more obvious. It has infected millions of people and brought a global recession. The latest IMF economic forecasts predict that most economies are unlikely to recover significantly for at least 18 months. With the economic and social fallout, the pandemic has widened the magnitude of the inequalities on display. Hence, with this circumstance as the callout, it has become increasingly clear that the single-minded concept of capitalism needs to be reformed.

Conscious capitalism

Conscious capitalism is a breakthrough, by combining the pros of capitalism with global conscious movement, a powerful definition of building inclusive growth. It adds a new meaning beyond traditional capitalism, which adds elements like trust, compassion, leadership, stakeholder engagement, value creation, sustainability on top of the competition. Hence, for a real transformation of the inclusive growth, we need the drivers of the economy to step up, which is business. Adopting conscious capitalism does not mean that we can't pursue profit. We can actually pursue both: balance in stakeholders and financial performance. Business, after all, benefit from an inclusive economy. According to the Harvard Business Review in 2013, companies that practice "Conscious Capitalism" perform ten times better than their peers. Fundamentally, business is about people working harmoniously to create value. However, rather than seeking value through resource exploitation, business needs to seek value creatively, strategically, and with compassion in society and the environment. Eventually, in recovering from the economic downturn, conscious capitalism provides business with strategic and creative guidance in achieving a wide variety of stakeholders' goals, and at the same time creating long-lasting value to the organizational performance.

However, even businesses that hold true to the values of conscious capitalism are often perceived as untrustworthy, an oxymoron, as some sort of PR to gain reputation or customer's trust. Research from The Gallup Organization in 2020 found only 18% of the American public believe that business executives are honest and ethical. Moreover, it also reported that organizations lose 5% of annual revenue to fraud each year, which translates to more than \$4,5 trillion global fraud loss, 44% of which are susceptible to corruption.

Ethical leadership

Corruption can destroy development and cause enormous economic losses. Every year, we waste around \$2 trillion only on corruption. This does not include social costs due to increasing inequality in society and organization. Clearly, ethical leadership is the key to promote economic and social development. Ethical behavior is defined by knowing and doing what is right and avoiding what is wrong. Hence, ethical leadership is about building an organizational environment and guiding principles that prevent people from doing the wrong thing, from occupational fraud, corruption, to harming the environment.

However, beyond this construct, leaders need to set a higher purpose for the organization. Without a higher sense of purpose, the organization will not move in the same direction in harmony. Purpose can be thought of as a personal magnet that glues the ecosystem together and aligning it with a higher aspect of what it means to be an organization that brings positive change to humanity and nature.

Promoting ethical investing

Corporations can be major players in ethical investing. Previously, corporations have adapted to implement Corporate Social Responsibility (CSR) programs that ensure the compliance of ethical standards, strengthen relations with stakeholders and making a positive impact through charitable donations and sustainable practices. However, corporations have an opportunity to make a greater contribution by building a financial mechanism for deploying ethical investing, or so-called ESG investing (environmental, social, and governance). By embracing impact investing opportunities, corporations can identify ethical innovations that could help to pursue new business opportunities and, at the same time creating strategic value for shareholders.

On a positive note, the COVID-19 crisis has highlighted the advantages of ESG investing. According to Morningstar, by far, ESG funds have performed better than traditional investment during COVID-19, with average excess returns in Q1-2020, ranging between 0.09% and 1.83% across categories.

Inclusive ethical governance

To magnify the agenda towards inclusive and conscious capitalism, businesses alone cannot be held accountable to achieve conscious capitalism for inclusive growth; business and government at all levels and across sectors need to work collectively for necessary transformation. Thus, we need to create a new kind of synergies for inclusion that can be established, apart from the important role of business leaders in becoming ethical stewards. Responsible government is also an essential element. On top of establishing the formal regulation and policy, the government needs to set an example for others to follow in fostering ethical culture and promoting good conduct. The low trust of the government could make it harder to implement necessary reform, as it brings friction between society, businesses, and government, which could prevent the country from restoring economic growth and social well-being in particular during the COVID-19 crisis.

One of the keys in rebuilding trust in government is ensuring the presence of a clean government, as corruption represents the most common fraud schemes (48% of cases) within the area. By building a strong and efficient institution and promoting public procedure transparency, the public sector can reduce opportunities for corruption. More importantly, tackling corruption need Collective Ethical Leadership between public and private sectors. After all, there are some cases where bribery in the public sector stemmed from private sector action. Thus, by upholding ethical conduct, integrity, and leadership, the private sector can dismiss themselves from the equation. The government, on the other hand, also needs to provide a regulatory incentive to rewards corporations for ethical stewardship in promoting conscious leadership and innovation.

In creating synergies between public and private organization, the role of business association remains critical to promote collective business action. Such organizations as ICC and WBCSD (World Business Coalition of Sustainable Development) have built powerful coalition and network that can facilitate sharing of knowledge, accelerate the adoption of standard, develop public-private user policy advocacy, and partnership in driving conscious economy, innovation and investment. 



ENHANCING GLOBAL CORPORATE ACCOUNTABILITY: THE CASE FOR A BINDING TREATY ON HUMAN RIGHTS

Prof. Githu Muigai

Member, UN Working Group on Business and Human Rights

Prof. Githu Muigai is an Associate Professor of Law, Department of Public Law, University of Nairobi, Chairman at the Council of Legal Education in Kenya, and Senior Partner, Mohammed & Muigai Advocates. He previously served as a Commissioner in the former Constitution of Kenya Review Commission, as judge to the African Court on Human and Peoples' Rights between 2008 and 2010. He was Chief Legal Adviser to the Government of Kenya as Attorney General between 2011 and 2018. As from 2018 Prof. Muigai is a member of the UN Working Group on Business and Human Rights.

ENHANCING GLOBAL CORPORATE ACCOUNTABILITY: THE CASE FOR A BINDING TREATY ON HUMAN RIGHTS

The 21st-century economy is dominated by large multinational corporations. These corporations create employment opportunities, provide expertise and technology and substantially contribute to the economies of the countries within which they operate. The corporations in turn harness the resources of the host country and benefit from prodigious profit margins as a result.

Despite this mutually beneficial and codependent relationship, multinational corporations have numerous times been ill-famed for tax evasion, bribery and corruption, and most significantly human rights violations across the globe. From the conscious supply of equipment used in war-torn countries, to the dumping of billions of gallons of toxic products, oil and chemicals in natural resources, to the forced labour, forced migration and inhumane working standards of local workers, to the contracting of private military personnel to kill, oppress and intimidate locals, to Employee discrimination based on religion, race, gender and age, to child labour and child slavery, the otherwise criminal conduct of multinational corporations has left behind a plethora of victims in its wake.

The Universal Declaration of Human Rights (UDHR) 1948 was established to buttress the provisions of the United Nations Charter following the impact of World War II, specifically with regard to the enumeration of global human rights and fundamental freedoms in a bid to affect the same. The UDHR primarily aimed to regulate human rights and fundamental freedom violations by Governments either against its own citizens or against other member states and enhanced individual freedom and dignity. Over time the Articles envisaged under the UDHR were augmented through international treaties, regional instruments and national legislation to extend to local businesses in both the public service and private sector. Most progressively, business operations began to transcend borders birthing multinational corporations and coincidentally creating a lacuna in human rights regulation. Then begged the question, how are multinational corporations in foreign jurisdictions to be regulated for human rights violations?

Consistent effort to enforce human rights generally through the introduction of the nine (9) core internationally binding treaties on human rights, it should be noted that not all member states of the United Nations are signatories to each

of the said core treaties thereby creating lack of uniformity in the entitlements and remedies available to victims and leads to inconsistency in the enforcement of human rights as a whole, the world over. Further, the core treaties are drafted in a generalized manner that fails to comprehensively address and curb the human rights violations that arise in today's global canvas. The last of these core-binding treaties was enacted in 2006. There is consequently a need to streamline the internationally binding treaties on human rights to reflect the circumstances of the day. This more urgent in the area of Business and Human rights.

To date, some gallant efforts to enforce human rights in the business sector across nations have been made, yet much remains to be done. In 2011 the United Nations Human Rights Council endorsed the UN Guiding principles on Business and Human Rights and simultaneously created the Working Group on Business and Human Rights mandated to disseminate and implement the said guidelines. Additional efforts have materialized into mediums such as International Labour Organization (ILO) conventions, recommendations and declarations, United Nations Codes of Conduct, Organization for Economic Co-operation and Development (OECD) guidelines and stakeholder principles initiatives. However, these instruments are inherently soft law and purely persuasive in nature, therefore incapable of binding any member state, local or foreign business entity or individuals.

The Working Group in particular has undoubtedly made tremendous strides in the popularization of the UN guiding principles and encouragement of nations to adopt national action plans. The same may very well be said of each of the aforementioned institutional efforts whose mandates equally remain relevant. It is on the basis of this progressive foundation that a need for a Binding Treaty to solidify and consolidate these efforts is necessary.

The current international legal framework on human rights is dissimilitude, while the international legal structures on human rights in the business sector remains discretionary, effective enforcement leaves a lot to be desired by victims of human rights violations.

Proposed Binding Treaty on Business and Human Rights

Alive to the aforementioned global landscape, the United Nations Human Rights Council adopted a resolution sponsored by South Africa and Ecuador in June 2014, to establish an open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to Human Rights. The mandate of the working group is to elaborate an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises.

A zero draft of the proposed Treaty on Business and Human Rights was published in 2018 by the established intergovernmental working group. The zero draft was quickly succeeded by a revised first draft of the proposed treaty in 2019 and most recently, a second revised draft of the proposed treaty was published on 6th August 2020 in anticipation of the next intergovernmental review session scheduled for 26th to 30th October 2020 in Geneva.

The salient features of the proposed Treaty on Business and Human Rights include:

- The zero draft of the proposed treaty singularly targeted transnational corporations. However, following intergovernmental discussions, the second revised draft is now geared towards all business enterprises regardless of size, sector, location, ownership and structure. This amendment recognizes that human rights violations may be committed by transnational, national and state-owned entities and consequently aims to apply the provisions of the Treaty equally and uniformly across all stakeholders.
- The original draft of the proposed Treaty placed direct obligations solely on contracting states. The second revised draft of the treaty has since modified this position to incorporate direct obligations on companies so as to implement an active disposition on the part of business enterprises and avoid unfairly and strictly overburdening contracting states i.e. the proposed Treaty requires that Business entities take appropriate measures to prevent and mitigate effectively the identified actual or potential human rights abuses including in their business relationships. It further provides that states should impose liability at the domestic level on the Business enterprise for failure to do so.
- Article 6 of the second revised draft of the proposed Treaty on prevention provides that states shall require Business enterprises to conduct due diligence proportionate to their size, risk of severe human rights impacts and the nature and context of their operations including their business relationship with entities that are not under their direct control but form part of their operations. There has been contention from multinational corporations that the scope of Article 6 is too wide. A review of case law on human rights violations by business enterprises globally reveals that majority of these cases that result in litigation, turn on issues of limited liability company, doctrine of corporate veil, knowledge and control of business operations, interpretation of domestic and international laws, jurisdiction and concealment of business assets, against the victims of human rights violations and in favor of the business entities. Accordingly, the drafting of these provisions seeks to eradicate the injustices and legal loopholes established in case law and domestic legislation against human rights violations and in order to create an effective Treaty.

- To further support the contents of Article 6 aforesaid, the proposed Treaty provides that all contracting states shall recognize and enforce corresponding contracting states court orders on human rights violations by business entities. The Treaty aims to strengthen access to effective remedy at a national, regional and international level by guaranteeing extraterritorial enforcement of human rights laws.
- The proposed Treaty requires that states establish comprehensive and adequate systems of legal liability against human rights violations including criminal, civil, and administrative liability against business entities and natural persons within the said businesses. Notably, there is a need to specify the extent of liability by natural persons i.e. whether liability shall extend to the directors or the shareholders of a company and if so to what extent of liability. The current wording of this provision leaves room for flood gates of litigation against business entities and natural persons.
- Even so, the contents of the proposed Treaty are reflective of a working draft that has primarily tackled the short comings of the present legal framework that underpins the regulation of human rights in the business sector, but one that is open to the contributions, participation and constructive criticisms of governments, business entities and victims of human rights violations towards perfection of the Treaty.

While there have been concerns by nations that the intended binding Treaty should be consistent with international law and compatible with ratified treaties, the intended binding treaty breathes new life into ratified treaties and builds upon the principles established under the UN Guidelines amongst others, transitioning the provisions from persuasive law to binding law. The Treaty additionally references other existing international laws on the subject matter and therefore actively operates towards cohesion, effectiveness and expansion of existing legislation. The Treaty is ideally a crystallization of the efforts, protocols, policies made by nations to combat human rights violations in the business sector around the globe.

It is recognized globally that member states have different legal systems with different processes and standards in enforcement of human rights. It is also considered that human rights violations are varied in type, prevalence and impact on victims in the business environment. Still, continued concerted efforts on buy-in and consensus building by stakeholders and cross-referencing legislation will facilitate harmonized minimum human rights standards in the business sector globally.



BUSINESS LEADERSHIP AND THE DRIVE FOR STAKEHOLDER CAPITALISM

Dr. Ngozi Okonjo-Iweala

Special Envoy, African Union

Dr. Ngozi Okonjo-Iweala is special envoy of the African Union to solicit international support to help the continent deal with the economic impact of the COVID-19 pandemic since 2020.

Dr. Okonjo is Nigeria's candidate for the position of Director General of the WTO. Previously, she served as Minister of Finance for the Federal Republic of Nigeria, between 2003-2006 and 2011-2015. She previously served as a Managing Director of the World Bank where she had oversight responsibility for the World Bank's operational portfolio in Africa, South Asia, Europe and Central Asia.

BUSINESS LEADERSHIP AND THE DRIVE FOR STAKEHOLDER CAPITALISM

We find ourselves in a moment where economic success is being redefined around the world. In a shift from shareholder to stakeholder capitalism, business and government must both be part of this change. Given the inequality that predated the pandemic, but has now been exposed as never before, we need bold ideas from leaders to build a cleaner, fairer economy that better serves people. Now more than ever, business leaders, in particular, are being asked to step up and shape the economy of the future the economy that addresses stakeholder needs.

The stakes and expectations around business leaders are high. The 2019 Edelman Trust Barometer shows that while governments struggle to be seen as competent, ethical and fair, trust in business is stronger than ever. Business recognized for driving prosperity and being the engine of innovation is increasingly being called on to shape multi-stakeholder solutions and to demonstrate vision where governments need support. The moment and opportunity for redesigning our economic system is now, and business leaders are well placed to lead the charge.

Many business leaders already understand the call for them to shape a new form of more people conscious capitalism. The 2019 Business Roundtable statement, and many business-led initiatives since, have affirmed that “business as usual” is no longer an option, although of course action lags behind the rhetoric. Nevertheless, these businesses increasingly identify that their responsibilities stretch beyond their shareholders to society, people, and workers. It includes integrity, preventing corruption, waste, and mismanagement, which hinder economic development and directly harm the world’s most vulnerable. It also includes husbanding the environment and being part of the solution to the challenges of climate change. Business leaders further understand that clean, fair trade that respects labour rights is one of the best means for delivering on the Sustainable Development Goals and strengthening our global economy and social fabric at the scale we urgently need for the post-pandemic economy. Business commitment to inclusion and people conscious capitalism will be critical to leveraging the benefits trade can deliver to producing shared prosperity.

Recently, CEOs and business leaders have been increasingly vocal on the importance of purpose over profit. As they take on the role of ethical stewards, they must now also walk the talk on issues of stakeholder capitalism. Dedication to integrity and anti-corruption is central to realizing this ambition, and lately

businesses have taken important steps to demonstrate their commitment to this new way of doing business.

Months into the COVID-19 pandemic, several pharmaceutical companies made a pact to prioritize the safety and well-being of people over competitively rushing untested vaccines to market. They pledged not to make a profit on the bottom line for access to vaccines. Collectively waiving the financial advantage of being the first to take a vaccine to market in favor of reassuring the public that they are not cutting corners in the manufacture and testing of these vaccines is a bold example of prioritizing people over profit. Given a history of profiteering for big pharma, this pact is a significant shift in the direction of people conscious capitalism.

In 2020, Danone set a new standard in its commitment to stakeholders. During the company’s Annual General Meeting, 99% of its shareholders supported a resolution to allow the company to adopt the “Entreprise à Mission” model. This model, introduced by French law in 2019, recognizes a company whose social and environmental objectives are aligned with its purpose and set out in its Articles of Association. Danone is the first listed company in France to adopt this new model. In so doing, Danone has set a new standard for stakeholder governance and accountability.

Companies committed to paying their fair share to the social and economic development of the countries where they operate, and acting with integrity have begun to develop a responsible corporate tax movement. Companies such as Vodafone, Allianz, Repsol and Safaricom have established themselves as leaders on responsible tax, acknowledging that the transparency of corporate tax payments the primary way that companies contribute to public funds will have significant returns in terms of trust and a sustained social license to operate. Fair contributions to the public purse are even more important in a time of unprecedented spending to protect and restimulate economies impacted by the pandemic and its continued aftershocks. Business leaders understand that just and inclusive revenue raising policies are key to delivering the social infrastructure, job skills and investments needed to ensure a sustainable recovery.

But, even with these outstanding leadership examples, it will take more than business alone to get this stewardship right and to bring it to scale. Governments have a role to play. They can help by providing the appropriate policy and regulatory environments that incentivize business to place people above profit. This approach to stakeholder capitalism is what “first in class” business leaders now seek to implement. The task ahead is to scale and multiply these examples so that globally they become the norm rather than the exception.



A BUSINESS INTEGRITY AGENDA FOR THE 'DECADE OF ACTION'

Gonzalo Guzman

Global General Counsel, Unilever

Gonzalo Guzman is the Global General Counsel at Unilever since 2018. He also leads the company's broader Business Integrity team in North Africa, Middle East and CIS countries. Previously, he was GSK's Anti-Corruption Director and before then the Head of Legal Projects at the International Bar Association where he led major global anti-corruption projects with organisations such as the OECD and UNODC.

A BUSINESS INTEGRITY AGENDA FOR THE 'DECADE OF ACTION'

We are at the outset of what has been dubbed the 'Decade of Action', our last chance to react and make vital progress to deliver the UN Sustainable Development Goals (SDGs) by 2030. The success of this final sprint is contingent on achieving tangible results in fighting corruption, promoting transparency and regaining trust, as intended by SDG 16, the goal that recognises peace, justice and strong institutions as crucial foundations of our societies. An integrity agenda is required at the core of this transformative decade and businesses are called to lead its execution with speed, impact and inclusiveness.

Different institutions have taken on a leadership role to mobilise and guide the business community through this period of change and implementation. One of them, the UN Global Compact (UNGC), established an 'Action Platform' with the aim of inviting governments, businesses and civil society to an open policy dialogue to improve accountability, integrity and transparency within businesses and the countries where they operate. The relevance of this initiative was evidenced during the Covid -19 pandemic when the Action Platform mobilised more than 1,000 company representatives to issue a 'Statement from Business Leaders for Renewed Global Cooperation' which is, essentially, a call to the realisation of SDG16 and a recognition that a halt in the progress of that goal will compromise the delivery of the entire SDGs.

At the core of the UNGC Statement is a commitment from businesses to enhance ethical leadership, good governance, values-based strategies, stakeholder engagement and collective action. This echoes, to a great extent, the 'Agenda for Business Integrity' that is being developed by the World Economic Forum's Global Future Council (GFC) on Transparency and Anti-Corruption. This group of experts was formed in late 2019 to provide thought leadership around four key pillars of action by companies; (i) commitment to ethics and integrity beyond compliance; (ii) strengthening corporate culture and incentives to drive continuous learning and improvement; (iii) leveraging technologies; and (iv) supporting collective action to increase scale and impact.

The substantive work of the GFC, which is contained in four separate white papers, highlights businesses' social responsibility to respond to the current concerns of corruption, poverty, exclusion, social unrest, climate change, and health threats. To respond successfully, companies will need to depart from simply complying with the law to also developing values-based programmes that enable them to regain trust. Businesses need to integrate multiple compliance systems into coherent approaches that glue human rights, sustainability

and anti-corruption together. This transformation, also recently advocated by the Organisation for Economic Cooperation and Development (OECD) and the International Chamber of Commerce's Commission on Corporate Responsibility & Anti-Corruption (ICC), will not only offer economies of scale but it will also provide coherence in risk management and more effective and inclusive cooperation between businesses and their stakeholders.

The GFC's Business Integrity Agenda also invites companies to rethink the way they build strong cultures of integrity by empowering employees to apply reasoning and judgement to the ethical dilemmas that they face while navigating the complicated landscape of incentives and rewards, competitive pressure and conflicting messages about performance and integrity. The future of business integrity requires the departure from a static tone-at-the-top to a more dynamic and holistic approach where organisations invest in strengthening their ethical leadership, values-based strategy, adequate oversight and stakeholder trust. Unsurprisingly, the advocacy efforts of the GFC and the UN Global Compact Business Leaders Statement coincide in this point.

The GFC has considered technology as the most promising driver of integrity for the private and public sector. The use of data, analytics and tech-based solutions will provide companies with ethics and compliance programmes that can support their values-based culture transformation in an insightful and impactful way. Likewise, the relevance of all forms of e-government as means of preventing the risk of corruption is indisputable and, together with the reduction of red tape, the decrease in timeframes for routine governmental transactions and the elimination of unnecessary face-to-face interactions with public officials, constitute the most important package of measures to reduce the risk of corruption for companies, public officials, and citizens in general. Business leaders are urged to encourage and support the public sector in the adoption of these technologies and to transform their own internal policies to promote their use among employees.

The work of the GFC, the UN Global Compact and the ICC also coincide on the recognition of collective action as a key factor for the success of sustainability and integrity. This multi-stakeholder cooperation, which forms SDG 17, is crucial to enable partnerships that can accelerate the progress on prevention, detection and reporting of corruption when doing it alone is ineffective or even unsafe. Collective action can also serve as a much-needed vehicle to support small and medium enterprises in their integrity transformation and it will also be an effective method to explore opportunities to integrate actions in areas such as anti-corruption, business and human rights and environment protection. Technology, once again, will have a central role on the success of collective actions, as a catalyst for increasing the scale and impact of these types of initiatives.

Leaders are encouraged to take advantage of the thought leadership that is behind the new Business Integrity Agenda by acting promptly and delivering the SDGs as expected. The 'Decade of Action' will be a unique opportunity to rethink the meaning of SDG 16's targets of peace, justice and strong institutions for businesses. This will demonstrate that 'peace' is not only avoiding armed conflict or urban violence, but also stopping bullying, harassment and all forms of abuse in the workplace. That 'justice' is not only having access to independent courts, but also embedding organisational justice in the running of every business. That 'strong institutions' is not only having accountable, uncorrupted and transparent public authorities, but also building companies that are trustable, ethical and sustainable. The next ten years will hopefully prove that business leaders can transform their organisations into the integrity lighthouses that their value chains, governments and communities need. The clock is ticking.





COMPLIANCE AND CORPORATE PURPOSE: TWO SIDES OF THE SAME COIN

Nicola Bonucci

Managing Director, Global Trade and Investigations and White Collar Defense practices, Paul Hastings

Nicola Bonucci is Managing Director of the Global Trade and Investigations and White Collar Defense practices at Paul Hastings since 2019. Previously, Mr. Bonucci served as the Director for Legal Affairs for the Organization for Economic Cooperation and Development (OECD). He joined the OECD in 1993 as a legal adviser and then became a director in 2005. He has been one of the most prominent international voices in anti-corruption and anti-bribery.

COMPLIANCE AND CORPORATE PURPOSE: TWO SIDES OF THE SAME COIN

Following the 2007-2008 financial crisis, the OECD launched an initiative, still ongoing, on 'New Approaches to Economic Challenges'(NAEC). It is maybe time for the OECD to think seriously at a 'NEAGI' i.e. 'New Economic Approaches to Global issues'. What the current crisis detonated by COVID-19 illustrates dramatically and vividly is that there are no single financial crisis, health crisis or environmental challenges...there are 'global issues' that need to be tackled simultaneously and holistically by the international community at large.

This means that everybody has a role and a level of responsibility; states, cities and local governments, private sector, civil society, academia and last but not least citizens of the world. By acknowledging that everybody has some 'level' of responsibility it is recognized that there are 'common but differentiated' responsibilities between the various actors mentioned above. Within this context, it is submitted that, as far as the business community is concerned, a NEAGI should rest on two pillars.

A renewed understanding of compliance

If one looks at general dictionaries, the first meaning of the word 'compliance' is often related to the notion of complying with 'something', for example, a law, treaty, or agreement and doing what you are required or expected to do in accordance with this 'something'.

It is on this understanding and premise that corporations throughout the world have established and developed compliance programs, in particular since the 90s. However, this approach has now demonstrated its limits and shortcomings. While complying with the law is the minimum standard, 'ethical stewardship' on compliance requires accepting the idea that just because it is legal does not mean that it is right.

There is, however, a second layer of the definition of the word compliance on which we have not collectively sufficiently relied upon so far. Compliance is defined as 'a disposition to yield to others'. One can legitimately argue about the word 'yield' and it would probably be better to work around the idea of 'behaving' in a certain way. Having said that, what is in fact crucial is to behave in relation to 'others' rather than, exclusively, in relation to laws, agreements and regulation. In other words, ensuring compliance could and should be considered much more a behavioral science than a legal exercise.

That also means that managers should be willing and able to test what works and what does not and that this trial and error approach should also be recognized and accepted by the 'others', in particular by some civil society organisations that are systematically in a mere denunciation mode.

The new compliance could be based on a multi-stakeholder and more horizontal approach, it could be the product of discussions with 'others' within and outside the company and subject to evolution and adjustments. This 'behavioral compliance' should be built upon but be clearly distinguished from the necessary conformity with existing law and regulations which remains a necessary but not sufficient condition.

A recent survey carried out by the OECD on drivers and mechanisms for anti-corruption compliance gives a clear indication that behavioral compliance and the legal compliance need to work hand in hand. According to the survey, *'the overwhelming majority of survey respondents (100, or 80.7%, of the 124 respondents whose companies had an anti-corruption compliance programme) indicated that avoiding prosecution or other legal action was a 'significant' or 'very significant' factor in their decision to establish the programme. An even greater percentage (110, or 88.7%, of the 124 companies) indicated that a desire to protect the company's reputation was a 'significant' or 'very significant' factor'.*

From shareholder value to stakeholder management?

The term 'others' to which we referred above has not really be defined but one can legitimately assume that it is captured by the notion of stakeholder. Discussions on shareholder vs stakeholder are not new but they are now taking a different twist and shifting towards a redefinition of the corporate purpose.

In summer 2019, the US Business Roundtable (an association of CEOs of US leading companies) adopted a Statement on the Purpose of a Corporation. The Statement has been endorsed by 181 CEOs *'who commit to lead their companies for the benefit of all stakeholders - customers, employees, suppliers, communities and shareholders'.*

Almost at the same time, the French parliament adopted a new law ('Loi Pacte') that established two innovative concepts. First, the fact that a corporation could request a new corporate status: the *'mission-driven corporation'*; second, the possibility for companies to introduce in their by-laws (*statuts*) the pursuit of a *raison d'être* (which conveys, *inter alia*, the notions of founding principles and core values). While the law was looked at initially with skepticism, an increasing number of French companies are now seriously considering these concepts, and for some of them, introducing them in their corporate statutes or


by-laws. Quite interestingly, corporations are also looking at the introduction of these tools also in order to prevent hostile take-overs.

Earlier this year, in the context of its annual shareholder meeting, more than four in ten of Apple's shareholder base voted in favor of a proposal asking it to disclose how it responds to government requests that could limit free expression. It is interesting to note that the company faced similar proposals in 2016 and 2018 that drew less than ten percent approval.

These examples very clearly illustrate that, what is important in today's context, is not so much the *shareholders vs stakeholders* notion, but the fact that corporations are moving from a simple goal of increasing the shareholder value to a more complex management of stakeholders expectations, including, by the way, new expectations from shareholders. This short contribution was trying to demonstrate that compliance and corporate purpose are two sides of the same coin. One cannot go without the other. In this context, what would be needed from business, governments and civil society to accelerate the process we just described for the better?

Business needs to accelerate the process without necessarily having to wait from external pressure be it from government or civil society. This is not anymore a simple question of image and reputation; it is a question of sustainability and maintaining trust in business. Corporations should then act in accordance with their own public statements and should be ready to be assessed accordingly.

Governments should accompany and incentivize the movement through legislative initiatives and tailored policies that will reward good behavior and disincentives sub-standard ones. Governments should accept that regulatory policy never can, nor should be, fixed in stone and it shall encompass an experimental/trial and error dimension. As such, a robust mechanism of retrospective review and evaluation is fundamental to any well-functioning regulatory system. Not enough attention and resources are provided to ex-post impact assessment.

Civil society organizations should continue to maintain the pressure but in a fair and equal manner. There is a general feeling, amongst business executives, that companies that come forward are under a higher level of scrutiny than companies who are below the radar screen. It is a fact that the more transparent a company is, the easier it is to hold it accountable and this is good. However, this should not lead to losing the focus on those who are lagging behind. In this area like in others, we need a level playing field. 



GROWTH, RESPONSIBILITY AND LEADERSHIP

Matthias Thorns

**Deputy Secretary General, International Organization
of Employers (IOE)**

Matthias Thorns is Deputy Secretary General of the IOE since 2019. Matthias supervises the IOE's work related to G20 and G7, human rights, agenda 2030, migration and programmes under an EU framework agreement. His career began as Adviser for Social Affairs in the European Business Federation (UNICE) before moving to the Confederation of German Employers as Adviser and later Deputy Director of the International and European Affairs Department. After leaving the Confederation of German Employers in 2012, Matthias joined the IOE.

GROWTH, RESPONSIBILITY AND LEADERSHIP

A fish rots from the head down. The importance of leadership and its impact on success and failure is an old wisdom no one disputes it. In fact, an unusually high number of countries claim that this proverb originates with them, underlying just how universally accepted is this notion.

Leadership is decisive. This is valid not only in the corporate world, but nowadays also very clearly in politics, positively as well as negatively. But not all leaders face the same challenges. Business leaders operate in specific contexts. CEOs of large companies particularly function on a business model that is oriented towards ever more short-term parameters, for example ever shorter, sometimes monthly reporting cycles. These parameters are not geared to long-term thinking and sustainability. Promoting stronger sustainability approaches means creating the frameworks which are conducive for these businesses. A first step is to rethink the information that is really needed from a company and how often these need to be provided.

Setting the right framework

Conducive framework conditions mean that countries live up to the expectations as expressed in the international human rights conventions and environmental treaties. More than 40 countries have not ratified the ILO core convention, more than 70 countries criminalize homosexuality. It is in this kind of context where ethical stewardship is the most needed, but at the same time the most challenging.

A company on its own will not be able to make a lasting difference in such an environment. How can a company create an open space for employees and uphold diversity if it must inform law enforcement about the sexual orientation of staff? Only in collaboration with peers and stakeholders is it possible to achieve change.

Social Partner organisations play a particular important role, as they can speak-up as the legitimate voice of the entire economy, support the organisation of collective action and jointly engage with governments to demand change. The labour market reforms in Qatar are one of the examples where social partners played a leading role in achieving fundamental change in this regard the abolishment of the kafala system.

Sustainability is not a homogenous agenda in which economic, social and environmental priorities can be equally pushed forward, at the political, or company level. Balancing between conflicting goals and objectives is inevitable.

Investment in certain areas might create desperate needed employment and growth (Sustainable Development Goal 8) but might impact local environment. Robotics and new production models might be more environmentally friendly and price competitive but might negatively impact the number of jobs needed. In short, choices need to be made. Corporate leadership can't do them alone.

The point is to make conscious decisions which consider the different perspectives and needs. Open and serious consultations and engagement are key. Ethical stewardship means to consult the groups affected and take them seriously. The executive management of an Australian mining company failed to do that recently and were forced to leave a clear sign that not only the expectation of corporate behaviour is on the rise, but also accountability in the C-suite.

Ethics of responsibility

Ethical stewardship is about impact, about intended and unintended consequences. It is not about good intentions. Max Weber, the famous German sociologist, made the distinction 100 years ago between the "ethics of conviction" and an "ethics of responsibility". An "ethics of responsibility" judges' behaviour according to its foreseeable results; an "ethics of conviction," in German "Gesinnungsethik", judges action according to the intentions leading to the behaviour. Ethical stewardship must be guided by an "ethics of responsibility". What counts is the real impact on the ground and the possible and unintended consequences. Just having good intentions is not good enough.

This is linked to the fact that sustainability is not about economic dreaming. Nobody can suspend fundamental economic rules based on free competition. Companies must make profit to be resilient, to grow, to employ people. There is nothing wrong with that. In the contrary, growth is important. Harvard Professor Benjamin Friedman speaks about the Moral Consequences of Economic Growth in this regard. In his research he was able to show how economic growth fosters greater opportunity, tolerance of diversity, social mobility, commitment to fairness and dedication to democracy.

Thus, ethical stewardship is not about questioning profits or growth, but focusing on how profits are made and up on what model economic growth is based. There are several key international frameworks that could serve as a north star for any leader.


The UN Guiding Principles on Business and Human Rights clearly outline the rules and responsibilities of governments and companies. We don't need to re-invent the wheel. Together with the International Labour Organization (ILO) and the OECD guidelines for multinational enterprises the UN Guiding Principles comprise recognised principles for responsible corporate behaviour. These instruments reflect global consensus across all stakeholder groups on what is

regarded as appropriate and fair behaviour. Implementing these frameworks is not only the starting point of ethical stewardship, but also the benchmark for it.

Everyone is an ethical steward

Covid-19 has put the limelight on the personal responsibility of individuals. We will only be able to stop the spread of the virus and severe lockdown measures with all its consequences, if we stick to the rules and stay responsible in our private and professional life.

Ethical stewardship is not reduced to corporate leaders or to the political elite of this world. In fact, research tells us that the reason for the ethical engagement of SMEs is deeply rooted in the culture of the companies. It is not so much driven by issues related to repudiation, access to finance or fear of sanctions, but by the conviction of the owners and CEOs that they must do the right thing. These are leaders on their own, no one talks about, who make a difference in the daily lives of their workers and the communities they live and operate in true business heroes.

Everyone is an ethical steward, in our professional decisions, our consumer decisions and our way of life. There is no threshold in terms of power, money or title for when ethical stewardship starts. There is certainly greater impact and consequences of decisions taken by CEOs from Fortune 100 companies than those by their employees, but that is not the point. To achieve our social, ecological and economic goals, as expressed in Agenda 2030, all levels of society are needed. A well-known Jewish precept says, "Whoever Saves a Life Saves the World". Ethical stewardship means we save the world by each of us saving a life. 



PRACTICE OF ETHICAL LEADERSHIP

Beth deHamel

Interim Chief Executive Officer

Beth deHamel is Interim CEO at Mercy Corps since 2019. Mercy Corps is a global relief and development agency active in more than 40 countries, with nearly 6,000 team members working in partnership with people experiencing poverty, disaster, violent conflict and the impacts of climate change. Previously she was Mercy Corps' CFO, has been an executive in the public sector and spent nearly 20 years on Wall Street leading financings for large public infrastructure projects.

PRACTICE OF ETHICAL LEADERSHIP

The imperative for ethical stewardship and conscious capitalism has never been more relevant for government, business and nonprofit leaders. My career has spanned all three sectors, and in each I have worked closely with individuals who lead with honesty and integrity; leaders intent on fighting corruption, improving transparency, and ensuring fiscal responsibility. In recent years the model of successful leadership has expanded, adding considerations of environmental and social sustainability to traditional financial metrics. This “conscious capitalism” focuses on a triple bottom line of financial, environmental and social outcomes and is now an essential component of leadership vision for most large entities.

To support the expansion of this broad definition of sustainability, two fundamental conditions are necessary: an environment where governments encourage and support sustainable economic models; and leaders committed to moral leadership, both creating and sustaining a culture of integrity.

The role of government in supporting a sustainable business model

The idea that business must be focused on more than the financial bottom line is now integral to most boardroom and leadership conversations. The traditional notion that a public company is responsible *only* to its shareholders and thus has as its primary obligation profit maximization was explicitly addressed and refuted in 2019 by the US Business Roundtable. This organization includes nearly 200 CEOs of leading US companies that together represent almost 30% of US market capitalization. The Roundtable released a “Statement on the Purpose of a Corporation,” which recognized the need for a company to deliver value and be accountable not only to its shareholders, but also to customers, employees, suppliers, and communities. This expanded and enlightened concept of corporate purpose requires partnership and trust between all stakeholder groups.

In my work in the international relief and development arena, I have seen many examples of partnerships leading to sustainable models. As an example, Mercy Corps founded numerous microfinance institutions (MFIs) over the past 20 years. The seed capital used to fund the MFIs was provided by governmental donors, and Mercy Corps worked with local leaders to build the human capital to establish these entities. The MFIs started by Mercy Corps in Kosovo, Kyrgyzstan, Bosnia, Indonesia, Mongolia and elsewhere quickly became financially self-sustaining and an important strand in the economic fabric of their communities. The leaders are local citizens who ensure the MFIs remain focused on their original purpose of providing loans and financial services to those not

served by the commercial market. Their business lines include low-interest loans for energy conservation and renewable energy, and they provide business and technical support for borrowers to grow their businesses. These entities exemplify the partnerships and values driving conscious capitalism and the triple bottom line.

What are the necessary conditions to create an environment where such sustainable business can flourish? Specifically, how can governments support a more purpose-driven and sustainable business model? I suggest governments pursue three actions;

Ensure clear, effective and consistent regulation. Such regulation requires all businesses to play by the same rules, and establishes and enforces penalties for not doing so. This builds trust in government and levels the playing field for all participants.

Provide incentives for companies that move toward sustainability goals. These may include tax abatement, low-interest loans, or grants for specific initiatives to support shared goals such as workforce development or environmental conservation.

Create an open and ongoing dialogue and working relationship with the business community. This can lead to mutual benefit and agreement on sustainable goals such as land use-planning, environmental health, and employee training.

Such actions create a foundation for success, and were in place for the microfinance examples noted above. An additional, critical ingredient and catalyst for success was ethical leadership.

Ethical leadership and creating a culture of integrity

The successful expansion of conscious capitalism requires a change in the characteristics of leaders. Leadership committed to a triple bottom line is more complex than the traditional model focused on financial outcomes alone, as there will be more competing demands from a larger and more diverse set of stakeholders. This means that leadership requires expanded skills, including some that have not historically been part of a typical job description for an executive. Collaboration, inclusive decision-making, transparent communication and a commitment to diversity and equity are now critical components of leadership and success.

As the complexity of leadership increases, an organization needs to establish principles to support and maintain a culture of integrity. How is this culture of

integrity defined? The definition goes beyond avoiding corruption, ensuring honest financial reporting and compliance with policies and rules. These are necessary but not sufficient characteristics, because a culture of integrity cannot be imposed on an organization through enforcement alone. Culture must be accepted and “lived” by the organization, starting at the top. To create a true culture of integrity, leadership must articulate a vision of the desired outcomes, foster an inclusive environment and commit to principles which support the interests of all stakeholders.


In our complex world, translating these principles and vision into action is not easy. There are competing interests, valid demands from various stakeholders, and necessary tradeoffs and compromises. Evidence has shown that organizations with more diverse and inclusive processes make better decisions, more successfully attract and retain employees, and are more profitable. This does not, however, mean that the decisions to achieve such success are obvious, nor offer a clear roadmap for achieving success.

To align theory and practice, the implementation of conscious capitalism begins with a clear commitment from the top of the organization. Darren Walker, President of the Ford Foundation, recently wrote:

“We need leaders who are motivated by values and incentives and outcomes that transcend those offered by the systems which, by design or neglect, have widened inequality to an untenable degree. ... Moral leadership – of all kinds, in every movement and institution, organization and community – is a prerequisite for positive change.”

Moral leadership is the foundation of the complex task of leading any organization, particularly one pursuing conscious capitalism. And moral leadership will be implemented in the context of day-to-day management where disagreement over priorities, spending, and direction occurs. Leaders must transparently seek and consider diverse views, identify tradeoffs, seek consensus and ultimately make decisions. The process must be perceived as and in fact be inclusive.

My work has given me the great privilege of working with teams around the world. Our teams primarily work in places of conflict and poverty, frequently exacerbated by climate change. These travels often bring me together with individuals who exhibit ethical leadership and work to build a culture of integrity in their organizations. Many of these leaders are young and clearly see the potential and necessity to apply the tenets of conscious capitalism and understand the real-world implications of not doing so.

My advocacy for, and belief in the value of conscious capitalism and ethical leadership is grounded in experience and realism. I am well aware of the many examples of corruption and unethical behavior in the US and around the world. As an executive, I have been responsible for the oversight of compliance and understand the importance of its effective implementation. My experience has also shown me that this is not sufficient to create the just society and thriving, inclusive economy we seek. To accomplish this, we need ethical leadership focused on the complex task of creating a culture of integrity in our organizations. I remain optimistic that this vision can be realized. 



ETHICAL STEWARDSHIP IN THE CONTEXT OF CONSCIOUS CAPITALISM

Prof. Ronald E. Berenbeim

**Adjunct Professor of Business Ethics, New York University
Stern School of Business Administration**

Ronald E. Berenbeim is Adjunct Professor of Business Ethics at the New York University Stern School of Business Administration where he has taught Professional Responsibility, Markets Ethics and Law since 1995. Since 2010, Prof. Berenbeim has served as Project Co-facilitator for the United Nations Global Compact (UNGC), Principles for Responsible Management Education (PRME), Anti-Corruption Working Group (ACWG), the initiative that has developed a global business ethics and anti-corruption curriculum for use in MBA programs worldwide.

ETHICAL STEWARDSHIP IN THE CONTEXT OF CONSCIOUS CAPITALISM

Any discussion of ethical stewardship in the spirit of conscious capitalism must begin with an understanding of what it is *not*. Though it seeks to achieve many of the same objectives, it is not a new improved version of stakeholder capitalism, corporate social responsibility or sustainable development to cite just a few of the many concepts that have been used over the years to describe business objectives that have a purpose beyond making money.

A steward is a person to whom an object of value has been entrusted to preserve and improve for the benefit of current and future generations. When I think of ethical stewardship, the first example that comes to mind is Konstatin Levin, a character in Tolstoy's *Anna Karenina*. He is the inheritor of a great estate. He devotes endless hours to studying methods for improving the quality and productivity of its agricultural output. He is up to date on the most advanced thinking in crop rotation, soil, and climate. He can tell you more than you want to know about tractors and all other kinds of farm machinery. He is a keen social observer and has learned from which of the surrounding communities to recruit the best labor for discrete tasks (planting, harvesting, delivery to customers). After reading the manuscript, Tolstoy's wife told him 'he is just like you without talent'. Praise indeed.

Based on that description, Milton Friedman whose essay 'The Social Responsibility of Business is to Increase its Profits' celebrated its fiftieth anniversary this year to widespread acclaim and disparagement (mostly the latter) might have approved of Levin, but Levin's agenda is broader than Friedman's. He does not weigh short versus long term benefits. For a steward, there can only be the long term.

Though he does not say it in so many words, Levin believes that his success depends on an efficient economy that maximizes the welfare of all its participants. Some will benefit more but all will derive as much as can be reasonably expected. To the extent that some are harmed, the market has failed.

In today's global economy there are four categories of market failure:

- *Monopoly/Monopsony*, these market failures confer undue advantages on buyers or sellers. Certain incentives that confer monopolies for a finite period such as patents and copyrights can, however, maximize the potential welfare of all participants.

Even allowing for these limited exceptions, sale or purchase market domination may eventually reach a point where the interests of society are best served by the intervention of countervailing powers (e.g., government legislation and enforcement, labor unions)

- *Public Goods*, business institutions depend to a significant degree on community infrastructure that serves the needs of local citizens: roads; bridges; libraries; schools; parks; and cultural institutions.

These amenities can be a vital component in choosing business locations. To cite two examples: they can serve as critical sites for maintaining supply chain routes and afford significant advantages for recruiting a skilled and talented workforce. The question then arises as to whether the enterprise is paying its fair share of the cost in local taxes, fees, etc.

- *Information Asymmetries*, these market failures arise in situations where one party has information that may confer unfair advantage (e.g., insider trading) on the seller or purchaser or injury to the consumer (product defects.)
- *Externalities*, these are the byproducts of the manufacturing process such as dumping hazardous waste, pollution, and unsafe working conditions inflict substantial uncompensated damage on the community.

Recognizing Market Failure is an act of conscious capitalism that compels the decision maker to choose between exploiting market failure or showing moral restraint. The 1982 Johnson and Johnson Tylenol case illustrates this dilemma; Batches of Tylenol had been poisoned and seven consumers died. The Johnson and Johnson leadership knew of these incidents and the public did not. The decision-makers were confronted with a clear case of market failure (information asymmetries) and a choice between exploiting market failure by continuing to sell Tylenol or recalling the product.

There were arguments in favor of both alternatives. The product defect was not caused by the Company's manufacturing distribution or sale. Tylenol was the market leader in its category and no recalled product had ever regained its market share. If Tylenol were recalled it was unlikely that the perpetrators would be caught. The argument for moral restraint was clear. There was a significant possibility that people would die. The company chose moral restraint and recalled the product. There were no more fatalities. The perpetrators were never caught. Although, Tylenol lost market share, it was eventually regained. To govern is to choose.

Identifying a Market Failure situation and choosing between further exploitation and exercising moral restraint is fundamental to ethical stewardship. It is a four-step process:

Defining the problem: Decision makers are not entitled to their own set of facts. Facts as John Adams is believed to have said 'are stubborn things'. Opinions have 'alternatives'. Facts do not. Beware of the red herring. Not all facts are relevant. Invariably, critical facts are unknown and reasonable assumptions need to be inferred from the circumstances or based on generally accepted practice

Ethical analysis: There are three analytic categories: (a) *Utilitarianism* – Devised by Jeremy Bentham Utilitarianism seeks the solution that achieves 'the greatest good for the greatest number.' In the last half-century Utilitarianism has often been wrongly invoked to argue that if it benefits me it will benefit others. I will get rich and buy stuff. Doing so will benefit other merchants and they will buy stuff. Or I will invest the money in innovative products and services and everyone's life will improve. I will 'create jobs' or if my company is publicly traded, I can use the profits to buy back company stock. Would Friedman have endorsed share repurchase as an acceptable way for a business to meet its social responsibility to make money?

Levin would not have recognized any of these rationales as ethical stewardship but rather for what they are – ethical egoism. Utilitarianism is an analytic ethical justification when it operates within defined boundaries. It cannot simply be a rationale. It needs to be accompanied by a feasible well-defined plan which if successful will confer tangible benefits on the community.

Utilitarianism is also a useful diagnostic. It shows who benefits most from a decision and how and, who if anyone, is harmed.

(b) *Deontology*– entails making a *rule* for a particular transaction that can serve as *universal maxim* (Kant) for all similar situations. A contemporary approach, '*veil of ignorance*' (John Rawls) asks ethical stewards to determine what rules they would make if they emerged from a *veil of ignorance*. Both Kant and Rawls ask the ethical steward to make rules for their own conduct that are consistent with good character: empathy, kindness, and tolerance.

(c) *Classical Virtue Ethics* seeks solutions that will improve the institution, the decision-making process, and the persons who conceive and execute the plan. This approach is embedded in the US Constitution which *strives to form a more perfect union*.

A decision-maker should use at least two analytic methods because they may prescribe different outcomes. When this happens the ethical steward and conscientious capitalist needs to decide which method is most appropriate, or as is sometimes the case, make a choice in which both methods are used in ways that are not inconsistent with one another.

Using the analysis, develop and implement a plan. Two men, both Generals offer some useful advice on plans. Eisenhower said plans are not all that valuable, but planning is everything. The process not the product is the essential outcome. To which von Moltke would nod and add 'no plan survives contact with the enemy.'

In sum ethical stewardship and conscious capitalism entail putting yourself in Levin's shoes. As a steward, he had been entrusted with the duty to preserve and improve his estate for use by future generations. His role was to take the best possible care of it and pass it on to the next generation. Of course, if he were here with us, he would have many good ideas about climate change and sustainable development because they were vital to the task he had set himself.



A WORLD TO BE WON

Prof. Jan Peter Balkenende

Chairman, Dutch Sustainable Growth Coalition

Prof. Jan Peter Balkenende is Chairman of the Dutch Sustainable Growth Coalition (DSGC), a group that unites eight multinationals. The DSGC aims to drive sustainable growth by combining economic profitability with environmental and social progress and in that way contributes to the SDGs. Prof. Balkenende is External Senior Advisor to EY, member of the Supervisory Board of ING and he is a member of the World Leadership Alliance Club de Madrid. He is a Professor of Governance Institutions and Internationalization at Erasmus University Rotterdam since 2010. Previously he was Prime Minister of the Netherlands from 2002 until 2010.

A WORLD TO BE WON

Books. I always enjoy reading books, especially for inspiration. One of the books I recently read was *Good Economics for Hard Times* by 2019 Nobel Prize in Economics winners Abhijit Banerjee and Esther Duflo. They point to the possibilities that economic science offers for finding solutions to major social problems. Another Nobel Prize winner (2014), Jean Tirole, wrote the book *Economics for the Common Good*. These are publications that clearly indicate that major societal challenges require new ideas and strategies. This brings me to three important subjects that I am firmly convinced should be viewed in conjunction with one another.

First of all, the global agenda. Is it there? After all, isn't the world ruled by the struggle for supremacy by the United States and China? Is there not constant interference with multilateral organizations? Are we not seeing the rise of nationalism and the increased importance of the nation-state everywhere? Certainly, these developments are becoming apparent. But at the same time there is an agenda that offers hope and perspective. It is shaping how we live on this planet individually, in families, in communities and nations; how we provide for our fulfillments material and spiritual. That agenda is implementing a wise stewardship of our economies under the Rule of Law, without corruption, and with fairness. A common framework has been provided by the Sustainable Development Goals (SDGs) of the United Nations, seventeen goals that, if applied and implemented by business and finance, education, culture, politics and government inspired by our religious heritages, can contribute enormously to improving the quality of life on this planet. There is an enormous task around the issue of climate change. If this task is not tackled collectively and worldwide, everyone will suffer from the consequences. We are heading for a world population of about 10 billion people by 2050, which puts enormous pressure on the use of raw materials and materials. Everything must be done to achieve a circular economy. Michael Braungart, Bill McDonough, Ellen MacArthur, Thomas Rau and many others have shown that we can and must produce and consume differently. A few more book titles? *Doughnut Economics* by Kate Rayworth and *The Value of Everything* by Mariana Mazzucato.

In the second place, there has been a debate about the desirable socio-economic order for some time. Anglo-Saxon capitalism, which is primarily focused on the shareholder, has come on the defensive. The Caux Round Table has argued for Moral Capitalism for a long time. Raj Sisodia and others stress the importance of Conscious Capitalism. Nobel Laureate Joseph Stiglitz in his book *People, Power and Profits* (2019) talks about 'Progressive Capitalism for an Age

of Discontent'. During the World Economic Forum in 2020, it was emphatically about Stakeholder Capitalism. And the term Responsible Capitalism can be heard more and more often. There are many new ideas, but the practice proves to be difficult, it continues to be about GDP growth, stock markets, quarterly results and short-term thinking. Still, even after Covid-19, the call for moral, conscious, responsible capitalism will not stop but become stronger. Advocates of the new capitalism under whatever name should collaborate and join forces so that synergies can emerge and drive change.

Third, there is the role of the company in society. Michael Porter and Mark Kramer attracted worldwide attention nine years ago with their article 'Creating Shared Value' in *Harvard Business Review* (January-February 2011). Their message was clear, companies are not only there to generate financial and economic value, but also to create social value. The aim must be to link economic and social value. This presupposes the reassessment of the corporate philosophy, corporate strategy and corporate objectives. Last year, the Business Round Table in the United States published a 'Statement on the Purpose of a Corporation'. A large group of more than 180 CEOs stated that companies are not only there for the interests of shareholders, but that they have to serve the interests of all stakeholders, customers, employees, communities and long-term value creation for the shareholders. It is a good explanation, but of course, it comes down to its implementation. Wharton professor Tyler Wry recently analyzed in *The Atlantic* that in the time of Covid-19, 20% of the companies that signed the statement returned more capital to shareholders than non-signers. Also, the signatory companies fired more workers than the companies that did not sign. In short, expressions and actions should be in line with each other.

The global agenda of the SDGs, Moral or Conscious Capitalism and Shared Value of companies are topics that are closely linked. It is no longer business as usual for companies. Companies are rightly required to respond to sustainability, to the SDGs, to climate change, and to breaking down excessive inequality. Former United Nations Secretary-General Ban Ki-moon noted that the SDGs can never be achieved without the private sector. Recalibrating capitalism should never remain a word nor an analysis, it is about concrete action, concrete results and transparency in accountability.


May I give a concrete example of a practical approach applied in the Netherlands. With the then CEOs of Unilever and DSM, Paul Polman and Feike Sijbesma, I worked in 2011 on the creation of the Dutch Sustainable Growth Coalition (DSGC), an alliance of eight multinationals who all want to work on the integration of sustainability in their business models (AkzoNobel, DSM, FrieslandCampina, Heineken, Philips, KLM, Shell, Unilever; www.dsgc.nl). This coalition first addressed the question of what sustainable growth business

models are and concrete examples were mentioned. Subsequently, the governance of these business models was discussed, how can they be implemented within the organization? Then the DSGC companies started to ask themselves, how can we contribute to the SDGs, Climate Change and the circular economy? In recent years, more work has been done on a project basis. An example is the Maritime Biofuel pilot project that was set up together with Moller-Maersk and aims to strongly promote the use of biofuels in shipping. In essence, these activities boil down to the fundamental willingness to reassess one's own business models in light of the global agenda and the social, 'shared value' role that companies have to play. DSGC has chosen to focus all its activities on the SDGs. DSGC recently published a Green Recovery business statement with four other organizations and more than 350 companies, 'A broad coalition of Dutch companies pledges support to take sustainability as the cornerstone in the COVID-19 recovery plans'.

Opting for sustainability involves much more than compliance with national regulations. It is about the intrinsic conviction of willing to contribute to the Common Good, the will to reflect on one's own role in economic traffic, to structure KPIs on a sustainable basis and to opt for transparency in sustainability reporting. The latter preferably involves Integrated Reporting, a company allows itself to be assessed by an external actor, the accountant, not only for its financial performance, but also for its social performance. Therefore, sustainable entrepreneurship requires a very practical approach. Rob van Tulder's book *Getting all the Motives Right* offers a good handle. *Driving International Corporate Responsibility (ICR) to the Next Level (2018)* offers a lot of information.

There is a global agenda of the SDGs, new, sustainable visions of the economic order are developing and there is an urgent need for socio-ecologically responsible business models. All of this can be organized and made measurable. The bottom line, however, is having the right moral compass and integrity. In the political movement which I affiliate with, people talk about 'stewardship' - the careful management of what is entrusted to us as humans, the natural environment, also in the interest of future generations - and about 'solidarity', standing up for those who are vulnerable and need support. Pope Francis says very caring words in his Encyclical *Laudato Si'* (2015) about 'caring for the common home'. If something is needed within organizations, it is to raise this concern explicitly and sincerely, to discuss it intensively and to have it followed by concrete and meaningful actions. Whoever has that courage has a world to gain.

My next book? A few years ago I enjoyed *Why Nations Fail* by Daron Acemoglu and James Robinson. A beautiful book that focuses on the question of when

countries are successful, or not. Their answer is clear, success depends on innovation, the rule of law and the existence of inclusive institutions through which people, not just elites, can share in the fruits of economic development. These authors they could become Nobel laureates wrote a new book, *The Narrow Corridor. States, Societies, and the Fate of Liberty*. That will be my next book. I am already looking forward to the inspiration. 

HARVESTING THE SEEDS OF AN EMERGING FUTURE



Marina Grossi

President, Brazilian Business Council for Sustainable Development

Marina Grossi has been the President of the Brazilian Business Council for Sustainable Development (CEBDS) since 2010. In 2018, she joined the Steering Committee of the Carbon Price Leadership Coalition (CPLC). An economist, she assumed the duties of Executive Director and Coordinator of the Energy and Climate Change, Sustainable Construction and Sustainable Finance working groups. Between 1997 and 2001 she acted as a negotiator for Brazil at the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC).

HARVESTING THE SEEDS OF AN EMERGING FUTURE

Business sector plays a protagonist role to promote ethical behavior as a catalyst of a more sustainable, fair, and resilient economy.

Technology revolution is posing a paradox to humanity: it brings facilities and some life improvements, it also poses new complex challenges such as surveillance capitalism¹ and climate change. Therefore, ethics should be at the center of any decision as a guiding principle to enable the sustainable development of society.

And what defines ethical behavior in these complex times that we are living in? In my view, it is related to a broader stewardship sense in a way that, individually and collectively, we act moved by purpose, developing and putting our talents at service of human prosperity by recognizing the complex web of life that it is reliant on.

We have seen examples of solidarity and cooperation with regards to COVID-19, with individuals and organizations driving efforts to answer people's needs, which reminds us about the ability humans have to cooperate at a large scale. The pandemic has also acted as a catalyst for trends that were underway but did not get enough attention. Nevertheless, it is only the iceberg tip of a much more severe and bigger social and environmental crisis which root cause is an economic model that ignores or underestimates the social and environmental foundations that sustain well-being and the economy, such as the multiple ecosystem services and care in a society. As consequence, this economic system is escalating social inequality and natural resources degradation, making the Earth vulnerable to more frequent and severe crises created by human action.

Through this ethical behavior described above, we could move from the current profit-oriented mindset that aims to grow at any cost to a purpose-driven sustainable alternative that generates prosperity. This idea is not exactly new, but a broader sense of urgency can be seen as of more recently. For example, stakeholder capitalism is gaining ground since the 'Davos Manifesto', launched in 2019, but it was first described as a concept back in 1971 by Klaus Schwab, who created the World Economic Forum aiming to help business and political leaders implement the stakeholder capitalism, based on the understanding that a firm's principal responsibilities is toward anyone who depends - directly or not - on the success of the company. This includes but it is not

limited to shareholders, employees, the local community, and other companies in the production chain.

However, it was necessary that people took to streets in demonstrations around the world led by youth in 2019 to warn about the sense of urgency to move from the short term decision making of the shareholder capitalism to develop a more long-term oriented view and respond to stakeholders demand to act on global challenges such as climate change.

This echoes the words of Stephan Schmidheiny, founder of World Business Council for Sustainable Development: "there will be no successful companies in failed societies", that is starting to being captured by the mainstream financial community more recently. Investors begin to realize that actions that are harmful to society also harm business and destroy shareholder value. These were the words of Larry Fink, CEO of BlackRock, the world's largest institutional investor, who highlighted sustainability as a new investment standard in his 2020 letter to invested companies. He also announced the firm's commitment to fully integrate environmental, social and governance aspects into portfolio and asset management by the end of 2020².

These investors are becoming aware now of the behavior change that leading corporations have perceived earlier. Many millennials and Generation Z no longer want to work for, invest in, or buy from enterprises that lack values beyond maximizing shareholder value. And, finally, executives and investors have started to recognize that their own long-term success is linked to that of their customers, employees, and suppliers.

More evident than ever

The scientific community has been adverting these risks since the '70s in publications such as 'The Limits to Growth'³, this publication had strong influence in the 1st United Nations Conference on the Human Environment, which was in Stockholm resulting in the report 'Our Common Future' that presented the concept of Sustainable Development to the world. Another milestone was the release of the publication 'Changing Course - A Global Business Perspective on Development & the Environment' which brought to attention the role of business in sustainability during ECO 92, that happened in Brazil. Finally, we had the 5th Assessment Report, released in 2013, stating that climate change is unequivocal and confirming, with at least 95% certainty, that human activities are the principal cause⁴.

Thus, what we have now, that we did not have at the early stages of the sustainability discussion, is a set of strong scientific evidence and convergence among different areas of knowledge, from climate to finance⁵, about the anthro-

pogenic impact on the environment. But we have a GPS to guide us through a safer route: the 1.5°C limit increase in global temperature recommended by IPCC to avoid dangerous climate change and the United Nations 2030 Agenda of Sustainable Development Goals.

To achieve this “safe zone”, by 2030 global emissions should fall 45% compared to pre-industrial levels. Furthermore, the world should achieve carbon neutrality by 2050, which means that it will be necessary to remove more carbon from the atmosphere than emitting⁶. This scenario requires “rapid” and “unprecedented” transformations, in the words of IPCC scientists, in key sectors of the economy such as energy, transportation, industry and land use⁷.

So, what would be the necessary next steps? Business, political and individuals should adapt their strategies to a regenerative logic, which means not only reduce impact but also contribute to the regeneration of the systems that support life. This requires a sense of stewardship, evolving to a wide understanding that things should be cared for⁸.

With this paradigm shift, we could move from a degenerative economy to a distributive and regenerative one. This transformation is, above all cultural, consequently, it concerns ethics, understood as the principles that guide human behavior. So, we will need to evolve from the paradigm of accumulation, to the paradigm of care; overcoming individualism to recognize, work for and - at the same time - benefit from interdependence, moving from a competitive to a cooperative era.

Organizations can translate these principles into action, training and inspiring people to connect to their purpose and the network of life, enabling them to act at service of prosperity as an alternative to business as the usual economic system based on growth at any cost

At the Business Council for Sustainable Development (BCSD), we have been harvesting the seeds of this future through the Vision 2050, a business agenda developed in 2012 in the context of Rio + 20 UN Conference, as a result of a co-creation process with our community of associated companies and consultation of stakeholders.

This work presents a path for companies considering a desired vision of the future for Brazil to reach a more just, resilient, and sustainable society in 2050. Considering the implementation context of this vision is dynamic, we need to review periodically the ways to achieve the milestones set to place us on track to this desired future.

So, in 2019, we started the revision of the document build in 2012, this time through an even wider process of intersectoral contributors’ participation from companies, civil society and academia that has counted the involvement of 4.000 so far. As a result of this process, we are going to deliver a multi-stakeholder vision of the future for Brazil in 2050, enabling businesses to take action in partnership with different sectors in society with integrity and thoughtfulness. By doing so, we expect to amplify shared narratives and encourage commitments to pave the way to a more sustainable, fair, and resilient economy.

1 Term used and popularized by the academic Shoshana Zuboff that refers to a new kind of capitalism that monetizes data acquired through surveillance.

2 www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter

3 The Limits to Growth (LTG) is a 1972 report on the exponential economic and population growth with a finite supply of resources prepared by Club of Rome researchers, among them Donella Meadows.

4 IPCC, 2013. Climate Change 2013: The Physical Science Basis. Available at: www.ipcc.ch/report/ar5/wg1/

5 In 2007, IPCC climate researchers received the Nobel Peace Prize in recognition of its researchers’ contributions on climate change. In 2018, in William Nordaus and Paul Romer, received the Nobel Memorial Prize in Economic Sciences for his modeling studies on climate change.

6 Volan, 2018. Our Carbon Future. Page 10. Available at: www.carbonproductivity.com/wp-content/uploads/Our-Carbon-Future-White-Paper.pdf

7 IPCC, 2018. Summary for Policymakers of IPCC Special Report on global Warming of 1.5°C approved by government. Available at: www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/

8 Raworth, Kate. Doughnut economics: seven ways to think like a 21st-century economist. Chelsea Green Publishing, 2017. Page 171.



Albania
www.weekofintegrity.al



Guatemala
cig.industriaguade.com/semana-de-la-integridad



Macedonia
www.integrity.mk



The Netherlands, initiator
www.weekvandeintegriteit.nl



Week of Integrity, global website
www.weekofintegrity.org



Closing conference of the Week Of Integrity, Peace Palace, The Hague, The Netherlands



The 'Run against corruption' Week of Integrity initiative, Tirana, Albania.

WEEK OF INTEGRITY

An ICC Netherlands initiative

The aim of the Week of Integrity is to promote ethical behavior in both the workplace and in the boardroom, exchanging best practices across sectors. The Week connects organizations, facilitating the exchange of knowledge and best practices throughout the year, building a learning network.

Partnering for integrity

The Week of Integrity consists of an active and growing network of partners from the public sector, the private sector, academics and NGOs. Throughout the year, the network regularly meets, exchanging thoughts and ideas on integrity policies and on concrete issues. Dilemma trainings and round table sessions facilitate vivid discussions. The Week of Integrity itself consists of a week full of activities. Businesses and organizations interested in becoming a partner of the Week of Integrity, contact the network in their respective country.

In 2016, ICC Netherlands initiated the national Week of Integrity, since then taking place each year from 1 to 9 December, prior to the UN Anti-corruption day. In order to secure its multi-stakeholder and long term character, the Week of Integrity Foundation was founded, based in The Hague.

A growing international network

The initiators of the Week of Integrity are thrilled that other countries started embracing the Week of Integrity concept and its stakeholder approach. International partners now include Albania, Guatemala, Macedonia and Serbia. More countries are expected to join the network of the Week of Integrity in the months and years ahead. It is of the essence that the public and the private sector, NGOs and academics keep discussing current matters, raise awareness and promote ethical behavior. Parties interested in starting a national Week of Integrity, are invited to contact the Foundation and visit www.weekofintegrity.org

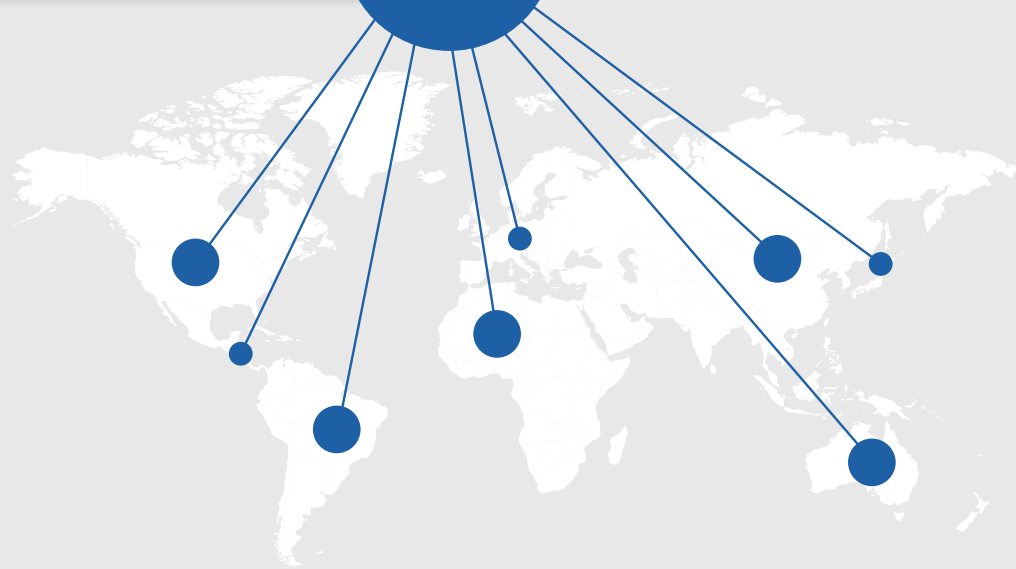
'The year 2020 has shown us once again that integrity and trust need our constant attention. At the same time, I am thrilled to see a growing number of countries adopt the Week of Integrity. The appreciation for the multi-stakeholder character of the initiative confirms what we try to achieve: foster a constructive debate amongst all parties involved, inspire, create a learning environment and raise the level of integrity and trust.'



Marijke Wolfs
Director, Week of Integrity Foundation
SG, ICC Netherlands

ICC The world business organization

A unique network active in more than 130 countries



IGF Internet Governance Forum



WIPO WORLD INTELLECTUAL PROPERTY ORGANIZATION



WORLD TRADE ORGANIZATION



ICC AND ITS LEGACY ON BUSINESS INTEGRITY

ICC The world business organization

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 100 countries. ICC's core mission is to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions and standard setting, we promote international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Our members include many of the world's leading companies, SMEs, business associations and local chambers of commerce.

ICC is committed to an efficiently functioning global economy characterized by free and fair competition. In 1977, ICC was the first organization to create via self-regulation the ICC Rules to combat Extortion and Bribery. Since then, ICC has taken the lead in denouncing corruption and in developing measures and tools to combat it. ICC also played an important role in establishing the respective OECD and UN Anti-corruption Conventions.

ICC guidelines include the ICC Guidelines on Conflicts of Interest in Enterprises, the ICC Guidelines on Gifts and Hospitality and the ICC Anti-corruption clause. ICC has compiled standards and tools in the ICC Business Integrity Compendium (online available for free) contributing to a strong organizational integrity framework that promotes ethical behaviour in the work place.

The coronavirus global health and economic crisis is impacting businesses of all sizes worldwide for the long term. In June 2020 ICC published its Guidance note 'Integrity for a resilient response and rebuild after Covid-19' addressing the key drivers guiding policy makers and businesses alike during the response to the Covid-19 crisis and the rebuild thereafter that should be those of integrity and transparency.

Since 1946, ICC has held top-level consultative status with the United Nations. With the observer status, the ICC has better access to meetings and documentations of the General Assembly. Its unique Observer status (obtained in 2016) paves the way for ICC to contribute directly to the work of the General Assembly and reflects the vital role the private sector will play in implementing the UN's 2030 Agenda for Sustainable Development.

For more information on ICC and its work on business integrity, visit iccwbo.org

ICC INTERNATIONAL CHAMBER OF COMMERCE
The world business organization



Sustainability and ethical stewardship have been topics close to my heart for a long time. At Siemens, we will remain relentless in creating significant value for our customers and, at the same time, make an impactful contribution to solving the most pressing challenges of our time. In order to make the everyday lives of people all over the world a little easier, better, more worth living. For me, sustainable growth means that entrepreneurial strategy and economic success go hand in hand with a responsible approach to our environment and the resources available to us. At Siemens, we create technology with impact and purpose – for our customers, our employees, and society at large.

Judith Wiese

Chief Human Resources Officer and Member
of the Managing Board of Siemens AG

SIEMENS





THE HAGUE, CITY OF PEACE AND JUSTICE

Doing good and doing business. That's what The Hague, as the international city of peace and justice, stands for. Every day ten thousands of people are working in The Hague to build a more peaceful and just world. This is our identity and the very heart and soul of our economy.

The Hague has a unique position as a centre of decision-making and influence. We are home to more than 200 international organisations, including the Permanent Court of Arbitration and the city also plays host to the International Court of Justice, Europol, the Organisation for the Prohibition of Chemical Weapons and UNICRI Centre for Artificial Intelligence and Robotics.

This particular ecosystem has ensured that social impact and economic success go hand in hand to help build a better and more sustainable world. With the digital revolution in full swing in The Hague modern technologies can have tremendous potential in terms of bringing about peace.

Organisations and businesses in our city are working on ethical and legal challenges surrounding the internet, big data analytics, artificial intelligence and robotics. The city has a long-standing tradition of protecting the rule of law, yet it is continuing to innovate using new technologies.

Solutions embrace the digital revolution in order to put peace, justice and security on a fast track. Here, big data is processed into insights which advance transparency and the accountability of institutions and governments. The Hague is working to keep the world safe from cyber threats and is ensuring that human rights do not end when people go online.

All of this makes The Hague the hot spot for acquiring and exchanging knowledge and for joining valuable networks. The city looks forward to welcoming new organisations as well as their worthy contributions to this international hub of peace and justice.

Doing good and doing business. We invite you to join us.

Municipality of The Hague

www.denhaag.nl

www.thehagueinternationalcentre.nl

@CityOfTheHague



The Hague

ETHICS & PROGRESS TOWARDS CONSCIOUS CAPITALISM

The year 2020 has created a new level of awareness, the coronavirus functioning as a contrast dye, when it comes to showing us the vulnerabilities of our societies and economies. It has also shown what can happen if ethics are not integral to the way individuals act, organizations operate and societies function. 'Build back better' has become the new mantra for post-COVID-19 hopes and ambitions. As people, companies and governments are coming to terms with the crisis and starting to consider the post-pandemic world, many are realizing that going back to how things were is neither possible nor desirable.

It is against this background that this year's Integrity Booklet links the concepts of ethics and progress. What is the role of integrity in the desired paradigm shift from the current profit driven system towards a purpose driven sustainable alternative? Twelve thought leaders, from various backgrounds, share their thoughts and ideas. This booklet aims to promote further thinking and invites you to assess your own role in promoting integrity wherever you go.

Contributions of:

Robert H. Wade | Rhoda Weeks-Brown | Shinta W. Kamdani | Githu Muigai |
Ngozi Okonjo-Iweala | Gonzalo Guzman | Nicola Bonucci | Matthias Thorns |
Beth deHamel | Ronald Berenbeim | Jan Peter Balkenende | Marina Grossi |

Initiator



Supported by



Supported by

SIEMENS

Initiator



Supported by



The Hague

In support of

