

UNITED NATIONS



NATIONS UNIES

EMBARGOED UNTIL DELIVERY: 29 JANUARY, 17:30 CET
PLEASE CHECK AGAINST DELIVERY

THE SECRETARY-GENERAL

PLENARY SPEECH

“The Global Compact: Creating Sustainable Markets”

The World Economic Forum

Davos, Switzerland

29 January 2009

Excellencies,
Distinguished Panelists,
Ladies and Gentlemen,

It is a pleasure to be with you again in Davos.

This is my second visit as Secretary-General, and I must say that the mood is very different from the optimistic spirit of the past.

I've been calling this the year of multiple crises.

Economies are in trouble.

Trust in business and in markets has eroded.

People everywhere worry about their jobs and struggle to survive.

Yet amid these difficulties, we face another crisis.

It has been building for years and is global in scope.

Climate change threatens all our goals for development and social progress.

Indeed, it is the one true existential threat to the planet.

On the other hand, it also presents us with a gilt-edged opportunity.

By tackling climate change head-on we can solve many of our current troubles, including the threat of global recession.

Ladies and gentlemen,

We stand at a crossroads. It is important that we realize we have a choice.

We can choose short-sighted unilateralism and business as usual. Or we can grasp global cooperation and partnership on a scale never before seen.

Exactly ten years ago, my predecessor, Kofi Annan, stood in this hall. He called on business leaders to initiate a “Global Compact” of shared values and principles.

He sought to give a human face to the global market.

Then, as now, the world faced a crisis in confidence.

Yes, globalization had lifted many from poverty.

Yet the spread of free markets and capital did not raise all boats.

In fact, it hurt many of the world’s poorest people.

The Global Compact was our enlightened response.

It challenged business to embrace universal principles and to partner with the United Nations on the big issues.

Chief among them were the Millennium Development Goals.

Ten years on, the Global Compact stands as the world’s largest corporate sustainability initiative.

We can boast more than 6,000 business participants in more than 130 countries.

The Global Compact has become a by-word for corporate responsibility.

Its members have moved far beyond mere philanthropy.

They have pioneered new standards of “best practice” in the areas of human rights and labor law.

In many countries they work to protect the environment and fight against corruption.

They have undertaken hundreds of projects in health, education and infrastructure in countries around the world.

Now, a new set of crises prompts a renewed sense of mission.

So today I urge you to join a new phase of the Global Compact.

We might call it the Global Compact 2.0.

Ladies and gentlemen,

We live in a new era.

Its challenges can *all* be solved by cooperation — and *only* by cooperation.

Our times demand a new definition of leadership — global leadership.

They demand a new constellation of international cooperation — governments, civil society and the private sector, working together for a collective global good.

Some might say such a vision is naïve. That it is wishful thinking.

Yet we have inspiring examples proving the contrary.

Often, business has played a critical role.

Think of the Green Revolution in the 1960s that lifted hundreds of millions out of poverty in Asia.

Think of the global vaccination campaign that eradicated smallpox by 1979.

Business and government cooperation has reversed the depletion of the ozone layer.

And we have seen solid progress in the fight against AIDS, TB, polio and malaria.

Today, we have an opportunity – and an obligation – to build on these inspiring examples.

But we must break the tyranny of short-term thinking in favor of long-term solutions.

This will demand a renewed commitment to core principles. A new Global Compact.

In this time of economic crisis I know there will be a tendency to retreat into nationalism, protectionism and the other “isms” that promote narrow self-interests over common global objectives.

Doing so would be a mistake – not just for global development objectives, such as giving the poor a fair chance to make a living. It would also compromise national self-interest.

The challenges we face today are global in nature.

By working together we can solve them.

The Global Compact provides an excellent platform.

Let me give you some examples.

The Global Compact's "Caring for Climate" is the world's largest business-led initiative on climate change. Chief Executive Officers are disclosing their carbon emissions and committing to comprehensive climate policies.

They are using renewable energy, investing in energy efficiency, and promoting climate friendly practices such as virtual meetings.

The "CEO Water Mandate" is advancing water stewardship through strategies such as drip irrigation and water harvesting. New technologies are recycling water used in manufacturing so it can be returned safely to the environment.

Wind-powered desalination plants are being built that can producing drinkable water for a city of over 1 million people.

In financial markets, the Global Compact, through the "Principles for Responsible Investment," has begun working with major investors so their investment evaluations can incorporate key environmental, social and governance issues.

Ladies and gentlemen,

Today with the economic downturn and climate change, the stakes for companies have never been higher.

But for businesses with vision, the rewards are equally high.

Over the past few months momentum has grown for what I call a global "Green New Deal."

Last week saw the inauguration of a new President of the United States.

Barack Obama has made a clear commitment to re-energizing the American economy by boosting the "green economy."

The green economy is low-carbon and energy-efficient.

It creates jobs.

Investment in sustainable technologies will turn today's crisis into tomorrow's sustainable growth.

President Obama is not the only political or business leader choosing to follow such a path.

I therefore urge all of you, through your supplier chains and via your business partners, to develop good policies and practices in the areas of human rights, the treatment of workers, the environment, and anti-corruption.

You can use the Global Compact's accountability framework and disclose your progress annually.

By doing so you will not only be doing what is right. You will also be helping restore trust, confidence and credibility into the markets.

Recent polls show a dramatic erosion of faith in business.

Three of four Americans trust business less than they did one year ago.

Only a third trust business to do the right thing — half what it used to be. Among young people, the loss of confidence is especially marked.

These figures are mirrored across the world.

And the same polls show that, globally, 66 percent of the world's people think business should be fully engaged in tackling our common problems.

Those who disagree total only 3 percent.

Ladies and gentlemen,

The writing is right there on the wall.

Without trust, we cannot prosper.

It is time to **get off the fence** and take up this agenda seriously.

Many of you are cutting costs to deal with the economic downturn.

But I think you will agree that it is important to re-orient your organizations for the economy of the future.

Every downturn is followed by an upturn.

If you make the right investments now, you will be laying the foundations to tackle critical long-term issues.

You will be in the forefront of a new green economy.

I encourage you to help create a future based on a low-carbon economy – green jobs, renewable energy and energy efficiency.

I also ask you to be part of the movement for a comprehensive and meaningful agreement at the climate change summit in Copenhagen at the end of this year.

I call on you to make full use of your supply chains to make sure that the cleanest technologies are developed and applied everywhere.

And I ask you to lead by example.

Educate your consumers, suppliers and workers. Share your technologies with the poor.

It is the one and only path to a sustainable future, with the prospect of prosperity for all.

Ladies and gentlemen,

We have choices to make.

Now is the time to rebuild trust.

We can only do it by offering genuine, long-term solutions to real problems. People need to be confident that we are doing the smart thing and the right thing.

This means investing in the new economy -- the economy of the future.

Enlightened self-interest is the essence of corporate responsibility and the key to a better world.

Thank you.