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Rekindling the Human Spirit in Business

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Editor's note: Academy Fellow Hazel Henderson reports on the first Earth Dialogues on ethics for humanizing globalization held in Lyon, France. The goals of the conference were to put ethics and human values at the center of globalization processes. Hazel notes that "a viable, rich vision of sustainable, equitable, ecologically-sound development" was spelled out at this conference.

It was pointed out that today's economic globalization, the result of 1980s deregulation, privatization and spread of markets was already unstable and might end in a global depression, as in the 1930s. Globalization cannot continue without a new framework of global ethics, values, norms, treaties and regulations to protect the global commons. All corporations should adopt "triple bottom line" accounting (economic, social, and environmental) and promulgate standards and principles of ethical behavior and corporate responsibility to be externally audited for compliance.

FROM PORTO ALEGRE TO LYON: ADVANCING THE DEBATE ON GLOBALIZATION

By HAZEL HENDERSON

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Lyon, France:

Lyon, a 2000-year old World Heritage city, home of France's first stock market in the 16th century, also hosted the first Earth Dialogues on ethics for humanizing globalization. Over 1000 delegates gathered from around the world – parliamentarians, diplomats, business leaders, academics and civic leaders – many fresh from the World Social Forum in Porto Alegre, Brasil.

Launched by Mikhail Gorbachev, now President of Green Cross International and Maurice Strong, Secretary-General of the 1992 Rio Earth Summit, the Dialogues were splendidly hosted by the Mayor and the City of Lyon at a dinner reception at the historic town hall. French Prime Minister Lionel Jospin, now running neck and neck with President Jacques Chirac in France's upcoming presidential elections, warmly endorsed the Dialogues in his keynote speech. Jospin stressed the importance of the conference goals of putting ethics and human values at the center of globalization processes.

Even the officials representing the World Bank, the IMF and the WTO were conciliatory. They listened to the chastisements of Ann Pettifor of the worldwide Jubilee grassroots campaign for debt relief and Jean-Luc Ciperie of ATTAC, which advocates currency exchange taxes for poverty-alleviation and is one of the organizers of the Porto Alegre World Social Forums. The WTO's Deputy Director Paul-Henri Ravier was obdurate. After reciting the familiar WTO mantra about its status as an intergovernmental body not obliged to deal with civic society and not competent on environmental issues, he left the Roundtable on Reforming International Financial Institutions. Thomas Dawson of the IMF and Kristalina Georgieva of the World Bank admitted the many faults and mistakes of their respective institutions and stressed reforms now being undertaken to correct them.

Mr. Ravier of the WTO could have benefited from hearing all the well-reasoned arguments of critics. They showed now much more socially and environmentally sound WTO rulings would be if informed by full-cost pricing, corrected national GNP accounting for external costs, social capital and ecological assets. If all world trade in goods were thus accounted in accurate prices, it would reveal that, generally, local and regional trade is the most efficient. This fact is also masked by huge taxpayer subsidies to trade: infrastructure, roads, airports, harbors, shipping and energy. Arguments against the patenting of life forms, GMO foods and life-saving pharmaceuticals led to recommendations that all these should be outside the WTO and TRIPs agreements and remain in the public domain.

This Roundtable reported out policy proposals including allowing heavily indebted countries to declare bankruptcy, following Chapter 9 US laws, which allow bankrupt municipalities to maintain all public and social services. The IMF no longer resists such proposals – after its involvement in the financial meltdown of Argentina. Other proposals included international taxation of currency transactions, airline tickets, fuel, carbon emissions, arms sales, etc. to fund global public goods: health, education, clean water and environmental protection. A lively debate over the role of currency trading (currently \$1.5 trillion daily) and “hot money”, i.e., short-term investment speculative capital flight and the plight of Argentina, led to some new proposals.

Developing countries were urged to help themselves, by diversifying their currency reserves away from over-reliance on US dollars toward euros, since this desire for dollars merely drives its current overvaluation (by some 15%) and helps precipitate crises in countries whose currencies were tied to the dollar, such as Argentina. Holding more of their reserves in euros would create a better world currency reserve system of both euros and dollars. These two strong currencies might then move toward parity, and could be pegged together – offering a new measure of global financial stability. The fundamentals of the euro zone countries are sounder in any case than the fundamentals of the US economy, which is burdened by huge corporate and household debt, yawning trade deficits and losing its charm as the world’s haven for flight-capital. These issues of finance are vastly more important than those of trade, since 90% of global flows represent speculative finance versus only 10% that represent actual trade on goods and services.

The “galloping unilateralism” of the USA was decried by most of the other seven roundtables (business, politics and democracy, media, religious organizations, global governance, former foreign ministers and civic society). Resentment was widespread about the USA’s penchant for throwing its weight about, abrogating treaties and simplistic bombast: “Are you for or against the US in the fight against evil?” Mr. Bush’s immoderate rhetoric is distasteful in Europe and the subject of many cartoons in major newspapers. Other targets were transnational corporations and particularly media corporations that were criticized as monopolistic, promoting unsustainable forms of overconsumption, violence and human degradation. All corporations should adopt “triple bottom line” accounting (economic, social and environmental) and promulgate standards and principles of ethical behavior and corporate responsibility to be externally audited for compliance – particularly companies that have engaged with the UN Global Compact and similar statements of principles of good corporate citizenship.

New institution-building at the global level was seen as a prerequisite for the continuation of globalization processes. Many pointed out that today’s economic globalization, the result of 1980s deregulation, privatization and spread of markets was already unstable and might end in a global depression, as in the 1930s. Globalization could not continue without a new framework of global ethics, values, norms, treaties and regulations to protect the global commons. Taxing commercial exploitation of these common natural resources could provide global public goods, as well as to protect human rights, labor standards, cultures and traditional informal sectors and livelihoods.

The goals of many delegates revolved around the two world summits of 2002, on Financing for Development in Monterrey, Mexico, March 18-23, and on Sustainable Development in Johannesburg, South Africa, in early September. US obstructionism on reform of the global financial architecture, together with the bi-lateral politics between President Bush and President Vicente Fox of Mexico might abort the aspirations of the Monterrey Summit.

Only a large contingent of activist NGOs with Internet and media skills will keep the hopes for Monterrey and Johannesburg alive. The old “Washington Consensus” development model is now discredited because of rising world poverty gaps and the meltdowns in Asia, Russia, Turkey and Argentina – not to mention the current Enron and accounting scandals. Like the Porto Alegre World Social Forum, the Earth Dialogues spelled out a viable, rich vision of sustainable, equitable, ecologically-sound development. Lyon confirmed that “Another World is Possible!”

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