



PRESIDENCE DE LA REPUBLIQUE

ADDRESS

BY JACQUES CHIRAC PRESIDENT OF THE FRENCH REPUBLIC

TO THE MEETING OF GLOBAL COMPACT SIGNATORY COMPANIES

ELYSEE PALACE

TUESDAY 27 JANUARY 2004

Secretary-General of the United Nations, My Friend Kofi ANNAN, Ministers,
Ladies and Gentlemen,

It gives me great pleasure to welcome you all to the Elysee Palace. I welcome the Secretary-General, Kofi Annan, who is on an official visit to France. I welcome the heads of companies from France and around the world who have signed on to the Global Compact in a determined endeavour, each in his or her own field, to help foster more humane globalization.

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This meeting and its theme reflect a far-reaching change. Previously our horizons were predominantly local and national. Now they embrace the world as a whole. International affairs were first and foremost the purview of States. An autonomous world civil society is now taking shape.

Companies have a role and a major responsibility in this change. We owe the technological progress that drives globalization to inventors, engineers and heads of major businesses. The process has a long history and draws its strength from an alliance between business, science and States. Businesses are carried far and wide by their momentum and their taste for innovation, risk and creativity, by the quest for new products and the conquest of new markets. Science, disseminated more widely than ever before, is steadily expanding our knowledge and transforming our lives. States, finally, as guarantors of the fundamental interests of Nations and their peoples, are convinced of the virtues of an open and responsible market economy. The transformations that Asia and Latin America have undergone in recent decades give us hope that we will be able to overcome poverty everywhere as a result of sustained economic growth and to ensure respect of the fundamental rights of all.

But the scale of protest movements, the persistence of mass poverty, financial turbulence and the marginalization of Africa must give us pause. We must take care not to repeat the errors of the past when failure to recognize the social question resulted in so many disasters and convulsions.



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We should pay close attention to the growing criticism levelled against a system in which the elimination of trade barriers can be used to call social benefits into question and in which economics and money become the ultimate goal of human societies, reducing everything, including culture, to a mere commodity.

The critics charge that globalization benefits the richest and jettisons the most vulnerable individuals and Nations. They are alarmed at economic growth wasteful of natural resources and unconcerned about pollution.

They emphasize that identity politics for the most part reflect a rejection of the unlimited opening-up of societies with its corrosive effects and threat of uniformity.

If we are to prevent globalization from causing unacceptable disruption on a global scale, we need now to put together a system of governance and solidarity to contain it, mitigate its unintended consequences and ensure that its promises are kept.

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To produce its benefits, free trade requires rules. Our world needs common disciplines and safeguards.

France's goal, which it shares with the United Nations, is to develop an international rule of law based on human and social rights, protection of the environment, respect for cultural diversity and business ethics. The international community can thus become a confident and progressive society. Our economic and social system can be grounded in the balanced model of a responsible market economy.

The validity of laws is contingent on the legitimacy of those who initiate, foster and enforce them. International organizations must, as the crucible of democratic global governance, open up more to the countries of the South and to civil society, acquire a culture focused on action and results and work together to define co-ordinated strategies. It was to give this process the necessary political impetus that France organized a broadened dialogue at the G8 meeting in Evian.

Solidarity is an essential pillar of this new rule of law. We cannot ignore the growing inequality, the reality of malnutrition that affects nearly a billion people. In a global world in which each person can constantly compare his or her own situation with that of others, we cannot frustrate the aspirations of the many young people calling for access to education, health, jobs and prosperity.

The partnerships for sustainable development forged in Monterrey and Johannesburg show that awareness has taken hold. Enhanced solidarity means encouraging foreign direct investment in the countries of the South, setting



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out more equitable trade rules, providing official development assistance and setting up more public-private partnerships. It also means allocating a portion of the resources generated by globalization to benefit the poorest. The high-level group which I convened has a remit to explore, in an open and pragmatic spirit, the prospects for doing this.

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Globalization in no way curtails the role of States it transforms it. France believes that States have a responsibility to create conditions conducive to the competitiveness of its businesses; to provide the best possible education and training for all; to safeguard and strengthen social protection; to support the indispensable research effort; and to guide the transition to sustainable modes of production and consumption the ecological revolution that I would like to have enshrined in the French Constitution through the adoption of an Environment Charter.

The life of the international community is changing but States continue to play a major role. It is up to States and their international organizations to secure peace and security in the face of conflicts, terrorism and the proliferation of weapons of mass destruction. It is also up to States to define and enforce the rules governing a humanized and harmonious globalization.

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In a world as uncertain and dangerous as it is full of promise, how can companies respond?

They could, in theory, go about their business in a single-minded quest for profitability and in strict compliance with the laws that apply where they operate. But it is clear to everyone that an approach devoid of corporate citizenship would be contrary to their interests and to the demands of our time.

In all the developed countries, ethical standards are rapidly gaining ground. Ethical investment funds are proliferating. Trade unions, consumer organizations and NGOs are keeping track. Trade associations are setting out ethics charters committing their members. Rating agencies are offering criteria and evaluations. Employees expect their companies to comply.

At the same time, States are making progress. At the Evian Summit, Heads of State and Government of the G8 countries for the first time set out the principles underpinning a responsible market economy. To overcome the stalemate over labour standards and trade, the ILO proposed "decent work", a sort of minimum basic standard, as a first step towards the universal affirmation of fundamental labour rights.

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Kofi Annan, a man of heart and vision, rightly felt that the UN could not remain aloof from this movement. By proposing that the business community join in the endeavour to achieve the Millennium Development Goals and assume global citizenship responsibilities, he has led business leaders to take a fresh look at their activities. Your presence here today demonstrates your support for his approach and your acceptance of the principles of the Global Compact as a legitimate frame of reference.

What are the Global Compact commitments?

The Global Compact contains a commitment to respect human rights under all circumstances and never be suspected of neglecting them. There are cases where the moral dilemma is acute. But you know that profits gained in violation of these rights are tainted and illicit.

It contains a commitment to apply, even in countries with deficient legislation, decent labour standards, by rejecting discrimination, forced labour and exploitation, by practising social dialogue, by making sure that wages are enough to house, feed and care for a family, and by giving children an opportunity to go to school and the elderly a dignified retirement.

It contains a commitment to adopt, throughout the world, a precautionary approach aimed at minimizing pollution and the use of natural resources. Modern technologies can enable our activities to have a positive impact on the environment and restore its capacity for regeneration.

You have discussed the inclusion of a commitment to financial transparency in addition to the nine existing principles. I encourage you to do this. The scandals that have shaken our economies and the confidence of our citizens at the roots must stop. We must have international financial standards that increase the clarity and comparability of financial statements and reduce excessive volatility and the focus on the short term.

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When Kofi Annan came to Paris in November 2002, we decided to launch an information campaign for which J r me Monod took responsibility. Building on the activities of trade associations and I commend their work he cast his net wide. Today, nearly two hundred and fifty French companies, ranging from the very small to the very large, have signed on as partners. They made the decision to form, within the Institut de l'Entreprise, the Forum des Amis du Pacte Mondial the Forum of Friends of the Global Compact whose new president, Bertrand Collomb, I am pleased to welcome here today.

I join you in hoping that your initiative spreads. I believe that it will prosper by remaining voluntary, authentic, well-informed, practical and global.

Your initiative is voluntary. Companies assume specific responsibility at global level. In joining the Compact, a company commits its reputation in the



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eyes of States, civil society and its shareholders.

It is authentic. The Global Compact is couched in general terms but its commitments are far-reaching and entail an obligation to consider the human, ethical and environmental implications of decisions. For this reason I think it important that companies give thought to disclosure criteria and mechanisms.

It is well-informed. The business community needs to strengthen its ties with international organizations and States to gain a better understanding of what is at stake and to make itself better understood. The communications gap that has too often been the hallmark of the relationship between NGOs and the business community must give way to extensive dialogue and co-operation.

It is practical. The initiatives that a number of you have taken to better fight AIDS supporting the Global Fund, making treatment available to employees and their families come to mind, as do the education initiatives that many of you have taken to mitigate shortcomings in host countries.

And it is global. I call on you to encourage a similar commitment by your counterparts in the countries of the South and of Eastern and Central Europe. You can set an example that will persuade them to join in the process of anticipating changes in law and local practice and accelerating the pace of human development.

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Secretary-General,

Ladies and Gentlemen,

A company that sets off on the path of social responsibility is a self-confident going concern, aware that its image - the regard in which it is held by the public, its shareholders, its employees and its customers - is its greatest asset.

It is in the interest of the business community to operate in a climate of peace, confidence, security and stability. In marshalling your forces, you are doing pioneering work. In showing that globalization can be a civilizing process, you have responded to those who fear that it will destroy our societies. I thank you for going forward. In doing so, you are serving not just your companies. You are making a contribution to human progress and giving hope to future generations.

Thank you. |