

# The Role of Business in the 21<sup>st</sup> Century

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# Intention of Talk

- Human Face on the impact of global business
- From developing world to economic developer
- The pros and cons of business development from both sides
- Current situation
- Suggestions of how we can move forward
- Learn from your collective wisdom

# Overview

## Historic Business Beliefs:

- Economic growth and development is always good
- Business need not be concerned with environmental and social impact of development
- It is costly to factor in the social and environmental impact of business strategy

## Emerging Business Concepts:

- Economic growth has pros and cons
- Environmental and social issues are pertinent to business development
- It can be more expensive to ignore social and environmental impact of development



eechic 2001



# Plastic Flowers

retail US\$1 - 3 each

Pay for assembly US\$1  
per 100 stems





# Needlepoint Handbags

retail US\$100-250

pay for background embroidery US \$.75/piece or  
\$1.50/handbag





(c) keeweechic 2001



# Issues:

- Child labor, living wage, recycling, education, environmental degradation

# Kowloon, Hong Kong

© 1998 Peter Hadow



五金

如五金機械工具

家私

莎

型圖

京痔痛

雷銅具

福祥洋紙文具

環球



家居裝飾

名門設計 宏發

中水亦子

CLARK

美式

皮膚科

皮膚科

884



V P Nike Apparel & Accessories, President Reebok  
Apparel Products & Retail Group, CEO Aveda Corp.

Business and/or production in 120 countries

- Production factories first in Hong Kong, Taiwan, Korea, Greece, Turkey, then into China, India, Pakistan, Nepal, Bangladesh, Indonesia, Caribbean islands, Mauritius, Vietnam, Eastern Europe, Mexico, S. America, & Africa.
- Improved working conditions, living wage, minimum working age, production and materials standards
- Resistance from internal financial group and production factories
- Work on raising industry wide standards - suspicion from competitors & governments
- Help from new source – consumers, non-profit orgs.

# Business Analysis

Improved working conditions and responsible & sustainable product and manufacturing standards =  
Better quality goods, less defects, higher productivity, healthier happier workers and better bottom-line and environmental quality for everyone

# Last 20 years:

- Rapid global conversion of rural areas and farmland into urban landscapes
- Push towards westernization & hyper-consumerism
- Increasing consumer awareness and demand for better working conditions and environmental protection
- Increased non-profit activism to demand social & environmental responsibility in corporate behavior
- Increased access to health care, education, food, clothing & shelter
- What is the future?



# Roper Worldwide Survey

Listening to nearly 200,000 consumers  
worldwide 1995 – 2003

1,000 1-hour+ interviews per country with  
people aged 13-65 each wave

Representative of 1.3 billion consumers  
worldwide

# Roper Survey Results

People globally are still enthusiastic about foreign products & culture

- Closer affinity to their traditional cultures than before
- Increased caution about western cultural influence

# Wake up Call

Economic Development vs. the Social & environmental costs - goal of sustainability of the planet

- Consumers voting their values in their purchases and investments
- Business can benefit financially from being a responsive world citizen – competitive edge and sound business practice for the 21<sup>st</sup> Century
- Navigation tools for the new business paradigm

# Four Principles\*

## . Tell the Truth

- negative consequences of lies: Enron, Worldcom
- can deal with issues as they appear, proactive, increase probability of long term success
- integrity and reputation of you and your business depends on it

## . Make Partners

- Large mission, need support
- Find common ground, engage, collaborate

From “How to Use What You Got to Get What You Want” By Marilyn Tam, publisher, SelectBooks, 2004

# Four Principles

## 2. Make Partners cont'd

### Global Support Organizations

- To facilitate sharing and collaboration of responsible business practices
- Members range from AstraZeneca PLC, Cisco Systems, The Gap, Rio Tinto PLC, Reebok, Xerox
- Business for Social Responsibility [www.bsr.org](http://www.bsr.org)
- Spirit in Business [www.spiritinbusiness.org](http://www.spiritinbusiness.org)
- Social Venture Network [www.svn.org](http://www.svn.org)

# Four Principles

- 3. Make Big Mistakes
  - major change in business paradigm entails risk and big potential reward
  - analyze, plan, prepare contingencies, act and respond
  - Keep improving or be left behind
- 4. Die by your own Sword
  - Welfare of humankind worth fighting for
  - Consequences of not acting is detrimental to self, business and the world



# Universal Forum of Cultures Barcelona 2004

- Facilitate fruitful dialogue & collaboration:
  - Sustainable business and development strategy
  - Share and Learn responsible and sound business practices
  - Advance and maintain ethical standards in treatment of each other, businesses and the environment

# What can we do?

Each one and each company can take positive steps and collaborate with others to

- Manage our businesses responsibly and sustainably for the long term good
- Vote with our purchases and investments
- Celebrate each success, learn from each setback
- Have fun doing it!

**Thank you!**

