



Moral Capitalism at Work

Business and Public Policy Round Table

June 28, 2012

University Club of St. Paul

“The U.N. and How to Ignite Global Growth”

Chair and presenter: Steve Young, Global Executive Director, Caux Round Table

Participants: Ron Baukol; Rich Broderick (rapporteur); Nicholas Conant; Jed Ipsen; Mike Maxim; David Mitchell; Erik Zidek

Key comments: Our understanding of the U.N. was shaped by our parents’ generation who saw the U.N. as an American institution on its way to becoming a world government.

But, then the Cold War came along and the U.N., a system that depends upon consensus, found itself in a world where there was no consensus. Then came the post-colonial world of the 1960s. We found ourselves in a world divided into a North-South rivalry, with Russia and China exacerbating its tensions. By the 1970s, the U.N. was perceived as polarized, unresponsive to the legitimate concerns of the United States and the “Free World,” supportive instead of bad leaders and little more than a debating forum where nothing actually got done.

In the post-Cold War era, however, the U.N. has come to take on two important functions: 1) A small peacekeeping function and 2) the site of a global civil society, albeit one that has no governing authority. Instead, it has become focused on evolving standards for the global community.

In fact, Steve Young’s recent experiences, in particular his presentation and participation in the High Thematic Dialogue on the State of the World Economy convened by the U.N. on May 17 and 18, 2012, at U.N. headquarters, have led him to conclude that a kind of consensus now does exist and that there is an emerging set of standards encompassing what the world should be like. This consensus has been overlooked by the media and world leaders alike, yet this is now the focus of U.N. conferences, such as the one held in May.

It’s important to note that the world’s business communities are really not present in the room during these discussions. In fact, less than a handful of business organizations are accredited to participate. Most participants are representatives of non-governmental organizations (NGO), each with an issue or cause of its own to push.

This is why the document that came out of the Rio+20 conference in June of this year contains 281 points describing what the document states is “The future we want,” contains no input from private business at all.

So, there is consensus values promoted by the U.N., but those values are compiled and published by participants in U.N. conferences. If you are not directly involved in writing these standards, you will find your own values subject to criticism by the U.N. consensus. The U.S. response to this reality is simply to ignore the UN. But, at least one business-related organization, the Convention of Independent Financial Advisors (CIFA), has taken a different tack. Several years ago, CIFA decided to register itself as an NGO. That gives it the opportunity to raise questions in these U.N. forums about the role of private industry in promoting growth and sustainable development.

Steve Young related how at the end of his presentation to the High Level Thematic Dialogue, the Cuban Ambassador to the U.N. accused him of promoting “neoliberalism.” Young responded to this charge by responding to the conferees that he believes that neoliberalism has its flaws indeed, but that without private property and markets, how can poor people gain wealth? To this, the Cuban Ambassador offered only silence in response.

Steve concluded his presentation by arguing that there are two kinds of rights: positive and negative. The latter kind of rights include ideas like the right to health care, the right to an education, etc. – rights shared by all, whether they can be paid for or not, but which impose an economic cost that somebody has to pay. Positive rights, by contrast, go back to John Locke and Whig thinking and include rights such as the right to free speech, the right to own private property without fear of seizure by the state, the right to due process, and the right to vote, etc. These positive rights are powers which others do not have to pay for. Whereas the 1947 U.N. Declaration of Human Rights is dominated by negative, rather than positive rights, that emphasis has changed over the decades and the stress is now on promotion of negative rights with little thought on how to pay for them.