

September 2024

VOLUME XIIV, ISSUE IX

# PEGASUS

A NEWSLETTER FOR THE CAUX ROUND TABLE FOR MORAL CAPITALISM  
NETWORK LOOKING AT BUSINESS ABOVE THE CLUTTER AND CONFETTI



# *Pegasus*

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# Introduction

Welcome to the September edition of *Pegasus*. In this month's issue, the primary focus is the United Nations and its recently released Pact for the Future. The Pact, released on the U.N.'s 75<sup>th</sup> anniversary, is intended to lay out a path that will reinvigorate the institution and its role in the world. As can be expected, much of the Pact focuses on multilateralism, with the U.N. at the center, providing the connective tissue that will help make the world a better place.

Our two essays, the first by Michael Hartoonian and the second by Steve Young, both evaluate the Pact through the lens of the Caux Round Table's deep and rich focus on moral capitalism, as well as the moral organizing of effective societies. In short, Michael and Steve find the Pact a bit wanting on several levels.

As with many agreements that engage many countries, things can quickly become unwieldy. It is quipped that the last great "group" edit of a vital document was the translation of the King James Bible, commissioned in 1604 and published in 1611. That said, such large documents can have flickers of verve and surprise. The Pact, alas, seems to have precious few such moments.

Michael's essay, "Poverty: The United National and Reciprocal Moral Duty," expands on his deep work on poverty, including several recent essays on the topic.

He opens with a stark set of data. The world has 1.1 billion people in poverty, including 566 million children. That represents 19% of the globe's population and is a stark reminder that poverty remains an enduring challenge and problem in many places around the world. Looking at the data, Michael signals a key element to both wealth and poverty. "Real wealth is the manifestation of moral relationships. Poverty, not so much."

He also says poverty is a choice – not for the individual, but for societies and individuals together. "If the U.N. intends to be a moral agent, it must DO something and just not talk about poverty."

From choice, Michael delves into value and what we pay for. For instance, societies can pay for war that has a high failure level or pay to end "poverty, ignorance and corruption – the causes of war." Does the U.N. have the leadership and courage to understand reason, faith and empiricism, all of which show a clear path to a peaceful and benevolent home and mobilize the world to this moral action? Michael finds the U.N. wanting in this regard.

"We choose poverty because we refuse to develop and sustain the good society and to take responsibility for our own conduct therein," he writes. "Shouldn't the leaders of the U.N. know this already? What are you waiting for?"

He blames, in part "timidity," which, in terms of the U.N. Pact, could easily translate into a lack of real leadership.

Michael then discourses how manners, honesty, diligence and humility, among other attributes, are elemental to fighting poverty. It is not education or training alone, but the establishment of a moral society from the basics of manners, to the challenge of moral leadership. And these seemingly basic steps must be done with great vigor. “Teaching excellence is the first step toward diminishing poverty.”

He concludes with a focus on four priorities to fight poverty. 1) There shall be universal healthcare. 2) There shall be public financed education through the baccalaureate based on merit and not on class. 3) There shall be a moral infrastructure to support markets and harmonious living. 4) There shall be provisions made for all eighteen-year-olds to devote one year to community service.

“The question at hand is does the U.N. have the leadership, courage and skill to address the issues of poverty and ignorance? And the wisdom to put first things first?”

In our second essay, Steve Young offers a more direct critique of the U.N. Pact. While he notes a handful of positive items, his reaction is generally critical and represents a missed opportunity to galvanize the work of the U.N. and other multilateral organizations. “First, it is a laundry list, not a persuasive, intellectually and emotionally compelling, management to do list. Secondly, the Pact for the Future is a document for conversations among managers, not something for leaders to use. It is a list of aspirations detached from passion and commitment of resources. Its goals are not targets, but only an outline of consensus approaches to large problems. No key performance indicators are included in the Pact.”

He notes that this managerial and rather mealy-mouthed litany of mushy recommendations differs sharply with Caux’s own view of the importance of morality and moral leadership in solving societal problems. Underscoring this point of view, Steve includes a clever schematic that illustrates the workings of a responsible business.

Certainly, the Pact references key issues – sustainable development, peace and security, human rights, etc. But as Steve notes, the Pact doesn’t say who should play the lead role or be responsible for delivering on these noble goals, beyond stressing the (self-interested) importance of multilateralism centered on the U.N. Churches, governments, private companies, collectives, among others, go unmentioned.

“Take the problem of failed states, for example. A failed state is a public bad. But who will be willing to run the risks of opposing a bad, corrupt, merciless government? Also, who should pay for prevention of global warming and who should build the plants to extract CO<sub>2</sub> or refrain from using oil and gas to produce energy?”

In the end, the U.N. Pact reflects missed opportunity and a lack of daring that could have real impact. Instead, it feels like a performative document required to mark the U.N.’s 75<sup>th</sup> anniversary.

Lastly, we include several excerpts from the U.N. Pact. The Pact includes 86 paragraphs, five goals and 58 commitments by its signatory governments. Consider it a quick way get a feel for the Pact without having to plow through the entire report.

Thank you for reading. As ever, we welcome your feedback, as well as suggestions about what sorts of topics you'd like addressed in future editions.

*Dave Kansas*  
*Editor-at-Large*  
*Pegasus*

# Poverty

## *The United Nations and Reciprocal Moral Duty*

**Michael Hartoonian**

***1.1 billion people, including 566 million children, who are facing starvation every day, live in poverty; that is 19% of the world's population. (World Poverty Statistics, 2024)***

***In the morning,  
when thou rises unwillingly,  
let this thought be present –  
I am rising to the work  
of being human.  
-Marcus Aurelius***

### **Introduction**

The work of being human is measured in the effort we make to be in moral relationships and not simply transactions with one another. Real wealth is the manifestation of moral relationships. Poverty, not so much. Based on a social sense of relationships, people create markets to diminish poverty and enhance well-being. From what we can tell, there have been markets as soon as humans could communicate with one another. As time passed, it seems clear that some of these markets could harvest profits from efforts, while many more collected unearned rents. The former encouraged inclusion, invention and innovation, while the later favored exclusion and the status quo. One embraced learning, while the other believed that “the earth was flat and at the center of the universe.” Many still do.

In this essay, we will investigate poverty by looking at what can or should be harvested from a market and why. We will come to grips with the notion that like wealth, poverty is a choice. Not an individual choice, but a choice made by societies and individuals together. If the U.N. intends to be a moral agent, it must DO something and just not talk about poverty. Poverty, ignorance and moral incompetence are the primary causes of violence and war. The beginning of wisdom is the ability to put first things first. As one cannot act morally alone, neither can one be poor alone. It is a choice made in relationships. The concept of poverty is the dangerous derivative of accepting prevailing meanings of “human” relationships. Conceptions about relationships are manifested in the choices we make between learning and ignorance. Mostly, it’s about our character. To this end, people and countries of the U.N. should understand that you cannot address poverty or have a just market or government, for that matter, if leaders and citizens therein are seeking merely rent transactions and not manifesting the moral sentiments of relationships.

## Misconceptions, Duality and Poverty

Activities that are rightly carried out generate wealth, excellence or value; what we might call earned profit. Extracting unearned money is what we call rent. However, it is much more complex than this. The complexities stem from three general misconceptions. The first is theoretical. To understand rent and its relationship to markets, we must make a difference between the theory of value and a theory of price. In neoclassical economics, there is a dangerous confusion between price and value. Neoclassical economists believe price and value are the same. Yet, any enlightened, rational human understands that you cannot know the value of something by simply knowing its price. What values are the people of the world willing to pay for? We can pay to control wars, in which we have had little success or we can pay to end poverty, ignorance and corruption – the causes of war. Does the U.N. have the leadership and courage to understand reason, faith and empiricism, all of which show a clear path to a peaceful and benevolent home and mobilize the world to this moral action?

Secondly, there is a belief that value is in the eye of the beholder, while price reflects the dynamics of a perfectly working market. Both assumptions are incorrect. Thirdly, there exists an almost religious claim that wants and needs are derived from natural law and not from the nature of people and their cultures. This is similar to arguing that civil law is simply natural law.

We can't use positivism in defense of the "law" of supply and demand. The elasticity of demand is more a subjective reflection of deeper culture attributes. Moslow's theory of the hierarchy of needs is disappointing as it is ignorant of history and dismisses the variances of need based on geography, culture and personal character.

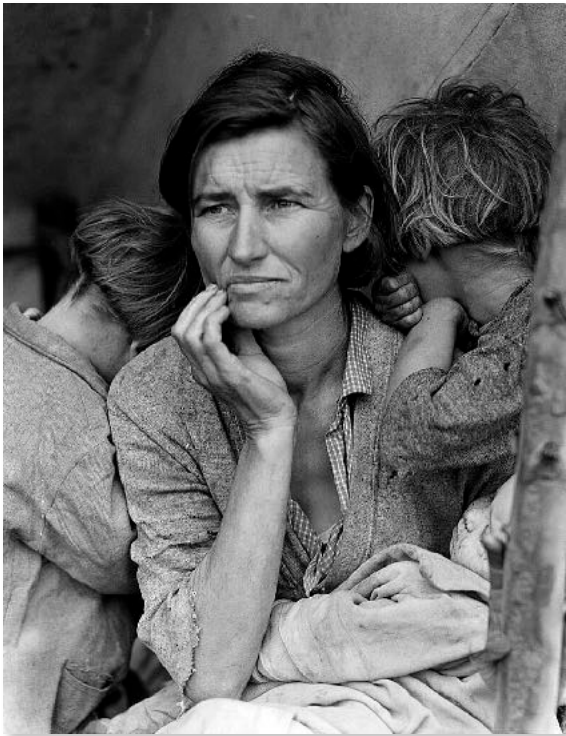
In light of mass media and advertising, do the concepts of need and want have any objective meaning? Can the theoretical intersection of supply and demand set prices or do prices have more to do with advantage taking, absent moral relationships? Without the moral framework, a market will always be captured by the powerful and the few. Innovation and invention will stop and fewer and fewer people will be able to create wealth, excellence or value and the world becomes poorer. Within this condition, rent extraction and exploitation win the day and the responsible practice of freedom, the linchpin of a self-governing and free people, will cease to exist. This is the seed bed of poverty. Do the leaders of the world know this? Is the U.N. willing to do the work needed to teach and implement these simple truths?





## A Choice

So, why do we still choose poverty? Does our passion, faith, fear and greed simply overwhelm our better angels? That depends. It depends on the social context/contract in which we live. It depends on our belief and responsibility to our love for all of our children's welfare and future. And it depends on the citizens' and leaders' understanding of self-interest. Without an intentional and enlightened trust in one another, the natural workings of our moral sentiments will atrophy. There is reciprocity here. Innate virtues are operational only within the good society. Good meaning inclusive, open, innovative, self-governed and where citizens and leaders know that ethical decisions cannot be delegated (they take personal responsibility) and the individual cannot be moral alone (morality is a relationship). We choose poverty because we refuse to develop and sustain the good society and to take responsibility for our own conduct therein. These contemporary times, or any time, can be the worst of times when people are antithetical to enlightened self-interest, happiness and dismissive of our moral sentiments. Within these times, democracy and moral capitalism are problematic. Shouldn't the leaders of the U.N. know this already? What are you waiting for?



We need/want different choices. The first choice is to simply debate the relative importance of reason vs emotions, reality vs politics. This is an ongoing debate that needs to continue, as it has a direct impact on our definitions of wealth and poverty. At one level, we can say that poverty or wealth are just contextual ideas, made real in our minds by what the culture defines them to be. The concepts strongly influence images of the future, which sway our present behavior. The second choice is to hold fast to the bias of normalcy, believing that what is will always be. This belief is not so much a hope for the future, but a deep fear of change, even a change that would get one out of poverty. When most people in society cannot hold reason and emotions in their minds at the same time and when they also think that what is will always be, people become afraid of change, self-centered, static in their perceptions of the world and obsessed with money and price (fear) and much less

concerned with wealth and value (hope). One contemporary example of this phenomenon is seen in higher education. Survey data point to the fact that at places like Harvard, Princeton, Wisconsin, as well as at smaller "liberal arts" colleges, fully half of all students' first interest is in making money and as fast as possible. Students majoring in the humanities, as opposed to finance or consulting, are looked down upon. No doubt, the economic downturn, as well as the Covid experience, played a role. But what this suggests is fear of personal poverty, so "I must get mine." This personal attitude of greed always brings societal poverty, which is a slippery path into tyranny and loss of freedom. Can the U.N. understand and teach these ideas?



The causes of poverty are beyond what we see or read about in the media. Poverty is played out against the rhythms and cadence of abandoned reason and ignored moral sentiments.

Thus, we need to understand that our civic organizations and our personal behavior can promote poverty when we dismiss experimental and moral thought. These are habits of the mind, made operational through the long practice of being afraid. Timidity is ubiquitous.

## Causes of Poverty

Let's begin our inquiry with some communally held beliefs, based on different notions of "then." For example, in the realm of government, if you want a sustaining dictatorship or despot to rule, then you must instruct the people in fear. Fear must be intentionally taught. If you want a monarchy, then you teach honor and symbolism. And if you want a republic, where people are self-governed and delegate power to those with character, then you instruct all citizens in (civic) virtue. I was once asked to leave the People's Republic of China because I was teaching civic virtue and civic competence to undergraduates at Guangzhou University. As the official told me as he escorted me out – "We do not want students asking questions about civics and virtue. You know that virtue is a made-up concept."

What most of the world believes in is training, not education.

Education means learning based on liberal enlightenment. Such education would be universal, required and implemented by the U.N. Because of the three types of governing, it is in the republic where the citizen must be fit in character. A republic cannot be governed by a felon, nor can a person of character govern a community of felons. So, the attributes of a republic are the "then" in the causal sequence of A



(a people with education for virtue, inclusiveness, self-responsibility...), then B (a republic). To say that any people can build and sustain a republic makes no historical or political sense. It is a special "then" that causes the republic. A, then B, is only possible if we understand that the causes delineated are proposed by nature, reason and moral sentiments. Thus, a republic can never be evaluated by a theory of price, only by a theory of value. These attributes of republican governance must be in play before anything can be done about the issue of poverty.

## **Poverty and the Confusion between Price and Value**

*“What is a man if his chief good and market of his time be but to sleep and feed? A beast and nothing more.” - Shakespeare’s Hamlet*

I have often been taken aback when universities suggest they are the economic engine of whatever state or nation. They never claim to be the engines of civic virtue. What is the U.N. an engine of?

Our children are here not to die of starvation. Our students are here to become more interesting people. They are here to become loving critics of home and country. They are here to understand virtue and critical thinking. They are here to learn, judge and create the several epistemologies of the liberal arts – which include science and mathematics. They are here to understand the fulness of what it means to be human. They are here to learn to be citizens.

This rationale is the only value driven purpose for education. Or to put it another way, without a conception of the public good, public school makes no sense. With this goal in place, poverty can be eliminated. The poor do not always have to be with us because poverty is a fear-based premise in our warped thinking. It is an assumption given life through ignorance.

## **Poverty and the Generational Covenant**

It is interesting that governments will suggest a “poverty level” or the amount of money/ income needed to provide adequate food and shelter for an individual or family. Adequate is an interesting term. Defined so generally, it becomes meaningless. Yes, it is correlated with something called the price level, but is salient on any material or moral infrastructure necessary for building responsibility and benevolence between parents and children and by extension, to people, in general. Again, there is the strange belief that just giving money to someone, without well thought out infrastructure support, is enough. This makes poverty everlasting because the decision making here leads to the choice of poverty, by both individual and government. These policies break any generational covenant that any society needs to destroy poverty. It is within this context of mutual support and responsibility that we learn the meaning of and the conduct needed to pursue wealth (excellence).

Wealth creation starts with the general teaching of manners – honesty, curiosity, respect for others, diligence, humility and so forth. In this instruction, the family with generational linkages become the foundational teacher. This is the seed bed of creating moral beings and of course, wealth. In like manner, a society has a generational covenant with all parents and children. Teaching excellence is the first step toward diminishing poverty.

The truth of the proposition is that individual members of the family must ask what “I” can do for the family and by extension, to the firm, community and state. To ask that question is not only the beginning of the creation of wisdom, but a bit of wealth, as well.

## **Reimagining the Work of the United Nations**

Going forward into the 21<sup>st</sup> century and given the attending headwinds of world population, of environmental degradation and disregard for earth’s aesthetic qualities, of the scale of technology and the deep ignorance of leaders of how to attend to people other than themselves, I would extrapolate from the above discussion the following four public policy areas, reprioritizing its work agenda and assessing member states for adequate resources and talent.

1. There shall be universal healthcare.

Wealth is created by healthy individuals who have access to free or low-cost health care and learn healthy habits. To this end, the U.N. becomes the teacher of how to live a healthy life. The social norm is caring for your own health through education and practice. Most of this we already know. The point of this policy is to understand the link between health and wealth creation and provide the leadership and resources to get health at the top of the agenda.

2. There shall be public financed education through the baccalaureate based on merit and not on class.

Societies, along with parents, will take responsibility for the quality of education curricula for all children through the baccalaureate degree or trade/technological degrees. Principles of capitalism, as well as democratic principles, demand training in critical thinking, virtue and civic literacy. All schools must have a public interest and not just a private interest. In fact, without first having a conception of the public good, general schools make no sense. Also, as of 2024, 24% of American households have school-age students, while 76% do not (U.S. Census Bureau). Since all people are and should support schools, the question is begged – what are the schools/universities doing for this 76% of the population? I would guess that these percentages are consistent across Europe, Japan and other nations where population numbers are falling.

3. There shall be a moral infrastructure to support markets and harmonious living.

Much is made of the importance of good transportation in commerce, as well as inexpensive communication. However, the material infrastructure is useless without a moral infrastructure, meaning that people will conduct their lives in mutually supportive and honest relationships that go beyond vulgar transactions. The moral context is established and maintained by media, education and all responsible people who are interested in creating wealth.

4. There shall be provisions made for all eighteen-year-olds to devote one year to community service.

At the start of one's 18<sup>th</sup> birthday, the citizen will be required by his or her nation to spend a year working and serving their communities. They will receive a wage, plus room and board for that year to be put in a bank account payable to the individual at the end of the service year.

Through this experience, young people will learn about different parts of their community and meet people with different worldviews. These experiences will help in the process of maturity and will serve the individual emotionally, financially and intellectually.

## **Conclusion**

What are the fundamental understandings necessary to the elimination of poverty?

- Wealth (excellence) can only be created by people who are healthy, educated and with moral leanings.
- The market must be encased in ethics or it becomes expensive, sluggish and corrupt. That is, society must have a moral infrastructure to make the material infrastructure workable.
- All individuals and organizations that label themselves “professional” must also be teachers and examples of public trust.
- Self-interest has less to do with self and more to do with all stakeholders.
- Poverty is a choice made by both individuals and leaders of the political economy. It is not a natural condition, except in Hobbes’ “state of nature” or an illiberal political system.

In the end, to understand poverty, we must understand moral capitalism and implement the principles of democratic governance. The citizen must also carry the virtues of honesty, critical thinking, saving (delaying gratification), investing in self and others, aesthetics and the responsibilities of holding the office of citizens.

The question at hand is does the U.N. have the leadership, courage and skill to address the issues of poverty and ignorance? And the wisdom to put first things first?

*Michael Hartoonian is Associate Editor of Pegasus.*

# **The Pact for the Future: Well-intentioned Aspirations Hobbled by Flawed Assumption about Human Nature**

**Stephen B. Young**

*If wishes were horses, beggars would ride.*

*“If to do were as easy as to know what were good to do, chapels had been churches and poor men’s cottages princes’ palaces.”*

*-William Shakespeare, The Merchant of Venice*

The Pact for the Future, adopted by governments at the U.N. Summit of the Future 2024, disappoints me.

First, it is a laundry list, not a persuasive, intellectually and emotionally compelling, management to do list. Professor Barrington Moore, the noted American Marxist scholar and my tutor during junior year at college, would not accept what he called “a laundry list” when he had assigned us the task of writing an essay to argue a point of theory or history. He would have brushed off the Pact for the Future as approaching farcical posturing.

Secondly, the Pact for the Future is a document for conversations among managers, not something for leaders to use. It is a list of aspirations detached from passion and commitment of resources. Its goals are not targets, but more only outline consensus approaches to large problems. No key performance indicators are included in the Pact.

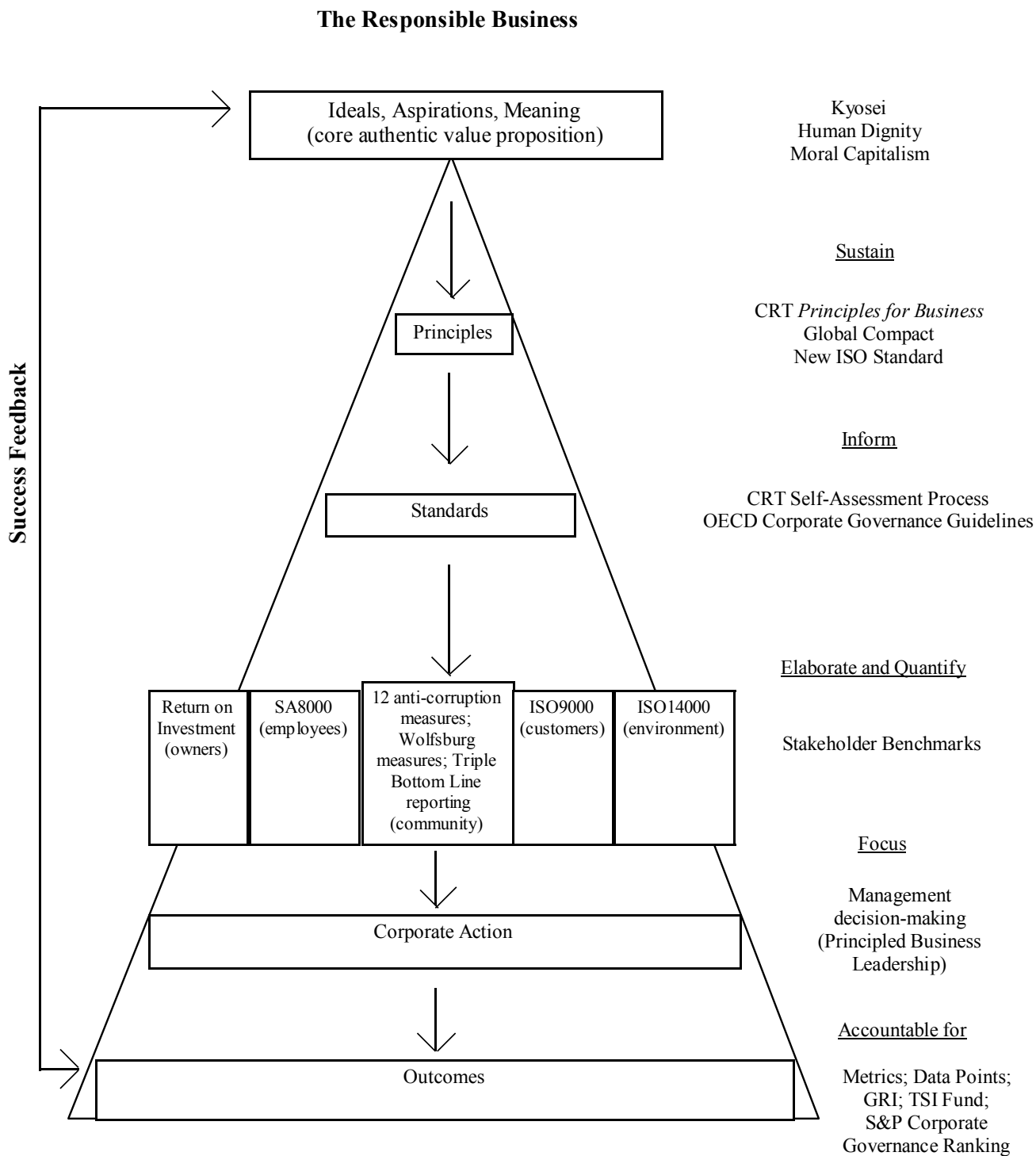
The exercise seems designed to be performative, to be applauded for being well-intentioned and so only written for maintenance of reputation rather than for achievement.

The Pact, thus, differs from the leadership approach taken by the Caux Round Table, which starts with principles. Principles then find expression in standards of conduct. Standards drive behaviors. Behaviors deliver results.

Principles are the mediators between our wishes and ideals and our behaviors. Behaviors change the world, but are shaped by what comes out of our minds and hearts.

As Gandhi said: “Be the change you wish to see in the world” – conform your behaviors to your values.

Consider this graph illustrating the workings of a moral company as charting a flow of action from the ideal above to reality below:



To some extent, though, the Pact for the Future does list priorities which derive from values. Most of these priorities are what economists call “public” goods because they benefit many freely without charge and without personal ownership rights to deny them to others by improving the common circumstances in which we live – clean water and air, no war, access to education and medicines, stable currencies, etc.

The Pact provides an impressive list of these “public” goods which, if enjoyed, will make individual lives safer and more productive, with individual dignity protected:

*sustainable development, peace and security, human rights, abiding by international law, multilateralism, prevention of climate change, respecting each-other’s sovereignty and territorial integrity, upholding the principles of political independence and self-determination, strengthening accountability and ending impunity, redressing injustice and reducing inequalities, the full, safe, equal and meaningful participation and representation of all women in political and economic life, eradicating poverty in all its forms and dimensions, providing meaningful access to critical life-changing technologies, sharing science, technology and innovation, providing digital and emerging technologies, including artificial intelligence, which offer huge potential for progress for the benefit of people and planet today and in the future...*

However, the Pact is silent as to who is and will be responsible for producing and delivering these public goods across our global community. Will it be governments? Private companies? Non-profits? Community collectives and cooperatives? Churches and religious orders? Individuals?

Economists have long noted the drawback to providing public goods – slackers. Those who stand to benefit, but who choose to let others bear the costs and do the work of bringing forth such goods which freely benefit all. This is the “free-rider” problem. Free-riders are like rent extractors. They propose to profit personally from the investments made by others. When people worry about free-riders taking advantage of “public” goods, they are reluctant to pay for or contribute their ideas and labor to the production of such goods. Thus, the total effort to bring forth public goods loses momentum and stagnates with public agencies treading water and private actors going their own separate ways.



Take the problem of failed states, for example. A failed state is a public bad. But who will be willing to run the risks of opposing a bad, corrupt, merciless government by trying to replace it with better quality rulers, politicians and police? Consider the plight of the Palestinian citizens in Gaza being used by Hamas as human shields against the Israeli military. Hamas proposes national independence for the Palestinians as a public good for them along the very lines of those aspirations valued by the Pact for the Future. But Hamas then imposes its own organizational thinking as to who will pay the cost in lives and treasure of obtaining that community benefit.



Take the case of removing CO<sub>2</sub> from the atmosphere and reducing new production of that source of global warming: who should pay for prevention of global warming and who should build the plants to extract CO<sub>2</sub> or refrain from using oil and gas to produce energy?

The challenge of producing public goods was famously put by Roman politician and prosecutor Lucius Cassius in 125 BC: *Cui bono?* – Who benefits? His point was that responsibility should be taken by those who stand to benefit and that, in retrospect, those who stood to benefit from an action are most likely to have taken that action.

The cognate question we can ask as to implementation of the Pact for the Future is: *Cui reddit?* – Who shall pay?

Another conundrum left unsolved by the Pact for the Future is the problem of knowledge posed by Friedrich Hayek in a 1944 academic article. He saw that success in getting things done well and correctly demanded having good and correct knowledge of all the forces at work in creating and sustaining either the condition or dynamic we want to change or remove or the condition and dynamic we want to enjoy going forward.

Take global warming – who has the right and sufficient knowledge to actually reduce it? The government, scientists or people living on farms, driving cars, running air conditioners and eating meat? Hayek’s conclusion was that since most effective action takes place in local, particular, special, even at times unique settings, not in general terms of science or policy, those in the particular settings should be empowered to put their knowledge to work in



making things better. Since much important knowledge is decentralized, Hayek did not favor giving central government bureaucracies all authority and discretion to decide what is best to do.

Appropriately, in my judgment, the social teachings of the Catholic Church stress the moral principle of “subsidiarity” or decentralizing authority and responsibility to the lowest levels of the economy and society, where real people deal with real problems in their real lives.

This approach argues for a supplement to the Pact for the Future which addresses specialization of function to achieve its worthy, but lofty aims. Both the thinking and the accumulation of the right knowledge, the proposing of solutions using design thinking and the implementation of plans and projects will require partnerships and collaborations, the sharing of ideas, costs and efforts.

Importantly, those who do not feel responsible and are willing to be free-riders on the sacrifices of others will act as hinderances and a drag on accomplishment. They need to be involved as if the outcome is to be a private good for their benefit.

Thus, as Adam Smith intimated in his seminal work on the birth of modernity, *An Inquiry into the Nature and Causes of the Wealth of Nations*, altruism, by itself, seeking the greater good of all, may not be the most vigorous of inducements and motivations to count on when you want someone to slay great dragons.

Self-interest can play a role in producing outcomes that advance the public good.

In the social-psychological thinking of the Scottish Enlightenment (Francis Hutcheson, Adam Smith, Thomas Reid, David Hume), self-interest was more than material greed and self-referential striving for advantage. It could be enlightened by our moral sentiments; it could be a self-interest understood upon the whole.

This expectation of individual self-interest, which demands instruction and moral education of the person, is the most appropriate foundation for building human well-being. Would that the United Nations could figure out how to empower and trust individuals with responsibility for our common future.

*Stephen B. Young is Global Executive Director of the Caux Round Table for Moral Capitalism.*



*(Below are excerpts from the 4<sup>th</sup> preparatory draft of the Pact for the Future, submitted to the U.N. Summit of the Future 2024, held in New York City in September 2024. The document, in its entirety, can be found [here](#).)*

## **Pact for the Future**

(The Pact for the Future consists of 86 paragraphs, 5 goals and 58 commitments by its signatory governments.)

1. We, the Heads of State and Government, representing the peoples of the world, have gathered at United Nations Headquarters to protect the needs and interests of present and future generations through the actions in this Pact for the Future.
2. We are at a time of profound global transformation. We are confronted by rising catastrophic and existential risks, many caused by the choices we make. Fellow human beings are enduring terrible suffering. If we do not change course, we risk tipping into a future of persistent crisis and breakdown.
3. Yet this is also a moment of hope and opportunity. Global transformation is a chance for renewal and progress grounded in our common humanity. Advances in knowledge, science, technology, and innovation could deliver a breakthrough to a better and more sustainable future for all. The choice is ours.
4. We believe there is a path to a brighter future for all of humanity, including those living in poverty and vulnerable situations. Through the actions we take today, we resolve to set ourselves on that path, striving for a world that is safe, peaceful, just, equal, inclusive, sustainable and prosperous, a world in which wellbeing, security and dignity and a healthy planet are assured for all humanity.
5. This will require a recommitment to international cooperation based on respect for international law, without which we can neither manage the risks nor seize the opportunities we face. This is not an option but a necessity. Our challenges are deeply interconnected and far exceed the capacity of any single State alone. They can only be addressed collectively, through strong and sustained international cooperation guided by trust and solidarity for the benefit of all and harnessing the power of those who can contribute from all sectors and generations.
6. We recognize that the multilateral system and its institutions, with the United Nations and its Charter at the centre, must be strengthened to keep pace with a changing world. They must be fit for the present and the future – effective and capable, prepared for the future, just, democratic, equitable and representative of today’s world, inclusive, interconnected, and financially stable.

7. Today, we pledge a new beginning in multilateralism. The actions in this Pact aim to ensure that the United Nations and other key multilateral institutions can deliver a better future for people and planet, enabling us to fulfil our existing commitments while rising to new and emerging challenges and opportunities.

8. We reaffirm our unwavering commitment to act in accordance with international law, including the Charter of the United Nations and its purposes and principles.

9. We also reaffirm that the three pillars of the United Nations – sustainable development, peace and security, and human rights – are equally important, interlinked and mutually reinforcing. We cannot have one without the others.

10. We recognize that sustainable development in all of its three dimensions is a central goal in itself and that its achievement, leaving no-one behind, is and always will be a central objective of multilateralism. We reaffirm our enduring commitment to the 2030 Agenda for Sustainable Development and its Sustainable Development Goals. We will urgently accelerate progress towards achieving the goals, including through concrete political steps and mobilizing significant additional financing from all sources for sustainable development, with special attention to the needs of those in special situations and creating opportunities for young people. Poverty in all its forms and dimensions, including extreme poverty, remains the greatest global challenge and its eradication is an indispensable requirement for sustainable development.

11. Climate change is one of the greatest challenges of our time with adverse impacts that are disproportionately felt by developing countries, especially those that are particularly vulnerable to the adverse effects of climate change. We commit to accelerate meeting our obligations under the United Nations Framework Convention on Climate Change and the Paris Agreement.

12. To live up to our foundational promise to protect succeeding generations from the scourge of war, we must abide by international law, including the Charter, and make full use of all the instruments and mechanisms set out in the Charter, intensifying our use of diplomacy, committing to resolve our disputes peacefully, refraining from the threat or use of force or acts of aggression, respecting each-other's sovereignty and territorial integrity, upholding the principles of political independence and self-determination, strengthening accountability and ending impunity. With challenges and risks to international peace and security taking on more dangerous forms, in traditional and new domains, our efforts must keep pace.

13. Every commitment in this Pact is fully consistent and aligned with international law, including human rights law. We reaffirm the Universal Declaration of Human Rights and the fundamental freedoms enshrined therein. The implementation of the Pact will enhance the full enjoyment of human rights and dignity for all, which is a key goal. We will respect, protect, promote and fulfil all human rights, recognizing their universality, indivisibility, interdependence and interrelatedness and we will be unequivocal in what we stand for and

uphold: freedom from fear and freedom from want for all.

14. We recognize that our efforts to redress injustice and to reduce inequalities within and between countries to build peaceful, just and inclusive societies cannot succeed unless we step up our efforts to promote tolerance, embrace diversity and combat all forms of discrimination, including racism, racial discrimination, xenophobia and related intolerance and all their abhorrent and contemporary forms and manifestations.

15. None of our goals can be achieved without the full, safe, equal and meaningful participation and representation of all women in political and economic life. We reaffirm our commitment to the Beijing Declaration and Platform for Action, to accelerating our efforts to achieve gender equality, women's participation and the empowerment of all women and girls in all domains and to eliminating all forms of discrimination and violence against women and girls.

16. We reaffirm our pledge, made on the occasion of the seventy-fifth anniversary of the United Nations, to reinvigorate global action to ensure the future we want and to effectively respond to current and future challenges, in partnership with all relevant stakeholders. We recognize that the well-being of current and future generations and the sustainability of our planet rests on our willingness to take action. To that end, in this Pact we commit to fifty-eight actions in the areas of sustainable development and financing for development, international peace and security, science, technology and innovation and digital cooperation, youth and future generations, and transforming global governance.

17. We will advance implementation of these actions through relevant, mandated intergovernmental processes, where they exist. We will review the overall implementation of the Pact at the beginning of the eighty-third session of the General Assembly through a meeting at the level of Heads of State and Government. We are confident that by then, we will be well on course towards the better and more sustainable future we want for ourselves, our children and all the generations who will come after us.

## **Goal 1: Sustainable Development and Financing for Development**

18. In 2015, we resolved to free the human race from the tyranny of poverty, hunger and want and to heal and secure our planet. We promised we would leave no one behind. We have made some progress, but the achievement of the Sustainable Development Goals is in peril. Progress on most of the goals is either moving too slowly or has regressed below the 2015 baseline. Years of sustainable development gains are being reversed. Poverty, hunger and inequality have increased. Human rights are under threat, and we run the risk of leaving millions of people behind. Climate change, biodiversity loss, desertification and sand and dust storms, pollution and other environmental challenges pose serious risks to our natural environment and our prospects for development.



19. We will not accept a future in which dignity and opportunity are denied to half the world's population or becomes the sole preserve of those with privilege and wealth. We reaffirm that the 2030 Agenda for Sustainable Development is our overarching road map for achieving sustainable development in all three of its dimensions, overcoming the multiple, interlinked crises we face and securing a better future for present and future generations. We recognize that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development and the realization of human rights and fundamental freedoms are interdependent and mutually reinforcing. We reaffirm that gender equality and the empowerment of all women and girls is an essential prerequisite to sustainable development. We cannot achieve our shared ambitions for the future without addressing these challenges with urgency and renewed vigour. We are committed to ensuring that the multilateral system can turbocharge our aspirations to deliver for people and planet, and we will place people at the center of all our actions. Action 1. We will take bold, ambitious, accelerated, just and transformative actions to implement the 2030 Agenda, achieve the Sustainable Development Goals and leave no one behind.

## **Goal 2: International Peace and Security**

32. The global security landscape is undergoing profound transformation. We are concerned about the increasing and diverse threats to international peace and security, particularly violations of the purposes and principles of the Charter, including acts of aggression, and the growing risks of a nuclear war which could pose an existential threat to humanity. Amidst this changing context, we remain committed to establish a just and lasting peace. We reaffirm our commitment to act in accordance with international law, including the Charter and its purposes and principles, and to fulfill our obligations in good faith. We reaffirm the of upholding and promoting the rule of law at the international level in accordance with the principles of the Charter of the United Nations, and in this regard recalls the importance of the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations. We reiterate our full respect for the sovereign equality of all Member States, the principles of equal rights and self-determination of peoples and our obligation to refrain from the threat or use of force against the territorial integrity or political independence of any state, our commitment to settle international disputes by peaceful means. We also reaffirm our commitment to the Universal Declaration of Human Rights.

33. The United Nations has an indispensable role in the maintenance of international peace and security. Our efforts to urgently address accumulating and diverse threats to international peace and security, on land, sea, in the air, in outer space and in cyberspace, should be supported by efforts to rebuild trust, strengthen solidarity, and deepen international cooperation, including through the intensified use of diplomacy. We will take into account the recommendations in the New Agenda for Peace.

### **Goal 3: Science, Technology and Innovation and Digital Cooperation**

51. Science, technology and innovation have the potential to accelerate the realization of the United Nations' aspirations across all three pillars of its work. We will only realize this potential through international cooperation to harness the benefits and take bold, ambitious and decisive steps to bridge the growing divide within and between developed and developing countries and accelerate progress on the 2030 Agenda. Billions of people, especially in developing countries, do not have meaningful access to critical life-changing technologies. If we are to make good on our promise to leave no one behind, sharing science, technology and innovation is essential. Innovations and scientific breakthrough that can make our planet more sustainable and our countries more prosperous and resilient should be affordable and accessible to all.

52. At the same time, we must responsibly manage the potential risks posed by science and technology, in particular the ways in which science, technology and innovation can perpetuate and deepen divides, in particular gender divides and patterns of discrimination and inequality within and between countries and adversely impact the enjoyment of human rights and progress on sustainable development. We will deepen our partnerships with relevant stakeholders, especially the international financial institutions, the private sector, the technical and academic communities, and civil society, and we will ensure science, technology and innovation is a catalyst for a more inclusive, equitable, sustainable, and prosperous world for all, in which all human rights are fully respected.

53. Digital and emerging technologies, including artificial intelligence, play a significant role as enablers of sustainable development and are dramatically changing our world. They offer huge potential for progress for the benefit of people and planet today and in the future. We are determined to realize this potential and manage the risks through enhanced international cooperation, engagement with relevant stakeholders, and by promoting an inclusive, responsible and sustainable digital future.

### **Goal 4: Youth and Future Generations**

60. Today's generation of children and young people is the largest in history, with most of them living in developing countries. They are critical agents of positive change and we welcome the important contributions of young people to peace and security, sustainable development and human rights. However, across our world, millions of children and young people are deprived of the conditions they need to reach their full potential and fulfil their human rights, especially those in vulnerable situations. Children and young persons continue to live in extreme poverty, without access to critical, basic services and respect for their fundamental rights. We recognize that, together with future generations, they will live with the consequences of our actions and our inaction. We will invest in and promote engagement by young people at national and international levels to secure a better future for all.



61. We recognize that children and youth are distinct groups from future generations. We must ensure that decision-making and policy-making today takes greater account of the needs and interests of the generations to come, and that they are balanced with the needs and interests of current generations.

## **Goal 5: Transforming Global Governance**

66. Today, our multilateral system, constructed in the aftermath of the Second World War, is under unprecedented strain. It has had remarkable achievements in the past eighty years. But we are not complacent about the future of our international order, and we know it cannot stand still. We will take action to strengthen and reinvigorate multilateralism and deepen international cooperation. We reaffirm unwavering commitment to international law, including the Charter, to address global challenges, some of which could overwhelm and threaten all of humanity. A transformation in global governance is essential to ensure that the positive progress we have seen across all three pillars of the United Nations' work in recent decades does not unravel. We will not allow this to happen.

67. We must renew trust in global institutions by making them more representative of, and responsive to, today's world and more effective at delivering on the commitments that we have made to one another and our people. We renew our commitment to multilateralism and international cooperation, guided by the Charter and the principles of trust, equity, solidarity and universality. We will transform global governance and strengthen the multilateral system to help us achieve a world that is safe, peaceful, just, equal, inclusive, sustainable, and prosperous.

*Action 40. We will transform global governance and reinvigorate the multilateral system to tackle the challenges, and seize the opportunities, of today and tomorrow.*

68. We resolve to make the multilateral system, with the United Nations at its centre, more:

- (a) Effective and capable of delivering on our promises, with strengthened accountability, transparency and implementation mechanisms to ensure our commitments are met and to rebuild trust in global institutions.
- (b) Prepared for the future, building capabilities and harnessing technology and data to anticipate risks, seize opportunities, act early and manage uncertainty.
- (c) Just, democratic, equitable and representative of today's world to ensure that all Member States, especially developing countries, can meaningfully participate in global decision-making in multilateral institutions and better integrating the voice of developing countries in global decision-making.
- (d) Inclusive, to allow for the meaningful participation of relevant stakeholders in appropriate formats, while reaffirming the intergovernmental character of the United Nations and the unique and central role of States in meeting global challenges.
- (e) Interconnected, to ensure that the multilateral system can draw together existing institutional capacities, work better as a system, overcome fragmentation and comprehensively address multidimensional, multisectoral challenges, while maximizing efficiencies.
- (f) Financially stable, by ensuring adequate, sustainable and predictable financing for the United Nations, and to that end we commit to meet our financial obligations in full, on time and without conditions.

The logo features a large, thick, black brushstroke forming a circle. Inside the circle, the text "CAUX ROUND TABLE" is written in a teal, sans-serif font, and "FOR MORAL CAPITALISM" is written in a black, sans-serif font below it.

# CAUX ROUND TABLE FOR MORAL CAPITALISM

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