

HOW BUSINESS CAN ENGAGE AND NEGOTIATE EFFECTIVELY AT THE UNITED NATIONS



Eric Beynon

Sustainable Growth Company Inc.

March 2005

FOR PUBLIC RELEASE AND DISTRIBUTION

International Chamber of Commerce, Paris France

World Business Council for Sustainable Development, Geneva, Switzerland



ABSTRACT	3
THE NEW ROLE OF BUSINESS AT SUPRANATIONAL MEETINGS.....	3
THE CONTEXT OF THE UNITED NATIONS.....	4
TACKLING NEGOTIATIONS AT THE UNITED NATIONS.....	6
MANAGING COALITIONS:	7
MANAGING THE ISSUES:	8
DEVELOPING RELATIONSHIPS AND COMMUNICATION:.....	8
THE JOHANNESBURG SUMMIT: A PRACTICAL EXAMPLE	10
CHALLENGES FACING GLOBAL BUSINESS	10
<i>Inexperience.....</i>	<i>10</i>
<i>Differing Business Agendas.....</i>	<i>11</i>
<i>Overall Skepticism</i>	<i>11</i>
<i>Lack Of Understanding And Trust.....</i>	<i>12</i>
<i>External Demands</i>	<i>14</i>
<i>Inefficient Structure</i>	<i>15</i>
HOW BUSINESS CAN BE EFFECTIVE	15
<i>Galvanizing The Business Community.....</i>	<i>16</i>
<i>Getting Involved Early.....</i>	<i>17</i>
<i>Getting Prepared By Building A Constituency</i>	<i>18</i>
<i>Establishing Business's Own Positive Agenda</i>	<i>19</i>
<i>Managing UN Complexities Through Stakeholder Engagement</i>	<i>23</i>
<i>NGO and Government Relations</i>	<i>23</i>
<i>The Media.....</i>	<i>25</i>
LEARNING FROM THE JOHANNESBURG EXPERIENCE	26

ABSTRACT

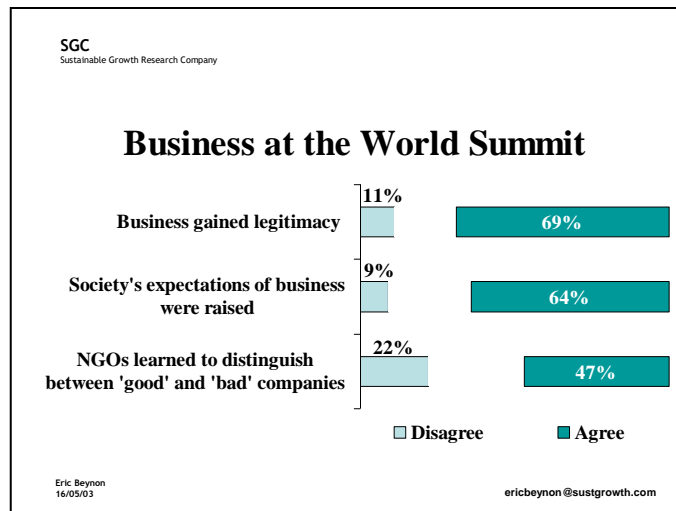
The following article looks at how business, as an international institution, can have a significant impact negotiating in the international policy arena, specifically at the United Nations. Key learnings are presented for future business leaders looking to influence policy and popular debate. These 'steps to success' are drawn from a theoretical analysis of negotiation and stakeholder management theory and supported by the practical success that business had at the 2002 Johannesburg World Summit for Sustainable Development.

THE NEW ROLE OF BUSINESS AT SUPRANATIONAL MEETINGS

A paradigm shift took place at the United Nations in September 2002. Business, as a global entity, discovered a new way of communicating, of thinking, and of working together to obtain a central role at one of the biggest meetings ever held – the World Summit on Sustainable Development. As the 10-year anniversary of the monumental 1992 Earth Summit held in Rio de Janeiro, the Johannesburg World Summit on Sustainable Development, brought together the world's leaders from government, business and civil society to discuss the state of the world and what could be done to improve the lot of mankind, the economy and the environment. As the largest United Nation's meeting ever to be held, it involved two years of preparation and saw over 40,000 participants, including over 100 heads of state.

In today's global society, with a basis in democracy and capitalism, business plays a central role in economic development. However, business has never been truly involved, on an integrated level, in negotiations at the United Nations (UN) over the environmental, social and economic development of the world. After being largely absent from negotiations in Rio de Janeiro in 1992, business came to Johannesburg prepared with positive messages and open for engagement. Business was able to mobilize its diverse resources under a new umbrella initiative called Business Action for Sustainable Development (BASD), develop credibility amongst its counterparts and be a constructive negotiating partner. Business, as an international institution, gained legitimacy and set the tone for future involvement (Chart 1).

Chart 1: Outcomes of the Summit



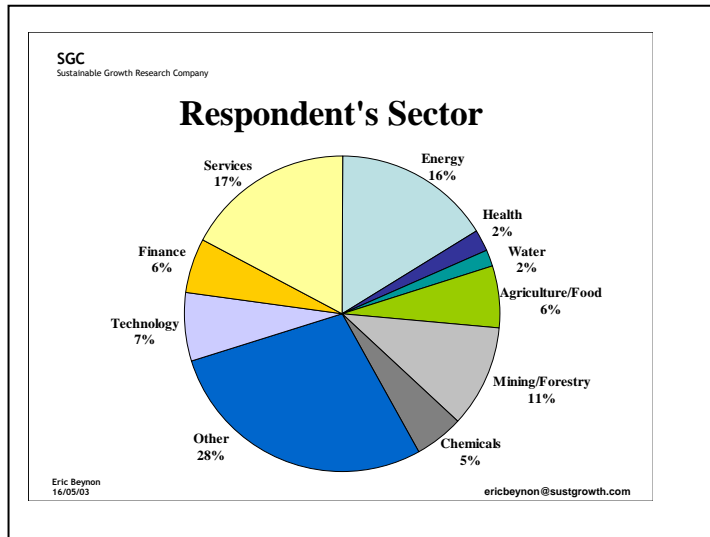
Source: World Business Survey, 2003

The eventual inclusion of business as a partner in the inner circles of international policy planning illustrates how, through strong leadership and effective organization, a constituency as diverse as business can manage the issues and processes of a complex negotiating environment. Relatively new to UN meetings, and as a delegation confined to a role outside the formal negotiation setting, business was forced to build relationships, trust and credibility as a negotiating partner. By doing so with relatively limited financial and human resources, business exemplified the effectiveness of proper stakeholder engagement and how social capital can form

an effective supplement for other forms of capital. By engaging in practical, solutions-based discussions focused on addressing the challenges of sustainable development, business was able to connect with others and be very effective.

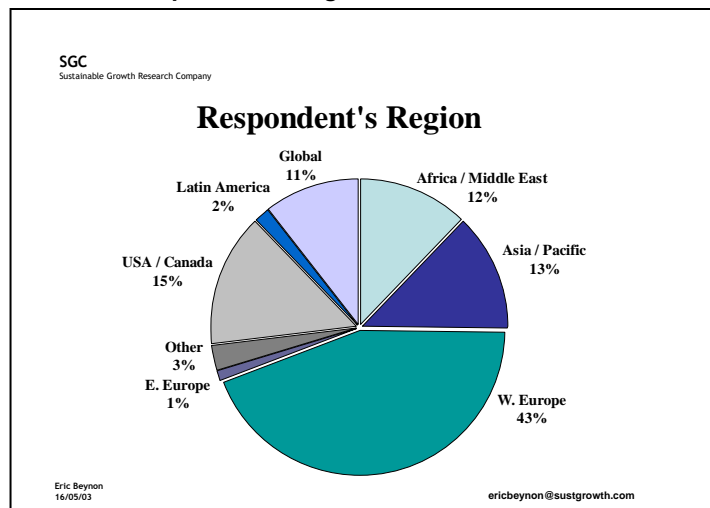
In my role as Executive Director of BASD and the central coordinator of business preparations for the Summit, I had direct access to all of business's successes and failures. After the Summit I also conducted the World Business Survey, an examination of international business delegates to the World Summit, and the results are presented in support of the following analysis. This survey was conducted in the months immediately following the World Summit. The survey was delivered to over 800 business delegates who attended or were heavily involved with the World Summit and achieved a 23% response rate (180 responses). As can be seen in Charts 2 and 3, respondents spanned the globe and represented all industry sectors.

Chart 2: Respondent's Sector



Source: World Business Survey, 2003

Chart 3: Respondent's Region



Source: World Business Survey, 2003

THE CONTEXT OF THE UNITED NATIONS

Every year the United Nations and the world's governments hold numerous conferences relevant to the business world, on topics from biotechnology to the environment. While such conferences are formally intergovernmental meetings, the United Nations invites participants as diverse as the issues under discussion. Outside interest groups, including non-governmental organizations (NGOs) and business, among others, can play central roles in directing discussions, however the world's governments remain the central negotiating bodies. Within this structure, the United States and European Union carry the most negotiating weight and, in what is becoming common practice, the lesser developed countries (LDCs) loosely bind together in an effort to equalize power disparities.

At the Johannesburg Summit, the sheer number of participants and the diversity of issues on the table created a unique negotiating atmosphere. It was arguably the United Nations' most important meeting of the decade, complete with the star power of the worlds' leaders, and business involvement was imperative. It was a negotiation on the diverse issues affecting the planet, predominantly Water, Energy, Health, Agriculture and Biodiversity (WEHAB). This provided some direction, but everything from indigenous mining rights to economic development for the continent of Africa were discussed and debated at one point or another. To further the confusion, all issues were approached from each of the three pillars of sustainability – economic, social and environment.

Business leadership and organization came through a new umbrella initiative: Business Action for Sustainable Development (BASD), created by the International Chamber of Commerce (ICC) and the World Business Council for Sustainable Development (WBCSD). It provided business with a central organizing body that allowed it to meet three stated goals:

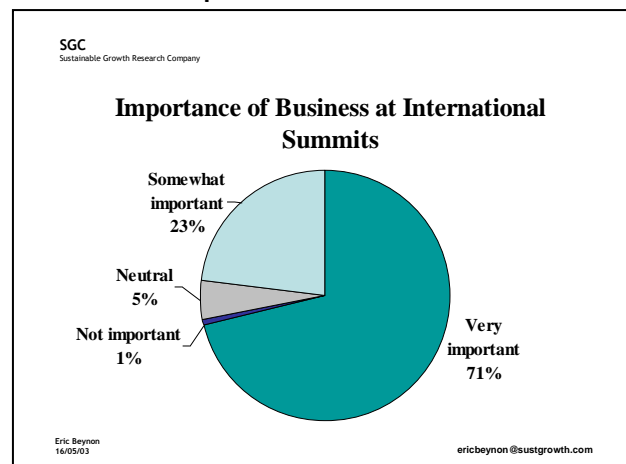
1. To ensure that the voice of business was heard in the preparations for the Summit.
2. To identify where business could play a constructive role in the development and delivery of a sustainable future for the planet. To emphasize business solutions that focus on concrete actions and deliverable results.
3. To demonstrate that businesses all over the world are already actively engaged in initiatives and partnerships to promote sustainable development.

Chart 4 is evidence of how important business perceived its role to be at the World Summit and by the end of the 10-day conference this was shared by others.

To understand how business can be an effective negotiator at the international level, it is necessary to first comprehend how business policy involvement and advocacy is structured globally. Business as an international institution is organized on a tiered system; by sector and region. Every industry sector has organized associations to represent their interests. On a local level (in the US) the National Mining Association represents the mining industry in Washington while internationally organizations such as the International Council on Mining and Metals represent the industry on a global scale. This organizational structure is similar for most industries and also occurs for general business policy and advocacy groups. For example, the Manhattan Chamber of Commerce represents Manhattan business interests, the US Council for International Business (USCIB) represents American business interests and the International Chamber of Commerce (ICC) acts as a business policy advocate at a global level.

At a macro level, business has for the last 10 years been largely represented at the UN by the ICC and the WBCSD with specific industry issues covered by individual industry sector associations. The ICC identifies itself as 'the voice of world business championing a global

Chart 4: The Importance of Business

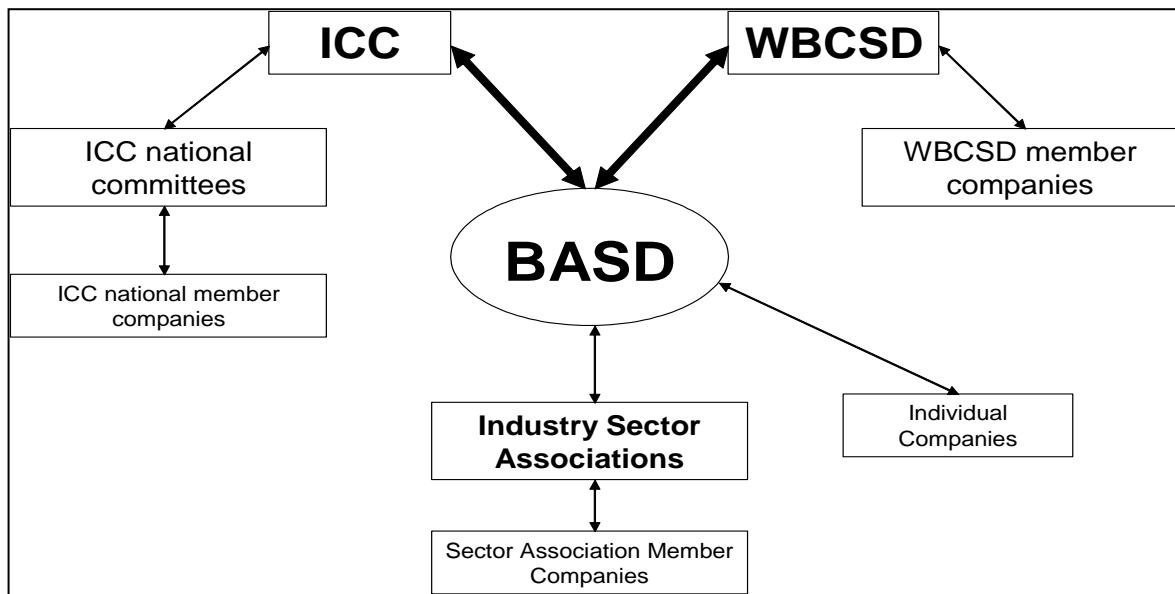


Source: World Business Survey, 2003

economy' and with national committees in over 130 countries the ICC represents over 160,000 businesses globally. With responsibility to such a wide constituency it is difficult for the ICC to offer strong, ground breaking policy. Alternatively, the WBCSD acts as a progressive think tank on sustainable business. Formed in preparation for the Rio Earth Summit of 1992, today it is a member organization with 170 leading companies working to communicate the positive sustainable work of its member companies through the extensive use of case stories and presentations.

As a new business voice BASD was responsible to its founding partners and also to the broader business community. As BASD Chairman Sir Mark Moody-Stuart said: "The aim was simple. It was not to create yet another business organization, but rather to create a network to ensure the world business community is assigned its proper place at the Summit and that we are seen at the event itself to be playing a constructive role". This objective and the structure set out in Chart 5 provided BASD with the fluidity required to accomplish significant objectives in a short time span.

Chart 5: BASD Constituency Structure



TACKLING NEGOTIATIONS AT THE UNITED NATIONS

The complex structure and processes of the UN can have a crippling effect on negotiations and make it extremely difficult for outside groups to maintain focus and be effective. With large numbers of participants and diversity of viewpoints, preparation is necessary and respect for the process paramount. Avoidance of positional bargaining takes on added importance with issues needing to be addressed by focusing on underlying interests. In their bestseller "Getting to Yes" Roger Fisher and William Ury correctly say that with many parties involved, positional bargaining becomes even more difficult and is next to impossible in environments such as United Nations conferences.

MANAGING COALITIONS:

Important for business are the many informal negotiations that occur in an effort to ease communication. These often take the form of bilateral conversations occurring directly with policy makers outside of the formal negotiation arena and allow business to be particularly successful in addressing underlying interests. In Johannesburg, business was able to make significant inroads through many individual 'hallway discussions'. These informal meetings occurred with governmental counterparts on an issue by issue basis as well as through more structured bilateral high-level meetings.

Since supranational negotiations, such as the Johannesburg Summit, are characterized by power asymmetry, coalitions become a major tactical element. Former US ambassador to the UN and founder of the Institute for Multi-Track Diplomacy, John McDonald wrote that success at conference negotiations is achieved by paying attention to coalitions. In his words "narrowing the decision making group and scope of negotiation should be the goal of a good negotiator". Small 'informal' groups that are well prepared to negotiate on a certain issue provide progress where the complexity of a complete negotiation with all parties cannot. Strong preparation by individual groups allows them to build respect and take leadership roles as 'experts' in their specific area. The sheer volume of participants coupled with the spectrum of issues on the table result in this being the only effective way for discussions to advance. As Margo Vanover said in her 1993 article 'Getting things Done through Coalitions' small groups have many advantages: they allow trust relationships to evolve, allow communication to open up, and lead to innovation that would not exist in a large group. Ambassador McDonald agrees saying that outside parties can often feel confident that their interests are being upheld by like-minded experts and when break-away groups reach agreement, the agreement can often be quickly adopted by the rest of the delegations. It is therefore important for a participant such as business to identify who the 'experts' and 'leaders' are for each of the diverse issues on the table. It is with them that the strongest impact can be had. In Johannesburg, BASD held regular direct meetings with the major governments as each had taken a leadership position on one issue or another.

Business checklist for a successful UN negotiation

In 1996, Pervez Ghauri & Jean-Claude Usunier defined these four basic critical elements of a successful negotiation in their book *International Business Negotiations*. These elements still hold, but must be specifically adapted to the conference negotiation setting:

- 1. Preparation**
 - Be prepared to be both proactive and reactive
- 2. Process Management**
 - Manage coalitions by identifying them early and determining who the individual issue leaders are
- 3. Issue Management**
 - Avoid Positional Bargaining
 - Focus on what can be done together with others
 - Present consistent messages
- 4. Relationship Building and Communication**
 - Work to build social capital with stakeholders by focusing on opportunities

At the World Summit there were three major political groups: The United States, European Union and the so-called Group of 77 developing nations. BASD itself was a coalition that, through its ability to speak with one concise voice, greatly enhanced the exposure business was able to garner. In addition to formal political alliances, non-political coalitions also formed on particular issues and to effectively influence policy it was necessary to recognize and interface with them.

MANAGING THE ISSUES:

At Johannesburg, the sheer quantity of communication required strong organization and management. To further complicate the situation, many groups interpreted business messages differently and communicated with dissimilar signals – both common challenges that Jonathon Doh and Hildy Teegen identified in their 2003 book ‘Globalization and NGOs’. Clearly, to move negotiations forward and avoid confusion, a unified front of consistent business messages was necessary, especially with only limited opportunities to make a strong impact.

Conference negotiators must also stay flexible and remain open to options in the search for a mutually agreeable solution. Doh and Teegen claim that openness is often hindered by premature judgment, the search for a single answer, the assumption of a fixed pie and the thinking that solving “their problem is not my problem”. To avoid this and encourage openness, negotiators should concentrate on the merits of a negotiation by:

- Focusing on what you can do;
- Focusing on what they can do;
- Focusing on what a third party can do.

However, in the context of a supranational negotiation focusing on ‘*what can be done together*’ is probably most important and should be added to Doh and Teegen’s list. Especially for a group working outside the formal negotiations as such an approach works to tie directly into central discussions.

UN agendas can also be very ambiguous as Johannesburg emphasized. Proactively a party can determine the issues of importance to them, take a leadership role and drive discussions to confront concerns. For instance, at the World Summit, South Africa focused on poverty alleviation, while the European Union preoccupied itself with energy. This approach, however, is difficult for groups such as business without a mandate to direct policy discussions.

A party can also be reactive and wait for others to decide the scope of discussions. This approach is often undertaken if a party has a diverse interest base that demands coverage of all issues or has limited resources restricting the leadership role that they can take. To be effective in reactively managing all issues, a strong expertise base and flexibility are essential as quick responds to movements in the negotiation are essential.

At Johannesburg business was wisely both proactive and reactive. Business proactively raised issues of priority, but was also forced to be flexible and react to governmental discussions as they occurred. With 40,000 delegates at the Summit, many of whom were outside of governmental delegations this situation was not unique for business as NGOs and even governments found themselves facing similar reactionary demands.

DEVELOPING RELATIONSHIPS AND COMMUNICATION:

Integral to the impact of all negotiators is the quality of relationships. With the complexities of UN negotiations they are important to building trust, opening communication and setting up an environment for creative discussions. With ongoing interaction foreseen, they should be fostered so that expected and unexpected changes can be easily handled today and in future negotiations.

The importance of giving stakeholders a claim to the outcome through a participatory role in the process has been well documented. Fisher and Ury said back in 1981 that it helps to facilitate a positive negotiation and ensure approval. What has received less coverage is how disadvantaged negotiators, such as business at the UN, can use proactive stakeholder relations to maximize effectiveness. It helps negotiators to anticipate areas of concern and provides a basis for rapid response. At Johannesburg, especially given the very nature of the subject matter – sustainable development, stakeholder engagement was vital.

From an operational viewpoint, Stuart Hart and Mark Milstein see an organization's right to operate being called into question without appropriate inclusion of stakeholder interests. Similarly, open engagement of all stakeholders is important in negotiations. Leadership and commitment in this area are important and business must be united in a stakeholder-inclusive manner. As former Body Shop employees David Wheeler and Maria Sillanpää noted in their book *The Stakeholder Corporation*, if there is disconnect, credibility and integrity will be undermined.

The definition of a stakeholder has taken many forms. James Post and his colleagues Lee Preston and Sybille Sachs identified them in their book 'Redefining the Corporation' as constituents with a stake, a benefit or risk, attached to operations. Stakeholders have also been categorized as:

- **Primary and secondary**, based on how essential they are to survival (Max Clarkson, 1995). Primary stakeholders are essential to business operations and cannot be ignored, while secondary stakeholders are not integral, but can still impact operations.
- **Direct or indirect**, based on their impact on business (Wheeler and Sillanpää, 1997). The actions of direct stakeholders have an immediate effect on operations, while indirect stakeholders are peripheral with disconnected operations.
- **Normative or derivative**, based on their constituency (Robert Phillips, 2003). Normative stakeholders are legitimate because they are owed an obligation, whereas derivative stakeholders, who have the ability to impact the organization, have no direct part in business operations.

The reason for this historical context is that in Johannesburg a new classification seemed to emerge. Stakeholders can also be classified as **implementers or activists**. This builds upon the earlier classifications of stakeholders, but takes it a step further in this context by focusing on opportunities and solutions. It moves away from qualifying the stakeholder solely on operational impact today and focuses on **opportunities** that can be realized in the future. By working with those who were willing to engage (implementers), business in Johannesburg was able to focus its resources where they would be most effective.

Much of stakeholder theory is closely aligned with the concept of building social capital; described by Paul Adler and Seok-Woo Kwon in the *Academy of Management Review* as the goodwill created through social relations that can be mobilized to facilitate action. It is the idea that favors done today will be reciprocated tomorrow and that when groups voluntarily enter into cooperative agreements they create an obligation to act fairly. Edward Freeman and John McVea made this claim in their article on the 'Stakeholder Approach to Strategic Management'. As such, strong relationships can compensate for lack of financial or human capital. Being relatively new to the UN, BASD and business did not have significant resources and relied upon relationships for

support: government delegates helped with policy advice, NGO relations provided information on their activities and the South African organizers aided with logistical arrangements. These relationships proved invaluable.

The development of a common language is important in providing a base for negotiation. Facilitating communication can be challenging and can be aided by moving towards shared goals and identities. President of the Confederation of British Industry and former Jaguar CEO John Egan has said that business has been given an image of destructive profiteering, to which, of course, many business people do not subscribe. This image is crude, and it underscores the role of business and the benefits that it has to offer. By working with other stakeholders during the preparations for Johannesburg, business was able to develop a common language around finding solutions. Business attitudes changed from 'trying to convince' to that of 'creating mutual understanding'. In this way, much of stakeholder management moved from mere relationships to that of building partnerships. Partnering is proactive, builds on interdependence and is about creating and enlarging common goals. Hart and Milstein claimed that creativity is necessary to both enhance reputation and legitimacy, but it is also required to develop mutually beneficial ways in which parties can work together.

THE JOHANNESBURG SUMMIT: A PRACTICAL EXAMPLE

Prior to the Johannesburg Summit no precedent existed for full-scale business involvement in inter-governmental negotiations and there was insufficient understanding by all (business, governments and non-profits) of the role of business. While the large scale business involvement that occurred set a new paradigm for engagement, it is important to clearly understand the challenges facing business if maximum impact is to be achieved moving forward.

CHALLENGES FACING GLOBAL BUSINESS

Internally the business community must work to address its own inexperience, the diversity of its constituency and the overall scepticism that exists around getting involved.

Inexperience

For the most part, the business community still lacks an understanding of the United Nations and intergovernmental meetings. The UN moves at a different pace than most business people are used to and many have difficulty adjusting to both the process and the mentality. In preparation for Johannesburg, business delegates showed up at the UN on time for a 10:00 plenary meeting of government to discover that they were the only participants there. Business delegates were not accustomed to the UN practice of starting meetings 30 - 45 minutes late and got angry at the waste of time (see also Case 1). Further, many organizations thought that they could come to the Summit itself and have a valuable impact when in reality, real policy input occurred in the

Lessons from Johannesburg

- Understand the UN negotiation environment and business's role within it
- Build a strong and diversified constituency by managing business's internal divisions and reservations
- Select respected leaders dedicated to the outcomes
- Get involved early, work to build trust
- Provide consistent and reliable communication. Access to information is vital.
- Establishing business's own positive agenda early and not being afraid of speaking to it

negotiations in the year prior to the actual conference. Overall, business did not know how to prepare for such an event.

Case 1: Business inexperience at the UN
Different perspectives on negotiation.

At the Rio Earth Summit the UN established 8 “major groups”. These major groups were given speaking slots and a role in a formal ‘multistakeholder dialogue’ in front of the governments at each of the preparatory meetings. The process of this formal dialogue was utterly ineffective with significant time wasted and little, if any, substantive discussion taking place.

Business delegates became increasingly frustrated with the process and kept citing the time they had taken from their jobs to come and “waste it here”. Governments, on the other hand, were very pleased with the dialogue. When questioned about why, it became clear that the United Nations and many governments were content with the process as it succeeded in ensuring all groups were involved. Government interests were satisfied by the mere existence of the dialogue, with little concern for the content of the discussion.

Differing Business Agendas

As a potentially volatile negotiating partner, business as a whole must work to present a positive and consistent image. To operate as a somewhat unified voice internal dissenting discussions must be controlled and delegates need to work together to manage the issues. Each individual involved with the business community is, naturally, deeply interested in one specific issue base. For instance, individuals from BP are predominantly concerned with energy issues and wish to leave discussions around water to others. Further, as witnessed through BASD, many businesspeople have strong views on specific volatile issues (such as the privatization of water), with little comprehension of destructiveness of these discussions in the context of overall negotiations. Lack of individual understanding and inexperience in the UN environment exacerbated this problem in Johannesburg. Additionally, many discussions arose on cross-cutting issues that apply to all of business, such as governance or eco-efficiency, but for which no specific group is singularly responsible.

Sir Mark Moody-Stuart, and BASD Vice-Chairmen Lord Holme of Cheltenham and Reuel Khoza had to work hard to garner support for their roles as spokesmen for global business. With some skepticism of allowing BASD leadership to speak on their behalf, part of the management of the business delegation became the management of individual interests. To appease and maintain the support of the business community, it was important for BASD to stay on course as an ‘umbrella initiative’ and to not overstep the policy formation of other existing business organizations. However, some within the business community still perceived a loss of direct control, felt that ‘European’ views were running BASD and became actively distraught over BASD’s leadership role.

Overall Skepticism

Since political events such as the World Summit diverge from day-to-day business operations, businesspeople are hesitant to get involved. The reasons for this skepticism are threefold:

1. Cynicism over the value of attending a UN conference, especially one with no defined agenda.
2. Fear of attracting negative publicity and being targeted by NGO activists

3. Lack of understanding of the process specifically around including why it is necessary to get involved so far in advance.

Case 2 on business skepticism outlines several common questions received from the business community and the responses to them. Resources should be applied to further develop a core base of participants and support network.

Case 2: Business Skepticism

Common Questions

- “Why should we get involved?”
- “What is in it for us?”
- “What can BASD offer us?”
- “Will it be like Seattle? - I don’t want to open myself to criticism”

BASD Responses

It was necessary to continually make it clear that BASD existed to help facilitate a business presence at the Summit and help companies realize the benefits of getting involved. Individual companies were unprepared and had no precedent for stepping forward. They were hesitant to enter an unknown environment and did not know how to be proactive. They were looking to simply follow.

The only way business was going to overcome the negative press that it received is to become involved and engaged in the process. Above individual gains, business had to think of the potential impacts of not getting involved, especially since some of the issues on the table included global regulations and accountability for multinational corporations which could have significant impact on operations. On an individual level it was difficult for firms to see a direct benefit for reputation, but the idea of a greater presence through BASD did resonate.

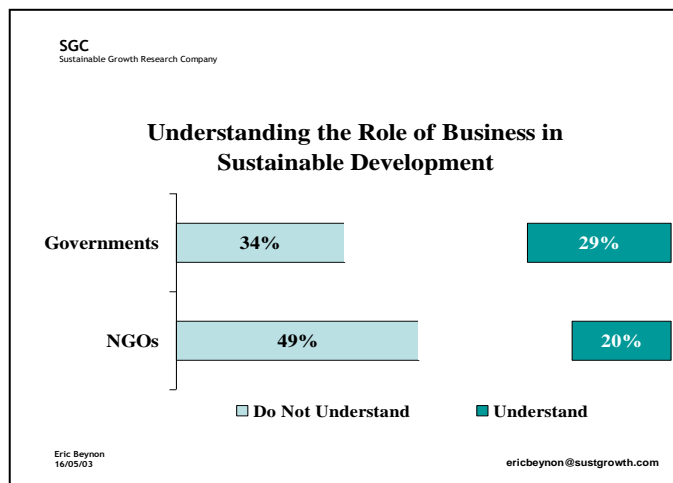
BASD provided many businesses with a necessary protective buffer and as associations and companies became involved a bandwagon effect occurred with companies vying to outdo one another.

While managing these internal issues, business must also work to address the external issues that include overcoming a general lack of understanding and trust, out of place demands, and an inefficient structure.

Lack Of Understanding And Trust

Business is not always understood by many of its counterparts and this is likely the largest obstacle for business to overcome. Before even beginning to discuss the issues at hand, business must ensure that its counterparts actually comprehend why business is at the table and the potential role that business can play. Mistrust of the business delegation was particularly apparent early on in the preparation process for the Johannesburg Summit. Chart 6 is evidence of how business delegates felt governments and NGOs misunderstand the role of the private sector. This deficiency is based on inadequate appreciation of how business works and what the driving forces of the private sector are (see Case 3: Misunderstanding of Business).

Chart 6: Understanding of Business



Case 3: Misunderstanding of Business

Lord Holme of Cheltenham on international compliance regulations for business

“The big companies, the Shells, the BPs, the Rio Tintos have been the leaders in promoting the idea of sustainable development. The danger is that if you impose high NGO-led northern standards and say this is the one size fits all framework we’re going to fit on business - you see, it won’t hurt the big companies because they have departments full of lawyers who specialise in compliance - what it will hurt... what it will hurt is the small and medium enterprises whose investment is so desperately needed because they don’t have the staff to deal with these sorts of excessive requirements, and that’s the problem.” *Taken from interview with Channel 4 09/08/02.*

Minimal previous interaction between business and the other negotiating parties in a UN setting is one reason behind this lack of understanding. Most government, NGO or IGO (Intergovernmental Organization) negotiators did not look to business for its input on drafts or proposals, even though these very proposals often had direct implications for business. As negotiations progressed, proposals became more solidified and business friendly adjustments and changes became more difficult to introduce. By not already being established in the UN arena, business had to work harder to have an impact. There is a feeling that this has changed somewhat post-Johannesburg, although business must continually work to build relationships and further engrain itself in the system.

There also existed a general lack of respect of business involvement in the process. Since many participants at the UN are dedicated policy professionals with significant experience in governmental policy they are accustomed to and prepared for the continual process modifications that occur, including meeting delays and postponements. The vast majority of business people hold permanent jobs elsewhere from which they remove themselves to attend negotiations and, as was seen in Johannesburg, significant business frustration resulted from dissimilar appreciations of time. To strengthen business participation, the UN must learn from business and improve its time management, but the business community must also acknowledge these differences and account for them when making the commitment to getting involved. Case 4 is an excellent example of this occurring.

Case 4: Different Expectations

Meeting with delegation from the European Union

At the final preparatory meeting before the World Summit, a one-on-one meeting was held between BASD and the European Union. The Belgian Minister of the Environment was presiding for the EU as at the time Belgium held the EU presidency. Approximately 20 support staff from all EU countries were also present. From the business side, 6 business delegates from diverse industry sectors attended along with myself as the BASD representative.

A half hour discussion ensued after which the business delegates left shaking their heads in frustration. Not a single substantive item was covered and as one delegate said the “discussion was in the clouds”. At the same time the EU delegates were very pleased with the progress made.

As the BASD representative I had on one hand business people complaining about the inefficiency and on the other government representatives going out of their way to say what a productive meeting it was. The expectation gap between the two was enormous.

Eric Beynon

External Demands

Business can be a divisive negotiating partner, with stakeholders pulling it in many directions. In Johannesburg many groups, ranging from the South African government to NGOs (see Chart 7: Business Stakeholders), placed strong demands on the business community that could and did not need to be fulfilled.

Chart 7: Business's Stakeholders at the UN



These demands were often based on the notion that 'business' was a global entity represented through BASD and could thus commit to agreements. Demands included the idea of business signing a new 'Global Deal' (see Case 5) and requests for significant sponsorship support (see Case 6). There was a general failure among many to see that business, unlike governments, does not have a hierarchical power structure and, while it can speak with one unified voice; it ultimately still consists of hundreds of thousands of individual companies.

Case 5: Unrealistic Demands 1 A Global Deal

Through the first three preparatory meetings significant discussion evolved around the idea of a new "Global Deal", primarily pushed by the South African government. This would be a new commitment signed by government, NGOs and Business. The implications for business would be a promise to dedicate a certain percentage of profits towards aid and development. Governments would make the same promise with GDP (similar to the dedication to Official Development Aid of 0.7% of GDP agreed to in Rio in 1992).

This was just one area where business was collectively being asked to agree to something. Significant time and resources were spent throughout the preparation process for the World Summit explaining that business is not a homogeneous unit. It is only on the individual company level that agreements can be signed and promises made. Clearly, expectations of business were unrealistic and the role of BASD misunderstood.

Case 6: Unrealistic Demands 2
Business Sponsorship

In the lead up to the World Summit the South African organizers found themselves short on funds. Developed world governments, who had voted to support Johannesburg as a candidate, had not come up with the funds they had promised. In their efforts to balance their books, the organizers turned to business for sponsorship funds.

The initial request was for \$5 million at it was assumed that business had significant disposable cash to contribute. This did not make sense for 2 reasons:

1. Business, and especially BASD, was not sitting on millions of spare dollars
2. The World Summit was an inter-governmental meeting and thus the last type of meeting that business should be sponsoring. Regardless of intent, business had to be very careful to stay away from the image of coercing and/or using undue influence with the negotiating governments, especially in the wake of the Seattle and Genoa protests.

This issue was played out in the media and significant time was spent attempting to redirect requests towards individual companies and specific funding opportunities. It made sense for a telecom company to supply communication and for a car company to supply transport, but cash donations were the wrong image and not something business would support.

Inefficient Structure

The general lack of direction to many United Nations' discussions makes it difficult for members of the business community to become engaged. Businesspeople are unwilling to attend a meeting on the *chance* that they *might* have a role to play. In Johannesburg governments were unable to narrow the scope of discussions and provide direction for the negotiations. Eventually the Secretary General named water, energy, health, agriculture, and biodiversity (WEHAB) as the core issues, but it was almost too late to get many business individuals involved. To further increase the difficulty for business to visualize its role, by attempting to tackle all three pillars of sustainability (economic, social and environmental) simultaneously, all issues at the Johannesburg Summit became intertwined and negotiations infinitely more complicated. For example, as one of the main themes, *Water* became a significant negotiation item. As specific proposals looked to simultaneously impact livelihoods, the ecosystem and economic development, the Water discussions transitioned into Health, Agriculture and Biodiversity that were also themes of the Summit, but of priority to a different group of business delegates and being focused on elsewhere.

HOW BUSINESS CAN BE EFFECTIVE

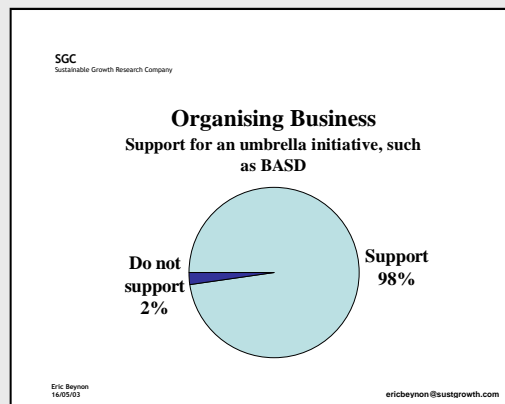
So how can business have a positive impact in the face of these challenges? The answer lies in strong leadership, good organization and proactive planning. The Johannesburg experience demonstrates the impact that business can have and may actually now be expected to supply.

Benefits of an Umbrella Initiative for the Business Community

An umbrella initiative focused on logistical coordination and maximizing business input is highly effective. BASD served this purpose at the Johannesburg Summit and received almost unanimous support (Chart 8). The benefits are:

- 1) **Mobilizing the entire international business community.** BASD filled a void. As an umbrella for all business participation BASD was able to engage widespread business support from industry sector associations and others eager to become involved in preparations for the Johannesburg Summit.
- 2) **Handling broader business messages.** BASD provided a platform for business to come together and effectively handle important cross-cutting policy issues (e.g. governance, globalization, corporate accountability, business influence on the UN and partnerships) and coherently present key business messages (e.g. explanations of how business engages in sustainable development and examples of partnerships). BASD also proactively managed important external relations with the UN, governments, NGOs, and the media.
- 3) **Creating a focal point for business.** BASD created a focal point for business involvement in the Summit process. It established itself as the location where businesspeople, the media, governments, the UN and others could always go to find information on business preparations for the Summit.
- 4) **Organizing a proactive business contribution.** BASD enabled business as a whole to contribute something to the Summit, in a proactive, not defensive manner. This was done by assisting the host country South Africa with organization, compiling 100+ partnership initiatives, encouraging and supporting legacy projects for the region and through the Virtual Exhibition, a partnership with UNDP to open the Summit up to citizens around the world.
- 5) **Handling Logistics.** BASD provided business with a central logistical coordinating body. In Johannesburg itself, and at the three previous preparatory meetings, logistical organization was of highest priority. BASD enabled business to have maximum impact with limited and diffused resources. In addition to basic operational logistics efforts included:
 - o Establishing an event timeline of all relevant events occurring before and at the Summit;
 - o Ensuring proper business coverage of all the issues with clear messages and a consistent presence;
 - o Coordinating business involvement for official UN dialogues, meetings with ministers and government representatives (US, EU, G77) and key speaking engagements;
 - o Facilitating outreach initiatives with NGOs and the media.
 - o Registration, Event organization, Information distribution, Meeting room arrangements, Mobile phones, hotels etc.

Chart 8: The value of BASD



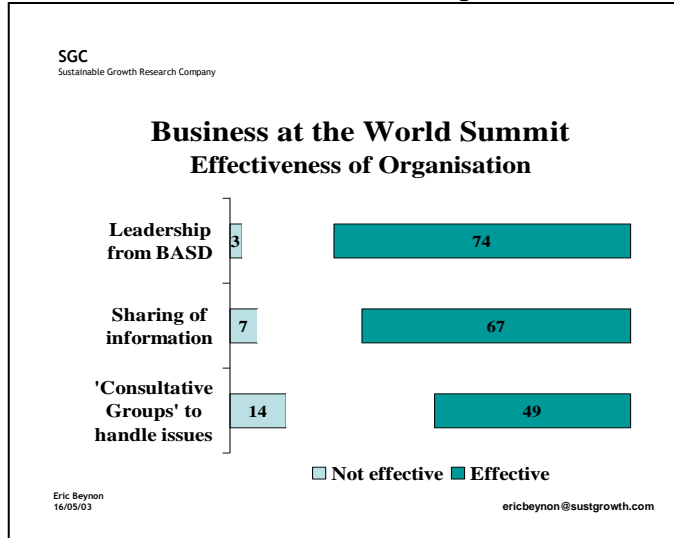
Galvanizing The Business Community

To gain acceptance in governmental circles and high level discussions, business requires credible leadership with real life experience and international respect. Equally, if not more important, leadership has to be impartial and esteemed within the business community. For

BASD, Sir Mark Moody-Stuart having recently retired as the Chairman and CEO of the Royal Dutch Shell Group of Companies fit these criteria and an international steering committee helped appease concerns of the business community.

Sir Mark was relatively impartial in his retirement and the business community looked at him with a sense of deference for his work as the Chairman/CEO of Shell. Sir Mark had lived through the challenges of business and sustainability from his work around the world and in transforming the values of Shell while CEO. He also held international respect as Chair of the G8 Energy Committee. His experience and reputation allowed him almost uninhibited access to top governmental officials around the world, while at the same time earning the respect of many NGOs. Sir Mark as the Chairman of BASD was probably the most important element of BASD's success. He galvanized the business community and gave business a respected and dignified voice. Overall, the leadership from BASD was deemed by business delegates to be very strong (see Chart 9).

Chart 9: Effectiveness of Business Organization



Getting Involved Early

Eleven months before the Johannesburg Summit business leaders held a meeting in Paris. The purpose of the meeting was threefold: to establish a business agenda, to spread the word of BASD and to raise support. It was a general call to action and an update on the current status of preparations. Industry sector associations were heavily involved in the hope that they would then disseminate information on the Summit and BASD back to their constituents. UN dignitaries were invited to further stress the seriousness of business commitment to the process,



Sir Mark Moody- Stuart with protestors at the BASD October Meeting

Up until this point, the United Nations had been unable to define a structure for the World Summit discussions even though it was less than a year away. With no UN agenda to guide discussions,

break-off sessions took a 'business approach' to addressing the issues of sustainable development (Table 1). Business had to be proactive and could not wait for the United Nations. Even after the UN determined somewhat of a structure for the Summit around Water, Energy, Health, Agriculture and Biodiversity business continued to focus on the business issues. This was even seen at the Summit where highly effective 'consultative groups' were established around these same issues.

Getting Prepared By Building A Constituency

To maintain an impartial image, BASD focused on building a constituency of industry sector associations - ranging from the Air Transport Action Group to the World Nuclear Association. Most associations, as professional lobbyists themselves, quickly embraced BASD, understanding the importance of having an impartial and central organizing body. Since the ICC and WBCSD traditionally dominated policy discussions at UN conferences, the impartiality of BASD allowed sector associations to have a central role within the business delegation, no longer being relegated to only having a voice in their precise area of specialization. They embraced BASD and the central access it allowed them and this was one of BASD's greatest achievements. By being an impartial central body it was able to garner the support of all business groups interested in the Summit, including financial support of over \$150,000. Strong commitments also came from various individual companies, but business had to be careful about compromising its neutrality, not wanting to be seen representing the agenda's of only a few multinational corporations.

With an extensive network of organizations and associations business had a very effective network to disseminate information and increase support. Openness was a key to mitigating internal criticism within the business community and as long as decisions weren't being made behind closed doors, business delegates felt part of the process. A dedicated website helped BASD achieve this openness. It was a one-stop portal to business involvement in the World Summit, covered all aspects of business involvement and contained newsworthy material to satisfy external information requests. The website also satisfied the ever important logistical interests of the business community. It contained a timeline of events and all practical information relevant for business involvement in the Summit and earlier preparatory meetings. The BASD website reached prominence by obtaining a total of approximately 20,000 independent hits during the 10-day World Summit.

Table 1: The Business Approach to Sustainability

By industry

- *Energy*
- *Natural Resources* - forestry, mining, minerals, water, marine
- *Life Sciences* - agri-food, agriculture, biosciences
- *Infrastructure* - transport, urban services, construction, tourism, leisure
- *Industrial Processes* - chemicals, metals, manufacturing
- *Financial Services*
- *Information, Communication and Technology*

By major cross-cutting challenge and "enablers" for poverty reduction and sustainable development

- *Innovation*
- *Accountability*: targets, performance, reporting
- *Market access*: trade, digital divide
- *Finance/investment*: capacity building and technology transfer
- *Partnerships, dialogue and stakeholders*
- *Corporate responsibility and citizenship*
- *Technology development and eco-efficiency*

The business community was able to leverage individual and group strengths to share workload and ensure proper management of the issues. To organize the business delegation and facilitate information distribution amongst the 1000 business people who attended the World Summit issue-based caucus groups were formed. These caucus groups represented the main Summit discussion items as well as issues important to business – both on a sector and cross-cutting basis (Table 2).

Table 2: Business Caucus groups in Johannesburg

1. **Water**
2. **Energy**
3. **Health**
4. **Agriculture**
5. **Biodiversity**
6. Trade and Finance
7. Technology
8. Mining
9. Chemicals
10. Sustainable Production and Consumption
11. Governance
12. Corporate Accountability
13. Partnerships - 'Type 2' Outcomes
14. Globalization

Managing an international business delegation

- **Transparency and extensive communication:** Well-informed businesspeople were more inclined to actively participate and engage with BASD leadership. Business constituents received relevant information in a timely manner and to keep the entire business delegation up to date each caucus group was responsible for submitting a daily report for distribution on all events related to their topic.
- **Open Access:** The limited number of key policy input opportunities for business, namely speeches, were a hot commodity. Since it was logistically impossible to seek widespread business approval of speeches, business delegates were encouraged to openly contribute their points of priority for inclusion in speeches. This satisfied their interests and gave BASD leeway to operate efficiently.
- **Responsible Issue Management:** To create an atmosphere of involvement and enhance overall business buy-in, industry sectors maintained autonomy in controlling their specific interests. BASD was only a vehicle to get overall messages across. Having groups focused on individual issues allowed contributions to come from those who were best informed.
- **Integrated Learning:** Being relatively new at the United Nations the entire business community was forced to learn together. A communal team environment was fostered with business delegates taking responsibility for both their individual interests and that of business as a whole. Business delegates became reliant upon each other for information and process management.
- **Consistency:** With a large and diverse delegation it was necessary to ensure clarity and consistency of messages. Over 50 CEO-level business delegates commanded key speaking engagements and garnered significant media attention. An unofficial summary of central business messages was compiled to get the CEOs up to speed on the relevant messages and to ensure consistency.

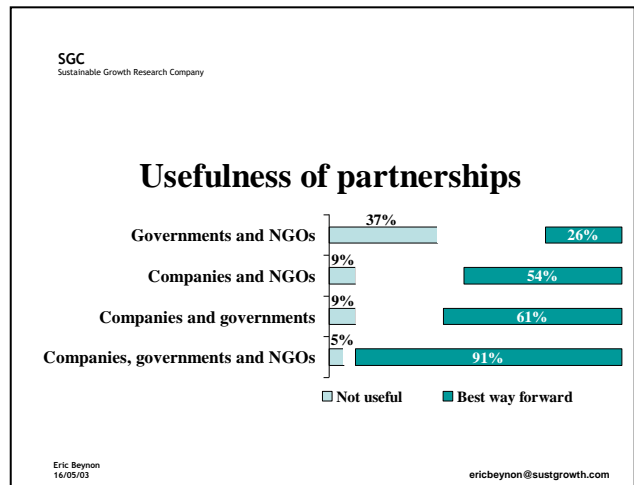
Establishing Business’s Own Positive Agenda

Given the mixed views on business involvement in governmental meetings, a positive approach for business is vital. The early business strategy meeting allowed business to establish parameters for business involvement outside of the unorganized UN environment. Further, in addition to traditional policy engagement, business decided on several proactive contributions for Johannesburg, covering three areas of important impact: policy involvement, reputational concerns and expectations management.

TARGETED IMPACT	
Key issues for business to address	Method
1. Policy involvement a. Address the general misunderstanding of the role of business b. Issue management	<ul style="list-style-type: none"> Engage openly Hold separate events focused on the business case – forcing discussions on the role of business Organize properly on the issues
2. Reputational concerns	<ul style="list-style-type: none"> Positive engagement Use of practical examples Avoidance of rhetoric and focus on solutions
3. Expectations management a. Organizational Assistance b. Having practical impact	<ul style="list-style-type: none"> Engage through in-kind support to avoid having perceived undue influence Focus on developing and presenting business-minded projects relevant to the discussions.

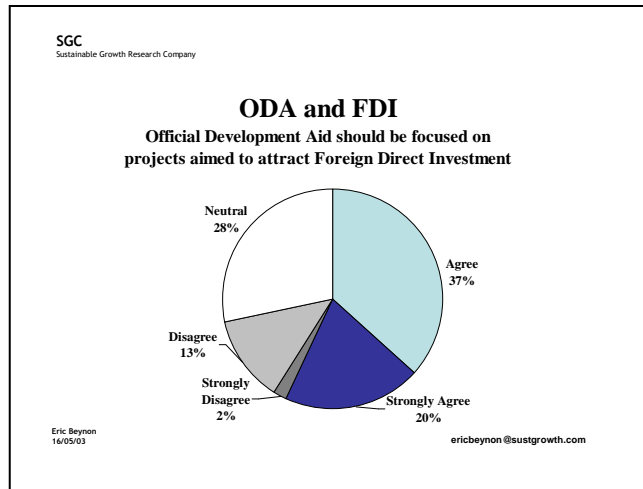
In looking to where policy impact was achieved, one must look at two of business’s core messages: that of partnership and of better linking between Official Development Aid (ODA) and foreign direct investment (FDI). The idea of partnerships, while nothing new, became one of the strongest outcomes of the World Summit due in part to this push from business to look at ‘what can be done together’. Business support for partnership as the best way forward in delivering sustainable development can be seen in Chart 10.

Chart 10: Partnerships



Further, in working to move discussions away from positions, such as business regulation, to solutions that addressed underlying interests, a major policy item for business became the idea of creating stronger links between ODA and FDI. This was one of the strongest business recommendations as seen in Chart 11 and explained by Lord Holme in Case 7. As an issue that spanned industries, this was a message that got widespread support from business and by remaining a consistent message throughout negotiations, it is one that resonated with policy makers.

Chart 11: Business on linking ODA and FDI



Case 7: Partnering ODA & FDI
Lord Holme of Cheltenham

“Well, let me give you a couple of examples of why it’s so important to take a partnership view of this. First of all is the question of overseas development assistance, what we call aid. How do you get aid working with private capital investment in the Third World? Aid may be creating the infrastructure so investment will follow it. Now business leaders are engaged, engaged in detailed discussions about how to get more mileage out of the investment in the Third World, and the interesting thing about this reporting issue, which is the one that brought us all here this evening, is that if you talk to the leaders of the developing countries, and none of them are standing up and saying we want tough new rules to stop investment. They’re desperate to get investment working together with foreign aid; they’re desperate to get their products having access to first world markets.”

Taken from an interview with Channel 4 09/08/02)

Focused discussion on the role of business in delivering sustainable development took place in a self-organized ‘Business Day’ named Lekgotla. It became an important event for business as, similar to the early business preparatory meeting, the focus was on a business approach to sustainable development. Through the participation of many high-level businesspeople and two key heads of state it took on an added level of significance. It was a resounding success at bringing business issues to the forefront and it was at this event that business presented a Pledge of Action (Table 3).

Table 3: Business Pledge for Action

Delivered by Lord Holme at the Lekgotla Business Day, 01/09/02

Sustainability is the **Opportunity**
which we embrace

Responsibility is the **Standard**
by which we should expect to be judged

Accountability is the **Obligation**
which we assume

Partnership is the **Pathway**
which we pursue

In practical terms, a compiled list of partnership Initiatives presented positive examples of business action. Over 100 partnership initiatives openly displayed on the BASD website proved an excellent reference to the practical impact business can have in addressing sustainable development. Citing these examples often proved effective in moving theoretical discussions back to practical reality and helped others understand the role that business can have in

delivering solutions. Sir Mark's closing remarks to the plenary, outlined in Case 8, give an overview of some partnership issues discussed.

Focusing on building *Legacy Projects* that would create a lasting impact in Southern Africa helped business handle pressures to invest in local development projects. Rather than simply raising money, thereby opening itself up to potential allegations of buying its way into negotiations, the best way for business to meet these demands was to encourage individual companies to invest in regional projects in an effort to leave a practical 'legacy' after the Summit was over. Many businesses used the Summit as a launching platform for new initiatives and BASD provided a stage for the presentation of these projects.

**Case 8: Closing Speech to the Plenary
Sir Mark Moody Stuart, Chairman BASD**

"One of the successes of this Summit is in demonstrating the power of partnerships. In business we see the development of global partnerships with others to define standards in different sectors of industry – such as the Global Mining Initiative, Responsible Care in the chemical industry, the Sustainable Forest Initiative, Sustainable Fisheries, partnerships on Agriculture and Health or on biodiversity. Such partnerships, together with initiative such as the Global Reporting Initiative, create the standards against which international business will be judged. The outcomes will also inform national legislative processes. But there are hundreds of other partnerships in which business plays a part, each addressing the three elements of sustainable development, each with clearly agreed targets and time tables and each with a commitment to report openly against these targets."

To address demands for direct financial support the *Virtual Exhibition* was a business idea that used business resources and partnership with United Nations Development Program (UNDP) to enhance the quality of the Summit, without compromising business's position. It was a high-impact attempt to open up the Summit to local people around the world by providing direct links in and out. The Virtual Exhibit solicited Video submissions of partnership projects from around the world to be broadcast in Johannesburg and be displayed on the internet. Satellite connections then allowed ministers and key delegates to be interviewed in a Johannesburg studio with a direct connection to an actual project taking place in their home country.

In addition to being an operational aid for summit organizers, the Virtual Exhibit exemplified the core business message of partnership. It was highly effective as it demonstrated how business can work in partnership with others, in this case UNDP, to accomplish what would otherwise be unfeasible and it was a showcase of sustainable work actively occurring as a result of partnership around the world. It was an excellent example of how many businesses play central roles in advancing the notion of sustainable development. With all projects having to address the three pillars of sustainable development - economic, social and environmental - many included business as a partner. There was no better way to counter NGO activism than to point to a project submitted by an NGO that included business as a partner.

Managing UN Complexities Through Stakeholder Engagement

Business is still a new player in supranational negotiations and must pay attention to and use its diverse stakeholders to have maximum impact. An open approach to engagement built social capital and trust, unlocked the dialogue, and allowed business to take an active role in negotiations. With few resources to work with, developing a good rapport was essential to increasing external understanding of business. This created a positive tone for involvement, added a level of interdependence to negotiations and provided access to policy discussions that could not have otherwise been achieved.

6 Stages of Business Engagement

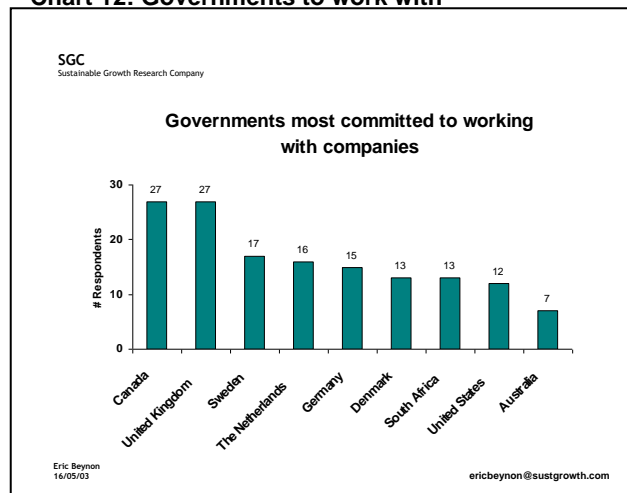
In UN negotiations business can build social capital through 6 stages of engagement:

1. **Be Proactive:** Coming to the negotiating table with something constructive to offer, rather than defensive positions, engages others and moves discussions away from negative finger pointing towards constructive problem solving. Actively look for those who are willing to engage.
2. **Be Positive:** By focusing on the constructive role that business can play in sustainable development, negotiations naturally become solutions based. Speaking to real-life, practical examples of business actively engaged in sustainable development initiatives can help change the direction of discussions.
3. **Be Prepared:** Preparation allows delegates to constructively answer questions, positively redirect discussions and avoid positional negotiations.
4. **Be Open and Willing to Engage:** Significant time must be spent discussing and working towards mutual understanding with other stakeholders.
5. **Be Humble:** Respect is gained through awareness of the perceived negative images of business, of the mistakes that have been made, and of the new presence at the United Nations. Business should avoid the practice of trying to hide or defend past mistakes and concentrate on looking ahead to solutions.
6. **Have a Strong Physical Presence:** By having an extensive business delegation of individuals from all sectors and covering all the issues, counterparts get used to seeing and discussing with business people everywhere they go.

NGO and Government Relations

Relationship building with major governments was particularly important as it allowed for important information to flow in both directions. Without a seat at the UN negotiation table, business was often reliant upon government representatives to share the most recent policy developments. Business also needed to deliver key messages directly to central decision makers within governmental delegations. In preparation for the World Summit this became ever more important with increasingly higher level governmental representatives attending meetings. Relationships that were nurtured early on with governmental delegates enabled high-level interaction later. At the final preparatory meeting before the World Summit, BASD held meetings playing a

Chart 12: Governments to work with



significant role in the negotiations. Some governments were naturally more open than others and Chart 12 is evidence of which ones business felt were the most positive.

Developing governments and what were termed 'implementing NGOs' were among those willing to openly discuss with business. By positively focusing on solutions business established a common language with NGOs that moved discussions from positional finger-pointing to mutual problem solving. This approach excluded some advocacy groups, resulting in more vocal NGOs losing effectiveness (see Charts 13 and 14: Business Friendly and Unfriendly NGOs). As Jack Whelan, ICC Senior Policy Manager for the Environment and Energy, said "it split the NGO faction in half – those working with business and those staunchly against it". The NGO contingent was no longer able to speak with one critical voice as they could not agree on how to deal with business.

Being proactive on so many issues also provided business with the confidence to stand up and boldly defend itself. Business took the engaging stance that everyone is in this together (see Case 9: Engagement). In an interview, BASD Vice-Chairman Lord Holme reinforced this idea:

"We have a common shared planetary interest in having a stable environment, in having a proper remediation of poverty, in having an atmosphere in which people can get on with decent lives all over the world. So although it makes good television to say we're at each other's throats I don't actually think that's the case".

Chart 13: Business Friendly NGOs

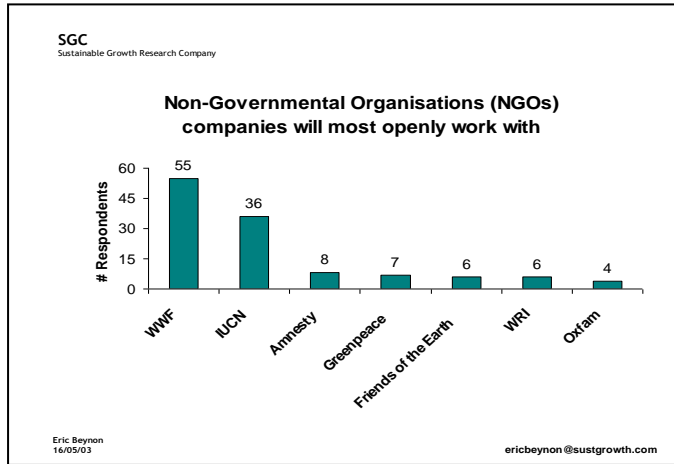
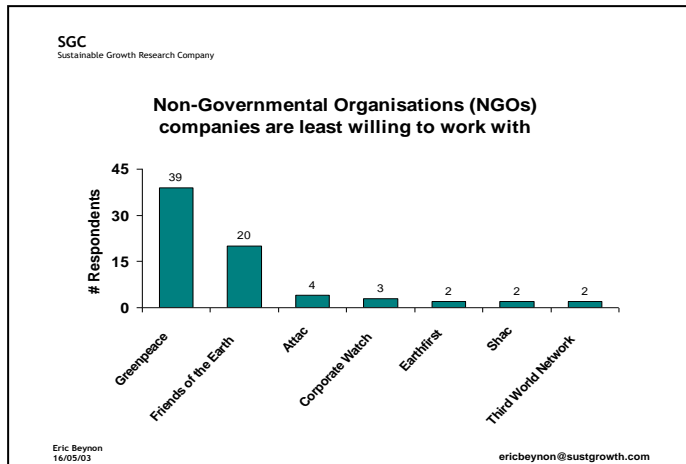


Chart 14: Business Unfriendly NGOs



Case 9: Engagement

Sir Mark Moody-Stuart and the Youth Delegation

At the final preparatory meeting before the World Summit Sir Mark Moody-Stuart participated on a high-level panel espousing the role of business in sustainable development. After the meeting he was found sitting with the youth delegation discussing the operating principles of business and what role business had in addressing the diverse issues affecting the world. In total he spent over an hour meeting with the 6 youth delegates and had to be dragged away to a meeting with Klaus Topfer, the executive director of UNEP. This example was evidence of Sir Mark's commitment to engagement. Between his formal high-level meetings, he took every opportunity presented to talk with whoever was concerned and never shunned an enquiry.

Another such example was Lord Holme's article in *The Guardian* in response to comments from Friends of the Earth director Tony Juniper: "With the Johannesburg summit's stated emphasis on 'partnerships for solutions', it would be nice to get away from the cycle of mutual recrimination and concentrate on working together in the shared interest of a more sustainable world. Sadly, Tony Juniper's comment sought yet again to portray business as the arch enemy of sustainable development..."

By looking forward towards action and solutions, business was legitimate in dividing the NGO caucus into implementers and partners on the one side and pure advocates on the other. While remaining open to discussions with all, the positive impact of engaging implementers was simply greater.

The Media

With the media's tendency towards sensationalism and general negative preconceptions of business in sustainable development the business-media relationship can be somewhat of a tumultuous affair. This was seen in Johannesburg and overall, the media was the stakeholder with whom trust was most difficult to build (See Case 10: interview with Bryce Corbett). It was an educational process and positive and consistent messages, together with real-life examples were important in bringing them on board. It was also vital that media representatives were able to quickly find the business contacts they needed and the caucus structure helped meet this demand. In an effort to meet informational demands, a list of communications people from companies and associations was compiled and a reporter just had to call BASD with a specific enquiry and within minutes they would have the contacts they needed. At the World Summit the media eventually started looking positively at the role business can play, but many business people were very frustrated with the initial negative coverage.

Case 10: Business in the Media

Bryce Corbett, Director of Communications for the ICC

"It was an uphill battle from the beginning. The media was looking for sensationalism and many NGOs were more than willing to comply. During the initial stages most of the coverage was in complete contradiction with the open and productive discussions that were actually taking place between business, governments, NGOs and others. Even BBC coverage of the Virtual Exhibition completely missed the partnership point of the initiative as they were so focused on producing a report on business buying its way into the Summit. The tide eventually did turn however, and there was an evident shift in tone during the last days of the Summit. I think it eventually became evident to all that, with governments waffling around commitments and many NGOs spouting the disasters in the world, business was looking at solutions and was there to engage rather than defend. It took a long time, but the positive messages did emerge."

From an interview 16 Feb. 2004

LEARNING FROM THE JOHANNESBURG EXPERIENCE

In Johannesburg, the world's governments were largely unable to agree to a plan of action of any significance and many viewed the official side of the World Summit as a failure. Business, however, widely legitimized itself as a partner in sustainable development. Coming out of the Summit, business as a whole was better understood and the 'business way of thinking and operating' gained increased acceptance among the media, governments, and NGOs. There was also a better understanding of the 'compliance plus' model, whereby business is continually raising its own bar of acceptable practices. Johannesburg provided business a stage on which to share the ideas and best practices that are embraced by many companies.

Business delegates were pleased with the role they played in Johannesburg as it was a step towards wider acceptance in the international policy making arena. Of business delegates, 92% felt their investment was well spent and that they would return again (Chart 15). BASD helped reduce individual concerns around involvement and proved that effective global organization of business can restrict the strong activists and anti-business rhetoric. Moving forward, support for an umbrella initiative, such as BASD, as a means of organization is strong and the ICC and WBCSD both carry a strong mandate as the lead organizations (Chart 16). With the recent creation of Business Action for Sustainable Energy and Business Action for Sustainable Water, two new initiatives of the ICC and WBCSD that are modeled after BASD, the lessons learned can be well applied.

The business conclusion:

Moving forward, the view of business was summarized using the words of Elvis Presley:
"A little less conversation, a little more action"

Chart 15: Would Business delegates return?

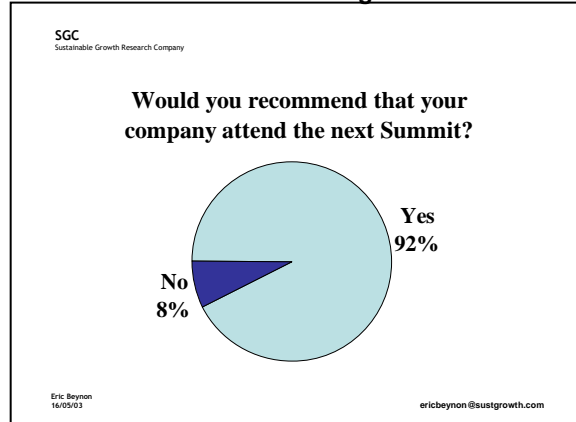


Chart 16: Business Organization

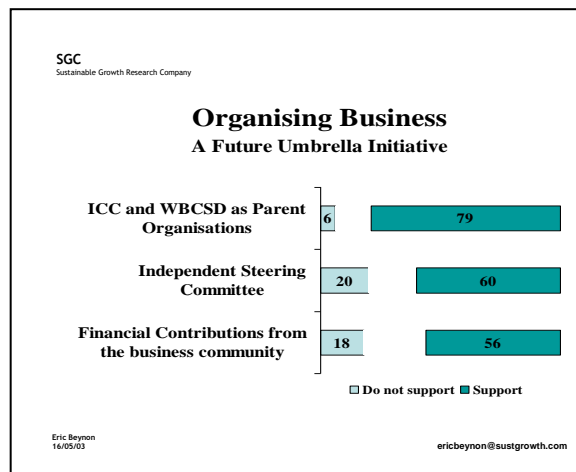
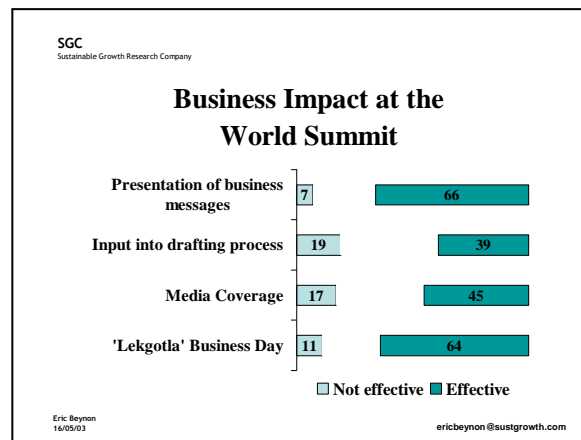


Chart 17: Business Impact



With the exception of some, the Johannesburg discussions moved from stone throwing and defensive posturing to results orientated discussions. However, while significant ground was broken, Chart 17 exemplifies how business still faces an uphill battle when it comes to policy input. Specifically, business must focus on improving its input into the drafting process. If the lessons from Johannesburg can be headed, business should be able to address this issue through earlier and more dedicated involvement. A concerted focus on managing the process will be necessary.

With civil unrest directed at business expected to increase (Chart 18) business remains in somewhat of a difficult position with delegates feeling that, while business has gained recognition as a partner in sustainability, expectations on the business community to deliver sustainability will continue to increase (Chart 19). To meet this challenge businesspeople support the idea that the industry sector associations, who played such an important negotiating role in Johannesburg, should play an even stronger role initiating real change (Chart 20). However, most importantly, as the bar is being raised for companies, business still feels that government leadership is required for lasting change to actually occur (Chart 21). The lessons learned in the Johannesburg experience will hopefully help business continue to assist governments in setting policy, while at the same time helping business move forward as an implementation partner.

Chart 18: The Future of Civil Unrest

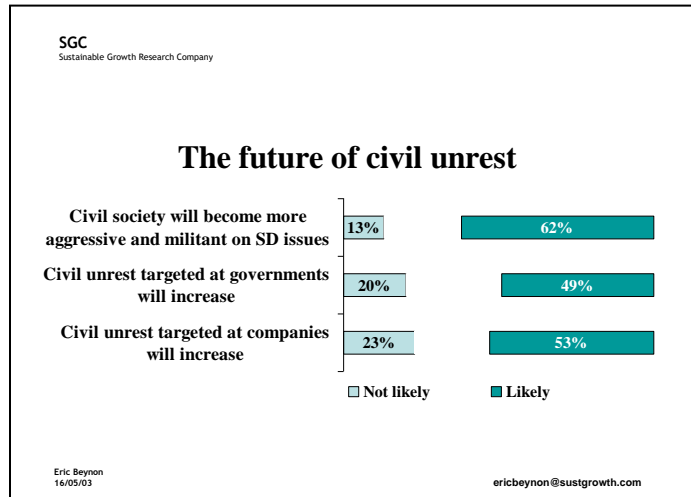


Chart 19: Changing Company Responsibilities

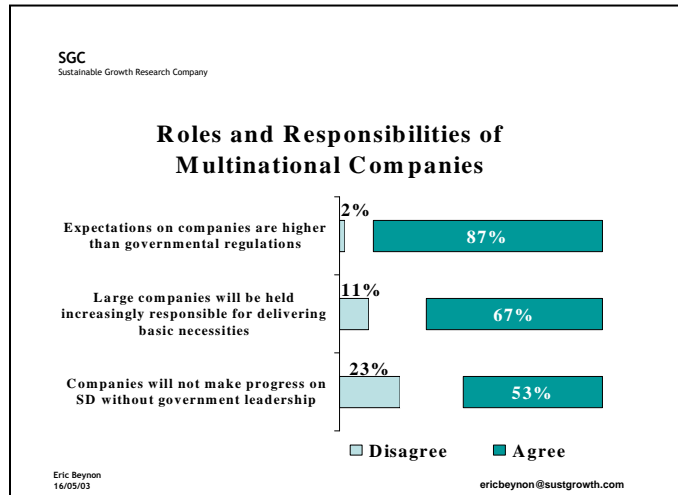


Chart 20: The Role of Associations

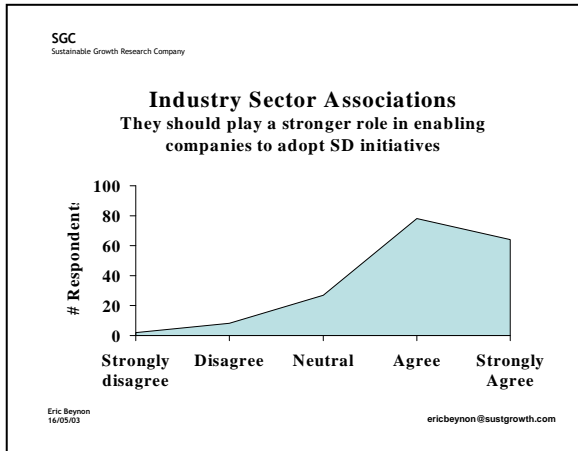
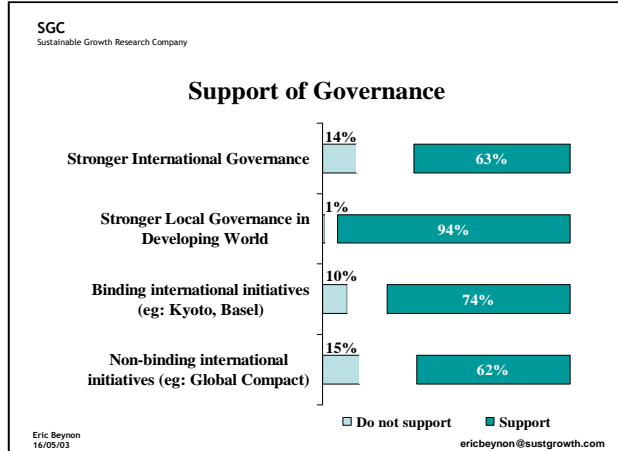


Chart 21: The Role of Governments



Business went to the World Summit positively and proactively and emerged with an enhanced reputation as a legitimate partner in advancing sustainable development. By gaining a better understanding of business operations, NGOs and governments realized that business demands of government leadership, a rule of law and equitable treatment for all were not that different from their own. The importance of partnerships and working with business gained acceptance and allowed discussions to move forward, enhancing the overall engagement of business in solutions. With this arose the realization that not all business can be lumped together and that it is necessary to separate strong business operations from the weak in order to encourage good business practices and further raise the bar. Hopefully the lessons learned in this process will help business and its partners push the agenda forward in mutually beneficial ways.

UN Secretary General Kofi Annan on Business

Kofi Annan at BASD Business Day, September 1 2002

We now understand that both business and society stand to benefit from working together. And more and more we are realizing that it is only by mobilizing the corporate sector that we can make significant progress. The corporate sector has the finances, the technology and the management to make all this happen. The corporate sector need not wait for governments to take decisions for them to take initiatives. Individual managers, individual corporations can set their own standards and make their staff and their workers feel proud of the values and the standards of their companies.

And I believe on the side of business as well, business has come to realize that if it wishes to thrive in a complex and sometimes hostile global economy, it must respond to the major social and environmental trends and challenges that are reshaping our world. Businessmen and women understand together that profits can be sustained, in the long run, only if social and environmental issues are effectively addressed. Businesses have realized that they cannot be indifferent to the stresses and the difficulties in their own societies; that they have to be a part of society; and they have to learn to resolve issues that affect their societies for them to be able to thrive in the long run.