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The Millennium Development Goals and ethical business practices

It is an incredible honor for me to be here. Professor Hans Küng is one of the people in the world I most admire, and his leadership on these issues has not only been exemplary but is changing the world. It is also a personal honor to be one of the original signatories of what I believe is an extremely important document.

You cannot go an hour in this country now, you certainly can't read a newspaper, without recognizing that we are in a moral crisis in the United States and that the economic crisis has very deep ethical and failure of ethics roots as Dr. Küng said. I think of our country, but I know that also means a lot of other places in the world. My own country, the U.S., is very confused right now and having a very hard time grappling with the range of crises we face in part because we do not at the moment have a shared ethical standard or guideline sense of purpose and it is evidenced in all aspects of our public debate.

A few years ago, after I published a book called, *The End of Poverty*, I was invited to the Stephen Colbert Show. Most people know that Stephen's on-camera persona is an anti-ethical character, and he introduced me by saying, "So, Professor Sachs, you say we can end poverty for almost nothing. What's in it for me?" It was, of course, a great opening, and the audience roared, but I am afraid that this is the question that we are asking ourselves as a society all the time right now. We are having a debate in a context where tens of millions of people are without health insurance, where we have tens of millions of children growing up in extreme poverty, and sometimes the debate, at least on the surface, seems to boil down to the, "what's in it for me?" question. "How much am I going to pay? How many dollars extra will this mean?" These are the questions that are asked, rather than questions that explore the kinds of shared values that are absolutely needed in any society for it to be able to function.

The direct roots of this financial crisis are in the reckless financial deregulation that violated basic precepts of financial sector management. Partly it was ideology, to be sure a blind faith in market forces, but I think in addition to this it was just the power of money speaking. This power of great wealth was able to achieve – through lobbying and campaign contributions – the kind of deregulated environment that allowed tens of billions of dollars of bonuses to be paid on Wall Street each year,

while the time bomb of an unregulated derivatives market was allowed to expand to tens of trillions of dollars until it finally burst and created havoc in the world economy.

There is an ethical crisis that underpins the technical regulatory economic and financial issues. There's no doubt that there is a whole set of ethical crises and challenges around climate change. Not least of which, perhaps most obvious of which, is our responsibility to the future, as well as our responsibility to the rest of the living species, as well as our responsibility to the poor who are already being hard hit by climate changes that are already under way.

We are having a very hard time on these issues in part because there is not a shared, societal understanding of what is the responsibility of the present to the future. This is an issue almost undiscussed in any formal way in our national politics. For example, I keep hoping a president of the United States will give not a state of the nation address but a state of the future address at some point as a way to institutionalize the responsibility to the future, to say "What are we doing? What do our actions mean for the future?" But we don't have that, so there remains a lack of clarity on this important subject.

Of course, the continuation of the absolutely paradoxical and anachronistic extreme deprivation on a planet in an age of so much technological capacity – to have a billion people who are deeply chronically hungry and to have a billion people who are trapped in extreme impoverishment without access to basic health services – is a moral failing, as well as an institutional and a practical failing, as well as a symptom of technical economics that needs its own technical diagnosis. Without an understanding of our shared values, where are we going to be?

I think what Dr. Küng and the foundation are proposing to us is of enormous practical value. None of us would believe that an ethical set of precepts will, by itself, change the future. I think that all of us can agree that without them we have no chance for a future, not the kind of future that we want. We all know that while ethics is something that needs to be won and preserved and extended every day, there's no conquest of ethics, there's no final settlement, there's only the continuing struggle to live by ethical norms. Ethics can play an enormously important practical role in our day-to-day affairs. Indeed what else does, one could say, at the absolute core?

We see this in the continuing life and importance of the Universal Declaration of Human Rights, which I think is our global diplomatic touchstone for everything we do. Without the Universal Declaration there are no Millennium Development Goals, no environmental treaties, and no way to assure health for all. That is our core touchstone for this institution [i.e. the United Nations] but also for the world, which, in the immediate aftermath of World War II and the Holocaust, was able to understand the universality of these values and take decisions that have lasting value.

I think that this proposition, this hypothesis, that the Universal Declaration of Human Rights can make a big difference, is right and I think that we should be acting on that basis. Therefore, I want to close with this idea to talk a little bit about the opportunities in the coming year for this statement. I would like to see it have a life of practice and not only a life for reflection and discussion. It seems to me that we have many very important opportunities to incorporate not only this thinking, but actually literally an agreed statement into our national practices.

(1) We are negotiating on *climate change* and probably will not complete those negotiations even at a key stage in Copenhagen. We'll make some progress and from there we'll make some further progress. Indeed, climate change is the kind of complex challenge that's going to take us decades, and it will not be settled by a single agreement, even if we could reach one in December. The underpinning of such an agreement needs this ethical basis and while that's implicit and in some ways even explicit in the UN framework convention on climate change, I would like us to ponder how we can bring some of this language in the appropriate way directly into the climate change discussions and negotiations. I think there is still time to do that.

(2) A second point that I would note, is that we have a new premier economic forum, if I could put it that way, for at least the macro-economics of the world economy and that's the *G-20*. It is not a substitute for the United Nations in any way, it's not a juridical, diplomatic, negotiating, treaty-making body, but it's a forum that is important. I was at the Pittsburgh summit last week and at the London G-20 summit before that, and found it to be a very serious forum and very impressive in the weight and burden that the leaders feel about it. Very different from what cynics might expect. Actually, the meetings featured around thirty leaders, including international organizations, all working together to contemplate the very heavy burden of this very complicated time. I think incorporating this thinking into the G-20 as it forms as a new group right now is actually a practicable possibility, because the G-20 is looking for its own standards. I think the idea of encouraging the political leadership in that context to take on ethical shared standards for the work they are doing is not out of the question and I would say would be enormously desirable.

(3) There is, of course, the ongoing crucial work of the *Global Compact* and Georg Kell has already made all of that very clear. There is another part that I would add. Georg and I work closely on this and will continue to do so in the coming year. We have a global summit on the *Millennium Development Goals* a year from now. This is going to be the last time that the world leadership will have the chance to accelerate progress and to set a path. I was especially gratified that President Obama pledged that the United States would not only stand with the goals but come to next year's Summit with a globally agreed plan. How wonderful if we also had a globally agreed ethical basis for that kind of planning. There will be many intergovernmental

negotiations and NGO discussions around the 2010 summit and it seems to me that this is another extraordinarily powerful opportunity that we should not miss.

(4) A final step, as Professor Küng previously mentioned, is to think creatively as much as we can in this group about how to take the statement out for its road test on the path to *final adoption*. By that I mean it's a wonderful, powerful statement, and it obviously reflects literally decades of work and thinking as well as a depth of knowledge about global traditions and individual religious traditions. I believe it goes to the essence of the shared values which is absolutely the point. I would like to see the document very widely discussed, even commented on, even amended if necessary, and to think about the forms in which that can be done.

– I would like to see if the Gallup survey or someone like that would take this on a world wide test for reflection, so that focus groups around the world could actually agree and make comments on the draft.

– I would like to see if we could get Ambassadors in the house here to reflect on this in an organized way, to make comments and say, "This doesn't apply in my country" or, "this does", or, "this is language that we find especially compelling", or, "why isn't there more of a section on some other issue?" I think that would be enormously helpful.

– I know that the Global Compact can do this with the business community in a unique way. And I am sure that is what has been planned and will be extraordinarily important.

– I think that we can put this into the global policy making discussions. It'll take a little bit of urging, but it's not out of the question to have the document per se discussed in that context.

– And I would love to see if it can also be discussed in classrooms around the world, not only business schools. We have at Columbia something quite wonderful, I want to just mention it, and recommend it for everybody. I just arrived from a lecture where 26 campuses around the world are linked together on the Internet into a truly 'global' classroom. We have hundreds of students: students from Madagascar are talking to students from China, who are reflecting with students from India, who are reflecting with students in New York City. This is all essentially free now, because it's carried over the Internet with a little bit of tweaking here and there. The cost is basically a bunch of long-distance phone calls. The point I am making is that we could get this actively discussed globally. I am going to take it to our global classroom, literally. We'll make it an assignment. Students in 26 campuses will ask: "Does this really apply to us? Is this truly global? Is this something I recognize? Does it speak to me? Does it leave out crucial things?" And we will report back to you and to the foundation on that. We really face a test now and I think Professor Küng has put us to the test and to the challenge. I've been thinking round the clock during this past year in

advising the Secretary General and directly and indirectly speaking with my friends in the new administration: It all repeatedly comes back to values. What values do we have, what values can we hold on to, what values do we have to help remind ourselves of the values that hold us together. We are at such a tenuous moment in the world economically, ecologically, in gaps of rich and poor, in outbreaks of violence, in distrust across civilizational lines. Professor Küng is bringing us back to absolutely the core, to our solutions. Thank you very much.