

Partnering for Success of the Millennium Development Goals

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It's a real pleasure to join you here this morning to discuss the UN's Millennium Development Goals and how business, government and other actors can partner effectively to ensure their achievement.

Let me say a few words about my organization. The United States Council for International Business represents the views of American business on the world stage, especially with international bodies such as the United Nations and with national governments, including our own in Washington.

Our membership numbers about 300 global corporations, law firms and associations. Our core values are striving for open markets, competitiveness and innovation, sustainable development, and corporate responsibility. Our key objectives are open trade and investment and job creation, in order to create a better world for our children.

We believe the best way to achieve those goals is through prudent regulation, international engagement, and multilateral solutions.

And we are well-placed to do that given our role as the American affiliate of three global business bodies – the International Chamber of Commerce, the International Organization of Employers, and the Business and Industry Advisory Committee to the OECD. Through these global advocacy platforms, we represent the views of our members in the United Nations, the International Labor Organization, the OECD and a host of other multilateral forums.

And we cover issues ranging from climate change to internet governance to human rights to guidelines for multinational investment to tax policy to customs and trade facilitation, etc.

But my primary affiliation for today's purposes is with ICC...and I am proud to say that ICC has had an appreciated and longstanding partnership with JCI. I was pleased that both JCI President Kentaro Harada and Secretary-General Edson Kodama attended and participated in ICC's World Chambers Congress in Mexico City last week.

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I know my colleague Louise Kantrow, ICC's permanent representative to the United Nations, addressed this topic at your summit here last year. Some of what I have to say will revisit ground that Louise covered, and this is important, because the business community has a strong and positive message to deliver about progress toward achieving the MDGs.

But part of what I want to say is new, based on new research about the extent of poverty worldwide. I hope this will help foster an informative and productive discussion among all of us here today.

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In September 2000 world leaders came together at UN Headquarters to adopt the UN Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of targets – with a deadline of 2015 – that became known as the Millennium Development Goals.

Last September, leaders met at the United Nations to assess progress toward achieving the MDGs and to chart a course of action for the period leading up to the agreed MDG deadline of 2015.

The business community, especially as represented by our affiliate the International Chamber of Commerce, has been deeply and constructively engaged over the past 11 years in the numerous international meetings and conferences – in the UN and elsewhere – that have identified the crucial components of a global partnership for development and its interlinked priorities. These have included the International Conference on Financing for Development (in Monterrey) and the World Summit on Sustainable Development (in Johannesburg).

Taken together, these gatherings have generated a global consensus on the challenges facing humanity, and have set out a roadmap for cooperative action by governments, business and other sectors of society. The focus should continue to be the implementation of these objectives, especially the overriding goal of eradicating global poverty. I would like to emphasize today the business community's ongoing commitment to achieving this goal.

Business has consistently emphasized the importance of a suite of policy measures that can help eradicate poverty. These include:

- mobilization of domestic resources and encouragement of local entrepreneurship;
- promoting foreign direct investment and other private capital flows;
- ensuring good governance;
- securing adequate overseas development assistance; and
- bringing the informal economy into the formal economy.

Creating an enabling environment for enterprises of all sizes and sectors to develop, create jobs and pursue technological innovation and cooperation – coupled with sound governance and policies to reduce barriers to international trade and foreign direct investment – opens the most important route out of poverty and pave the way to achieve the MDGs.

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Most in business view the Millennium Development Goals, and the ongoing process to achieve them, as integral to their business interests and their global citizenship. Healthy and developing societies create new business opportunities and new markets.

In turn, companies need, and can help make possible, a healthy and educated workforce and a prosperous consumer base. They also need well functioning infrastructure, respect for individual rights and property rights – including intellectual property – transparency, democracy and freedom.

To capture the benefits of increased private sector investment, governments and development agencies need to work much more directly with the private sector in identifying investment impediments and remedies...enhancing government capacity to create business-enabling environments, and to develop small and medium-sized businesses.

While the main responsibility for these crucial undertakings lies with governments, addressing such challenges will require concerted effort and partnership by all actors in society. We encourage the UN, other intergovernmental organizations and national governments to seek constructive engagement of the business community in these crucial efforts, and to include business representatives in discussions of how to move them ahead.

Business supports voluntary partnerships – both public-private and private-private – as a practical way to deliver sustainable development outcomes. We are open to partnerships where there is a sound business case and the potential to deliver benefits for all partners. Such partnerships are more likely to be sustainable and achieve tangible results.

And the idea of partnership seems to be permeating many discussions today in international forums. I often hear talk of “multistakeholder” dialogues, and this is a concept that business has fully supported—across the range of issue areas from internet governance to the UN’s work on fighting noncommunicable diseases. The only way we are going to be able to meet many of the challenges of the day is by working together.

The roles and activities of business often go well beyond the immediate workplace, marketplace and supply chain. One concrete example of business action to address the Millennium Development Goals is the investment guides for least developed countries produced jointly since 2002 by the International Chamber of Commerce and UNCTAD—the United Nations Conference on Trade and Development. Another is the World Business and Development Awards, created by ICC in 2000 to recognize the contribution of companies in helping achieve the MDGs through their core businesses. Since 2004, ICC has partnered with UNDP—the United Nations Development Program—and the International Business Leaders Forum on this biennial activity.

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I was struck by a report last year from the Brookings Institution on the recent gains made in reducing global poverty. The report, by Laurence Chandy and Geoffrey Gertz, updated the World Bank's 2005 official figures on the number of people living on less than \$1.25 per day. Chandy and Gertz estimate that between 2005 and 2010, nearly half a billion people escaped extreme hardship, and the total number of the world's poor fell to 878 million people.

Never before in history have so many people been lifted out of poverty in such a short period. The Millennium Development Goals established the target of cutting the rate of global poverty in half between 1990 and 2015. The Brookings Report asserted that this was probably achieved by 2008, some seven years ahead of schedule.

Moreover, using forecasts of per capita consumption growth, it predicted that by 2015, fewer than 600 million people will remain poor. At that point, the 1990 poverty rate will have been cut in half...and then in half again.

The decline in poverty is happening in all the world's regions and most of its countries, albeit at varying speeds. The emerging markets of Asia are recording the greatest successes. Indeed, China and India are likely to account for three-quarters of the global reduction between 2005 and 2015. Over this period, Asia's share of the world's poor is anticipated to fall from two-thirds to one-third, while Africa's share is expected to rise to nearly 60 percent.

Yet Africa, too, is making strides. Brookings estimated that in 2008 its poverty rate dropped below the 50 percent mark for the first time. By 2015, African poverty is projected to fall below 40 percent, a feat China did not achieve until the mid-1990s.

As the two Brookings scholars wrote in the Washington Post: "These findings are likely to surprise many, but they shouldn't. We know that growth lies at the heart of poverty reduction. As the growth of developing countries took off in the new millennium, epitomized by the rise of emerging markets, a massive drop in poverty was only to be expected."

We hear far more about the 64 million people held back in poverty because of the Great Recession than we do about the hundreds of millions who escaped impoverishment over the past six years. While there is good reason to focus attention on the need to support those still stuck below the poverty line, there is also reason to celebrate this phenomenal success and to apply the lessons learned to achieving the other elements of the Millennium Development Goals.

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As committed and significant as it is, the contribution of business in the millennium development process can only complement the primary role of governments. Ultimately, success will depend on the willingness and capacity of local and national governments to create and implement the appropriate policy frameworks, and to pursue partnerships with business and other stakeholder groups. In turn, these efforts will need to be supported by the international community.

Along these lines, and as I understand it, one important outcome of the recent UN Conference on the Least Developed Countries in Istanbul was that the governments involved recognized and truly took ownership of their primary challenge and responsibility to establish those enabling frameworks.

As I noted earlier, most in the business community regard the millennium development process as integral to their business interest and to their global citizenship. Business will continue to engage respectfully and openly with communities, governments and other stakeholders around the world in pursuit of the Millennium Development Goals. We look forward to bringing the vast real-world experience of our members to the table.

In closing, and on behalf of ICC, let me say that we look forward to continuing partnership with JCI—keep up all your good work! I hope that we can discuss further ways in which we might be able to partner, and as always, ICC looks forward to welcoming JCI members into its membership as you “graduate” from JCI!

Thank you very much.