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# **Everybody's Business: Strengthening International Cooperation in a More Interdependent World**

*Excerpt from the  
Report of the Global Redesign Initiative*

*Creating a Values Framework*

By John DeGioia

# Creating a Values Framework

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## Priority Challenges for Creating a Values Framework

The current systems of international cooperation are not compatible with our most deeply held values. We live in a world where half the population lives on less than two dollars a day, where 8.8 million children die before the age of five every year, and where women are systematically denied full participation in economic, social, and political life. Poverty, social exclusion, and environmental degradation are an affront to the most deeply held values of humanity, such as a respect for human dignity, a commitment to human flourishing and the common good, a responsibility to the next generation, and a recognition of our shared obligations to integral human development.

The global economic and financial crisis has further underscored the existence of this values gap. In a recent study of the World Economic Forum, two-thirds of 130,000 young people under the age of 30, surveyed through the social networking site Facebook, expressed the view that the current economic crisis is also a crisis of values. This calls us to question the degree to which our current systems and institutions embody those values that we hold most dear. There is clearly a gap between our values and our systems and institutions.

The work of the World Economic Forum Global Redesign Initiative's cluster on "Creating a Values Framework" is shaped by an understanding that we need to build our systems and institutions with an intentional commitment to the values that should orient any global redesign. A commitment to these values will result in concrete gains: enhanced education, economic growth, and job creation that will lead to greater individual security and increased well-being across the globe. Only systems of cooperation that embody core values will have the legitimacy and stability necessary to master the challenges of global governance in the 21st century.

What emerges through a review of the work of this cluster is a need for new institutions that respond to the needs of an ever more global and integrated economy and society. The structures that have guided international engagement for the past half-century need to be built anew, and these new structures must reflect the values identified above.

## Making Our Values Explicit

We live our lives within webs of meaning that enable us to make sense of ourselves and the world in which we live. These webs are comprised of concepts that allow us to attach meaning to our experiences. These webs are shared, and it is through them that we are able to communicate with one another, understand one another, and engage with one another. These webs provide the framework through which we interpret our world. Among the most important elements of our webs are the values – those concepts that have a disproportionate role in the organization of our interpretive framework. Our values often lie hidden, but they are always present – embedded in the systems and institutions through which we engage in the world. A crucial challenge in creating a values framework is making explicit the values that are at stake in any redesign of our systems and institutions.

To build support for far-reaching global reform, we need to construct a compelling narrative that relates that values framework to the present and future challenges of globalization. The 2008-09 economic and financial crisis put an end to a familiar and comforting narrative: the story of uninterrupted growth made possible by markets, trade, and innovation on a worldwide scale. In that narrative, institutions and the values they embody

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were left implicit and all but invisible. Institutions embodied the rules of the game, to be tinkered with when necessary in the name of efficiency. The crisis revealed a more complex picture – institutions grounded on values of narrow self-interest, short-term thinking, and a lack of concern with the global common good.

Individual nations and international groups have been striving for ambitious reform across the globe – particularly to healthcare, education, and the economy. But operating under the old narrative, we have fallen short of our goals. We need to construct a new narrative of globalization in which alternative values of human dignity, the common good, respect for the environment, generational justice, and integral human development provide explicit grounding for far-reaching institutional reform. These values provide a natural path to the goals we have thus far been unable to meet to eradicate poverty and enhance the well-being of all individuals.

Each of the proposals developed across the “Values cluster” combines concrete recommendations with how a new values vision can help to move us from our current predicament to an improved state of the world. Along with the World Economic Forum’s Global Agenda Councils, the Forum’s Young Global Leaders and Social Entrepreneurs also submitted values-driven proposals for initiatives that offer powerful opportunities for making explicit the values that should guide any redesign.

### 1) Values

The Global Agenda Council on Values identified the challenges and opportunities implicit in establishing a global framework of values which inform good practices for global policy-making. A careful articulation of such a global framework must be at the core of this endeavour if we are to develop structures and institutions reflective of these values. However, variation in cultural beliefs and norms can make it difficult to identify a universal set of values that are consistently interpreted across the globe.

In response to this challenge, the Council on Values aims to facilitate the recognition of core human rights as an essential component of all initiatives developed with the Global Agenda Councils and the Global Redesign Initiative. These important institutional networks will be involved in setting agendas that prioritize areas in which problems relating to the “conflict of values” require the most urgent attention. What institutions would we need to put in place to guide, safeguard, and mentor the process by which conflicting values could be negotiated on a national, transnational, and global scale? How do we ensure inclusive participation in such processes? In multicultural polities the world over, value conflicts seem to cluster around issues of education, religious practices/rituals, equitable participation in the public sphere, and the claims of citizenship. The Council on Values would set an interdisciplinary and intra-institutional agenda that would draw together other Councils to work on clusters of values conflicts that have a deep resonance and relevance across the globe.

### 2) Faith

Some of our most deeply held values are borne of our religious traditions, including a respect for human dignity and human flourishing, the common good of the global community and stewardship of the environment. And with more than 80% of the world’s population adhering to a religion, our faith communities are well placed to lead the dialogue around principles for a moral economy. With three billion people living on less than two dollars a day, the Council on Faith rightly insists that we cannot ignore the link between our economic crisis and our values crisis.

In fact, the current economic crisis offers us a unique moment to realign our collective moral compass. To begin this process, the Global Agenda Council on Faith calls for an articulation of the values that underpin the current economic system and a moral discourse about the implications of fully applying these values. The implementation of these values would address this moral gap and lead to concrete gains in terms of education, security, health, and well-being. Such a dialogue would bring together faith, business, and government leaders in regular conversations at the regional level, in addition to a grassroots discourse, with a goal to institutionalize a high-level conversation at each summit of the G20 countries. The ultimate objective is for the G20 to make the structural changes necessary to establish a global economy based on this fundamental set of values.

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### 3) The Welfare of Children

The Global Agenda Council on the Welfare of Children seeks to shift the perspective of children, who are disproportionately impacted by the current economic crisis, as recipients of welfare to an approach that places the direct participation of and investment in children at the centre of the global agenda. Acknowledging the central relevance of children's issues to the development of sustainable and socially responsible business models – and integrating these issues with other global agendas – will be key to achieving this shift.

To effect this change, the Council proposes engaging the corporate sector and other stakeholders by asking them to report on the progress they make on children's issues through the framework of the Global Reporting Initiative, one of the most widely recognized frameworks for reporting organizations' economic, environmental and social performance. This children-focused reporting method would incorporate employment policies, family-friendly practices, supply chain codes of conduct, the development of professional knowledge on how corporate activity can influence the lives of children and company engagement with relevant children's issues in society at large (community work). To track a company's progress in investing in children, the Council proposes developing an assessment tool and reward system that has the potential to enhance a company's brand and acknowledge significant corporate achievement in this field.

Four of the Social Entrepreneurs introduce specific initiatives to support children. Two of these are programmes to enhance financial literacy. Aflatoun advocates for a global movement of ChildFinance, which focuses on a link between children and financial systems. Currently, global financial regulation is being developed by the Basil Committee and the Bank of International Settlements. Dialogue with these and other key players has already begun to promote the inclusion of ChildFinance as a nationwide financial policy recommendation. Specific components include integrating financial education in national curricula, increasing the availability of child-friendly banking services, and expanding the use of mobile banking technologies. By focusing on these areas, ChildFinance advocates for policies that promote value-based financial knowledge for children across the world. The Kashf Foundation proposes a programme for financial literacy directed specifically towards adolescent girls, an at-risk demographic group in Pakistan and Afghanistan since they are often removed from school to become caregivers of their younger siblings. The Foundation would also work with its sister entity, the Kashf Microfinance Bank, to deliver savings services to low-income adolescent girls. Financial education and economic empowerment resonates across society and transforms the lives of families by increasing personal security, broadening job opportunities, and improving the local economy.

With an objective to bring great books to children who otherwise might not have access to literature in their native language, Reading Across Borders proposes a virtual library of inspiring children's literature, translated from and into a variety of languages, and made available through an Internet-based system. This programme would represent a paradigm shift in the way literature circulates, while also protecting the legal rights of the original publisher, author, illustrator, and translator. Fostering a love of reading in all children is an incredible tool against a poor global education system, and there may be no greater way to encourage a respect for human dignity than to offer stories and books from many different cultures to children across the world. And a group called "Global Dignity" seeks to promote dignity-centred leadership among children through an annual "Dignity Day" that offers a leadership course, ethics course, motivational seminar and an anti-bullying effort for youth.

This cross-section of initiatives aimed at children shows how teaching a core education framework (literacy, ethics, and financial literacy), when based in values, can be framed to also empower children, teach dignity, and foster a love of learning.

### 4) Education Systems

There is widespread consensus on the critical importance of education: it is the engine that fuels innovation and productivity gains, as well as economic and health advances. Education can be the most powerful mechanism to reduce world poverty and inequality, enhance job opportunities, and increase individual security. As many of the Social Entrepreneurs suggest, an evaluation of our current education systems will be critical to

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improving children's welfare. Unfortunately, despite significant progress achieved in access, many school systems still act as mechanisms for the reproduction of social inequality and exclusion.

The Global Agenda Council on Education Systems proposes a two-pronged redesign of educational systems: 1) the framing of a new international architecture for education; and 2) the redesign of key educational building blocks. The current international development architecture is fragmented and lacks effective high-level leadership. An International Education Architecture Committee could help improve the overall design of international development cooperation and delivery on education, in part by ascertaining where in the world the most innovative advances have been achieved and by developing models and plans to disseminate best practices and replicate these successes to scale.

Simultaneously to pursuing the redesign of the international architecture, the Council has determined that four of the key elements for advancing educational goals should be pursued now. These building blocks are: 1) greater financing for education by identifying innovative funding mechanisms that span public and private sectors; 2) a renewed focus on outcomes in obtaining knowledge and skills for the 21st century; 3) a design that encourages universities to share educational resources for free with schools worldwide; and 4) a global professional resource for teacher education and training. This approach would simultaneously address both the systematic challenges facing our current education systems and several practical issues that can immediately reap concrete benefits.

Reforming our education systems ties in with every core value we have identified – respect for human dignity, a commitment to human flourishing and the common good, a responsibility to the next generation, and a recognition of our shared obligations to integral human development. It is also perhaps the most obvious issue that can contribute to closing the gender gap, ending poverty, and supporting the welfare of children through the values framework. The business sector will also benefit greatly from strengthening our educational systems, and the support of this sector could be transformative to our efforts in education.

### 5) The Gender Gap

Any initiative undertaken to close the gender gap must take into consideration the broad variation of beliefs across the world associated with gender roles. Women are more likely to be affected by poverty, poor healthcare, and a poor education system than men, and cultural norms and mores are often so entwined in these issues that it is challenging to find a universal stand on how to best support girls and women. However, if we approach the gender gap from the perspective of the values framework, we may find a foothold not only to address the gender gap and improve job opportunities and the security of women, but also to improve our education systems and the welfare of children, which, in turn, can have a great benefit on our business and economic systems.

The Global Agenda Council on the Gender Gap identifies the main gaps between men and women as economic participation, political opportunity, education, and health. These gaps in many circumstances constitute a violation of human rights, but there are also efficiency arguments for closing the gaps and tapping into the one-half of the world's human capital that is underutilized. The Council identifies a growing demand for mechanisms and models in many regions to close gender gaps, although information about these practices is fragmented. Essentially, some countries and companies want to change, but don't know how. It is this gap in information that the Council seeks to address with its proposal.

The Council on the Gender Gap proposes the creation of the Institute to Close Gender Gaps to serve as a central and trusted source of scientific evidence for solutions in closing gender gaps. Its mission is to accelerate change by bringing together the fragmented information in successful practices, programmes and policies, supporting new research, and consolidating these findings. This institute will be neutral and independent with a global reach to increase its effectiveness in working with a variety of cultures with differing beliefs about gender roles.

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### 6) Philanthropy and Social Investing

The Global Agenda Council on Philanthropy & Social Investing identifies one of the greatest challenges facing the Global Redesign Initiative: how to finance this ambitious agenda. Enacting change on this scale will require partnerships between the for-profit, non-profit and government sectors. With this in mind, the Council identified two goals: 1) to increase the amount of capital dedicated to building a better world; and 2) to increase the effectiveness of how that capital is used.

The Council on Philanthropy & Social Investing recommends several measures to increase accountability and the measuring and reporting of social investing. One such suggestion is a new “Social Competitiveness Report” to rank countries according to the effectiveness of their legal, fiscal, and cultural environment in support of social innovation. Another proposal is the creation of a new social contract to clarify and delineate the responsibility of business leaders to work towards a better world, including a framework for accountability.

Philanthropic organizations are the vital hinge that connects the ideals identified by our Global Agenda Councils on Faith and Values with the practical services called for by the Councils on the Gender Gap, Education Systems, and the Welfare of Children. Social investing is pivotal because it can encourage the business sector’s involvement in supporting these initiatives and actually start to change the very fabric of our social structure. In essence, philanthropic organizations can serve as a natural bridge between the “economic crisis” and the “crisis of values”.

CinePop is one such entrepreneurial endeavour that uses entertainment to bridge the gap between services and underserved communities while encouraging the involvement of the business sector. The Mexican organization creates open-air movie theatres using inflatable film screens, and businesses can sponsor events by providing products and/or services that improve the quality of life of the attendants. This kind of creative engagement across sectors can incorporate values in concrete ways and give businesses an innovative opportunity to become involved with social investing.

### 7) Marketing and Branding

Two of the Global Agenda Councils (the Future of Entertainment and Marketing & Branding) came together with a simple idea: to educate and inspire the citizens of the world to act more in their own long-term interests – in more healthy ways, in more financially responsible ways, in more environmentally sustainable ways. There is already ample evidence that entertainment, advertising, journalism, and social communications can change attitudes and behaviours. There are positive results from the Ad Council in the United States, telenovela content in Mexico, live theatre in India, and many other places, showing that it is possible to help people find the better path for themselves and their families using the power of media and entertainment. The Councils’ proposal is to organize a global movement, starting in a handful of nations, to use the Media and Entertainment industry as a means to redesigning how citizens of the world think and act.

### 8) The Role of Business

The recent financial crisis has made the role of business in global redesign even more crucial. Business has a set of responsibilities in society that are broader than the short-term maximization of shareholder value and that are a key to strategic development. The backing of the business sector can enable the global reshaping we discuss and provide the deliverables that these Councils seek. As the Council on Philanthropy & Social Investing found, collaboration with the for-profit sector (and governments) will be crucial to their increased effectiveness. Both the Council on the Welfare of Children and, to a lesser extent, the Council on the Gender Gap will require the support of corporations dedicated to these causes. By re-thinking the role of business from the ground up, and building on a solid base of a global values framework, a mutually-beneficial relationship can be formed. As business supports the development of children, education reform, and gender equality, more

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capable citizens will in turn generate increased innovation and effectiveness within the business sector. There are also unique opportunities to create shareholder value and preserve wealth by responding to issues such as sustainability and climate change. The market-based approach to sustainable development is not solely about “doing good for society” but also provides commercial opportunities while attempting to solve global issues.

At the World Economic Forum Annual Meeting 2009, the Young Global Leaders community launched the “Global Business Oath”. This oath aims to transform the value system dominant today among business leaders around the world by: 1) explicitly recognizing that the ultimate purpose of management is to serve society by bringing together people and resources to create sustainable and inclusive prosperity; 2) recognizing that the effects of managerial decisions in the welfare of society are amplified by the accumulation of resources under legal corporations; and 3) proposing a code of conduct – a modern-day “Hippocratic Oath of Business” – that spells out the commitment of “doing no harm” throughout the practice of management. This “Oath” will commit business leaders throughout the world to a common code of ethics and raise their awareness of integrity, honesty, reliability, and responsibility in their field. The “Global Business Oath” proposal draws attention to the link between the economic crisis and the values crisis, and explicitly demands a commitment to serving the greater good in the business sector.

Social Dialogue Enterprise proposes a programme that is very much in line with the goals of the “Oath” and also seeks to address the connection between the economic crisis and an absence of values in the business sector. They connect this link back to the fact that business schools have not focused sufficiently on creating a business leadership mindset that is based on a “values framework”. They intend to partner with business schools and universities to encourage a new way of thinking about business education – beyond a focus on wealth creation – and incorporate a values framework into business education.

### **Three Innovative Strategies: Structured Dialogue, Benchmarking, and Institution-Building**

The Global Agenda Councils in the Values cluster all identify pressing gaps in global governance and put forward concrete proposals to address them. They move from overarching values such as human dignity and the common good to particular values such as the dignity of children and gender equality, and show how the current patterns of global governance fail to realize those values in practice. From that diagnosis they move quickly to concrete proposals for change that fall into three categories: structured dialogue designed to raise the visibility of value concerns and forge coalitions to address them; benchmarking exercises designed to hold governments and businesses accountable to higher value standards; and the creation of new international institutions to encourage best practices and engage multiple stakeholders in building coalitions for change.

Dialogue about values and global governance takes place mainly among academics and in specialized publications. Several Council proposals seek to broaden that dialogue and raise its visibility in the media and the public sphere. The Global Agenda Council on Faith, for example, proposes to organize a series of structured dialogues around the values of human dignity, the common good, and respect for the environment – both at World Economic Forum meetings and in several key countries in the run-up to the G20 meeting in 2012. The Global Agenda Council on Marketing & Branding’s suggestion to employ the media to educate and inspire more values-based attitudes and behaviour is also a form of structured dialogue – in this case among consumers, with the goal of increasing mutual awareness of the social impact of their choices.

As long as adherence to ethical values is not part of the corporate bottom line, it will be difficult to change the often short-sighted and narrow perspectives of the business community. Benchmarking exercises are one way to change expectations and apply pressure from consumer groups. The Global Agenda Council on the Welfare of Children will press for the incorporation of children’s needs into business strategies and hold them accountable over time. The Council on Philanthropy & Social Investing calls for the creation of a “Social Competitiveness Report” to benchmark countries on their openness to socially responsible business practices. Along these lines, the Council also calls for a social contract that would make business leaders more socially accountable.

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Structured dialogue and benchmarking have their greatest impact when combined with the creation of new institutions that monitor best practices and bring together key stakeholders concerned about values deficits and the best way to address them. The Global Agenda Council on Values proposes one such institutional innovation, a regulatory body that can mediate the value conflicts in international negotiations. The Council on Education Systems recommends the creation of a new International Education Architecture Committee to tackle a global redesign of the global education architecture. The Institute to Close Gender Gaps, proposed by the Council on the Gender Gap, would serve to gather information on best practices, raise the visibility of women's issues, and network stakeholders committed to change around the world.

### Three Global Imperatives: Engaging Youth, Civil Society, and Governments

In laying out their substantive recommendations, the Global Agenda Council proposals suggest three critical challenges going forward. To reform global governance will require a broadening and deepening of coalitions for change through the engagement of youth, the mobilization of civil society, and cooperation with governments. Efforts to strengthen the value foundations of the global system will fail if they do not move from structured dialogue, benchmarking, and institutional innovation to intergovernmental action supported by a broad cross-section of citizens concerned about improving the state of the world.

Both the Council proposals and the proposals of the Young Global Leaders address the intergenerational dimension of the current global values crisis. Younger generations are naturally concerned about the sustainability and legitimacy of institutions into the future; they are natural partners in efforts to bring about long-term and transformative change.

Only proposed changes in international governance that enjoy support across civil society within and across countries will generate the necessary political momentum. Ambitious efforts to expand the practice of social entrepreneurship, and the resonance they have found, underscore the stake that citizens – and not just business and governments – have in equitable global governance that serves the common good. Critical to the formation of broad social coalitions for change is also respect for the pluralism of values that exists across societies. The proposed Institute to Close Gender Gaps, for example, will not impose a single model of gender roles but will be open to working with different societal actors in different countries with diverse approaches to the issue.

Efforts to embed values in new forms of global governance that do not engage national governments directly are bound to fail. Intergovernmental cooperation is the only way to reform international economic and financial arrangements on a new values foundation. The Council on Faith proposes to foster a structured dialogue that will involve religious leaders at G20 summits. The Council on Education Systems' proposed International Education Architecture Committee would develop concrete policy recommendations for G20 countries grappling with challenges of quality, equity, and financing.

While the realization of all of the Values cluster proposals will require close collaboration with national civil societies and governments, the ultimate goal must be a transnational social movement that can buttress new structures and institutional arrangements. Nation states remain the most critical actors in an international system that remains intergovernmental at its core – hence the importance of the G20 as an interlocutor for the Global Redesign Initiative. In the context of globalization, however, the free flow of ideas and peoples allows for transnational organization around global challenges of economic and social development. Efforts to foster structured dialogue, benchmarking exercises, and institutional innovation will be advanced most effectively through close collaboration with existing transnational NGOs, across sectors, who share the vision put forward by the Creating a Values Framework cluster and can help to carry it forward in practice.

When our values do not animate our systems and institutions, only the privileged will flourish. If we instead choose to integrate a global redesign with a values framework, our institutions will become tools in support of our key goals for human development; better healthcare and education across the globe will lead to enhanced job opportunities, economic growth, and the greater well-being of all individuals. The wider the coalition for change, within and across countries, the more likely a far-reaching global redesign will become.