

# ICAS Annual Lecture

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## The World's Big Problems – is Business a Player or a Passenger?

### Introduction

Thank you, and it's a pleasure and indeed an honour to be here this evening.

Having worked in the paper and packaging industry for some years in the 1990s, there is for me a particular poignancy to be here in the Hall of The Stationers' Company, the majority of whose members work in, or supply, the paper, print, publishing, packaging, office products, newspaper, broadcasting and online media industries.

The Stationers' Company describes itself as: "*the City of London Livery Company for the Communications and Content Industries*", and I hope in my remarks this evening to communicate some content, including perhaps some colourful and even provocative content.

### A vision for the future

I want to begin by sharing with you some material which recently came into my possession. It's a draft introduction for the next manifesto of one of the political parties in Scotland; though frustratingly, from the material I received, it wasn't explicit which party. Here goes:

*"We are setting out an ambitious and transformational vision. We envisage a Scotland free of poverty, fear and violence. A Scotland with quality education, health care and social protection at all levels, where physical, mental and social well-being are assured. A Scotland where homes are safe, and all have access to affordable, reliable and sustainable energy.*

*We envisage a Scotland with respect for human rights, human dignity and cultural diversity; of equal opportunity and the full realisation of human potential, contributing to shared prosperity. A Scotland which invests in its children and in which every child grows up free from violence and exploitation. A just, equitable, tolerant, open and socially inclusive country, in which the needs of the most vulnerable are met.*

*We envisage a Scotland which enjoys sustained, inclusive and sustainable economic growth, and decent work for all. A Scotland in which the use of natural resources – from air and land, to rivers, lochs and seas - is sustainable. A Scotland in which democracy, good governance and the rule of law are the basis for sustained and inclusive economic growth, social development, environmental protection and the eradication of poverty. A Scotland in which humanity lives in harmony with nature and in which wildlife and other living species are protected.*

*We are resolved to free the Scottish people from the tyranny of poverty, and to heal and secure our country for present and future generations.”*

Now in years gone by, it might have been obvious which political party would set out that vision as the introduction to its manifesto. But in this day and age, I think it's much less clear. In fact, arguably several of the mainstream parties would subscribe to most if not all of that. I wonder, to which party would you attribute it?

But I need to come clean. The truth is that although what I read out is taken from an introduction to a manifesto, it wasn't from a Scottish political party; or indeed any political party. It was in fact, as some of you might have recognised, an edited version of the introduction to “*Transforming our World: the 2030 Agenda for Sustainable Development*”.

OK, so I did change “*world*” to “*Scotland*”, and added in a reference to “*lochs*”. But otherwise, it's a pretty close reflection of the vision which the 193 member states of the United Nations adopted unanimously on 25 September 2015. The document is best known for the 17 “Sustainable Development Goals”, or “SDGs”. And through them it sets out with considerable specificity the kind of world which all countries say they are determined to achieve by 2030.

### **The challenges to realising the vision**

But that same document also acknowledges some of the barriers to realising this vision – which we might characterise as the world's big problems:

*“Billions of our citizens continue to live in poverty and are denied a life of dignity. There are rising inequalities within and among countries. There are enormous disparities of opportunity, wealth and power. Gender inequality remains a key challenge. Unemployment, particularly youth unemployment, is a major concern. Global health threats, more frequent and intense natural disasters, spiralling conflict, violent extremism, terrorism and related humanitarian crises and forced displacement of people threaten to reverse much of the development progress made in recent decades. Natural resource depletion and adverse impacts of environmental degradation, including desertification, drought, land degradation, freshwater scarcity and loss of biodiversity, add to and exacerbate the list of challenges which humanity faces. Climate change is one of the greatest challenges of our time... . Increases in global temperature, sea level rise, ocean acidification and other climate change impacts are seriously affecting coastal areas and low-lying coastal countries... . The survival of many societies, and of the biological support systems of the planet, is at risk.”*

And that, of course, was written before Brexit, before the election of President Donald Trump, and before the acceleration of its nuclear and ballistic missile programme by the Democratic People's Republic of (North) Korea.

## Recent improvements

On the other hand, we have made extraordinary improvements in some respects, in recent years. In that same UN document, we read:

*“It is also, however, a time of immense opportunity. ... Within the past generation, hundreds of millions of people have emerged from extreme poverty. Access to education has greatly increased for both boys and girls. The spread of information and communications technology and global interconnectedness has great potential to accelerate human progress, to bridge the digital divide and to develop knowledge societies, as does scientific and technological innovation across areas as diverse as medicine and energy.”*

So, let's remember that, as Nicholas Kristof wrote in the New York Times on 1 July this year:

*“For most of history, probably more than 90 percent of the world population lived in extreme poverty, plunging to fewer than 10 percent today. Every day, another 250,000 people graduate from extreme poverty, according to World Bank figures. About 300,000 get electricity for the first time. Some 285,000 get their first access to clean drinking water. When I was a boy, a majority of adults had always been illiterate, but now more than 85 percent can read.”*

## A Tale of Two Realities

This contrast between the daunting challenges confronting us, and the achievements that have been realised, brings to mind the famous words of Charles Dickens, in the opening of “A Tale of Two Cities”:

*“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way—in short, the period was so far like the present period, ... ”*

And here we are, living in what is again today – at least from a global perspective – the best of times, and the worst of times. *The best of times* for some, and *the worst of times* for others. *The best of times* for the kind of people who – like me – have an income, own a property, have savings to rely on and a pension to look forward to; and *the worst of times* for people like the Rohingya of Myanmar, over half a million of whom have fled as refugees to Bangladesh in the face of the persecution and killings they have experienced, while under the authority of the Myanmar military. *The best of times* for the kind of people who are invited to attend lectures in splendid surroundings in the City; and *the worst of times* for people in places like Syria, or parts of Yemen where the prospect of famine looms, even as some of the most powerful countries in the world bomb their way towards some kind of military victory. *The best of times* for corporate executives, providers of finance and professional services; and *the worst of times* for those with skills which are no longer much valued by our society.

## The Elders

Today, I have what some might think of as the best of jobs, being the Chief Executive of The Elders, the group of about a dozen independent global leaders, founded by Nelson Mandela ten years ago, who work together for peace and human rights.

The idea of The Elders came originally from the musician Peter Gabriel of Genesis and later WOMAD fame, and the entrepreneur Richard Branson. Alarmed by so many big problems in the world, they saw that the world could do with some global Elders, as an African village has its Elders: not the people running the village, but people who could listen to the villagers, and speak to and perhaps influence those running it.

Mandela, or Madiba as he is often known, founded The Elders in 2007, because he was concerned about a vacuum of moral leadership at the highest political levels. He hoped that a group of experienced individuals, who no longer held or aspired to office, could provide inspiration to current and future leaders.

In his founding speech, delivered on his 89<sup>th</sup> birthday in Johannesburg on 18 July 2007, Madiba said:

*“In today’s world, many of the problems we face are global in nature. These include climate change, pandemics such as aids, malaria and TB. And of course, that entirely human created affliction: violent conflict. The structures we have to deal with these problems are often tied down by political, economic or geographical constraints.”*

I think that few in this room would dispute his analysis. But in the decade since Mandela’s speech, exacerbated by the financial crisis, the challenges have grown even starker. Perhaps this is best illustrated by the results of the 2017 Edelman Trust Barometer. This shows that trust is in crisis around the world. The general population’s trust in four key institutions — government, business, NGOs, and the media — has declined.

With the fall of trust, the majority of their respondents now lack full belief that the overall system is working for them. Consequently, people’s societal and economic concerns turn into fears. Hence we see the backlash against globalisation, the pace of innovation, and eroding social values. This leads to the appeal of nationalism, and spurs the rise of populist leaders, now playing out in several Western-style democracies, as well as numbers of other major countries.

## The World’s Big Problems

So what tops the list of the World’s Big Problems? As we’ve already seen, there’s plenty of competition to top the poll. What would your list look like? Some of you might include natural disasters such as a huge earthquake and tsunami, or drought or flooding on a vast scale. But I suspect that most of you will have focused in your minds on human-induced problems. For example: economic concerns, such as poverty and governance failures? Political issues, like breakdown in trust and loss of

freedom? Social challenges, such as demographics and inequality? Ethical issues, for example corruption and breakdowns in relationships? What about environmental challenges, like climate change, water security and bio-diversity loss? And where would you rate the looming dangers from technological developments, such as artificial intelligence, augmented reality, privacy and autonomous weapons? But let's not forget health concerns: how about anti-microbial resistance, and the prospect of an incurable global pandemic? And are we now realising anew the dangers of humans' more base instincts for violence, whether in the form of terrorism – perhaps using biological weapons - or nuclear conflagration?

One of my own attempts to identify the main causes of big problems, and in particular the scandal of poverty in a world of plenty, arose when I was Finance Director of Oxfam. At the beginning of December 1998, I went to the Caucasus to see Oxfam's programme in Georgia, Armenia and Azerbaijan. These are countries which have a different kind of poverty from the popular Oxfam image: the people are white, the weather is cold and there is plenty of water. The visit widened my understanding of how poverty works. For example in Armenia, four of the principal causes of poverty all combine to bring acute poverty to a country which ten years earlier had been relatively wealthy: natural disaster (a terrible earthquake in 1988); armed conflict (war with Azerbaijan over Nagorno-Karabakh); poor government (following the disintegration of the Soviet Union); and economic collapse (the impact of the Russian economic situation and hyperinflation).

Twenty years later, and my subsequent jobs tackling corruption as Chief Executive at Transparency International, addressing sustainability at WWF, and now with The Elders, have helped me develop a fuller understanding of the issues.

## **The Elders**

Twice a year, the Elders meet together for three days. Our most recent meeting was earlier this month here in London – you may have seen some coverage of the '*#WalkTogether*' event we did, walking for peace from Trafalgar Square to the statue of Nelson Mandela in Parliament Square, to continue Mandela's *Long Walk to Freedom*. Mostly, I find it an extraordinary privilege to be at a table with the two last Secretary Generals of the UN, four former Presidents, and a former Prime Minister, amongst others. But occasionally it can be a touch depressing, as we review some of these global problems and threats, and wonder what The Elders might be able to do about them.

At our recent meeting, we determined that The Elders' work falls under three themes:

- (1) Governance and Leadership – which when it is poor is a source of many of the big problems, but which also underpins human capacity to address them. The Elders all have personal experience of providing leadership, and of how governance is so often at the heart of solving the world's big problems.
  
- (2) Conflict, its Causes and Consequences – violence is the source of so much of the distress and human suffering. The causes of conflict in our inter-dependent

world are many and various. In finding a way to address them more peaceably, after the Second World War, the nations of the world developed a rules-based multi-lateral system. But that system is under increasing threat, which illustrates a key governance and leadership challenge for our world today.

- (3) Inequality, Exclusion and Injustice – often caused by our systems and cultures. The pressures these negatives create can lead to the breakdown of the systems and institutions which support our civilisation. Though I am reminded that when Gandhi was asked the question, “*What do you think of Western civilization?*”, he allegedly responded, “*I think it would be a good idea.*”

These three themes do not explicitly name the full range of the World’s Big Problems. But I would contend that governance and leadership are fundamental to solving most of them. If you need evidence to substantiate just how important the details of governance arrangements are, just look at the process through which Donald Trump became the Republican Party candidate, and was subsequently elected President of the USA: a country with, as we might put it, ‘the best democracy that money can buy’...

In particular, it is governance and leadership which is needed to address those problems that arise from what economists would call ‘*externalities*’ – that is, those who benefit not paying the full price, and those who contribute to the creation of problems not being charged with the associated costs of solving them.

### **What about business?**

Which brings us to the question of the role of business in addressing these Big Problems of the world.

There are (at least) three things, I suggest, which business can do in response to these big problems.

1. Don’t cause the problems – are you a passenger on the problem train?

In Al Gore’s film, “*An Inconvenient Truth*”, he describes how he grew up on the family farm which grew tobacco as a crop. It was only after his older sister Nancy died of lung cancer, that the family stopped producing tobacco.

For some businesses, what they can best do is fundamentally to change their whole business model – because as currently constituted, they are part of the problem. They are going along with the ride as passengers on the locomotive of our present world order. It may seem a comfortable journey, and perhaps provided you individually get off before the train runs into the buffers or worse, you personally may be alright. But the train itself is a danger to humanity.

The principal asset of Drax Group plc, of which I have recently become a non-executive director, is one of the UK’s largest power stations. It is responsible for generating 7% of all the UK’s electricity. It was built near the Yorkshire coalfield, officially opened in 1975 and was the biggest power station in the UK by 1986,

burning huge quantities of coal. It therefore faced an existential challenge, if it was to respond to the reality of climate change.

So in 2012, Drax committed to transforming its business into a mainly biomass-fuelled generator, using compressed wood pellets in place of coal. This itself is not without sustainability challenges, but Drax now generates 70% of its output from biomass, rather than coal. And it is exploring options to convert the rest of its generation to biomass or gas, along with a potential battery storage facility.

This is an example of a company seeking to stop being a passenger, and become a player – to change its business model, so as to reduce dramatically its contribution to one of the world's big problems. What of other companies that face such challenges: what are they going to do? From oil & gas to weapons and tax avoidance schemes, businesses face challenges about the contribution they make to the wellbeing of humanity.

Sometimes, the challenge is not so much that their activities are causing active harm – more that the resources which they utilise, including the human resources, could be better deployed elsewhere to much greater benefit for humanity. In August 2009, the then Chairman of the Financial Services Authority, (Lord) Adair Turner, took part in a round-table discussion organised by *Prospect* magazine. In that much-reported interview, he described some activities and innovation in the financial services sector as “*socially useless activity*”, and criticised especially the remuneration that was associated with this socially worthless work.

*“There clearly are bits of the financial system ... which have grown beyond a socially reasonable size. To see this you can simply take measures such as wholesale financial services as a share of GDP, or consider what percentage of highly intelligent people from our best universities went into financial services. ... It is hard to distinguish between valuable financial innovation and non-valuable. ... I think that some of it is socially useless activity.”*

Not surprisingly, his comments were not too well-received in certain circles. The 20<sup>th</sup> century American theologian Reinhold Niebuhr would not have been surprised that those in the financial sector found arguments to defend their position. He wrote: *“The moral attitudes of dominant and privileged groups are characterized by universal self-deception and hypocrisy ... the intelligence of privileged groups is usually applied to the task of inventing specious proofs for the theory that universal values spring from, and that general interests are served by, the special privileges which they hold.”*

But whatever you think of the contribution or otherwise which some of our brightest people get up to at work, the fact is that some economically profitable activities may not be useful for society. Worse than that, they may contribute to the world's big problems, such as by causing a financial crisis, or increasing the risks of various kinds of human suffering.

But business can do better than just stopping the bad stuff.

2. Contribute to solving the problems – are you a player in tackling them?

The realisation of the Sustainable Development Goals will require immense investment by, and associated returns to, the private sector. Whether it is pharmaceutical companies selling contraceptives, or construction companies installing water pipes; whether more sustainable production of healthy food, or avoiding the unproductive cost of bribery; there is more and better business for almost all major companies in the path to realising the 2030 vision of the member states of the United Nations.

This is not about making CSR contributions on the side: it is about the mainstream activities of the business. Some companies with significant issues publicise that they are making donations to 'do good'. While this might be a nice gesture, the real challenge is their core business, not deploying some tiny proportion of their profits as penance for their wider impact. For example, it's nice that ExxonMobil and Chevron promote on the "Businessfor2030" website how they are contributing to SDG 3 on health, by funding malaria treatment and paediatric health respectively – but what matters much more is what they are doing about the carbon and other emissions associated with their main business.

A prominent example of an expanding business which contributes to sustainable development at the moment is the provision of sustainable energy in many forms, most notably solar-generated power, in countries around the world; and the electrification of energy provision everywhere.

A friend of mine has a son who has invented a way to purify water using LED lights which consume 90% less energy. With his academic skills, he could probably have come to work in this vicinity, and perhaps earned much more – but now, he is a player in helping solve one of the world's challenges: the provision of safe drinking water (SDG 6, by the way).

There must be few worthwhile businesses which cannot relate what they do to the SDGs. How wonderful to be able to connect your business activities, or those of the clients you have chosen to work with, to the achievement of the world we want by 2030.

Which brings me to the third way in which business can be a player, rather than a passenger.

3. Tell us what and how you're doing – what's your contribution, to the problems, and to their solution?

As the PR firm Edelman comment in relation to their Trust Barometer:

*"To rebuild trust and restore faith in the system, institutions must step outside of their traditional roles and work toward a new, more integrated operating model that puts people – and the addressing of their fears – at the center of everything they do."*

There are two elements to this. First, be clear what your business purpose is.

In the mid-1980s, ICI described its purpose as: *"a responsible application of chemistry and related science. Through achievement of this aim we will serve our*



*customers, employees and earn returns for our shareholders and the communities which we serve.” A decade later, it was: “to create shareholder value by focusing on businesses in which we have cost leadership, a price advantage and a market-leading position.” This second statement could probably be made by most companies – it says little about the firm, other than that it has adopted the shareholder value mantra.*

I am a member of the Advisory Council of ‘A Blueprint for Better Business’. Rooted in the belief that business has the ability to do tremendous good and mitigate harm to society, Blueprint encourages companies to operate true to a purpose that serves society. I commend its website, [blueprintforbusiness.org](http://blueprintforbusiness.org), to you.

The second element is reporting about the business in an integrated way. I’m referring specifically to ‘*Integrated Reporting*’ – and I should disclose that I’m Deputy Chair of the Board of the International Integrated Reporting Council, or IIRC.

Integrated Reporting is a broad based framework for business and investment decisions that are long term, inclusive and with purpose. <IR>, as it is often referred to, should be an external manifestation of ‘<IT>’ - integrated thinking; but reporting can also be a stimulation to better thinking.

<IR> involves reporting against six ‘capitals’. The capitals are stocks of value that are increased, decreased or transformed through the activities and outputs of the organization. They are categorised in the <IR> framework as: financial, manufactured, intellectual, human, social & relationship, and natural capital. The ability of an organisation to create value for itself enables financial returns to the providers of financial capital. This is inter-related with the value the organisation creates for other stakeholders, and society at large, through a wide range of activities, interactions and relationships.

The IIRC and ICAS, in partnership with the Green Economy Coalition, recently published “*The Sustainable Development Goals, integrated thinking and the integrated report*”. This publication is centred on the <IR> concept of the six capitals, and addresses how, through efforts to transform the capitals to create value for themselves and for others, organisations can contribute to achieving SDGs, as well as clarify how they are mitigating or alleviating any detrimental effects of their activities.

Again, if you are not already familiar with Integrated Reporting, I commend its website, [integratedreporting.org](http://integratedreporting.org), to you.

### **Can we expect business to be a player, rather than a passenger - contributing to solving the world’s big problems?**

Is all this really the concern of business? As long as the numbers add up and the profits roll in, isn’t everything else peripheral, someone else’s problem – politicians, NGOs, celebrity activists?

Can we expect businesses to care about those affected by their activities, other than their owners?

When I was studying for a Masters in Finance degree at London Business School in the 1990s, one of the lecturers, Professor Dick Brealey, was co-author of the popular academic textbook, 'Principles of Corporate Finance'. In the first chapter, it explained: *"Most of the time we assume that the financial manager acts to increase the value of the shareholders' investment in the firm"*.

Writing in a Financial Times series on 'Mastering Strategy' in November 1999, James P. Walsh from the University of Michigan Business School characterised prevalent views as being that: *"The purpose of the company is to make money for its owners. Any talk that distracts from this goal is tantamount to corporate treason."*

Some express essentially the same view more forcefully:

*"The most ridiculous word you hear in boardrooms these days is 'stakeholders'. A stakeholder is anyone with a stake in a company's well-being. That includes its employees, suppliers, the communities in which it operates and so on. The current theory is that a CEO has to take all these people into account in making decisions. Stakeholders! Whenever I hear that word, I ask 'How much did they pay for their stake?' Stakeholders don't pay for their stake. Shareholders do."*

Those were the words of Al Dunlap, who certainly had a clear understanding of what a stakeholder is. Author of 'Mean Business', he was also known as 'Rambo in pinstripes', and 'Chainsaw Al', for his approach to the management of companies. He was later disgraced after revelations of accounting irregularities.

Essentially the same view was expressed in milder terms by Lucy Kellaway, who wrote in the Financial Times in May 1998: *"Companies exist to make money. They should be good to their employees because if they are not, no one will want to work for them. They should offer family friendly policies for exactly the same reason. That is to say, most employers have a business responsibility to ensure family life works. ... Morality has nothing to do with it, and neither should it. The idea that our employers have a moral interest in us or our families is repugnant."*

Whether or not you subscribe to the 'shareholder value' approach, and it is undoubtedly a powerful analytical tool, I contend that over recent years, the expectations of companies have increased significantly. This change has come partly from governments, conscious of the limits of their own capacities.

In a speech at the September 2017 Athens Democracy Forum, my boss, Kofi Annan, identified three key issues behind the crisis in confidence challenging the legitimacy of democratic governments. The first is growing *inequalities* within countries, because the uneven benefits of globalisation are dividing societies into winners and losers on an unprecedented scale. Secondly, governments are looking increasingly *powerless* in the face of the imperatives of the global economy, and there are suspicions that governments have been captured by special interests. Third, there is a crisis of *effectiveness*, as democratic government is compared unfavourably with the concurrent success of some authoritarian regimes, which seem to enjoy high rates of growth; and people wonder whether democratic governance, at least in its

western incarnation, really delivers – at least for them, which connects us back to inequality.

Consequently, governments are looking to business to implement aspects of public policy. Here's Michael Bloomberg, writing in September this year on the Bloomberg website:

*“Governments cannot and will not close the gap on their own -- and on a wide array of issues, from public health and safety to broadband access and anti-poverty efforts, they are inherently limited in what they can get done. To address these and other issues, partnerships with companies will be necessary -- and also beneficial, because the private sector is often better at allocating resources productively, controlling costs, and using cutting-edge technology to solve problems.”*

These changes in expectations have also come from NGOs and the public, who expect to be able to rely on business to sort out a range of issues – from child labour to the sustainability of ingredients.

### **An historical perspective...**

Whilst researching this speech, I came across two quotes, from different ends of the Scottish historical, political and philosophical spectrum – but was struck by their similarities, and pertinence to the question before us.

The first quote goes like this:

*“How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it.”*

And here is the second quote:

*“Man is a social being. Real fulfilment for any person lies in service to his fellow men and women... Reject the insidious pressures in society that would caution silence in the face of injustice, lest you jeopardise your chances of promotion and self-advancement.”*

The first quotation was from Adam Smith in a lecture in 1775. Best known for his work, ‘*An Inquiry into the Nature and Causes of the Wealth of Nations*’, which laid out the foundations of classical free market economics, he had earlier published ‘*The Theory of Moral Sentiments*’ which outlined a theory of sympathy. The second quotation was from Jimmy Reid, the late Clydeside trade unionist, from his inaugural address as Rector of Glasgow University nearly two centuries later in 1972.

About a decade after Reid's speech, I was a theology student at the other end of the M8. This was a period when certain elements of the political and economic philosophy of Adam Smith were venerated at the highest levels of the UK Government, and deployed as part of a political battle against Jimmy Reid and his comrades.

But we have all experienced the reality that there are elements in human nature which do make us interested in the fortunes of others, with the consequence that

their happiness matters for us, regardless of any material gain. This is, surely, the supreme characteristic of human love at its best. Yet somehow, we have developed a business culture in which joy at the achievement of others is too often subjugated to the drive for personal success, even at the expense of others.

This sense of human solidarity lies at the heart of the Sustainable Development Goals, and is in my view essential for the kind of principled leadership required, not just of politicians, but also in the business world.

To suggest that business can simply be a passive passenger and abdicate any leadership role can be profoundly dangerous. When politicians fail to meet or wilfully spurn their responsibilities, business cannot sit on the side-lines.

Fortunately, we have already seen that many players across all industrial sectors understand the gravity of the current situation and are rising to the challenge. For instance, in the United States, impressive numbers of businesses have affirmed their support for the Paris Climate Agreement, despite President Trump's myopic decision to seek to withdraw.

## **Conclusion**

When speaking to friends and colleagues, I sometimes characterise the Institute of Chartered Accountants of Scotland, of which I am proud to be a member, as "The oldest, original – and best – institute of chartered accountants in the world".

Accountants have to state their formal opinion that figures they approve are "*true and fair*". But perhaps we can take those words in a fuller sense. For business to be truly successful, this phrase needs to be understood in a political and ethical sense as well as purely mathematical – true as in having integrity, and fair as in a commitment to equity and social justice.

The ICAS motto is: "*Quaere Verum*", which is Latin for "*Seek the Truth*" – chosen well before the era of "fake news", I should point out.

And the truth is that it is only through adopting a holistic approach, which understands and supports society, that business can secure its own future sustainability and growth.

The risks of business simply seeing its role in these global debates as a *passenger* are stark. If business does not see itself as a *player* in the wider world, with a vested interest in supporting international institutions, mechanisms and structures that act in the wider interests of all humanity, it could spell disaster for all of us.

One of the worst disasters in British railway history occurred during a violent storm on Sunday 28 December 1879. The first rail bridge over the river Tay near Dundee, designed by the architect Thomas Bouch, collapsed while a train was passing over it, killing all the *passengers* aboard. The subsequent enquiry found fault with the design, construction and maintenance of the bridge. It is interesting to note the sequence of events: the bridge was opened for passenger services on 1 June 1878;

its designer Bouch was knighted in June 1879 soon after Queen Victoria had used the bridge; and the bridge collapsed six months later.

William McGonagall has been widely lampooned as the worst poet in British history. But his poem "The Tay Bridge Disaster", written in 1880, kept the story alive. I will end, then, with a salutary warning for *passengers* from this Scottish author:

*"Oh! ill-fated Bridge of the Silv'ry Tay,  
I must now conclude my lay  
By telling the world fearlessly without the least dismay,  
That your central girders would not have given way,  
At least many sensible men do say,  
Had they been supported on each side with buttresses,  
At least many sensible men confesses,  
For the stronger we our houses do build,  
The less chance we have of being killed."*

Thank you, and I look forward to your questions.