

PROMOTING GOOD CORPORATE CITIZENSHIP

by Don Evans

Secretary, U.S. Department of Commerce

If you look through a keyhole, an entire company is viewed through a single individual — the chief executive officer. Great authority is vested in the men and women who run our public corporations, and with such power comes responsibility. CEOs aren't simply stewards of their individual companies; they are stewards of American capitalism itself. That is why it is so vital that American companies and executives follow the highest standards of conduct anywhere they do business.

The public sector may set the rules, but the private sector makes the system work. The charge of our corporate leaders, in that context, is a great one. And in the current environment, it is even greater. Our CEOs are public servants. The responsibility falls to them to provide workers with the chance to create, to build and to pursue.

The public is gradually coming to expect firms to act as good corporate citizens, understanding that businesses are responsible for more than simply “the bottom line.” This administration has made corporate governance and citizenship a top priority, and is working hard

on several initiatives to severely punish those responsible for corporate deceit. I accompanied the president on his trip to New York and fully believe that our efforts to encourage proper ethical and moral behavior by corporate executives are a top priority. As President Bush stated in his speech on Wall Street recently, “In the long run, there's no capitalism without conscience; there is no wealth without character.”

Character, it has been said, is what you exhibit when no one is watching. And we need it now more than ever. The story of America is one of breathtaking accomplishment. We have always aimed higher than our mark. Ours has been and continues to be the greatest economic engine that the world has ever known.

Trust is indispensable. It isn't found on a balance sheet, but it is the most important asset that a Chief Executive has. Trust is essential because ultimately our capacity to deal with corporate deceit has to be about more than passing new laws and setting thresholds. The right statutory and regulatory framework is critical. But our moral character will be determining.

It is just as important for companies to conduct themselves honorably at home as it is abroad. In fact, there is often a special responsibility for companies that set up operations overseas or export their goods and services to other nations. Many companies have recognized their ability to promote a greater good and a higher standard than the



Photo courtesy of U.S. Department of Commerce

Secretary Evans visits the Ford Elementary School in Mexico City with the U.S. trade delegation. Ford Motor Company sponsors the schools in cooperation with its Mexican Dealers. The Ford Motor Company has built, equipped and continuously supported 200 schools in poor neighborhoods throughout Mexico.



Photo courtesy of U.S. Department of Commerce

Secretary Evans and leaders from Johnson & Johnson, Baxter Healthcare and Motorola toured Shanghai Children's Medical Center, where critically ill children receive state-of-the-art care, thanks to a joint initiative of the community of Shanghai and Project HOPE.

norm when they conduct business internationally. They see the opportunity to improve the communities in which they operate and recognize the need to become better global citizens. Companies are expected to not just share their value, but their values.

I have made it my business when I travel to recognize U.S. firms that are

Mexican grocery stores to help feed children in orphanages, community lunch kitchens and schools. And while in China, I was able to witness the work that Johnson & Johnson, Baxter Healthcare, and Motorola are doing by contributing to Project HOPE, an organization helping to provide sick children with state-of-the-art care. These American businesses bring not

executives know that increased prosperity leads to greater economic freedom and higher standards of living, which, in turn, create a demand for greater social and political freedoms and a higher quality of life.

Government and the public are calling for better, more socially responsible businesses. Now is the time for

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— PRESIDENT GEORGE W. BUSH, SPEECH TO WALL STREET EXECUTIVES, JULY 9, 2002

setting a good example by practicing good global corporate citizenship. These companies understand that they are not merely representing themselves, but America and its values.

During my most recent trade mission to Mexico, for example, I visited HEB Foods in Monterrey and the Ford Elementary School in Mexico City. HEB donates food from 19 of its

only expanded economic opportunity and world-class products and services, but also the true American spirit of volunteerism and giving.

CEOs must aim to spread prosperity around the globe, through good citizenship programs or simply through positive examples of good corporate character. This goal is not only good policy, but good business as well. Smart

companies to support a common good through their business activities both at home and abroad. ■