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World / International economy[Print article](#) | [Email](#)**Private sector joins UN's poverty battle**

By Mark Turner

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Like two wary adversaries discovering a common interest, the United Nations and the private sector are beginning to forge a joint approach to tackling global poverty.

Last week, Ernesto Zedillo, the former Mexican president, and Paul Martin, an aspirant prime minister of Canada, announced at the UN in New York the creation of a UN Commission on the Private Sector and Development, aiming to remove obstacles to budding entrepreneurs in the developing world.

Other commissioners include Carly Fiorina, president of Hewlett Packard, Anne Lauvergeon, president of Cogema, and Rajat Gupta, a senior partner with McKinsey.

Mark Malloch Brown, head of the United Nations Development Programme, said the commission reflected the "next big thing" in third world development policy, an increasing engagement by the UN of private enterprise.

Kofi Annan, UN secretary-general, asserted: "We cannot reach [poverty reduction] goals without the support of the private sector." He called the commission "another illustration of the rapidly growing partnership between the United Nations and the private sector".

By the end of the year, the commission plans to identify necessary reforms in areas from taxation and financing, to property rights and bureaucracy.

In parallel, the UN claims its three-year-old "Global Compact", which brings together the UN, non-governmental organisations, labour and multinational companies, is beginning to spawn initiatives with real results.

It cites the example of Shell, the international oil company, which has initiated solar energy and water projects with the Care and Oxfam charities in Ethiopia.

Gavin Power, a Global Compact adviser, says there is a new confluence of interest as development policymakers realise they need private sector resources, while private companies come to see commercial advantage in acting responsibly.

"It's still early days, but there is a concerted effort in the UN now to look at partnerships from a systematic standpoint, defining what a partnership means, revolving around implementation," he says. At the same time, "the investment community is waking up to the fact that [social and corporate responsibility] has huge implications for risk profile."

There is, however, growing disquiet in the non-governmental sector that this hand-holding may herald something rather less savoury: encouraging cronyism and public relations stunts.

"It's clear that neither states, markets or NGOs have the key [to development], so the current fashion for partnership offers important possibilities," says Nicola Reindorp, from Oxfam International. "The private sector has a role in generating more equitable growth.

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"But there is concern that these initiatives offer only a philanthropic icing, while core business remains unchanged. The challenge is to see companies genuinely practising what they preach, not just creating a public relations [UN] 'blue-wash'."

Mr Malloch Brown acknowledges the scepticism: "There are certain in-built biases against it in the development community." But, he says, the latest initiative is crucial to involving a vast but often unheard constituency.

"In developing countries, often the businessmen do not write in English, do not have the patience to engage in long international consultation exercises. They are in some way the lost voice."

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