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# TIME

## PERSON OF THE YEAR



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**NAME:** Malini Mehra  
**PROFESSION:** Founder and director of Centre for Social Markets

Malini Mehra is dedicated to promoting social justice, human rights and sustainable development within business through international advocacy group Centre for Social Markets, which she set up in 2000. Mehra is a co-author of the U.N.'s Human Development Report 2002 and has worked for charities such as Oxfam and Friends of the Earth.

## INVESTING IN PEOPLE AND THE PLANET

Is there a link between sustainable development in business and the concept of economic social justice? What methods can business use to improve community relationships and to help foster sustainable growth, not only for themselves, but the many stakeholders who are affected by business?

A long time ago, in a land far away, a prime minister said: "...[Business has] responsibility to itself, to its customers, workers, shareholders and the community ... every enterprise, no matter how large or small, must, if it is to enjoy confidence and respect ... discharge its responsibilities in all directions. Business must be just and humane, as well as efficient and dynamic."

It might surprise some to learn that the prime minister was Lal Bahadur Shastri, the country India, and the year 1965. Corporate citizenship may be a new term, but it is not a new concept. Nor is it alien to developing countries.

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Much of the debate about corporate social responsibility (CSR) has focused on western multinationals. But with the economic centre of gravity shifting eastwards and the rise of emerging market transnationals—growing from 3,000 in 1990 to 13,000 by 2000—it's time to address this issue with the future multinationals in mind.

Across the ages, we've seen many different models of business come and go in response to social necessity and economic opportunity. The conduct of business has always been influenced by prevailing legal regimes, social norms and cultural practices. Slavery and human bondage existed for much of human history, were largely accepted and provided the economic foundations of many empires and fortunes. Nowadays these practices are unlawful and unacceptable.

In making the 'business case' for sustainable development, advocates often suggest that there is a direct relationship between business sustainability and

economic social justice. Corporate social reformers in the past understood this and actively contributed to the development of public goods. Quaker industrialists in Victorian England established model company towns providing housing, health and education for workers in response to the brutal social impacts of early capitalism.

In India in the late 19th century, visionary industrialist Jamsetji Nusserwanji Tata established the Tata Group. The earliest of these companies, Tata Steel, instituted labor reforms such as an eight-hour workday and maternity benefits well before other parts of the world. The group remains the most respected in India and has an increasing global presence today.

These companies understood that people are their greatest asset and all great businesses must have social goals. At the global level we now have universally accepted principles on human rights, social and environmental issues emerging from centuries of struggle. Many countries have translated these principles into national laws. But rules-based systems are not enough. Behavior change requires active efforts to integrate standards into everyday practices and corporate DNA. The U.N. Global Compact is one effort to civilize business and encourage companies to promote development, peace and human rights.

This is a big agenda made even more challenging by climate change. Tomorrow's companies—mostly from emerging markets—will have to grapple with an unstable climate, an unpredictable world and growing risks. Sustainable development is about securing the environmental conditions for continued growth and prosperity.

Four centuries ago, India and China dominated the global economy. Now they are set for a resurgence. With their economies at a nascent stage, they can learn from the past. Let's hope they build companies that are truly made to last. ■

FOR MORE INFORMATION ON MALINI MEHRA  
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