

**FORTUNE** + **TIME**

# **GLOBAL FORUM**



**WORKING GROUP  
SOLUTIONS**

**The 21st Century Challenge: Forging A New Social Compact**

**2-3 December 2016  
Rome and Vatican City**

**“If we want security, let us give security. If we want life, let us give life. If we want opportunities, let us provide opportunities. The yardstick we use for others will be the yardstick which time will use for us.”**

**—His Holiness Pope Francis  
Remarks to U.S. Congress  
September 2015**

Your Holiness,

On behalf of Fortune and Time and the distinguished delegates participating in our Global Forum, we are pleased to present to you the enclosed report. The report presented here is a result of the work of some of the world's most prominent business and thought leaders, who have gathered for this meeting.

This effort is inspired by your passionate pleas for broader prosperity and lasting ways to lift the poor. It is also inspired by a realization that the two great trends of the last half-century—globalization and digitization—have created unprecedented growth and lifted billions of people out of poverty, but have also created a backlash. Inequality within nations is on the rise, and dissatisfaction with a system that too often showers its riches on a privileged few is growing. Populism and protectionism are rearing their heads around the world, and trust in business—as well as other institutions—has plummeted.

Our goal is not only to talk about these problems but also to take specific actions to address them. The chief executive officers who have gathered with us come from companies that collectively employ more than 4.7 million people. Their supply chains—the companies they work with to produce and deliver their products and services—employ millions more. These companies operate in every country on earth with networks that range from the inner cities to the smallest villages.

By their policies and practices, by the actions of the employees and their suppliers, and by the example they set as leaders, these CEOs and their companies have the power to do much good in the world.

Our conversations have been solutions-focused, aimed at encouraging transformative actions and an economic system that both promotes growth and spreads its benefits more broadly.

We spent the last day in intensive working group sessions addressing ways in which we can help eradicate poverty and address related issues, such as creating jobs and fair wages, reducing environmental degradation, improving education and health access, and becoming more financial inclusive.

The results of these working group sessions include more than twenty solutions that focus on way the private sector can be a driving force in ending poverty and creating a more sustainable world for all.

In addition to stimulating the efforts of the people who are here, we hope that the work of this group will inspire other business leaders and company heads to take similar actions. To this end, we will be widely disseminating the outcomes of this meeting through our media platforms, including Fortune, Time, and other Time Inc. outlets, as well as through the extended media coverage this meeting is receiving. Our hope is that this coverage will generate the kind of action that extends the benefits of this work to a greater number of people around the world.

There is much work ahead. We humbly ask your blessing as we endeavor to stimulate transformative solutions to help many people, now and for future generations.

With gratitude,



**Alan Murray**  
Chief Content Officer, Time Inc.  
Editor-in-Chief, Fortune



**Nancy Gibbs**  
Editorial Director,  
Time Inc. News Group  
Editor-in-Chief, Time

Rome, Italy  
3 December 2016

## **Executive Summary: The Moral Imperative of Modern Leadership**

Even as free markets have lifted billions of people out of poverty, too many have been left behind. In an age of disruption and turmoil—and in an era when many have lost confidence in the ability of business to be a force for good, corporate leaders must simply do a better job of ensuring the global economy is inclusive and humane. Business—what His Holiness Pope Francis has graciously called the “noble vocation”—must do more, frankly, to live up to that name. And so, at this Forum, top executives from some of the world’s largest companies, as well as prominent non-governmental, labor and civic leaders, have sought to answer the Holy Father’s call to action, forging a new social compact for the 21st century.

Our task was to identify specific, near-term initiatives that will help global business serve the well-being of humankind, lift people out of poverty, create more and better jobs, and ensure the dignity of work.

We set out to find concrete ways to not only promote economic growth, but also spread its benefits more broadly. We committed to bringing the rural poor into the 21<sup>st</sup> century economy, and to bridging the digital divide between the haves and have-nots.

The mission of business is not, nor can it be, isolated from the broader goals of humanity. And so, together we have sought ways to provide better healthcare for billions of people throughout the developing world, to better safeguard the land and water entrusted to us, and to better protect those who have been displaced by the ravages of conflict and poverty.

His Holiness has called for “a new dialogue about how we are shaping the future of our planet”. Below, we outline the first part of that conversation—a list of specific solutions proposed by our eight Working Groups that we hope will improve the lives of millions, protect the earth entrusted to us, and restore faith in the noble vocation.

## **Working Groups 1 and 8**

### **Financial Inclusion: Market Access, Entrepreneurship, and Impact Investment**

“It is increasingly intolerable that financial markets are shaping the destiny of people rather than serving their needs,” says His Holiness Pope Francis. More than 2 billion adults in emerging economies do not have access to basic checking or savings accounts, with women, the rural poor more financially excluded than others. Refugees fleeing violence cannot begin to rebuild their lives without access to banking. Digital financial technology (“fintech”) and the spread of mobile phones have been transformative in expanding financial access to hard-to-reach populations.

Still, there remain obstacles to achieving the World Bank’s goal of Universal Financial Access (UFA) by 2020. Among these are the ongoing challenges of servicing hard-to-reach populations, a lack of financial literacy, a shortage of accessible tools to bring women onto the financial grid.

What bold action can business leaders take to bring marginalized, “unbanked” communities online and into the global economy, thereby enabling billions to share in the world’s prosperity?

Here is what we propose:

- **Jump-start underserved markets.** Companies will support initiatives to produce digital identities for the one-fifth of global citizens who lack one, and therefore are shut out of financial systems. The private sector commits to leveraging new and emerging technologies such as fintech and mobile payments to bring banking to the underserved. Large companies agree to partner more with startups to scale innovations that bring unbanked populations into the system. Companies should especially commit to providing financial services to women and engage local bank employees to provide financial literacy through technology.
- **Protect local savings/wealth.** Companies will actively engage with governments to discourage the illicit outflow of capital, especially from developing countries—and promote technology, such as mobile payment systems, that reduce corruption and broaden access to the banking system. Companies will also encourage the development of innovative forms of insurance aimed at smaller enterprises, in order to reduce risk and build local wealth.
- **Measure non-financial returns.** Companies will make an effort to develop and report on material metrics for their social and environmental returns, and be transparent in tracking progress and reporting on results.
- **Double the amount of venture capital going to people and places that are currently underserved over the next five years.** Companies will commit to providing non-capital pieces of investment (e.g. mentorship, office space, loans, strategic advice) to these entrepreneurs.

## **Working Group 2: Energy Innovation and Environmental Protection**

While urbanization and economic development have lifted billions out of poverty, they have also depleted resources and polluted our air and water. Climates are changing and entire ecosystems are evolving. The burdens of environmental degradation—and the imperiling effects of climate change—are borne disproportionately by the poor.

More than 1 billion people around the world—primarily in sub-Saharan Africa and rural parts of Asia—remain without access to electricity, while nearly 3 billion continue to rely on the use of biomass for cooking, leading to dangerous environmental and personal health impacts.

How can the private sector help populations vulnerable to the effects of climate change? How can technology be deployed to accelerate efforts to reduce emissions—and to turn more of the earth's waste into usable resources? And what more should companies do to be accountable for their own impact on the environment?

Here is what we propose:

- **Support The Paris Agreement.** As business leaders, we commit to helping governments everywhere implement the recent Paris Agreement on climate action and pledge to deliver on our own public targets for reducing the carbon footprint of operations and supply chains.
- **Ensure energy access for all.** Companies pledge to help create pathways in all the nations where we operate that will provide plentiful access to affordable, lower-carbon energy and improve the lives of the aspiring billions at the bottom of the pyramid.
- **Advance carbon pricing.** Companies affirm their strong support for meaningful carbon pricing (via taxes, caps or hybrid approaches), both globally and at the national level, and pledge to renew efforts to forge industry and cross-sector coalitions to advance that goal.

### **Working Group 3: Jobs—Technology, Innovation and Inclusive Growth**

His Holiness Pope Francis has said that “when technology disregards the great ethical principles, it ends up considering any practice whatsoever as licit.” The Holy Father has also encouraged science to be used in the service of others.

More than 4 billion people, mostly in developing countries, still lack basic Internet access and thus have no ability to access the benefits that come with connectivity. How can technology be used to help communication, not hinder it? How can the private sector bridge the digital divide to ensure the gains from technology and globalization are shared more broadly? And what can be done to address the fallout of jobs lost and wages lowered as the global economy deploys more automation and artificial intelligence?

Here is what we propose:

- **Educate and retrain.** Companies agree to take a more active role in education, training, and retraining—helping both students and workers develop the skills they need to change, grow and prosper. Such action might include initiatives like the P-tech schools, which provide a company-informed curriculum that connects job creators with educators (and guarantees jobs for graduates at participating firms). It may also include a re-skilling pledge on the part of companies, and better communication about their educational mission and skills needs.
- **Combat Short Termism.** Corporations should lobby for changes in tax structures that incentivize long versus short term holdings and provide R&D credits for productive capital investments. Businesses should also support a shift in accounting standards so that they include metrics for sustainability and social responsibility. These new measures should capture real value created by firms beyond share price (e.g., documenting how many jobs are created versus how many share buybacks are done).
- **Implement Best Practices Around The Use of Digital Technologies.** Business should partner with government in building the necessary digital infrastructure to make sure the benefits of technology are available to all. Digital technology should be scaled broadly to create new jobs and deploy capital more broadly and deeply to those who need it (in the US, for example, 70 % of capital goes to three states). Digital technologies such as crowdsourcing and new mobile platforms can also help level the capital and entrepreneurial playing field.

## **Working Group 4: Global Health—Fighting Disease, Providing Access**

Science and technology have already demonstrated the ability to save tens of millions of lives. But “access to health care for all” is key, says His Holiness Pope Francis. And here, business can do much better—from providing greater access to care to lowering the price of life-saving drugs and preventing the spread of infectious disease.

Around the world, 400 million people still lack access to basic health services. While maternal deaths worldwide have dropped by 45% in the past quarter-century, some 800 women a day still die in pregnancy and childbirth. Nearly all these women live in poverty and lack basic, effective health care that could prevent complications related to childbirth. How can the private sector help scale the number of community-based health care workers in rural and remote areas? How can companies ensure that basic health and nutritional needs—especially for women and children in hard-to-reach areas—are met in the communities in which they live, work, and conduct business?

Here is what we propose:

- **Develop a large corps of community health workers.** The private sector will commit the resources required to provide 100 million children with modern frontline health care, especially in underserved rural regions in sub-Saharan Africa. By training 750,000 community residents to serve as health workers, companies will improve access to everyday health care in the near and short term. In addition to basic health care, this corps will focus on persistent and preventable urgent health threats, including malnutrition, starvation and vaccine-preventable diseases.
- **Build sustainable and resilient local health care systems.** Private sector contributions to global health must move beyond the distribution of drugs and vaccines to create systems that can thrive locally and are built to last. Companies will provide their expertise in financing, logistics, technology, communications and infrastructure to develop clinics and hospitals that are resilient and sustainable. The private sector must also build a “surge capacity system” to respond, in concert with government and NGOs, to emerging threats or crises.
- **Employ low-cost solutions to improve sanitation.** In addition to the imminent threats of pandemics and the every day health needs of residents in rural areas, there exists a persistent and preventable health threat: poor sanitation. Nearly 1 million children die each year from diarrhea alone. The private sector will fund the development, widespread implementation and long-term management of simple sanitation solutions, starting with cleaner toilets.

## **Working Group 5: Jobs for All—Putting the Global Economy to Work for Everyone**

“Work,” says His Holiness Pope Francis, “is fundamental to the dignity of the person.” Yet global unemployment is rising, especially in emerging markets. In 2015, total global unemployment, at 197.1 million, was 27 million higher than the pre-crisis level of 2007. Of particular concern is a rise in global youth unemployment—now at over 70 million. Meanwhile, tens of millions of refugees are jobless, with those in camps spending an average of 17 years living in a state of limbo.

As a critical driver of economic growth, the private sector is responsible for 90% of employment in the developing world—including both formal and informal jobs. Even amidst an economic slowdown, the private sector continues to invest in developing countries, creating better lives with opportunities for jobs. But a more inclusive economy means fostering good jobs at living wages, which in turn requires investing in education and skills training.

Women especially have been shut out of the formal economy, despite evidence that employing women improves the health and well-being of communities—and boosts overall economic growth. How can global businesses expand current efforts in supply chains to bring more women into the workforce? How can the private sector better promote a “fair” and “equitable” wage both in practice and in influence?

Here is what we propose:

- **Develop new business metrics to encourage long-term capitalism.** Metrics need to measure performance other than just profit or shareholder returns. Companies agree to support metrics that encourage patient capital and lengthen institutional investor timeframes, and communicate with investors the rationale for supporting this shift. Such new metrics should also define human capital as an asset rather than as just a cost on the balance sheet.
- **Create a labor force for the knowledge economy.** Business will work to define global workforce development targets within their firms and leverage one another’s best practices. Business will partner with governments and labor organizations to ensure that training programs provide the necessary digital skills for the 21<sup>st</sup> century economy and improve workers’ chances of broad employment opportunity.
- **Embrace inclusion.** Business will create strategies, tactics, and programs to reach specific and underserved sectors the workforce—taking concrete steps (including training programs) to foster their acceptance in the workplace, and encourage racial, gender, age and cultural diversity. Companies also agree to seek ways to employ youth and aging populations and earnestly look for opportunities to employ refugees and other vulnerable populations. Tools for achieving this goal could include expanded use of global e-commerce and labor platforms, greater monitoring of firm’s global supply chains, and more extensive dialogue with labor advocates.

## **Working Group 6: Food and Water—Ending Scarcity, Promoting Sustainability**

It is scandalous that, despite sufficient levels of production, there is still hunger and malnutrition in the world. And as we move toward a world with 9 billion men, women, and children, the issue of food insecurity—which is inextricably linked to violence, unrest, and civil war—becomes ever more of a threat.

Today, inexcusably, 45% of all child deaths are attributable to malnutrition—accounting for nearly 3 million preventable deaths each year. How can the private sector contribute to current efforts to fight desperate malnutrition?

Agriculture is the primary source of employment and income for 70% of the world’s rural poor. Innovative uses of technology have helped food production; but farming faces new stresses from global climate change. In light of this, what are new and innovative ways to invest in farmers, ensure better crop productivity, and improve distribution those in need? What can be done to prevent price shocks that lead to misery and nation-destroying popular unrest in urban areas?

Here is what we propose:

- **Boost smallholder farmers.** Business agrees to invest in agriculture in the developing world by providing lower-cost inputs, training, on-farm technology for storage, market access, and value chain collaboration in order to help farmers produce more cheaply and to sell their crops at a premium. Business will also help farmers adapt practices to climate change and be more resilient through forest mitigation systems, new irrigation technology, etcetera. Democratizing access to food can lift hundreds of millions of people out of poverty.
- **Reduce food waste, and boost production.** Companies will establish goals such as “zero food waste to landfill” and reducing food waste by 50%. Companies will share best practices to promote and optimize yield of crops and fish—and optimize supply chains to promote sustainable fertilizer and soil management to drive gains in production and reduce climate change impact.
- **Improve food-industry water management.** Companies will establish ambitious water reduction targets that are shared publicly. Business leaders will work with others in their industry to establish common goals to reduce consumption and to encourage government efforts to price water fairly. Agriculture producers will also work with NGOs, governments, and farmer groups to promote significant water-use reduction approaches.

## **Working Group 7: Education for All—Developing the Workforce of the Future**

His Holiness Pope Francis believes education should enrich rather than impoverish and should be inclusive rather than elitist. Forward-looking business leaders understand that a sustainable future must be built on a broadly educated workforce.

Already, companies are investing in education, often deploying innovative new technologies; but so much more needs to be done. Globally, more than 124 million children and teens—especially girls—are not in school, missing out on vital basic skills, such as literacy, that they need to find jobs in a modern economy. If current trends continue, more than 1.5 billion adults will have no education beyond primary school in 2030. Some 40% of employers globally find it difficult to recruit people with the skills they need, and the UN reports a growing skills void so serious that it will “stunt economic growth around the world.”

How can the private sector help accelerate progress in delivering quality education for all of the world’s children and youth? How can companies broaden Internet access beyond the 10% of schools now connected? How can technologies, such as big data, be deployed to expand and improve education? And, importantly, how can the private sector contribute to educating the millions of refugee children so an entire generation is not lost to poverty and conflict?

Here is what we propose:

- **Provide broadband access for all.** Significant Internet access gaps exist in the United States and across the developing world, despite the fact that the infrastructure for near-universal web access already exists. Telecommunications and other companies will agree to work with government institutions to ensure web access for all students at school and at home, in city centers as well as rural areas, in the U.S. and abroad.
- **Promote learning for the new-collar economy.** When it comes to learning—and preparing people to be members of the modern work force—the outdated wall between “school” and the “the rest of life” needs to be torn down. Companies will help eliminate the hierarchy of work that is hourly vs salaried, professional vs technical, and promote learning outside the traditional school environment. To help build a more inclusive workforce, the private sector will: work with schools to create a skills-based curricula (and, in turn, a pipeline for later employees); offer training and skills certification that is transferable from one company to another; focus on re-skilling workers as demand or technology evolves.
- **Remove barriers of education access for girls and under-represented minorities.** Based on current trends, universal access to primary education around the world won’t be accomplished until nearly 2050. To speed progress, it’s imperative that companies lead the effort to transcend the cultural obstacles that keep girls out of classrooms in certain parts of the world, and keep girls out of certain fields in the developed world. The private sector should make diverse workforces a priority, making clear to all countries and communities in which they operate that not educating girls, the poor, migrants and other excluded populations creates an untold economic burden.

## WORKING GROUP LEADERS

### Working Group 1

#### Financial Inclusion: Market Access

*Subject Expert:*

**Michael Porter**, Bishop William Lawrence University Professor, Harvard Business School

*Co-chairs:*

**Roger Ferguson**, President and CEO, TIAA

**Jes Staley**, Group CEO, Barclays

*Moderator:*

**Alan Murray**, Editor-in-Chief, Fortune; Chief Content Officer, Time Inc.

*Rapporteur:*

**Nina Easton**, Co-Chair Fortune/Time Global Forum and Chair, Fortune Most Powerful Women International

*Hosted by Teneo*

### Working Group 2

#### Energy Innovation and Environmental Protection

*Subject Expert:*

**Fred Krupp**, President, Environmental Defense Fund

*Co-chairs:*

**Joe Kaeser**, President and CEO, Siemens

**Ben van Beurden**, CEO, Royal Dutch Shell

*Moderator:*

**Brian O’Keefe**, International Editor, Fortune

*Rapporteur:*

**Rik Kirkland**, Partner, Global Publishing, McKinsey & Company

*Hosted by Siemens*

### Working Group 3

#### Jobs: Technology, Innovation, and Inclusive Growth

*Subject Expert:*

**James Manyika**, Senior Partner, McKinsey & Company; Director, McKinsey Global Institute

*Co-chairs:*

**Ginni Rometty**, Chairman, President, and CEO, IBM

**Mike McNamara**, CEO, Flex

**Martin Sorrell**, Group Chief Executive, WPP

*Moderator:*

**Adam Lashinsky**, Assistant Managing Editor, Fortune

*Rapporteur:*

**Rana Foroohar**, Assistant Managing Editor, Time

#### **Working Group 4**

##### **Global Health: Fighting Disease, Providing Access**

*Subject Expert:*

**Dr. Gary Gottlieb**, CEO, Partners In Health

*Co-chairs:*

**Joseph Jimenez**, CEO, Novartis

*Moderator:*

**Clifton Leaf**, Deputy Editor, Fortune

*Rapporteur:*

**Siobhan O'Connor**, Editorial Director, Health, Time Magazine and Time.com

#### **Working Group 5**

##### **Jobs for All: Putting the Global Economy to Work for Everyone**

*Subject Expert:*

**Damon Silvers**, Director of Policy and Special Counsel, AFL-CIO

*Co-chairs:*

**Dominic Barton**, Global Managing Partner, McKinsey & Company

**Koos Bekker**, Chairman, Naspers

**Andrew Liveris**, Chairman, President, and CEO, Dow Chemical

*Moderator:*

**Rana Foroohar**, Assistant Managing Editor, Time

*Rapporteur:*

**Adam Lashinsky**, Assistant Managing Editor, Fortune

#### **Working Group 6**

##### **Food and Water: Ending Scarcity, Promoting Sustainability**

*Subject Expert:*

**Judith Rodin**, President, Rockefeller Foundation

*Co-chairs:*

**Hugh Grant**, Chairman and CEO, Monsanto

**Denise Morrison**, President and CEO, Campbell Soup Co.

*Moderator:*

**Nina Easton**, Co-chair, Fortune/Time Global Forum; Chair, Most Powerful Women International, Fortune

*Rapporteur:*

**Brian O'Keefe**, International Editor, Fortune

*Hosted by Monsanto*

## **Working Group 7**

### **Education for All: Developing the Workforce of the Future**

*Subject Expert:*

**Darren Walker**, President, Ford Foundation

*Co-Chairs:*

**Bernard Charlès**, Vice Chairman, President and CEO, Dassault Systèmes

**John Fallon**, Chief Executive Officer, Pearson

*Moderator:*

**Nancy Gibbs**, Editorial Director, Time Inc. News Group; Editor-in-Chief, Time

*Rapporteur:*

**Siobhan O'Connor**, Editorial Director, Health, Time Magazine and Time.com

## **Working Group 8**

### **Financial Inclusion: Platforms for Entrepreneurship and Impact Investment**

*Subject Expert:*

**Jean Case**, Chairman, National Geographic Society; Chief Executive Officer, The Case Foundation

*Co-chairs:*

**Lynn Forester de Rothschild**, CEO, E.L. Rothschild

**Strive Masiyiwa**, Founder and Executive Chairman, Econet

*Moderator:*

**Geoff Colvin**, Senior Editor at Large, Fortune

*Rapporteur:*

**Clifton Leaf**, Deputy Editor, Fortune and Co-chair, Brainstorm HEALTH

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