In early December, it was my privilege to represent Illinois State University and the College of Business at the inaugural Global Forum, held at the United Nations in New York. I did so because Illinois State University was one of the very first public universities to become a signatory to the Principles of Responsible Management Education (PRME), and because of our commitment to the highest ethical standards and the global responsibilities of business.

Attending the Global Forum were approximately 170 participants from around the world, including 55 deans of business colleges and 20 university and college presidents, representing some of the most prestigious institutions from North America, Europe, Africa, Central and South America, and the Far East.

Speakers included John Fernandes, President and CEO of AACSB International; Ray Van Schaik, Honorary President, EFMD; David Wilson, President and CEO of the Graduate Management Admission Council; Judy Samuelson, Director of the Aspen Institute; Talal Abu-Ghazaleh, CEO, Talal Abu-Ghazaleh & Co., International; Toshio Arima, Director/Executive Advisor of Fuji-Xerox; Mads Ovilsen, former CEO, Novo Nordisk and former CEO, Lego; and many other academic and business supporters of the UN Global Compact, PRME, and the concept of Peace Through Commerce.

The keynote address was given by Mr. Georg Kell, Executive Director of the United Nations Global Compact Office (and introduced as “the Godfather of the Global Compact.”)

The session concluded with addresses by deans from business schools on six continents to the Secretary General and members of his staff, and by a Response and Closing Remarks by H.E. Ban Ki-moon, United Nations Secretary General.

The remarks of the deans focused on the responsibilities of business schools to develop future leaders of business who understood the global nature of business, the importance of trust in international business affairs, and the critical relationship between business and global peace.
President Al Bowman signed Illinois State University’s letter of commitment to PRME on February 4, 2008. In doing so, Illinois State University and the College of Business became the third public university in the United States to commit itself to the principles underlying PRME and, by extension, the UN Global Compact. The faculty of the College of Business were eager to take part in the vital future sketched for us by the Principles of Responsible Management Education and the UN’s Global Compact.

A Little History

The United Nations Global Compact was launched in 1999 through the efforts of Georg Kell and then Secretary General, Kofi Anan. [http://www.unglobalcompact.org/](http://www.unglobalcompact.org/) The idea behind the Global Compact was deceptively simple: Ten Global Compact Principles were derived by a group of co-convening organizations, including principles relating to Human Rights, Labor Rights, Environmental Sustainability, and Anti-Corruption. Principles included, for example, the elimination of forced and compulsory labor; abolition of child labor; support for internationally proclaimed human rights; greater environmental responsibility and development of environmentally friendly technology; and anti-corruption, anti-extortion and anti-bribery. Businesses were then asked to voluntarily “embrace, support and enact, within their sphere of influence” the Global Compact Principles.

At this writing, nearly 6,000 global businesses have become signatories and members of the Global Compact, and the number is growing rapidly. Signatory businesses agree to report their progress biannually. There is no penalty save de-listing for non-compliance with the reporting provisions.

The Global Compact should be read together with the Millennium Development Goals, formulated in 2000 by the United Nations by vote of 189 nations, to be completed by 2015. Those goals include: (1) eradicate extreme poverty and hunger; (2) achieve universal primary education; (3) promote gender equality and empower women; (4) reduce child mortality; (5) improve maternal health; (6) combat HIV/AIDS; (7) ensure environmental sustainability; and (8) develop a global partnership for development. Businesses that have committed to these eight goals – and especially the last goal – have become leaders within the Global Compact, and have
created lasting partnerships with non-governmental organizations (NGOs) in working towards a more stable and a more sustainable business environment. Parenthetically, the last goal involving a global partnership for development, envisions an”open, rule-based predictable, nondiscriminatory trading and financial system.”

The Nature of PRME

In 2007, the Global Compact Office began working with various academic organizations to bring the Global Compact Principles to colleges of business across the globe. As noted by the founding documents, “Companies….require talented and ethical leaders who can not only advance organizational goals and fulfill legal and fiduciary obligations to shareholders, but who are also prepared to deal with the broader impact and potential of business as a positive global force in society.” The importance of business schools in the development of such ethical and responsible leaders led directly to the creation of PRME, or the Principles of Responsible Management Education. http://www.unprme.org/

PRME is based on six principles that are to be voluntarily adopted by institutions of higher learning. Those Principles are:

Principle 1 – Purpose: We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

Principle 2 – Values: We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

Principle 3 – Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Principle 4 – Research: We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

Principle 5 – Partnership: We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Principle 6 – Dialogue: We will facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

PRME concludes with an important reminder: “We understand that our own organizational practices should serve as example of the values and attitudes we convey to our students.”

Thus PRME became – in the words of Georg Kell, “The first scalable relationship between the United Nations and academia.” Academics – especially business academics – have clear
responsibilities under PRME, and arguably under the natural demands of our profession. Business schools cannot avoid teaching about ethics and CSR (Corporate Social Responsibility). If we do not mention ethics or CSR in the classroom, we have nevertheless made a clear statement about the importance – or lack of importance – of ethics and CSR in the business world to our students. We all know that ethics and CSR play an important role in business decision-making. What role they play will be determined by what we teach – or do not teach – our students before they take their place in the business world. PRME becomes both a vehicle and a framework for discussing the responsibilities that business has in the larger international framework.

**Peace Through Commerce: The Context and the Foundation**

For some time, there has been a world-wide movement, both within political and business theory and in the direction of international bodies, to base a peaceful world on business and commerce. The two go hand in hand. To be successful, business and commerce require at least the absence of conflict. Warring parties don’t make good trading partners, and an unstable international environment is not conducive to the development of markets or suppliers.

Businesses simply cannot operate under conditions of conflict. But lack of conflict is not enough: international cooperation, trade agreements, common legal systems or agreements, investment protocols, and other issues of governmental and societal cooperation are critical to the success of international business.

On the other side of the coin, business and commerce are critical to peace. Trading partners rarely go to war with each other. The creation of cross-border markets creates both important lobbying groups for peace in both countries and an important communication channel between nations. Business – at least business done fairly – creates wealth and opportunity, and wealth and opportunity dramatically improve the chances for stability in any society. International treaties are important, of course, but in the absence of true mutual interdependence, are more often based on fear and military necessity. True interdependence must be based in large measure on economic factors. For this reason, the European Community began – rightly – with the slow development of strong economic ties between nations that had been military rivals for centuries. Only after those ties had developed did the EC begin talks of a political nature.
Underlying all of this is the critical concept of TRUST. Businesses cannot operate without a modicum of trust. Trading partners must rely on the good faith of each other, even in the context of a working and reliable legal system. In an international context, where legal systems are notoriously absent or unreliable, trust is an essential precondition to business affairs.

It is in this context that the Global Compact becomes of critical importance. The Global Compact outlines some of the basic notions of global responsibility and ethics. It attempts to set some broad notions of acceptability on business conduct, and to “level the playing field” for participants in international business. And it creates in business a strong advocate for government policies that are by all accounts necessary to world order and stability and which recognize basic human rights, environmental necessities, and ethical conduct.

PRME then becomes the ultimate long-term leveler. As academics begins to educate new leaders with an understanding of ethics and global social responsibility, and as those leaders take their place in the international business arena, the common understandings begin to be built into the international culture of business. Leaders begin to understand the need for trust, and the need to be trusted, the need to accept levels of responsibility, and that others understand those responsibilities. The levels of trust in the common business culture grow and become more reliable.

**PRME and the College of Business: A Natural Fit**

The College of Business at Illinois State University has been in the forefront of the business ethics movement for many years. We have developed a strong statement of Standards of Professional Behavior and Ethical Conduct, [http://www.cob.ilstu.edu/standards/index.shtml](http://www.cob.ilstu.edu/standards/index.shtml) focusing on principles of Trust, Responsibility,

Honesty, Respect and Fairness, and include in that statement all stakeholders and constituents of the College, from students to faculty and staff to administrators and even advisory board members. That set of Standards forms the basis of our behavior. As in business, it is no accident that a foundational principle is Trust.

Similarly, we have worked for some time to integrate business ethics into the curriculum.
Instead of a stand-alone course, we have adopted an integrative model, bringing ethics into each class as it is possible to do so. Our basic legal environment class is charged with teaching the theoretical basis of ethics, but ethics can be found in every curriculum and in the majority of all of our classes. Our Institute for Insurance Ethics was created in the mid-1990’s to create an awareness of ethics in our students and to build a variety of management development programs based on ethical principles. A number of our faculty have written in the field of ethics and social responsibility, and many of them have become acknowledged experts on ethics in the context of their specific disciplines.

Given that history, it was no accident that our faculty embraced the PRME and has been working steadily toward fulfilling the goals of PRME through our curricula, our research, and our very behavior.

**Going Forward**

At the Global Forum in December, participants accepted an “Outcome Statement” and some goals for the future for business schools across the globe. “In the midst of the most severe financial crisis of our lifetimes, we believe that the values of global social responsibility embedded in the Principles of Responsible Management Education (PRME) have never been more important.” We renewed our commitment to the education of future leaders, and vowed to redouble our efforts in the following areas:

1. To “educate a new generation of corporate leaders committed to created long-term value” and who can “manage environmental, social and governance concerns and to create sustainable value…”

2. to “introduce in business education a more global and systemic understanding of the mission of business in society” including “[a]ccess to natural resources and human impacts on the natural environment, especially greenhouse gas emission and fresh water usage [that] will reshape the competitive landscape and ultimately require significant behavioral changes affecting business.”

3. develop further the “case for voluntary initiatives as a space for innovation and value creation” and “advance the ways in which voluntary initiatives complement regulatory efforts” and

4. Undertake “[c]urriculum development and adaptation in the spirit of corporate responsibility” and a “greater collaboration…broadening the understanding of social and environmental challenges and their relevance to business.”
We – and our students – will be required to consider questions of the responsibilities of business and business people in a world that is changing rapidly in almost every aspect. As a result our instruction, our research, and even our corporate relations will be deeper, more contextual, and more lasting.

Illinois State’s College of Business is just beginning its commitment to the PRME and to the Global Compact. As we go forward, we can expect greater integration of PRME and the Global Compact into the classroom as a part of our ethics curriculum, our international curriculum, and as a part of the overall strategic direction of the college.

A number of my faculty colleagues have become deeply interested and involved in the directions of PRME, and several research projects (and at least one book) are underway at this writing. Perhaps most importantly, important issues of human rights, child labor, compulsory labor and discrimination, environmental sustainability, and corruption and ethics will become more common in our classrooms.

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