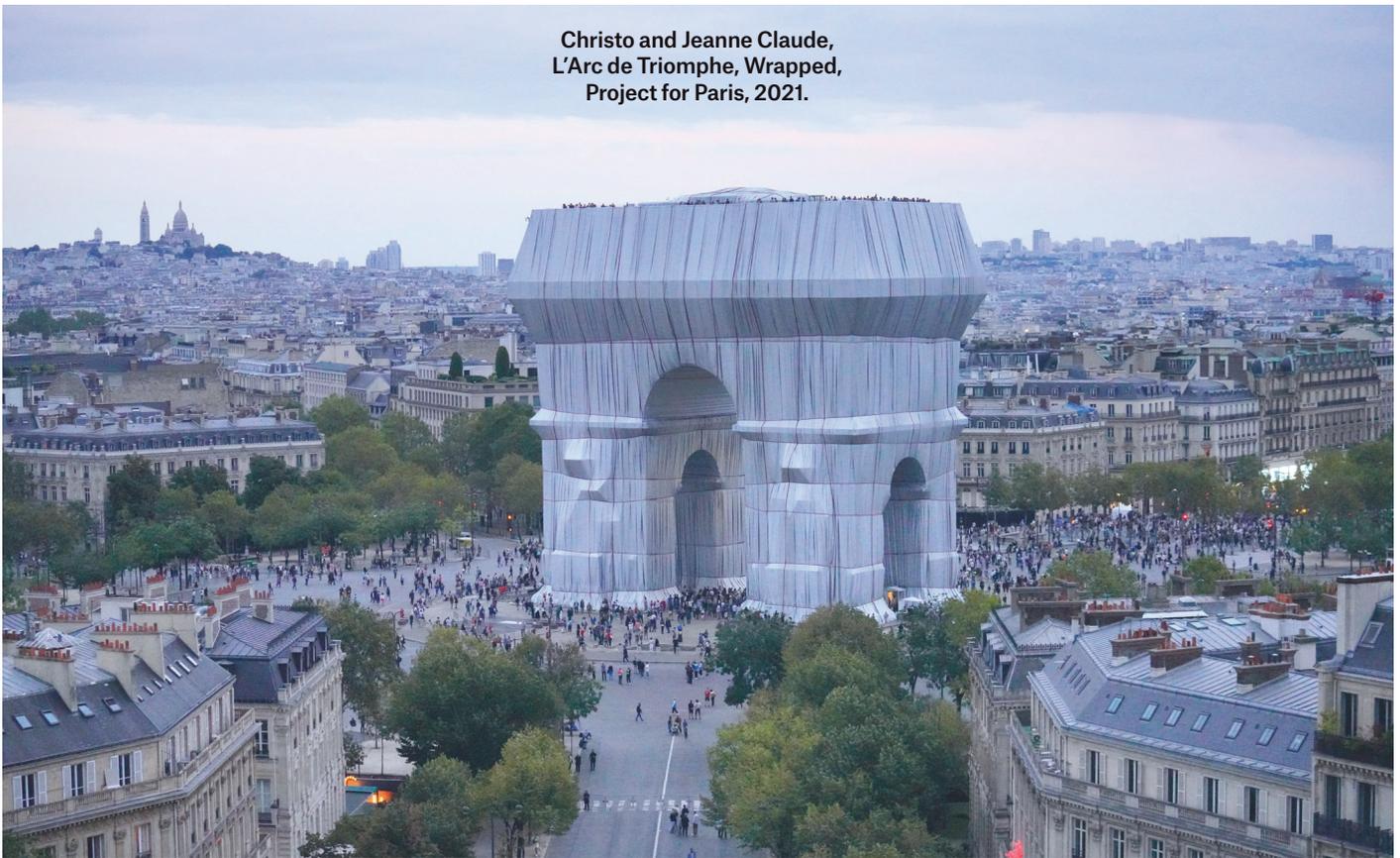


Christo and Jeanne Claude,
L'Arc de Triomphe, Wrapped,
Project for Paris, 2021.



The Paris Peace

THE PARIS PEACE FORUM WAS LAUNCHED IN 2018 as a global answer to the crisis of multilateralism we were collectively facing in the midst of Donald Trump's presidency. The multilateral system was shaken by the US's withdrawal from the Paris Agreement and UNESCO. It was also contending with the worrying rise of populism and big power rivalry.

To counter that, 65 heads of state and government, 20 heads of international organizations and hundreds of actors from civil society gathered to reaffirm the importance of collective action in responding to the most critical challenges of our time, ranging from the fight against climate change to the preservation of biodiversity and the regulation of cyberspace.

Building on this extraordinary momentum, the Paris Peace Forum is now at the forefront of multi-stakeholder diplomacy, partnering with prominent

Brunswick's
PASCAL LAMY,
President of the
Paris Peace Forum,
describes the
opportunities the
event presents for
global corporations
to engage with
governments, peers
and civil society
toward solving
the world's toughest
problems.

private and public institutions along with civil society to incubate and scale-up solutions on global challenges. Even as the US has returned to its former role in global institutions under President Biden—demonstrated, among other ways, by Vice President Kamala Harris' participation in the 2021 Forum—the Paris Peace Forum has demonstrated the appetite for a new arena for multi-stakeholder engagement.

WHY SHOULD COMPANIES CARE?

Brunswick entered a partnership with the Paris Peace Forum last year because a key part of our work is bridging the worlds of politics, finance and society. The Paris Peace Forum is a natural platform to accelerate this dialogue. There is no other place today with such a mix of actors, from high-level to grassroots, from the Global North to Global South, from civil society to government to business.

By engaging with the Paris Peace Forum and interacting with its wide community of civil society project leaders, companies can identify their greatest opportunities to create social value and strengthen their ongoing commitment to transform themselves.

Among other highlights, the last edition of the Paris Peace Forum saw the launch of several new initiatives. Among them was the “Net Zero Space” initiative, calling for achieving sustainable use of outer space involving prominent actors from the New Space industry. Another was an international call for child safety, involving major tech companies along with states and international organizations. Yet another was an International Fund for Public Interest Media (IFPIM) for the independence of media in fragile settings—“it’s hard to think of a time in recent history,” as the fund writes on its website, “when access to trustworthy information has been more important.”

LOOKING AHEAD—THE 2022 PARIS PEACE FORUM

The next Paris Peace Forum will take place on November 11-13, 2022. The high-level segment of COP27 starts in Egypt on November 8, so we hope

Forum

many participants will be able to circulate between the events. As in every edition, the Paris Peace Forum will offer speaking opportunities in multi-actor debates—ones that involve heads of state and government, civil society leaders, private and institutional investors as well as heads of international organizations. As a platform focused on solutions, the Forum is also looking for examples of how companies are creating social value. This year’s event is an opportunity to share your company’s journey to the international community. ♦

PASCAL LAMY, Chair of Brunswick Europe, was formerly Director-General of the World Trade Organization and also European Commissioner for Trade. He is President of the Paris Peace Forum. Additional reporting by **HAKIM EL KAROUI**, a Senior Partner and Head of Brunswick’s Paris Office, and **MARC REVERDIN**, a Director based in London who was formerly Secretary General of the Paris Peace Forum.

How to Reform CAPITALISM

“I think it would be odd if there wasn’t cynicism given the track record of big business,” says Brunswick Chairman **SIR ALAN PARKER**. But, he adds, “Right now, you are witnessing a change unlike anything I’ve seen in my career.”

THE QUESTION OF HOW TO FIX CAPITALISM MAY be as old as capitalism itself. Yet there is a sense that this moment really is different—that corporations are starting to focus their resources and brainpower and determination toward the needs of society and the planet.

Is this true—or is it just PR? What more needs to be done broadly, and what is the role of business in that change? Those were some of the questions put to six panelists at the 2021 Paris Peace Forum, in a conversation titled “Financing the Ecological and Social Transition: How to Reform Capitalism.”

The conversation—a full recording of which is available online—was moderated by Nora Müller, Executive Director of International Affairs and Director of the Berlin office for Körber-Stiftung, a nonprofit organization.

Among those participating was Brunswick Chairman Sir Alan Parker, whose responses have been lightly edited and condensed.

Many attempts to reform capitalism have failed. Now, though, there seems to be a different sort of atmosphere. Are we really at a turning point?

I think we may well be. We are only glimpsing the real risks of inequality—COVID has brought them to the surface in a vicious way. Climate change is going to highlight them even more.

The challenge to the system, as I see it, is really asking: What are the desired outcomes we’re looking for? And then, what is the role of government, what’s the role of business and the market in delivering those outcomes?

Encouragingly, we are seeing business play a greater role beyond simply creating profits for its equity capital holders. It has moved to a multi-stakeholder world. They are taking on different responsibilities. But this is the beginning of a journey for business; we’ve got a long way to go.

I do believe we are resetting business’s role in society. Business cannot take the position—and it should not think it can take the position—of government, but it can take on a much larger role. It has to

recognize the true externalities and be clearer about what it's trying to achieve at a social and political level.

Some cynics say that this whole transition from shareholder capitalism to stakeholder capitalism is only a PR stunt. Is that cynical, or is it justified?

I think it would be odd if there wasn't cynicism given the track record of big business. It's created a huge amount of prosperity over the last 30 to 50 years, but at a huge cost. There's no doubt about that. And transitioning is not an easy thing.

Right now, though, you are witnessing a change certainly unlike anything I've seen in my career. There is not a major board in the world that really believes that this shift is about decreasing the demand to perform financially. It's not. It's about delivering that same financial performance—but the other demands, the societal issues, companies have to perform on those too; they have to raise their game. And that is the change. You'll be very brave, or perhaps something else, as a board or as a chief executive not to recognize that.

There is no way to hide now. It's just the beginning, but it is really coming. You've seen out of COP26 at Glasgow, the reporting is going to be there on climate change. You have the same on diversity and inclusion, the same on a huge range of social issues.

It would be deeply unwise for chief executives to think these issues are fads. Because if you fail financially, it will take two or three years before they suggest you might change your job. You fail on societal issues, right now—you could be out almost immediately.

This has broken into the boardroom, but it isn't just the boardroom making these changes. The boardroom table is very important—but I also think the kitchen table is very important. The youth are demanding change from their parents; younger talent is bringing new ideas, new thinking to their companies. You can see this next-generation pressure in politics, in elections, in businesses themselves.

There's not a single business that can believe it's going to win in the future if it's not recruiting the best talent; and you're not going to recruit that talent if you haven't got real policies on climate change, or on diversity and inclusion. You have to have a version and vision of yourself in society, not just as a separate entity to make profits for shareholders.

At COP26, \$130 trillion of private capital was committed to reach net zero by 2050. Given that earlier pledges by the private sector remain unfulfilled, how optimistic are you that this time they will be honored?

“If you fail [as a CEO] financially, it will take two or three years before they suggest you might change your job. You fail on societal issues, right now—you could be out almost immediately.”



SIR ALAN PARKER is the founder and Chairman of Brunswick. He was knighted in 2014 for his services to business, charitable giving and philanthropy.

It's a great question. When you walk away from COP26, you see clearly that this is going to be a huge challenge. Is it done? No, but there's enormous momentum. That \$130 trillion of financial flows commitment to the Paris Goals was not there a year ago—it would have been unimaginable five years ago. This has happened very, very fast.

There's still a lot to do to clarify it and deliver it. But as an indication of momentum, as a statement from the financial services industry, it's very strong. And I think you would say the same from a lot of the corporate commitments you're seeing, because they're not just making a pledge for 2030 or 2050. Almost all those major companies are now saying what they're doing this year, next year and the year after.

I think you've got to also accept that we're living in a world of data that is unbelievably powerful. Every aspect of what you do is going to be measurable, everybody is much clearer about this.

There are fewer places to hide or fudge if you're a major company. That should give the doubters some confidence.

Another point worth mentioning—and you've done it very well on this panel—is we're not just talking about the problems companies have to meet, we're talking about the opportunity. And if anybody loves opportunity, it's the corporate world. And we're hearing from all over the place that there's an enormous amount of it out there.

We're also hearing that it's no longer binary—it's not, “Are we going to make a profit or do something socially good?” You have to be able to do them together today.

I think it's quite right to be skeptical, to challenge businesses on this point. At the same time, I would caution against being too cynical because—as you saw in Glasgow—there was so much energy, so much commitment coming into it and real momentum coming out of it.

Is this momentum going to last?

I don't think there's an option. The nature of the dialogue is so different from how it was even two or three years ago. New metrics and data—from investors, in particular—they're encouraging change, they're giving companies permission to change. These are new pressures that simply weren't there before.

We've surfaced the scale of the challenge, and we're a long way from getting it done. It's not easy. And there is a very big risk if you get it wrong. But there's a lot of opportunity if you get it right. That's why I wake up in the morning feeling optimistic. ♦