

Preface

By Maria Livanos Cattau, Secretary General of ICC

Companies are in a unique position to observe and help shape today's global economy. They are at the heart of international trade and investment, engaging in business across borders and linking economies together into a more interconnected world.

The purpose of this report is to provide a business perspective on some of the main issues and concerns raised by globalization. Is it pushing governments to the sidelines? Is it a threat to jobs? Is it helping to overcome poverty, or creating more? How can the changes arising from globalization be managed?

This report is the result of a comprehensive review of existing research by international organizations, academic institutions, governments and informed commentators with the aim of better understanding the impact of globalization on people and national economies.

What it finds is that globalization has already brought unprecedented improvements in material welfare to billions of people. The evidence suggests that the global economy of today offers an unparalleled opportunity to raise living standards across the world.

That disparities between rich and poor are still too big is undeniable. But those who sincerely want to alleviate the poverty of millions in the developing world should focus on practical ways to harness the potential of globalization instead of making globalization a scapegoat.

There are two key elements I wish to highlight in this report as promising avenues in the quest for a more inclusive global economy: the vast potential for increased South-South trade and the key importance of good governance.

A more open world economy and more effective governments are by no means contradictory goals. More than ever, globalization requires the enforcement of the rule of law, the encouragement of innovation, the development of efficient infrastructure, the improvement of education and social programmes, and greater political and economic stability in order for countries to seize all the opportunities that the world economy can offer.

This report was prepared by Julian Kassum of ICC's international secretariat with the input and guidance of ICC's Corporate Economists Advisory Group (CEAG) for the ICC 35th World Congress, held 6-9 June 2004 in Marrakesh. An electronic version will be posted on ICC's website (www.iccwbo.org) and updated in light of new findings.

I take this opportunity to thank members of the CEAG – a group of 28 corporate economists from global companies and business organizations in more than 20 countries – and particularly the chairman, Donald Hepburn of Unilever, for this further example of their valued contribution of solid economic analysis to ICC's policy work.

ICC is pleased to offer this synthesis of research and analysis of globalization as a contribution from world business to the ongoing public debate about this much-misunderstood phenomenon.