

Alliance for a responsible, plural and united world

# World citizens assembly

Lille – December 2-10, 2001

Socioprofessionnal Group

## Responsible shareholders and financial consultants

The responsible shareholders who were present define themselves as external to the financial system, the tools of which they use in favour of other entities.

The group was busy with the access to finance :  
of unquoted small and medium-sized northern firms  
of the southern countries and the small and medium-sized firms  
of micro finance

The group identified a certain number of hurdles :  
the corruption of the elites in southern countries  
the tremendous efforts of information required for a credit to a little-known debtor (the cost of the transaction.)

3. The question of the allowance funds and their impact (weight) as, at the same time, a provider of a service (security), as a business actor (investor), as a savings raiser. This function is an open door to shareholding activism, but also calls forth new challenges.

\*\*\*

Critical reflection on the responsibilities charter

### I - Financial Principles

Principle 1:

Universal concern with prudent and fair financial policy would enhance justice and peace

New Financial Institutions with democracy control

More democracy within companies, this is the condition for justice

Critical shareholding present the condition and requirement of keeping peace- stop armments

Principle 2 :

Freedom in terms of « tax policies » is limited by the concern to avoid « tax heavens » etc... wich stimulate « corruption »

Unified tax regulation to stop unethical capital flows

Principle 3 :

□

Reference should be made to « sustainable development » and to prudence of a « pater familias » management style

□

Financial community of professionals should put more attention to the question of short/long preference

□

Consequences of financial decisions are not acknowledged by professionals - in many circumstances portfolio investment is perceived as mutual, or as if consequences do not matter for the decision of action.

Principle 4 :

Search for profit is to be subordinated to the satisfaction of basic human needs.

Principle 5 :

□

Concern for sharing has to be expressed at all levels : a) public policy : International Development Assistance ; b) Individual Transactions : fair price ; c) within companies by taking into account interests of all stakeholders ; d) innovative methods of sharing.

□

Market regulator – Supranational. Question : complementarity « self regulation » and regulation from outside. Questions raised asymmetry of information, level of trust ; efficiency of enforcement ;

Principle 6 :

Research and innovation should be enhanced in order to give new instrument for human development

Principle 7 :

Nothing to preserve, Dangers of concentration of institutions and practices.

## II- Discussions on the charter

The opinions differ on so many issues, one cannot talk about a synthesis properly speaking.

General questions :

What should be the status of that document ? Rigour determines the eye with which we read it. If it has any legal claim, the referring institutional context should be explained (for instance for a constitutional text or an international treaty.) Major difficulties to understand the impact, the destinations and the use of the texts ;

The text is much too general to be relevant : it obliges to decode implicit meanings which are the source of dissension and disagreements ;

It's a short-ranged and quickly obsolete text with implicit reference to the news of those last few years ;

The text does not show the efforts made so far. Its claimed place as the third foundation is not convincing.

For some people, the criticism of capitalism should be clearly expounded in the preamble.

Particular issues

Are the listed phenomena the real causes ? Not for some of them. Thus we tackle the symptoms instead of the actual causes;

The term 'social institutions' is too imprecise. Why is the family missing? Why are the political (national and international) institutions missing ?

We haven't waited for Lille to take on our responsibilities. In certain cultures they precede the notion of law. They are assumed ;

The 'retroactive' responsibility poses a problem, notably as regards the intentions issue and the incomplete knowledge issue. Careful with the idea of a collective responsibility for a troubled past;

Written with 100% occidental prospects, the hierarchy of virtues are very different between the north and the south, especially between the constraint of short term survival and the luxury of talking about long term ;

Who is subjected to responsibilities ? Individuals or peoples as is suggested in that paragraph as well as in the others.

### 3) The 7 principles

What base for 'justice' : seen : institutional order, the difference between cultures. Fair is not static.

What meaning for 'freedom' : purely political, economic as well, or subjected to the resources ;  
A simple call for universal goodwill  
What relation with risks taking and the retroactivity of charters ;  
Wealth sharing : what meaning for this term : economic only, ecology modifies the table;  
7) The reference to unity and diversity has no sense.