Business and its Global impact

For many of us this time of year is one consumed with accountants, balance sheets and hours on the phone to HMRC. It is, after all, Tax time.

In the book of Matthew 17:24-27, we see that Jesus didn’t avoid having to contribute to the state through paying tax and yet we also see a remarkable attitude in which he approached it.

After Jesus and his disciples arrived in Capernaum, the collectors of the two-drachma tax came to Peter and asked, “Doesn’t your teacher pay the temple tax?”

“Yes, he does,” he replied.

When Peter came into the house, Jesus was the first to speak. “What do you think, Simon?” he asked. “From whom do the kings of the earth collect duty and taxes—from their own sons or from others?”

“Yes, from others,” Peter answered.

Jesus paid his taxes because it was the right thing to do; but he did it though one of the most extraordinary miracles we encounter within scripture. Take the first fish you catch; open its mouth and you will find a four-drachma coin. Take it and give it to them for my tax and yours.

People often speak of the secular / spiritual divide; and maybe the church / business divide is something all too familiar to many of us, where the two parts of our lives rarely meet. However, Jesus saw no such divide, but rather through faith in a God who provides Jesus supernaturally met his economic obligations.

This edition of Salt News discusses business, faith and global impact. My prayer for you as you read it, is that you might courageously remove any secular/spiritual divides you have and give a thought to where God might be calling you to expand the horizons of what you thought possible; He might just meet your needs in unexpected ways.

April ‘19 edition
What is the 4th Industrial Revelation and why should we care?

Samuel Williams, UK Manager, Salt Network

Between the 22nd – 25th January 2019 the world’s global leaders from across business, politics and development donned their snow boats, pulled on their hats and made the annual migration to the Swiss Alps for the World Economic Forum’s (WEF) annual meeting at Davos. Dubbed the ‘billionaires bonanza’ by the leader of the Labour party, Jeremy Corbin, Davos, as it is widely referred to is well known for its prohibitively expensive ticket price and entry criteria. However, one thing is certain about this gathering is that if you are committed to having a global impact and are attracted to the idea of wielding influence with powerful people, you will get it done at Davos. Undeniably the WEF annual meeting carries serious weight and influences the agenda of global organisations, governments and influencers; which in turn trickles down to shape our communities, work lives, Facebook feeds and political views.

This year delegates were introduced to Globalisation 4.0 and importantly its central driver, the 4th Industrial Revolution. But if you are anything like me you will be asking what is the 4th Industrial Revolution (4IR) and what has it got to do with me?

Without sounding like the bearer of doom, 4IR is in short, the dawn of a new era in which business as usual, politics as usual, (heck, according to some, life as usual) is no longer a viable option. Over the past two decades we have seen an extraordinary technological revolution through which computational processing power enacted a wholesale paradigm shift on how we see and interact with the world around us. Coupled with political, environmental and commercial shifts, humanity are at a point of transition towards a significantly different global context.

According to the World Economic Forum this is the dawn of a new age of globalisation; Globalisation 4.0.

Since the 1980’s technology has driven a new level of wealth never seen before. The rise of these Silicon Sultans, as they have been referred to such as Gates, Bezos and Zuckerberg, marked a significant new industrial age (the third industrial revolution) in which...
technology was the driver of automated production of never before seen innovation.

The cult of Tech had many committed to fashioning a world akin to sci-fi where we all ride hoverboards and wear silver tracksuits; and whilst that may not be the future we are all heading towards, thank goodness, this can-do, what-if idealism transformed almost everything around us. This third industrial age followed on from the age of electricity, the factory line and mass production; and before that the wonders of stream driven mechanisation. However, for all of us still just catching up with uploading a new profile picture and asking, what is the Cloud? the message is clear, it is time to catch up because the world is moving on. The 4th Industrial revolution is upon us and it will change the way we live, communicate, trade and govern; it is not merely the efficient use of technology and computer power but a step change in its application and integration of such, and if we are not ready we will be left behind.

This 4th industrial revolution (4IR) is largely driven by connectivity and the exponential processing power of technological innovations. Klaus Schwab Founder and Executive Chairman, World Economic Forum stated that 4IR “is disrupting almost every industry in every country. And the breadth and depth of these changes herald the transformation of entire systems of production, management, and governance”. This is not simply the continuation of the technological age we have come to know and accept. This is something significant greater that is changing the way we see ourselves in relation to the world around us.

This new age speaks of the yet unimaginable innovative possibilities of globalised connectedness through personal and mobile devices, unlimited and cloud storage backed up by unparalleled processing power. This age speaks of breakthroughs as viable options with real world applications and not gimmicks, - self-driving cars, empathetic Artificial intelligence, 3D printing, drones, facial recognition, block chain and disruptive currencies – all becoming viable. The early waves of the 4th Industrial Revolution are already crashing on the shore and it is up to all of us in business to decide if we learn how to surf or try to hold back the sea.

**Authentic Diversity** is one unavoidable characteristic of future business success. Recent years have demonstrated the impact of accessible information and connectedness through movements like #MeToo and the exposure of racially motivated police brutality across the United States. Equally the growth of populist politics across Europe, the united states and further afield illustrate the power of public option when information and global dissemination is little more than a click away.

In a world where increased connectedness will increase our marketplace, whilst also holding us accountable, ensuring diversity throughout all levels of governance, policy and delivery which embraces all stakeholders is more important than ever.

A second characteristic of successful future business which must be considered is environmental. The United Nations 2018 IPCC report on climate change is clear; we need to be moving towards a net-zero carbon future if we are to bring an end to the 6th mass extinction and secure a future which is not characterised by catastrophic climate related human migration and devastation. In short, irrespective of what you believe about climate change, consumer tolerance for ‘climate criminals’ – those who fail to consider the impacts of business upon environmental issues, is waning and will seriously impact commercial success.

The dawning of the 4th industrial revolution is an opportunity for transformational business practice in which business unites with public and charity sectors driving innovation which profits the bank balance, the environment and humanity alike. However, it is not for the faint hearted and it will mean change; although it would seem there is little alternative. After all history shows us that holding back the sea tends only to go one way. ☃️
Profit or Prophet? Impact Investing as a tool for justice

Reuben Coulter, CEO, Transformational Business Network https://www.tbnetwork.org/

Year after year the Davos crowd meet at their snowy retreat to ponder the state of the world and ostensibly, to discuss how they might address the great challenges of our time. Inequality, climate change and populism all featured high on this years’ agenda.

An obscure Dutch historian Rutger Bregman became a viral phenomenon when he took them to task last month for avoiding the real issues, saying, ‘We can invite Bono once more but come on we’ve got to be talking about taxes ...’ Watch the full 2-minute video here.

You may or may not agree with him, but it hit a nerve. It begs the questions: Why do the political and financial elite appear unable to address the world’s most pressing issues? Or why do we think that problems will be solved with the same thinking that has created them?

As one of my former colleagues at the World Economic Forum stated:

‘One of the pillars of trust in a society is the feeling that life is getting better, not worse. But in too many economies, there is a sense that opportunities for the next generation are dwindling rather than expanding.’

Or as the prophet Isaiah poetically put it:

‘Justice is far from us, and righteousness does not reach us. We look for light, but all is darkness: for brightness, but we walk in deep shadows.’

As Christians, we need to bring values such as justice, equality, stewardship of creation and solidarity with the poor back into today’s business world - shining a light in the darkness. With that in mind, here is my vision for a more hopeful economic future:

**Let’s create a new vision of human and planetary flourishing.** Economics that serve humanity and not the other way around. People desire communities with strong relational bonds, jobs which give dignity and certainty about the future. Instead they live in polluted and fragmented neighbourhoods with zero-hour contracts and no ability to save. Is it any wonder they are turning to populists?

**Systemic change, not philanthropic Band-Aids, is needed to achieve economic justice.** Billionaire fortunes increased by 12 percent last year—the equivalent of $2.5 billion a day—while the 3.8 billion people who make up the world’s poorest half saw their wealth decline by 11 percent. The role of governments is to create equitable opportunities for all by levelling the playing field. The wealthy are not paying their fair share of tax and the loopholes in the global financial system need to be closed.

**Value what really matters.** Governments are still focused on GDP and most companies are still solely focused on financial value. There have been some interesting attempts to change how we measure value from Gross National Happiness in Bhutan or the Triple Bottom Line but these have yet to gain broad acceptance.

**More investment is required in education, skills and health** to develop people’s potential to the full and enable them to adapt to a rapidly changing world. We have entered the Fourth Industrial Revolution where technology is rapidly displacing traditional jobs, whereas our education systems are still stuck in an inherited model from the First Industrial Revolution.

**Sustainable and inclusive economic growth takes place in vibrant entrepreneurial ecosystems.** Silicon Valley is not a model for the world to follow. Investment has been concentrated on a small handful
of ‘unicorns’ - winner-takes-all companies who can then monopolise their position. This inflates costs, sucks up talent, drives inequality and ultimately reduces innovation. New investment models are needed which release capital to the small and medium-siz ed enterprises who make up 98% of businesses around the world and create >80% of the employment opportunities.  

I left the World Economic Forum after 4 years working on public-private partnerships for Africa, as I realised that I was maintaining the status quo of the Davos crowd. God called me to take on a position as CEO of Transformational Business Network (TBN), which is a movement of Christian business leaders and values-based investors with the vision to enable purpose-driven entrepreneurs in emerging countries. We believe that investing should be about more than increasing one’s wealth. Capital can be a vehicle for the advancement of social good. That’s why we are stewarding investment to create economic justice and prosperity. 

However, even as an impact investor, I believe that I need to look long and hard in the mirror and ask if I truly represent the poor and marginalised that I claim to serve. Is it purely about profit, or are we using our voice to create true transformation? 

There is a unique window of opportunity today to shape the new economy to make life better for future generations. This window will not remain open for long before the trends of the new economy – and the societal forces they unleash – become locked in. We, as Christians business leaders, should be spearheading a movement to create a more hopeful economic future for everyone. £

Christian Aid invested in Divine Chocolate right from the start – they recognised it was a good idea. They were keen to support an innovative business model that had cocoa farmers at its heart and to see if this was an effective way to improve the livelihood of farmers in the long term. Kuapa Kokoo, the cooperative of cocoa farmers in Ghana, owns 44% of Divine and has two seats on the board. So in addition to the Fairtrade Price and Premium, the farmers also receive 44% of any distributed profit. And because they have two seats on the board, they have a say in how the company is run.

This year, Divine turned over £14 million. Half of our business is in the US and we have been distributing profit since 2007. Working with Christian Aid has been an important part of our story. When you work with a charity it’s important to establish that your values are aligned. On each project you also need to agree formally on how you are going to work together with a memorandum of understanding.

The church has been a driver for change and force for good in many areas of the world. Has your faith upbringing influenced the way you approach business today – if so, how?

The church gave me a strong sense of social justice and that you can and should stand up for people who are oppressed and don’t have a say. It also showed me the value of community and working together. I was inspired by the solidarity campaigns in Southern Africa and Latin America and the church played an important part in all those campaigns. All these elements play into what needs to happen in business today. Business has an enormous responsibility to help address global inequality and poverty if we want a sustainable future for the world.

If you had to list your top three tips to personal and professional fulfilment, what would they be?

• Find something that you’re passionate about
• Don’t listen to all the people who tell you what you can’t do
• Build partnerships as they hugely increase your reach and are a much more fulfilling way to do business.

What would you say to your younger self?

I started at Divine 20 years ago so there are so many things that I know now that would have been useful to know then. Knowing that Fairtrade would become so mainstream would have been very reassuring – as we were taking a leap of faith. Twenty years ago, Fairtrade awareness was at 7% -- now it’s more than 80% and it also has a fantastic level of trust. I think Divine Chocolate has been part of building that trust and awareness. I hope we’ve demonstrated that there really is a different way of doing business, by putting the cocoa farmer at the heart of it.

http://www.divinechocolate.com/uk
Upcoming Events

For more information on Salt events and to add your events to Salt News contact salt@christian-aid.org

London:
- Business and Creation
- 13th June from 16:00 – 19:00

To find out more details about all the upcoming events and book your place visit:
https://www.christianaid.org.uk/business-network/salt-events

North West:
- Business and Creation
- 24th June from 15:00 – 18:00

North East:
- Business and Creation
- 21st May from 15:00 – 18:00

East Midlands
- Measuring Values
- 21st May from 15:00 – 18:00

West Midlands
- Business and Creation
- 11th June from 16:00 – 19:00

ABOUT

The Christian Aid Salt Business Network

Our vision is to create a movement of business leaders working together as agents of change, leading best practice within their own businesses and in the wider, global community.

Founded on strong theological principles, the Salt Business Network aims to inspire businesses and business leaders to be the ‘salt of the earth and the light of the world’ (Matthew 5:13-16) in advancing God’s work here on earth.

It is also grounded in learning and action. Through our workshops, online community and at events, leaders have the opportunity to explore the impact businesses large and small have on our world and re-frame what it means to be in business.

To find out more about the network and how you can be involved contact:
swilliams@christian-aid.org