

## **ANNUAL REPORT**

### **European Bah Business Forum**

**Year ending 31 August 2003**

This report summarizes the highlights of the activities of the European Bah ' Business Forum during the year September 1, 2002 through August 31, 2003. It is organized as follows:

- Election of the new Governing Board
- Increase in Membership
- Activity of Branches and Affiliates
- External Affairs and Networking
- EBBF Publications
- External References to EBBF
- Thirteenth EBBF Annual Conference 2002
- Knowledge Building
- Secretariat
- Young Professional Task Force
- Ideas for the future

### **THE GOVERNING BOARD**

The official meeting of the General Assembly was held during the Annual Conference on 28 September 2002. The following members were elected to serve for the year 2002-2003: Arthur Dahl, Faramarz Ettehadieh, Wendi Momen (Assistant Secretary-General) Giuseppe Robiati, George Starcher (Secretary General/Treasurer), William Walker (Chair), Ezzat Zahrai (Vice President). Tannaz Grant and Daniel Truran were seconded onto the Board. The Governing Board met four times during the year: 29 and 30 September at 'dePoort Conference Centre, 10 to 12 January in Paris, 14 to 16 March in Paris, and 13 to 15 June in London.

The strategy and five year plan for EBBF was presented in draft form at the annual conference for consultation with members.

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## MEMBERSHIP

As of 31 August 2003, EBBF had 279 members residing in 48 countries. This represents a net increase in the number of members of about 4 percent during the year (compared with a decrease of 7 percent the previous year). Some 41 new members joined EBBF during the year. These figures do not include those members of affiliates in Russia and Turkey who are not members of EBBF. The Governing Board is pleased to note that 30 percent of members are women and that one-half of the new members this year were women. While our membership spans the globe, 64% of members reside in eight countries:

United Kingdom	34
France	29
Netherlands	26
USA	28
Italy	29
Switzerland	14
Belgium	10
Germany	9

## BRANCHES AND AFFILIATES: INCREASING ACTIVITY

Branches are composed of members of EBBF in a country or region. Their members typically pay dues both to EBBF and to the branch. The by-laws of EBBF usually apply to branches. In contrast, affiliates such as those in Turkey and Russia are independent organizations. While they promote the same principles and values, and have similar by-laws, they do not use the EBBF logo. Many of their members are not members of EBBF.

### **Belgium:**

The activities in Bruxelles have recently taken off! The core group of Dale Emerson, Daniel Schaubacher, Francois Couillard and Marc van der Erve have organized bi-monthly meetings around themes related to the core values of EBBF. These meetings have included a public luncheon meeting with Prof. S. Bushrui on Globalization and Business Ethics, a presentation by consultant Marc Van de Erve on organizational change, and a case story presentation on CSR by Francois Couillard. They have permitted maintaining contacts with AIESEC Belgium, the facilitation of traineeships, and the distribution of numerous EBBF publications.

Also this year, following the appointment of Daniel Schaubacher as EBBF Representative to European Organizations in Brussels, a large number of external contacts and friendships have been developed and EBBF has been invited to attend an increasing number of conferences organized by these new contacts. These organizations have included the European Partners for the Environment, Friends of Europe's Fairer World Forum, Responsible Consumers NGO, the Belgian Prime Minister's Globalization Conference, and input into the Club of Rome Statement to the World Summit on the Information Society (EU Chapter). Daniel was also appointed liaison with AIESEC International and was heavily involved in the organization of the exhibition at the European Parliament at which EBBF was featured in one of the panels. George Starcher and Monis Sheikh represented EBBF at the third annual Triple Bottom Line Investing Conference in Bruxelles in November 2002 organized by EBBF member Robert Rubinstein.

### **France:**

The EBBF group in Paris: in particular Monis Sheikh, Caroline Biot-Duchene, Marguerite

annual dinner. The conferences, held at a Paris hotel, were attended by an average of 22 people half of whom were young professionals and non-EBBF members. At each meeting, EBBF and its core values were briefly presented. The presentations, often made by non EBBF members, were on themes related to EBBF core values. Below are the titles and the speakers of the various presentations which were made in French.

"Le sommet de Johannesburg: est-ce le début ou la fin du développement durable?" by Arthur Dahl

"Comment valuer la politique sociale et environnementale d'une entreprise la lumière de son rapport annuel" by Michel Joras

"La vérification sociale est-elle possible au sein d'une entreprise?" by François Beaujolin

"Vers un nouveau type de relation entre la société civile et les entreprises " by Martial Cozette

"Transparency International et la lutte contre la corruption" by Daniel Dommel

"La promotion des femmes au sein des entreprises " by Lucien Crevel

Eric Zahrai continued his activities with the *Cercle d'Ethique des Affaires*, a Paris based association promoting business ethics. Yves Garenne has maintained contacts with *Observatoire de la Responsabilité Sociale de l'Entreprise* through which contributions were made to the *Global Reporting Initiative*. George Starcher was one of the presenters at the Master Class and Conference on CSR and Labour Management organized by MHC International in Divonne, France on 20 March. George spoke on Socially Responsible Enterprise Restructuring. Also, the translation of the article *The Challenge of Sustainable Development and Prosperity* was nearly completed.

### **Italy:**

Prior to this year, there were a number of outstanding accomplishments in Italy. First, *EBBF Italia* was formally registered as a branch of EBBF. Second, a completely new web site was designed at <www.ebbf.it> for which five powerpoint presentations were created and a number of EBBF publications have been translated into Italian and posted. Third, the first annual conference held in Milan last year was a remarkable success with over 80 participants and extensive press coverage. EBBF has been actively involved in business schools in Italy for several years. Prof. Girone, Rector of the University of Bari, was so satisfied with the EBBF collaboration that EBBF was asked to prepare and give a ten lecture course this year. Seven EBBF publications had already been translated into Italian and put on their web site: *Emerging Values for a Global Economy*, *Toward a New Paradigm of Management*, *Women Entrepreneurs: Catalysts for Transformation*, *Ethics and Entrepreneurship*, *A Spiritual Approach to Microcredit Projects*, *Socially Responsible Enterprise Restructuring*, and *Spiritual Dimensions of Microfinance*.

So what is new this year? The report is so extensive and impressive that it is included as Annex A to this report. The highlights include the outstanding results of the one semester course at the University of Bari on *Ethics and Economy: Towards a New World Order*, lectures at seven other universities, several informal evenings, EBBF workshops, collaboration with AIESEC, further development of the EBBF Italia web site, and the very successful second annual conference.

### **Netherlands:**

About 700 executives, managing directors and human resource managers attended the 2nd conference on *Motivation at Work* in The Hague on 7 November 2002. The programme consisted of two plenary sessions, workshops, an 'inspiration square' with booths and the Tranquillity Zone.\*. Although the conference was not organized by EBBF, over 75 people visited the Tranquillity Zone. which was organized by Marga van Luijtelaar as an EBBF sponsored event.

special experience for them. Some of them called or emailed the conference organizer to tell him how much they had enjoyed the Tranquillity Zone. One reaction, from a Ministry official, ran as follows: ... (I) was again very much enchanted with the Tranquillity Zone, as I was the first time. The way the Bah'is manage to bridge the different religions and create peace and tranquility in the midst of all the hectic activity on such a day is fantastic.' Another reaction was: This is the most productive hour I have ever spent in my entire life'. The conference organizer stated that he sees the Tranquillity Zone as one of the pillars of the conference and that he would very much like EBBF Netherlands to organize this event again in 2003, for the third time.

George Starcher moderated a panel at the second annual Sustainability Conference in Rotterdam and gave two presentations on Socially Responsible Enterprise Restructuring . The 2003 Annual Conference of EBBF will be held again this year at the dePoort Conference Centre with the help of members of the Dutch Branch.

### **Spain:**

Spain is opening up to EBBF following Daniel Truran's marriage and move to Madrid. Numerous external contacts have been made, membership has increased from one to five, and the first official EBBF Spain meeting was held on 10 November in Madrid. We can expect Spain to join the ranks of active EBBF branches.

### **Turkey:**

This affiliate has begun to have regular activities once again, Michael Baldwin reports. In October, the first EBBF luncheon was held, hosted by Farzat Kuchani. Twenty-one members and interested parties were invited. The EBBF video was viewed again and plans were made for EBBF activities in 2002-3. Monthly EBBF luncheons have been planned.

This year the highlight for EBBF in Turkey was the visit of Arthur Dahl on 4-18 May. The intensive two week visit was jointly organized by the Turkish affiliate of EBBF, especially Michael Baldwin, Nurettin Cengiz and Ali Yalman, and the Baha'i community. The principal theme of this visit was Sustainable Development. Wherever possible, a dossier in Turkish with a short article on sustainable development and a description of EBBF was given to participants. A more complete report on his meetings and lectures is given in Annex B.

### **United Kingdom:**

After a series of internal meetings devoted to defining its vision and programme, the London branch held its first event on 17 November: a talk and workshop by EBBF member Augusto Lopez-Claros on Globalization and the Future of the New World Order . Regular meetings focusing on EBBF values have since been organized in London with an average participation of 20 to 25 people. Externally, EBBF was presented at a number of occasions and institutions (the CSR and Social Enterprise Conference 2003 at the London Business School; the World Business Academy conference organized jointly with the International Business Leaders Forum; a workshop on Small and Medium Sized Enterprises, Social Capital and Civic Engagement at Brunel University; and a workshop on CSR at Warwick University). In May the Task Force and the Advisory Group met with the representatives of the EBBF Governing Board in London to consult on its future plans and strategies.

Adrian Kielhorn wrote an article on EBBF which was published by a UK journal. As it is largely generic, others may wish to contact him for a copy to adapt for their own use.

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The Governing Board is encouraged by the numerous activities being carried out in Eastern and Central Europe. Of particular note are those in Russia and Bulgaria.

### **Russia:**

The first affiliate of EBBF was created in Russia in 1995 for the Russian speaking world (now known as EBBF-Eurasia). At last report, there were 18 voting members and 25 associate members. Publications of EBBF documents have been translated into Russian, published as booklets, and distributed among many NGOs, governmental organizations and universities. Members have overcome many handicaps to organize several successful annual conferences of the affiliate. Several members have conducted seminars for entrepreneurs in the Urals, the Russian Far East, and Belarus since initiation of activities.

An anthology of Russian translations of EBBF articles as well as a new article on values-based management, together with interviews with two EBBF members managing businesses in Russia, will be published soon by the Russian affiliate. It will be distributed to university campuses and civic groups. The Governing Board of EBBF contributed \$1300 in support of this publication. Counsellor Elena Gruzikova continues to work with universities and colleges in the Asiatic part of Russia. providing EBBF publications in English to teachers of English who work with students of economics and business. In addition, she has started systematically contacting business support centers in the Asiatic part of Russia to introduce them to EBBF initiatives and materials. The Russian language translation of "Socially Responsible Enterprise Restructuring," a collaborative activity between the ILO and EBBF, was attractively published by ILO with a prominent display of the EBBF logo on the cover. It is being widely distributed in Russia.

During this year, Gary Reusche has been promoting EBBF in many parts of Russia and has given four lectures at the following institutions: Moscow State Sociological University; Entrepreneur Centre for Women of the Moscow; City Government; and the Economics and Business Faculties of Plekhanov University. Gary reports that most of the interest in Moscow centers on ethics, values, corporate culture, leadership, corporate social responsibility and business competitiveness. In his lectures, the crises of values in Russia is contrasted with the emerging positive values in the world business environment, and a vision for a better future is developed. A lot of materials from the prosperity statement are used. These lectures are invariably well received, particularly by the University students, most of whom have no personal experience or memories of the Soviet period and have few positive examples of values-driven leadership in business in post-perestroika Russia.

EBBF was invited for the third year to participate in the AIESEC National Congress 2003 where Gary gave a short introduction in the plenary session and then led a three hour workshop on CSR. Gary has also received an invitation to present a paper at the annual conference for the students of the Economics and Business Faculties at Plekhanov University. The theme of the conference is The modern business environment in Russia: new trends and existing traditions .

### **Bulgaria:**

The Tenth International Jubilee EBBF conference on Moral and Ethical Principles in a Social Market Economy: Sustainable Development was held in Sofia, Bulgaria on 1-3 November 2002. Among the international speakers were Arthur Dahl who spoke on The World Summit on Sustainable Development in Johannesburg and the World after It ; Vafa Moyed who spoke on Ethical Problems in the Audit Profession after the ENRON Scandal ; Thanos Kriemadis (University of Thessaly, Greece) on Moral and Ethical Principles and Practices Promoted by the European Business Excellence Model : David Willis (American Agriculture College, Greece)

Murray (UK) on The Christian Ethics of Self-Sacrifice: What is its Place in the Business World?

Arthur Dahl, senior advisor to UNEP in Geneva and member of the Governing Board of EBBF, visited Bulgaria for 11 days to coincide with the jubilee conference. A full programme was arranged, including lectures and discussions on sustainable development at the University of Veliko Tirnovo, the High School for Management for Sport and Tourism in Sofia, the American University in Bulgaria at Blagoevgrad, the University of National and World Economy and other high schools; a lecture and discussion on the Johannesburg summit with leading scientists and specialists in sustainable development at the national museum 'Earth and Man'; an interview with the journal *Eco-World*; an interview with the national radio 'Horizon'; a press conference; and a discussion in the Office of the President of Republic of Bulgaria with his advisor for National Security Mr N. Slatinsky on national security and sustainable development.

The Bulgarian branch of EBBF describes both the conference and the visit of Arthur Dahl as huge successes!

### **Hungary:**

Our new Hungarian member, Annamaria Nagy, completed two papers on business ethics case studies and CSR which have been posted on the EBBF website as well as with the anti-corruption department of the Prime Minister's Cabinet.

## **EXTERNAL AFFAIRS AND NETWORKING**

There has been a considerable increase in our external activities this year. This has included collaboration with two sister networks, the Baha'i Business Forum of the Americas and the International Environmental Forum, and a number of other associations and networks. This has been made possible only by the increasing number of EBBF members actively involved in promoting EBBF and its core values. Some of the highlights are described below:

### **Baha'i Business Forum of the Americas:**

Daniel Truran represented the Governing Board at the annual conference of BBFA in San Francisco. He gave a plenary presentation on EBBF and on the new paradigms of ethical finance. A stand was dedicated to EBBF where publications and materials were distributed; participants were very interested to enquire about our Forum and as a result several of them plan to become members and attend the EBBF Annual Conference.

### **International Environmental Forum:**

EBBF collaborated closely with IEF at the World Summit on Sustainable Development in Johannesburg. We shared a booth at the Civil Society Forum and distributed a large quantity of EBBF publications including *Emerging Values for a Global Economy* in Zulu. A joint EBBF/IEF seminar on Multiple Dimensions of Globalization was very successful. Arthur Dahl prepared an impressive joint final report on our participation there.

### **AIIESEC:**

Close collaboration has continued with this network of 50,000 students of business and economics in 87 countries. EBBF is now listed in the Annual Report of AIIESEC and on its web site as a Co-operation Partner along with the International Prince of Wales Business Leaders Forum, ILO, The World Bank, UNESCO, and the World Business Council for Sustainable Development. This relationship is made possible by the active involvement of many EBBF

members throughout the world. Other significant events with AIESEC during this past year include:

George Starcher has been invited to join the International Advisory Council of AIESEC International (AI) and to participate in several events at the International Conference in Yugoslavia.

Daniel Schaubacher has been active in his role as liaison with AIESEC International. AIESEC sent two of its international board members to the EBBF Annual Conference who made a presentation about AIESEC.

The Italian branch of EBBF signed a partnership agreement with AIESEC Italy and participated in a major way in the annual conference of AIESEC Italy through presentations by Beppe Robiati and Sandra Luschi. Requests came for EBBF to provide talks on a number of university campuses.

Mahmud Samandari spoke at several AIESEC conferences in Ecuador, counsels with the National Committee, and was appointed as national adviser to AIESEC Ecuador.

Pat Irvine serves on the advisory board of AIESEC in Belfast and has been working with AIESEC in Dublin to organize a similar advisory board.

### **European Commission:**

Several EBBF members, including Daniel Schaubacher, George Starcher and Eric Zahrai, have played an active role in a series of meetings organized by the EC to consult on policy for promoting corporate social responsibility (CSR) in Europe. EBBF responded with a written memorandum to an initial draft green paper on CSR and was invited to participate in three inter-sectorial meetings in Brussels presided by officials of the EC. In addition, three members (Marcello Palazzi, George Starcher and Eric Zahrai) were invited to participate in a two-day conference on CSR organized by the Belgian Presidency of the European Union.

### **European Parliament:**

The EBBF was pleased to be included in an exhibition at the European Parliament in June. EBBF member Daniel Schaubacher, a member of the committee which organized the exhibition, participated actively in events connected with it. The text of the panel that featured EBBF is in Annex C.

### **Europe's Enterprise Strategy Summit:**

Three members of EBBF (Marcello Palazzi, George Starcher, and Daniel Truran) participated at this conference aimed at developing an agenda for progressive enterprise in Europe. Marcello Palazzi is co-organizer of this initiative. A book containing various contributions to the programme includes a chapter by George Starcher on Socially Responsible Enterprise Restructuring and the New Enterprise Agenda for Europe.

### **International Labour Office:**

The 120 page Joint ILO/EBBF Working Paper on Socially Responsible Enterprise Restructuring continues to be reprinted in English and Russian and distributed by the ILO and EBBF. The report continues to serve as the basis for training sessions organized by the ILO. George Starcher was invited to speak on this subject several times at the ILO Training Centre in Turin, Italy. Of particular significance were two seminars on this theme in December and January jointly sponsored by the European Commission and the ILO. These conferences were organized as a preparation for a much more important conference held in Athens, Greece.

On the occasion of the Greek Presidency of the European Union, the European Commission and the International Labour Office organized a two day conference in Athens on 3 and 4 April. The theme was ‘Socially Responsible Enterprise Restructuring’. George Starcher, who was the principal author of the Joint ILO/EBBF Working Paper on this topic, was one of the 220 guests invited to the conference and was rapporteur for the panel session ‘Small and Medium Sized Enterprise Creation, Promotion and Support of new businesses’. The purpose of the conference was to increase awareness of, and facilitate dialogue on, this theme between enterprises and their stakeholders in European Union member and candidate countries. The contents of the sessions blended conceptual presentations and examples of best practices of CSR in restructuring and job creation. Invited participants included senior executive of employers’ and workers’ organisations, NGOs, high level government officials and senior enterprise managers. The Governing Board of EBBF is pleased to witness the relevance of its core values to a major economic issue, that of restructuring, and to have contributed directly to building awareness of practical solutions such as consultation, social dialogue and responsibility. This is an example of how EBBF can ‘earn a place at the table’ where its core values can contribute to shaping significant decisions.

### **Omusema Unity Foundation, Namibia**

Following the meeting of the EBBF Governing Board with Dr. Mose Tjitendero, Speaker of the Parliament of Namibia and Vice President of the Interparliamentary Forum at our annual conference, it was agreed that EBBF would support a new initiative begun by Dr. Tjitendero. The primary mission of Omusema is the empowerment of people and the betterment of life in rural communities in Namibia. Omusema will promote moral leadership, the fundamental characteristic of which is the spirit of service and justice. It will advance the fundamental skills of numeracy and literacy as tools for realising individual and collective potential. It is committed to the equality between men and women at every level of society as central to the success of all its development efforts. Omusema envisages its evolution into a Rural University where modern science and human tradition can meet with dignity and interact harmoniously. Nabil Robiati has been appointed liaison between the Omusema Unity Foundation and EBBF and keeps us abreast of its activities. The Governing Board has given the Foundation of grant of 2,000 dollars.

### **Commission on Globalization:**

The State of the World Forum, founded in 1995, organized an inaugural meeting of the Commission in London. EBBF members present included Marcello Palazzi, Jane Nelson, George Starcher and Daniel Truran.

### **Spirit in Business:**

The Spirit in Business (SiB) Global Institute was founded in the United States in May 2001. It organized a large international conference in New York in April 2002 (see report on EBBF participation in Balance Sheet, vol. 11, no. 2 of June 2002). SiB Europe was established last year as were regional institutes in Brazil and Australia. SiB’s mission is ‘to enhance business performance and personal inspiration by integrating ethics, value and spirit in leadership and every day business practice globally’. SiB goals are to aggregate knowledge domains, to facilitate learning events, to communicate information and knowledge, and to incubate selected new ventures. Through such activities it seeks to build a global community of 100,000 business leaders and 100 business partners.

Over 100 people attended an initial gathering on 12 August 2002 in the Netherlands including EBBF members Marcello Palazzi (co-organizer), Marga van Luijtelaar (panellist), Cees Cadel and George Starcher. In September 2002, over 100 individuals gathered at the Lassalle Institute in Zug, Switzerland to deepen their understanding of SiB. to consult on the business

Marcello Palazzi and Daniel Truran, both members of the boards of the Global and European Institutes, George Starcher and Tammara Umbricht were invited to participate. It is anticipated that a partnership agreement will be developed between EBBF and SiB. An internal retreat of members of Spirit in Business was held recently to refocus its mission: to connect leaders in a global community of inquiry learning and action, to release the creative power of individuals and organizations for the benefit of the whole. The concept of the 'watering hole' - SiB as a place where peers, inspiration and solutions can be found aligning the concept of spirit with everyday business management - will drive SiB forward.

#### **Association for Spirit at Work:**

A protocol agreement has recently been finalized between EBBF and the Association for Spirit at Work (ASAW). This agreement covers initially such actions as linking memberships and web sites, sharing publications, and sharing resources and information on activities. ASAW is a global non-profit association of people and organizations who are interested in the study and/or practice of spirituality in the workplace. Its mission is to provide community, information and education for those who are integrating their work and their spirituality. ASAW serves as a clearing house of information on conferences, workshops, related organizations and published resources.

#### **Global Reporting Initiative:**

EBBF is now an Organisation Stakeholder in the Global Reporting Initiative. The GRI, founded in 1997 and with world headquarters in Amsterdam, collaborates with a worldwide network of stakeholders concerned with corporate accountability. Just as generally accepted accounting principles have existed for many years to guide financial reporting, the GRI has developed Sustainability Reporting Guidelines to enable organisations and their stakeholders to assess the economic, environmental and social performance of companies.

#### **INSEAD:**

George Starcher was invited to lead a workshop for the MBA class on the occasion of Ethics Day at INSEAD.

#### **International Chamber of Commerce (ICC):**

Eric Zahrai and George Starcher were received by Mrs. Maria Livanos Cattui, Secretary General of the ICC in Paris to discuss the activities of EBBF and opportunities for collaboration.

#### **Renaissance Europe:**

Two EBBF members, Marcello Palazzi and Daniel Truran, were among the organizers of an initiative, Renaissance Europe, which is acting as a catalyst and an enabler of innovation stemming from Europe, with the global well being and sustainability of the world as the ultimate objective. EBBF was seen by the organisers as one of the examples of doers and a change agent actively engaged in bringing about a more responsible business sector. For this reason, the Secretary General (George Starcher) and another member of EBBF (Robert Rubinstein) were invited to participate in this first conference held at the European Parliament in Brussels in June 2003.

#### **Socially Responsible Investing:**

The fourth annual Triple Bottom Line Investing Conference was held on 7 and 8 November 2002 in Brussels. Nearly 450 members of the TBLI global community met to attend plenary sessions and a large number of parallel workshops. The focus of the programme was on socially responsible investing (SRI) and corporate governance, a subject of greatly increased interest and importance to fund managers, financial analysts, executives, consultants, foundations and others

for sustainable investing, the human aspects of corporate governance and the role of governments in stimulating CSR and SRI. A large number of parallel sessions covered such diverse issues as evaluating and rating corporate governance, education for sustainability, building and valuing reputation, social auditing, stakeholder management and carbon dioxide trading. This memorable event was organized by Robert Rubinstein, a member of EBBF. Other participating EBBF members present were Marcello Palazzi and George Starcher. George moderated workshop sessions on Corporate Governance and Human Rights.

### **Microfinance:**

EBBF continues to be a member of the Council of Advocates of the Microcredit Summit. No new activities were reported during this year.

### **EBBF PUBLICATIONS**

Increasing the quality and number of publications remains one of the goals of EBBF. To this end, the Editorial Board has been reconstituted and now consists of John Huddleston, Diane Starcher and William Walker. The publications during this past year include:

The Challenge of Sustainable Development and Prosperity by Arthur Dahl  
 Entrepreneurship: An Introduction in a revised edition  
 A chapter on Corporate Social Responsibility and Business Success by Marcello Palazzi and George Starcher in a book published in India.

The French translation of *The Challenge of Sustainable Development and Prosperity* was completed and should be published soon.

On the occasion of the World Summit on Sustainable Development, EBBF published and distributed 'Indlele Entsha Yokuphatha Amabusiness Emhlabeni Wonke', the Zulu edition of *Emerging Values for a Global Economy*.

An EBBF White Paper prepared by George Starcher has been put on the web site on the subject of *The Role of Large Companies in SME Creation and Development*.

A 40 page paper, *Some Notes on Responsible Entrepreneurship*, was prepared by George Starcher for, and distributed at, the AIESEC International Conference in Yugoslavia.

### **EXTERNAL REFERENCES TO EBBF**

A four page article by George Starcher on *Socially Responsible Enterprise Restructuring* was published as the feature of October 2002 CSR Newsletter of Michael Hopkins (UK): MHC International Ltd: Corporate and Social Research. This newsletter reaches over 2,000 subscribers directly and an equal number indirectly each month. This article has also been posted to the web sites of AIESEC International and *Ethical Performance*, a leading UK journal on CSR..

The EBBF publication *Ethics and Entrepreneurship: An Oxymoron?* was analysed in the newsletter of The International Alliance for Women, a volunteer association whose focus is helping advance and economically empower women and girls around the world <[www.tiaw.org](http://www.tiaw.org)>. The editor wrote that she was 'completely inspired' by the article and 'found the stages of ethical consciousness a truly profound way to understand ethics and business'.

Two Italian books include a page and a half on EBBF's vision and mission. activities. areas of

*Responsabilit Sociale d'impresa in Italia* (First Report on CSR in Italy) by ISVI and Doxa and *Annuario 2003 CSR* by ABI and E-Capital Partners.

*One Country*: published a three page article on EBBF in its January-March 2003 issue: Volume 14, Issue 4

*Baha i World 2001-2002* published an article on EBBF.

Also in Italy, Bari University has recently published a book about a project on which EBBF Italy cooperated last year. The book contains a long article written by EBBF member Beppe Robiati on interdisciplinary education and the foreword written by the Rector of the University introduces EBBF to the readers. This follows the successful series of lectures held by EBBF.

EBBF is one of 15 organisations representatives de la Soci t civile (organizations representative of civil society) listed in a recent book in French *La responsabilit sociale de l'entreprise: comprendre, rediger le rapport annuel* by J. Igalens and M. Joras. Editions d'Organisations. 2002. Other organizations on the list include Amnesty International, Greenpeace, ATTAC, Friends of the Earth, , Human Rights Watch and Oxfam.

The full text of the EBBF publication *Corporate Social Responsibility and Business Success* by Marcello Palazzi and George Starcher has been reprinted in *Business Ethics and Corporate Governance: Book of Readings* published recently by the Icafaian Center for Management Research in India. This 300 page book includes an excellent selection of articles on business ethics, management and ethics, CSR and corporate governance.

### **THIRTEENTH EBBF ANNUAL CONFERENCE 2002**

Over 100 participants from 23 countries gathered at dePoort Conference Centre in the Netherlands for the 13th annual conference of EBBF on 27-29 September 2002. It was marked by the quality and variety of the programme, the energy generated by the many young professionals, the active participation of everybody, and the beautiful autumn weather which marked this important event. The presence of members and guests from Bosnia, Bulgaria, Poland, Slovakia and Turkey was indicative of the importance and relevance of our core values in these emerging economies. The highlights were numerous. We had the unique privilege of a visit of Dr. Mose Tjitendero, Speaker of the Parliament of Namibia and Vice President of the Interparliamentary Forum which groups the parliamentarians from some 160 nations, who spoke to the group. The keynote address on 'The Business Case for Corporate Social Responsibility' by Mr Simon Zadek, President of AccountAbility and well-known thought leader, author and consultant in corporate social responsibility, was both visionary and thought provoking. Mr Zadek accepted our invitation of honorary membership in EBBF. The announcement of the creation a new chair at the University of Bari, known as the Chair for a New World Order, to which EBBF member Giuseppe Robiati has been appointed, was in recognition of the efforts of Mr Robiati and other EBBF members in Italy to introduce our core values into the curriculum at this and several other universities in Italy. Twenty-three participants became EBBF members during the conference.

Another highlight of the Conference was the active participation of many young professionals. Our Young Professional Task Force organized an excellent programme on Sunday morning. It began with presentations by Rachel Bayani, Farid Saffar and Riaz Rafat on how they put EBBF core values into practice in their professional lives. These were followed by an excellent presentation by two members of AIESEC International in which they underscored the

importance of the EBBF/AIESEC partnership. The concluding presentation by a young specialist in communications from Milan, Denise Cumella, about her work in developing brand recognition for EBBF in Italy was most impressive.

## **KNOWLEDGE BUILDING**

The Governing Board feels that a much greater effort is needed to deepen our knowledge in emerging areas of concern and interest related to our core values. One of the efforts launched during this past year has been on responsible entrepreneurship.

### **Responsible Entrepreneurship:**

Following a special interest group session at the Annual Conference, the Governing Board approved a new initiative to involve EBBF in the promotion of Responsible Entrepreneurship. This can be translated as 'engaging entrepreneurial enterprises, mostly SMEs, in social and environmental responsibility'. Considerable effort was devoted during this past year to knowledge building and learning about the state of the art and about significant efforts already under way in Europe. This research has brought us back in contact with a number of organizations such as the International Business Leaders Forum, Business in the Community, CSR Europe, the European Commission, AIESEC, and the European Academy for Business in Society. At the same time several initiatives aborted. These include a plenary presentation and workshops to be facilitated by EBBF at a Global Entrepreneur Forum in Spain in March (the Forum was cancelled), a study of ways to engage SMEs in social responsibility in Poland and in Italy (neither of which have yet born fruit). However, we are invited to run a workshop on this theme at the AIESEC International Conference, for which both a presentation and a publication have been prepared. The project will lead to an EBBF publication and a power point presentation that can be accessed and exploited by EBBF members elsewhere.

## **SECRETARIAT**

A number of initiatives have been undertaken to improve the functioning of the Secretariat:

The Governing Board decided to create a part-time position of Assistant Secretary General to be responsible for managing the internal affairs of EBBF. Dr. Wendi Momen has been appointed to this position. In part this decision was taken to permit the Secretary General to devote most of his efforts to external relations.

Daniel Turan was coopted to the Governing Board and has made significant contributions to overhauling the data base, external representation of EBBF, and membership development.

A Marketing Task Force was created. Its members are Ren Steiner, Daniel Turan and Tammara Umbricht. Both the storyline and the layout of a new EBBF brochure have been completed and will be presented at the Annual Conference in September. A new powerpoint presentation of EBBF is also being prepared by the Task Force.

The new web site of EBBF is on line and operational. In a first phase, Dale Emerson contributed generously to making some short-term improvements. The Governing Board appointed EBBF member Alain Gueudr to serve as web master and is very pleased with the fine work of Rene Steiner, who undertook this major facelift and has accepted to become the web master. The site now presents a much more professional aspect to the hundreds of persons contacting us each month.

Four issues of the Balance Sheet were published this year. It is translated into French by David Fournel for a number of our francophone members. Monthly issues of Flash were sent to members with Email addresses. Both editions are posted to the web site.

Values Survey: The board of EBBF commissioned this survey to help us align members personal values, our current and desired organizational values and the values that we feel are important for EBBF to support. The results of this survey will be shared, explained and presented at the Annual Conference by Richard Barrett who has generously managed this entire survey process for us.

Procedures have been developed to allow electronic voting by members not able to be present at the Annual Conference to vote. A non-EBBF member in the UK, Angela Tidswell, has managed this process for us very capably.

### **THE YOUNG PROFESSIONAL TASK FORCE**

The Governing Board appointed five members to the YPTF. They are Denise Cumella, Sarvenaz Enayati-Ettehadieh, Ruediger Fox, Adrian Kielhorn and Monis Sheikh. The group met twice during the year. The major activity of the YPTF during this past year has been the organization of the Sunday morning programme at the forthcoming Annual Conference.

### **IN CLOSING**

EBBF cannot achieve its goals without the continuing support and active participation of a growing number of its members. The Governing Board thus encourages all members to participate in some way in the projects and activities. In addition, it suggests that their support and commitment become significant personal goals in the coming years.

Respectively submitted,

George Starcher  
Secretary General

**ANNEX A****ANNUAL REPORT 2003  
EBBF Italia**

This year EBBF Italia has continued its achievements in a number of areas: a New World Order Chair created in 2001 at the University of Bari and presently occupied by Giuseppe Robiati, lectures at other universities, a series of four EBBF ethical workshops with set themes, a number of informal networking evenings, active collaboration with AIESEC, continued improvement of the web site and of course a very successful second annual conference. As a result of this activity, the total membership of EBBF Italia increased to 29 individuals.

**UNIVERSITY OF BARI**

One of the highlights of the year was the one semester course organized by EBBF Italia at the University of Bari. The 10 week for-credit course was held at the Faculty of Economics. The participation of the students ranged from 70 to 180. 100 students took part in a written exam following the last lecture. To each one of them a certificate of attendance was distributed by the University and EBBF offered them a CD-ROM containing the material presented during the course. Together with the examination text the students were asked to complete a questionnaire so that feedback could be given on the course itself. The replies were indicative of the student's complete satisfaction with the course and the range of topics that was covered ; for example:

Question : Did you find the course interesting? YES = 100 % NO = 0%

Question : Do you think that this course has been useful for your own progress? YES = 100 % NO = 0%

Question : Which subject/s did you find most interesting?

- |   |      |
|---|------|
| - The corporate social responsibility in the New World Order                          | 60%  |
| - Towards a New World Order   | 55%  |
| - Ethics and Economics in the New World Order   | 54%  |
| - Management of human resources in the New World Order                                | 50%  |
| - Ethics in the field of Communication  | 54%  |
| - Social Audit in corporations  | 49%  |
| - Sustainable development for a New World Order                                       | 35 % |
| - The individual qualities necessary to enter in the mentality of the New World Order | 30%  |
| - The contribution of religions towards a New World Order                             | 15%  |

Question: Do you think it useful to repeat this course also in future years?

YES = 100 % NO = 0%

**LECTURES AT OTHER UNIVERSITIES**

Members of EBBF Italia gave presentations this year at the Universities of Perugia, Terni, Ascoli, Cattolica Milano, Bocconi Milano, Roma III, and Torino. The topics revolved around Business Ethics and Business in a New Global Economy.

**EBBF WORKSHOPS ON ETHICS AND BUSINESS**

Another major success this year was a series of four evening conferences in Milan. All were well attended by business people. The press coverage for these events was impressive and the

presented by both EBBF and non EBBF business leaders sharing and debating their experiences in the four following topics:

16 October - 7 November — The Business Case for Responsible Behaviours in Small and Medium Sized Enterprises

12 January - Interaction of multi stakeholders as the key for new processes of ethical communication,

12 March - Internal communication as an instrument of encouragement, motivation and sharing,

### **NETWORKING EVENINGS**

A number of informal evenings allowed a friendly atmosphere of debate, inquiry and further enlargement of the contact base of EBBF. Held in caf s in Milan, they brought together a number of EBBF Italia board members and business executives interested in the practical application of ethics and CSR in the current business world.

### **RELATIONSHIP WITH AIESEC**

A letter of agreement between EBBF Italy and AIESEC Italy was signed in which the two organisations confirm their commitment to work and support each other with a number of joint initiatives. This has resulted for example in two of EBBF Italia s board members attending and speaking at their annual conference in Perugia: Sandra Luschi spoke on Human Resource Management and Beppe Robiati on Economics for a New World Order.

Every year in Milan at the Palazzo delle Stelline, *Il Sole 24 Ore* organises a TASK national conference where students and firms from all over Italy meet and exchange information. AIESEC and EBBF attended together and formed a panel on the New Approach to Human Resource Management attended by a number of HR executives and students

EBBF Italy s board members were invited to present at two other conferences that AIESEC organised: Sandra Luschi was asked to share her expertise on Human Resource Management at their International Conference held at the Roma III University; another board member, Cesare Fera, spoke on Sustainability and Alternative Energies. He was invited to present again at an AIESEC conference this spring in Turin.

On a number of occasions Lorenzo Solimene was asked to share his deep knowledge on Social Auditing.

### **EVOLUTION OF THE WEB SITE**

A registration feature that users need to go through in order to download the growing breadth and number of materials that are stored there has allowed the database of contacts to be greatly increased.

### **SECOND ANNUAL CONFERENCE**

This second annual conference organised by EBBF Italy was centered around the theme: The centrality of the individual as the reference point for corporate social responsibility. Beppe Robiati and Piero Morano were the hosting speakers together with Lorenzo Solimene. Other speakers from a number of organisations and companies were invited to share their views and practical applications of how the centrality of the individual provides the best results for the development of world society, within the organisation and for the individual itself. The testimonials and experiences were offered by partners of KPMG (Barzaghi and Solimene), by the founder of a public relations company called I-go — ideas that go on (Rita Chide) . from Svelto.

Thompson Italia and founder of ETHICO (Enrico Giraudi), and a journalist in the field of ethical finance (Andrea Di Turi). Over 80 people attended and dialogued for the entire day and parted full of inspiration from the conference.

Thanks to Denise Cumella's continued communication and public relations work, EBBF Italia and its activities have appeared in over thirty newspapers and major ethical website portals, including mentions in *Il Sole 24 Ore* and *La Repubblica*.

Two new publications listed EBBF as one of the main promoters of CSR in Italy: *Primo Rapporto sulla Responsabilit Sociale d'impresa in Italia* (First Report on CSR in Italy) by ISVI and Doxa and *Annuario 2003 of CSR* by ABI and E-Capital Partners. The two Italian books include a page and a half on EBBF's vision and mission, activities, areas of interest, publications, contacts, web page and email.

## ANNEX B

### Arthur Dahl visit to Turkey

The highlight of this year for EBBF in Turkey was the visit of Arthur Dahl to Turkey 4-18 May. The intensive two week visit was jointly organized by the Turkish affiliate of EBBF, especially Michael Baldwin, Nurettin Cengiz and Ali Yalman, and the Baha'i community to raise awareness in Turkey about Sustainable Development. Where possible, a dossier in Turkish with a short article on sustainable development and a description of EBBF was given to participants.

Arthur's first visit was to Adana in the south, where he met various officials including the Governor of the Province and the Mayor, and then spoke in the evening to a large audience at the concert hall in the municipal building cosponsored by the Municipality, various NGOs including Rotary, EBBF and the Baha'i community. The following day, there was a dinner with prominent architects on future city planning, followed by a 1 1/2 hour live television broadcast with Arthur, the Director of Environment and the Foreign Affairs adviser.

In Ankara meetings were organized with UNICEF officials in the morning and a lecture in the afternoon on sustainable development to professors, government officials and NGO representatives at the School of International Relations of the Middle East Technical University. The Vice-Rector presided. In the evening there was a conference and panel discussion organized by the Ankara branch of the Ari Movement, one of the biggest NGOs in Turkey addressing public policy issues. Arthur met with former Turkish President and Prime Minister Suleiman Demirel, where half of his questions were on the environment and EBBF was mentioned and included in the dossier.

In Izmir, Arthur spoke on sustainable development to about 150 students of sociology and economics at Dekuz Eylul University, where he met the Rector and Vice-Rector. He also spoke on stewardship of the environment in the School of Agriculture auditorium at Ece University to a large group including the Rector and Vice-Rector.

Back in Istanbul, Arthur lectured to the economics department at Yeditepe University, met with the Managing Director of the Ari Movement, as well as the head of Tedmar, a new NGO dealing with ethics in government and business that could be a good partner for EBBF in Turkey. He also lectured on sustainable development at Istanbul University (celebrating its 550<sup>th</sup> anniversary). A large number of faculty attended (invitations were issued by the president). Ali Yalman is now teaching at this University. The evening was devoted to another panel discussion with some 40 participants at the headquarters of the Ari Movement. They are another potential partner for EBBF activities in Turkey, and have an extensive network across Turkey and abroad. One of their major targets is young people. Arthur lectured at a joint meeting of Halic University and Istanbul Commerce University, where he shared the podium with one of Turkey's leading industrialists, Nihat Gokyigit, who co-founded the TEMA Foundation for nature protection.

The visit concluded with a dinner with the Turkish members of EBBF and their spouses.

## Annex C

### Text of Panel in Exhibition at European Parliament June 2003

#### **Bah ' International Community: Corporate Social Responsibility**

**The worldwide Baha'i community promotes a vision of global prosperity that encompasses both the material and spiritual well-being of all.**

Social responsibility in business. Enlightened companies are moving away from the assumption that the sole purpose of business is to generate profits. Moral and ethical values drawn from the world's great religions offer key guidelines for social responsibility.

The application of spiritual principles to economic problems. The common practice of using gross domestic product as the leading measure of a society's well-being overlooks the fact that material comfort does not necessarily bring either satisfaction or contentment.

Redefining the meaning of work. We can no longer regard work simply as a means of survival, nor money merely as fuel for an ever-expanding and acquisitive economy.

Promoting corporate social responsibility and ethics in business

Recognizing that today's turbulent conditions demand new approaches to leadership and management, the European Baha'i Business Forum (EBBF), an independent Baha'i-inspired NGO, seeks to promote ethical values, personal virtues, and moral leadership in business as well as in organisations of social change.

The Forum collaborates with other networks with similar values and with various United Nations agencies, and is actively involved with business schools and international student associations, such as AIESEC, the world's largest student-run NGO. EBBF has also worked extensively with the International Labour Office to develop a framework for "Socially Responsible Enterprise Restructuring."

Bari University: a new model for education

Bari University in Italy places great value on the importance of introducing ethics into all economic and business fields. Thus the Faculty of Economics at Bari University has invited EBBF to conduct courses on ethical economics, for which they were awarded the "Seal of the University of Bari."