Social Value & Intangibles Review

I believe that life is a service job and that when we are given the opportunity to serve our fellow man and the means to do so, we must meet that with integrity and drive.

Sharon Stone

Rick Fedrizzi
LEED & Green Construction

ILO
Hidden slavery in the UN spotlight

Ashoka
Mining without oppression

SVIR April 2016

Centre for Citizenship Enterprise and Governance
SERATIO
CIPS Chartered Institute of Procurement & Supply
PRME
TUTU FOUNDATION UK

Currency of Intangible Value

S/E Ratio®

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Centre for Citizenship Enterprise and Governance

Social Value & Intangibles Review

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EDITORIAL

It's Time for More Action, a Few Words and One Number

by **Raisa Ambros**
Editor

Welcome to the Spring edition of Social Value and Intangibles Review (SVIR)!

Our magazine was born in Brussels in 2014, just a few steps from the European Commission, during the annual conference of the SEiSMiC project, where the Centre for Citizenship, Enterprise and Governance represented the UK. For this reason and so many others, our thoughts go to the victims and families affected by the tragic events in Belgium.

The idea of the magazine was to unite EU countries around a single concept of Social Value. Compared to the first issue, where we gave more space to Europe, in this issue we have aroused the interest of professionals and celebrities from around the world, including American actress, film producer, former fashion model, and Global Campaign Chair of amfAR (the Foundation for AIDS Research), Sharon Stone.

Ms Stone speaks candidly about Social Value and her work with HIV, including thoughts on inclusion and discrimination. She also expresses some interesting thoughts on the concept of Personal Value.

Famous personalities such as Gianluigi Buffon and Cherie Blair, have previously accepted our value proposal and supported our Personal Value campaign. We found the same openness on the part of politicians like Philippe Couillard, the Premier of Quebec, Shashi Tharoor from India, and from Italy Renato Brunetta, each of whom have made contributions to the magazine.

SVIR is growing day by day, through its authors, employees, and scientists who send us their articles for publication, and through research centres and universities from around the world offering their partnership. We are extremely grateful to them all.

Some of you will have been with us from the start, and our subscriber-base has grown greatly over the life of the journal. We now enjoy a readership of more than 41,000, and most of those are focussed on Corporate Social Responsibility, Procurement, Social Value Creation, and Leadership. We aim to have 100,000 subscribers worldwide by the end of 2016.

We really hope you have enjoyed the SVIR journey with us, and we'd love to hear your thoughts on the magazine; what do you like most, are there elements you'd prefer us to leave out, have we missed something, and if you are a corporate, what would attract you to advertise with us? We'd welcome your feedback on what you'd like us to change to make the magazine more suitable for corporate consumption. It's a matter of importance to us, as the production of a high quality publication like SVIR is costly, and we need to practice what we preach, and get to a state of sustainability!

Our mission is for SVIR to become a review that appeals to a broad audience, and starts to make a difference to global sustainability. For those of you with a more academic interest, we are planning to launch a separate peer reviewed journal later this year, as well as our first book from our newly formed CCEG Think Tank which will hold a conference in Cambridge this winter.

It's impressive to see how the number of CSR and sustainability managers from the world's biggest companies in our network has grown from 1,200 in January 2015 to more than 5,500 this month. This keeps us on track to achieve our aim for Social Value and Intangibles Review to become a reference point and a common platform for sustainability professionals globally.

We predict that the reputation of companies, and their economic growth now and in the future will be connected to their social impact, and that increasingly, a metric such as the Social Earnings Ratio (see the Wikipedia article) will guide them and their stakeholders in judging their impact.

The future of sustainability and social impact reporting is not more words, it will be in simple, accessible metrics.

Being a quarterly publication, SVIR will seek to promote innovation in the field of metrics produced by Seratio, and other social impact metrics, as well as acting as a support for social and humanitarian campaigns by international organisations and associations. We will continue to share good corporate practice, debate topical subjects, promote social innovation, and drive forward sustainability initiatives.

This edition features articles from the construction industry, and highlights the very real issue of Modern Slavery, but we're not suggesting the two subjects are natural bedfellows!

As Seratio is about to launch a new metric for gauging the presence of Modern Slavery in corporations and supply chains, we give focus to the abolition of Modern Slavery, beginning with an explanation and interpretation of the Modern Slavery Act 2015 by Jim Davies, Associate Professor of EU Internal Market Law and Deputy Director of the CCEG. We highlight best practices by Free the Slaves, and support United Nations campaigns like *'50forfreedom'* promoted by the International Labour Organisation.

It is unacceptable to learn from the Houtan Homayounpour interview that only four out of 50 countries have ratified the ILO protocol and we hope our Modern Slavery 'litmus test' will help organisations to identify the risk of Modern Slavery, and eradicate it wherever it is identified.

SVIR is open to proposals such as being a media partner for conferences and events. In 2015, the magazine was presented at 7 events, culminating in 2016 with an exhibition at the conference organized by the Academy of Sciences of the Republic of Moldova, in collaboration with International Organisation of Migration, where CCEG and Seratio introduced the project to measure the Social Value of

migrants. Our research indicates that the poorest countries generally have a higher rate of Social Value than the economically richer countries.

It is sad to see in the interview with Patrick Liébus, President of the European Builders Confederation (EBC) that migrants are the most vulnerable to exploitation in the construction field. It is appalling to discover that many people are simply not aware of Modern Slavery and its permutations.

We believe every citizen in the world should have the freedom and the right to choose where to live and how they improve their own life.

It is entirely possible for social policies to regulate how migrants are employed and deployed into gainful work, both at the unskilled and the skilled ends of the labour spectrum. Ideally, governments should be aiming for migrants to become self-sustaining taxpayers as quickly as possible after arrival from other jurisdictions.

Some readers have asked why we chose to publish in multiple languages. We did this so as to make the magazine more accessible to a broader range of readers and achieve a greater penetration for the Social Value message internationally. Diversity in itself is a laudable and powerful objective. This also explains the collection of definitions of intangible values, to give voice to the global readers to express their own interpretation of these values. It always amazes us how many more diversified layers of perception of any single context exist in the world.

Beyond Modern Slavery, in future editions we will promote new metrics that Seratio will launch later this year: Ethical Leadership, Health and Wellbeing, Transparency in Supply Chains (TSG), Environmental Social Corporate Governance (ESG), etc.

We are pleased to announce that you can now plot your own Social Value (SV) development on Seratio's platform, starting from as little as £5.

Additionally, you can measure your Personal Value (PV) for free at www.serat.io.

We strive to make SVIR a magazine for all, to model and awaken consciousness to the shared value of community, so I would like to invite everyone to write to me (the Editor) to express ideas and suggestions on how to improve SVIR, and build a better world together.

Welcome

Mansour Lardhi

Senior Executive, National Media Council, Abu Dhabi, UAE

The team at CCEG have done a fabulous job on previous editions of the CCEG Social Value & Intangibles Review, which is so important in giving great publicity to some of the wonderful work being done in social value across industries.

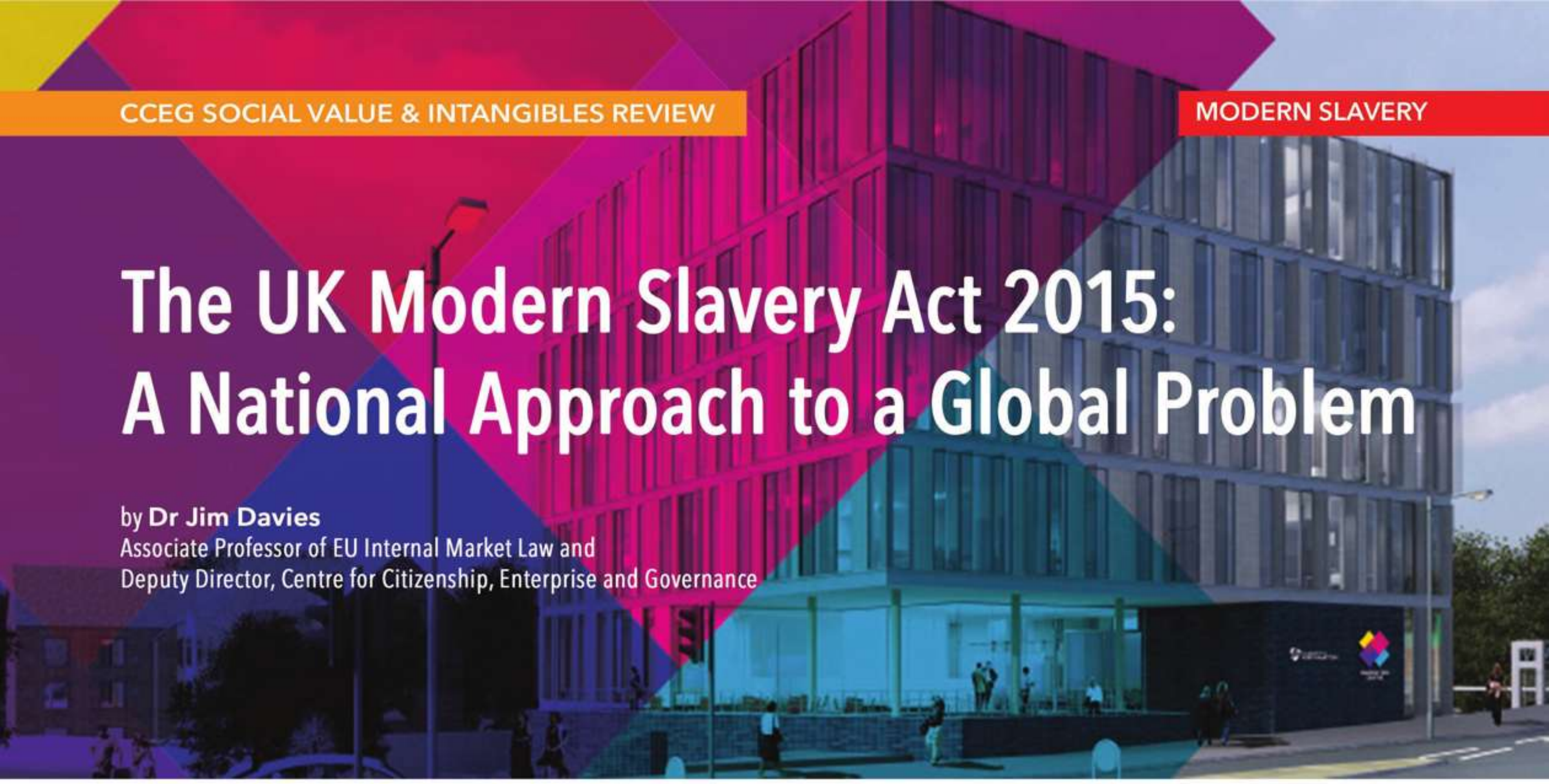
The construction industry is featured this time, and rightly so, as it has already done so much for social value and for sustainability. It is truly heartening to see so much effort going into combating the scourge of modern slavery in our societies and in our supply chains. Modern slavery is an evil by-product of so many industries, both formal and informal, public and private. I hope you will find enormous value in this issue, and I'd encourage you all to sign up for free as a subscriber so you never miss a future issue.

Biswaraj Ghosh

Lecturer and Author (Corporate Sustainability),
Nottingham Trent University, United Kingdom

Biswaraj co-authored the book chapter "Managing Responsible and Sustainable Business in the UK" which was published in "Corporate Sustainability in International Comparison" (Editors Schaltegger et al., 2014)

I feel really honoured to be invited to contribute to this edition of the CCEG Social Value & Intangibles Review. The word "value" carries different connotations and its meaning is largely contingent upon the context of reference. For instance, personal value (PV) may refer to the ideals I have set for myself. It defines who I am and helps shape my identity. PV is an inseparable element of my existence. It places the necessary constraints and provides the boundaries shaping acceptable behaviour. What do I stand for? How do I want to position myself? What defines my actions? Similarly, at the corporate level, corporate values become the underlying basis for future activities, shaping the internal rules and the cultural context. "Value" plurality could be understood when we decipher social value (SV). From a business context, SV refers to both tangible and intangible "benefits" created, destroyed or preserved as a consequence of corporate activities. The benefits could be defined as social goods that different stakeholders enjoy. I welcome you all to explore and also reflect on the different connotations of value, as well as how we can measure them. How would YOU define and measure value?



The UK Modern Slavery Act 2015: A National Approach to a Global Problem

by **Dr Jim Davies**
Associate Professor of EU Internal Market Law and
Deputy Director, Centre for Citizenship, Enterprise and Governance

An exploratory and analytical estimation of the scale of modern slavery in the UK, published in November 2014,[1] suggests, albeit tentatively, that some 2,744 identified potential victims of human trafficking are but part of an estimated 10,000 to 13,000 victims overall. As the estimate highlights, the very nature of modern slavery makes it a hidden crime in which some victims may still be in servitude or be otherwise controlled and may not see themselves as victims of exploitation. Professionals may not identify victims when they encounter them and victims themselves may not come forward due to feelings of fear or shame. Many other victims who manage to escape from their situation may leave the country or start a different life without drawing attention to themselves.

In its 2014 strategy document the UK Government acknowledged slavery as a complex crime that embraces servitude, forced and compulsory labour and human trafficking, and that takes place in a coercive, deceptive, and fearful environment where individuals are forced against their will into a life of abuse, servitude and inhumane treatment that may include sexual exploitation; debt-bondage; forced work with little or no pay; and forced criminal activity.[2] Such crimes are taking place throughout the UK and, whilst many victims may be foreign nationals, UK citizens, including children, are also known to be victims.

Whilst known to be a growing problem in the UK, modern slavery is also a growing global issue with a transient population of both victims and offenders moving between countries. The UK Government's strategy document acknowledges the 35.8 million global victims of slavery estimated by the Walk Free Foundation's (2014) Global Slavery Index[3] and the International Labour Organisation's (ILO)[4] estimated 21 million forced labour workers.[5] Whilst closely related the crimes associated with modern slavery and human trafficking are legally distinct and from its consultation process, ahead of the Modern Slavery Act, the UK government sought to clarify these distinctions with definitions whereby:

- **slavery is where ownership is exercised over a person**
- **servitude involves the obligation to provide services imposed by coercion**
- **forced or compulsory labour involves work or service exacted from any person under the menace of a penalty and for which the person has not offered himself voluntarily, and**
- **human trafficking concerns arranging or facilitating the travel of another with a view to exploiting them.**

1. Professor Bernard Silverman, Modern Slavery: an application of Multiple Systems Estimation, available 5/2/2016 at, https://www.gov.uk/government/publications/modern-slavery-an-application-of-multiple-systems-estimation.
2. Modern Slavery Strategy, available 5/2/2016 at, https://www.gov.uk/government/publications/modern-slavery-strategy.

However, it is 'early days' for the campaign to end modern slavery, and the beginnings of a new international legislative framework for combating these crimes is just emerging. In 2015 the ILO, under its special action programme against forced labour, published its Handbook for Employers and Business. This handbook follows the recent 2014 adoption of the ILO Protocol to the Forced Labour Convention of 1930 and the Forced Labour Recommendation (Supplementary Measures) No.203. The first of these instruments has a date of entry into force of 9th November 2016 and requires each ratifying member state to suppress forced or compulsory labour by:

- **taking effective measures to prevent and eliminate its use**
- **providing protection to victims**
- **giving access to appropriate and effective remedies through the development of a national policy and aplan of action 'for the effective and sustained suppression of forced or compulsory labour.'**

The measures to be taken to effect this objective include the provision of education and information, particularly to those considered to be vulnerable and to employers to prevent them becoming involved in forced labour practices; the provision and enforcement of relevant labour law and audit through inspection services; and the support for due diligence in both the public and private sectors to prevent and respond to risks of forced labour. The recommendation on supplementary measures calls for a strengthening of national policies and plans of action to achieve the effective and sustained suppression of forced or compulsory labour through measures to prevent, protect and give access to remedies. It also calls for the development, coordination, implementation, monitoring and evaluation of both national policies and actions through the regular collection and analysis of transparent, detailed, reliable, unbiased, detailed information and statistical data.

The UK's Modern Slavery Act became law in March 2015 and extended maximum custodial sentences for slavery and human trafficking offences from 14 years to life imprisonment with severe confiscation of assets and reparation provisions available to the courts. Else where, the Act closes loopholes in pre-existing maritime rules and reinforces remedies for victims. The Act also introduces the role of an independent anti-slavery Commissioner whose role it is to encourage good practice in the prevention, detection, investigation and prosecution of slavery and human trafficking offences, and the identification of the victims of those offences. From my perspective as a commercial lawyer, the most interesting aspects of the new Act lie in the 'transparency in supply chains'(TISC) provisions which represent a significant development in requiring commercial organisations with an annual turnover of £36 million or more to prepare a slavery and human trafficking statement every financial year.

Introduced on the back of some intense non-governmental organisation (NGO) lobbying these TISC provisions replicate important facets of California's Transparency in Supply Chains Act of 2010. Both rely on a turnover threshold (US$100 million in California) above which the new law requires companies trading in the territorial jurisdiction to disclose/report what they are doing to identify and combat modern slavery and human trafficking activity in their supply

3. Available at www.globalslaveryindex.org.
4. A specialised agency of the United Nations

chains. Also, in both jurisdictions, legal compliance for these companies may be achieved by a statement merely acknowledging that no action has been taken in the evaluation and verification of modern slavery and human trafficking activities or in action to combat such practices. Where the California Act applies specifically to manufacturers or retail sellers who are 'doing business in the state', as defined in the California Revenue and Taxation Code, the new UK Act is more ambitious and applies to all commercial organisations carrying out a business, or part of a business, in any part of the UK that supplies goods and services. In both jurisdictions, given the opportunity to achieve legal compliance merely with a statement of no action, actions for breach are limited to injunctive enforcement orders which themselves will be reliant on active state enforcement.

The real effectiveness of this legislation will lie in the behaviour of consumers, stakeholders and potential investors, as influenced by the sentiment created through the disclosure and transparency obligations. The role of such 'private enforcement' was recognised in the Government's consultation on the transparency in supply chains clause that identified the expectation that 'businesses will react to that pressure by increasing their activity on the ground and, through subsequent disclosures, demonstrate to the public, investors and civil society, the steps they are taking to operate an ethical business':, with a key objective of encouraging business to take real action 'whilst avoiding unnecessary burdens or an inflexible system that works only for some businesses.'

The rationale for the turnover threshold lies in the notion that large businesses are most likely to have the buying power and influence to create effective change within their supply chains, as suppliers will be more concerned about retaining their business. The view was also taken that by placing the transparency obligation on larger businesses with greater capabilities, ethical and responsible practices would work their way down through the supply chain to smaller businesses below the threshold with 'fewer resources to undertake due diligence and less capacity to effect change.'

Whilst not obligatory, the Modern Slavery Act does set out in section 54(5) a template of what good practice may look like for those organisations above the threshold. It suggests that the annual slavery and human trafficking statement may include information about:

- **the organisational structure, the nature of its business and its supply chains**
- **its policies in relation to slavery and human trafficking**
- **its due diligence processesin relation to slavery and human trafficking in its business and supply chains**
- **the parts of the business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk**
- **its effectiveness in ensuring that slavery and human trafficking is not taking place, measured against such performance indicators as it considers appropriate, and**
- **the training about slavery and human trafficking available to staff.**

Here then is a recipe for good commercial practice: measurable performance, compliance and brand reputation that looks like sound CSR (corporate social responsibility or 'citizenship') with documented policies to manage risk in the areas of slavery and human trafficking, and risk evaluation through due diligence procedures and ongoing review. Such procedures will reinforce due diligence in the supply chain through third party audit, defined role responsibility and staff and supplier training; such quality processes and ethical trading policies will be recognised and articulated as adding brand value; customer loyalty (perhaps with a willingness to pay a premium price) and positive media reaction to the annual slavery and human trafficking statement will all demonstrate both compliance and moral capital. We wait to see.

5. Summary of ILO report June 2012:http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_181953.pdf.

WALK FREE FOUNDATION

CIPS
Chartered Institute of Procurement & Supply

Modern slavery in supply chains

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First published on www.cips.org

AN INTRODUCTION FOR PROCUREMENT PROFESSIONALS

The increase in global sourcing opportunities has highlighted some serious issues in procurement practices, in particular the occurrence in the supply chain, unwittingly or otherwise, of modern slavery. From every perspective – reputational, financial and ethical – this is not acceptable in the 21st century.

Whatever sector or global region you work in, we urge you to read this guide to understand the issues and know where to go for assistance so that you can begin to make a real difference in your business and in society.

David Noble
Group CEO, CIPS

Andrew Forrest
Chairman, Fortescue Metals and Founder of Walk Free

Leading global excellence in procurement and supply

Modern slavery in supply chains:

an introduction for procurement professionals

1

1 Why is modern slavery relevant to business?

Business most often comes into contact with modern slavery where there are complex global supply chains. One of the most important challenges for procurement professionals is therefore to ensure that their supply chains do not unwittingly involve exploitative labour, and that they are as far as possible 'slavery proof.'

BUSINESS DRIVERS TO ADDRESS MODERN SLAVERY

RISKS	BENEFITS
Reputational damage	Increased consumer confidence
Loss of market share	Improved employee morale
Legal sanctions	Exceed legal requirements

Governments and consumers are increasingly aware of bonded labour and human rights issues in supply chains and are supporting, if not demanding, that businesses act to implement ethical sourcing programs. Organisations will suffer reputational damage and bear the risk of loss of both consumer confidence and market share if they are found to be sourcing from suppliers which use exploitative labour. Companies and supply staff may face legal sanctions if their suppliers are involved in illegal conduct, even if it happens abroad. Organisations naturally want to avoid these negative impacts. On the other hand, a track record of ethical procurement activity can encourage investment and improve employee morale as well as exceed legal requirements.

2

2 What is modern slavery?

Modern slavery affects over 29 million people around the world (Walk Free Global Slavery Index, 2013). The term 'modern slavery' describes exploitation so severe that people are not able to leave their place of work. 'Slavery' refers to the condition of treating another person as if they were property – something to be bought, sold, traded or even destroyed. People in modern slavery are essentially 'owned' by their employers, and are controlled through a variety of means including massive recruitment debts that they are unable to pay off, and threats of harm if they do try to leave. Modern slavery takes many forms, and is known by many names.

Whatever term is used, the significant characteristic of all forms of modern slavery is that it involves one person depriving another person of their freedom: their freedom to leave one job for another, their freedom to leave one workplace for another, their freedom to control their own body.

The evidence suggests that the risk affects almost every industry – electronics and high tech, steel and automobiles, agriculture and seafood, mining and minerals, garments and textiles, and shipping and transportation. The evidence also suggests that, while modern slavery is illegal in every country in the world, it still occurs in every country in the world. Even in highly developed economies, every country still has sectors of their economy that operate outside the reach of government regulation. In the so-called informal (or black) economy for example, labour may be sourced from irregular migrants, with workers being paid in cash or in kind.

INDICATORS OF MODERN SLAVERY

The risks of modern slavery are most pronounced:

- where workers have fewer protections through inadequate laws and regulations, weak or non-existent enforcement, and poor business and government accountability
- where there are high levels of poverty among workers
- where there is widespread discrimination against certain types of workers (e.g. women and ethnic groups)
- where there is widespread use of migrant workers
- in conflict zones, and
- in some specific high risk industries (typically industries involving raw materials).

3 How business should respond

Business has the opportunity to end modern slavery in supply chains within a generation. Three basic actions can generate the cultural change required to do this:

- **Understanding and commitment**
  All organisations should understand modern slavery and require their leaders to commit to taking a proactive role in ending it. Government and the private sector should work to make the business environment intolerant of slavery, to drive slavery out of procurement and 'slavery-proof' supply chains.
- **Leadership on auditing**
  Organisations should reframe their understanding of auditing from a 'risk and reputational management' measure driven by PR teams to an ethical imperative and essential operational measure driven by Chairpersons, CEOs, CPOs. Organisations should engage reputable, independent auditors to undertake rigorous audits of their supply chains and encourage effective worker/management dialogue.
- **Accountability**
  Organisations should be accountable for business relationships and work to eliminate vulnerabilities in supply chains. Where modern slavery or other human rights abuse is identified, organisations should take corrective action and work together with suppliers and business partners. The private sector should be transparent about actions taken and lead by example.

4 Role of procurement professionals

Procurement professionals have critical influence over, and visibility of, supply chain decision-making, especially over what level of due diligence is done, how suppliers and tenders are evaluated and assessed, and in establishing business systems to deal with risk. Procurement professionals can address modern slavery in supply chains through the *'Three Ps'*:

- Putting into place **POLICIES** to prevent, detect and eradicate modern slavery within their own operations and the operations of suppliers and business partners, and:
  - establish codes of conduct which set out the essential standards of personal and corporate conduct and behaviour expected;
  - make statutory declarations and contractual provisions to ensure existing suppliers and incoming new suppliers understand the company's approach to modern slavery in supply chains, and to insert such a provision into new contracts for supply; and
  - encourage whistleblowing to identify breaches of policy and contractual provisions. Systems should be in place to ensure that whistleblowers' identities are protected and that they have Board-level support.
- Establishing **PROCESSES** to identify vulnerabilities such as:
  - supply chain mapping. While it is impractical for a company to audit and monitor each and every supplier in its entire supply chain at all levels, businesses should be able to manage their supply chain by working to identify key vulnerabilities and taking a risk management approach to ethical procurement.
  - rigorous, independent auditing of key supply sites is invaluable in determining whether standards set by a company have been met by suppliers. Buyer companies should emphasise the importance of transparency over compliance and demonstrate a willingness to work with suppliers to address any issues.
- **PLANNING** for situations where corrective action is needed:
  - where issues are identified (via audits, media reports, whistleblowers etc.) they should be escalated and followed up at the highest level.
  - The feasibility of remediation will depend on the buyer's relationship with the supplier and the supplier's willingness to make improvements. As a last resort, it may be necessary to exit a relationship with a supplier. When terminating a relationship, buyers should check that workers have been and will be paid correctly if their work ends before any final payments are made.

5 CIPS support for procurement teams

Walk Free and CIPS are working together to ensure that all CIPS members:

- are made aware of the risk of modern slavery in their supply chains;
- are able to identify the vulnerable points in their supply chains; and
- have the ability and the tools to take steps to effectively address it.

CIPS believes strongly that professional procurement can play a major role in driving unethical practices such as modern slavery out of the supply chain, and has embedded ethical principles throughout its education and training programmes. CIPS members are bound by a Code of Conduct which specifically requires them to develop an awareness of modern slavery and other human rights abuses, as well as bribery, fraud and corruption, and to endeavour to eradicate these from the supply chain.

CIPS is now working towards licensing the procurement profession through establishing a new standard, which will require CIPS members to demonstrate, and regularly renew, their professional competence and ethical awareness.

WHAT TO DO NEXT

Continue to develop your knowledge and understanding of these issues by accessing more information:

- CIPS Code of Conduct
- CIPS Ethical and Sustainable Procurement Guide

Access from the CIPS website at **www.cips.org/code-of-conduct**

Fighting Modern Slavery at Its Source: The Value of a Community-Based Anti-Trafficking Approach

by **Maurice I. Middleberg**
Executive Director, Free the Slaves

With tens of millions of people trapped in various forms of modern slavery, throughout the world rescuing individuals one at a time will not rid our planet of this human rights scourge. What's needed is a strategy that liberates large groups of people and slavery-proofs entire communities to ensure that others do not take the place of those who have been freed.

This is why Free the Slaves has developed a community-based model for fighting slavery. Our strategy is to liberate entire villages in Asia, Africa and the Americas, and to create lasting community resistance and resilience so that residents aren't easy prey for traffickers. The key is understanding vulnerability and how to reduce it.

What is Modern Slavery?

Slavery is any situation in which a person is exploited for the profit of another by force, fraud or coercion; receives no compensation other than the barest subsistence; and, is unable to leave. The U.N. International Labor Organization estimates that 21 million people are in slavery; the Walk Free Global Slavery Index puts the figure at 36 million. Asia has the most slaves, followed by sub-Saharan Africa. Slavery is concentrated in sectors with high levels of manual labour, such as agriculture, mining and fishing.

Slavery is most common among communities of poor people burdened by specific forms of vulnerability:

- **Lack of Awareness of Rights:** In many cases, people do not know their basic rights. They accept the condition of forced labour and exploitation. Debt bondage is a good example. People in debt actually accept the fact that the moneylender has the right to hold them as servants until the debt is paid. They do not know that the moneylender is committing a crime.
- **Lack of Awareness of Risks:** If people don't have access to good information about working conditions, the promise of a job can be highly alluring. The schemes and blandishments of traffickers are made to sound highly attractive and plausible. This can lead to people placing themselves at risk of trafficking.
- **Absence or Weakness of Protective Organizations:** Poor communities often lack effective local organizations that can serve as buffers and protectors and against those perpetrating enslavement. Disorganized communities are especially vulnerable to becoming enslaved.
- **Household Insecurity:** An underlying cause of slavery is the insecurity of families, by which we mean critical deficiencies in income, assets, access to schooling and health, and inadequate shelter. These deficits can lead to exploitation by those who promise to fill the void. People turn to usurious moneylenders in the absence of a legitimate source of credit. Children who are not in school are especially vulnerable to traffickers. A health crisis can drive people into debt and slavery.
- **Inadequate Legal Protection:** Poor and marginalized groups and communities are also the ones least likely to be protected by the law. Weak laws and lack of law

About Free the Slaves:
Free the Slaves liberates slaves, helps them rebuild their lives, and transforms the social, economic and political conditions that allow slavery to persist. We support community-driven interventions in partnership with local groups that help people to sustainable freedom and dismantle a region's system of slavery. We convince governments, international development organizations and businesses to implement key changes required for global eradication. We document and disseminate leading-edge practices to help the anti-slavery movement work more effectively. We raise awareness and promote action by opinion leaders, decision makers and the public. Free the Slaves is showing the world that ending slavery is possible.

enforcement reduce the risk to slaveholders and traffickers. Almost everywhere, the number of successful prosecutions for slavery is a tiny fraction of the number of crimes committed. Restitution to victims is rare. There are few, if any, penalties to companies that tolerate slavery in their supply chains. In such circumstances, there is a huge incentive for slavery since the profits are high and the costs and risks are low.

- **Survivor Vulnerability:** Survivors of slavery are especially vulnerable. They are usually traumatized as a result of physical, psychological and sexual abuse. They may have developed a perceived or real dependence on their traffickers. Survivors are almost invariably impoverished and sometimes without marketable skills. Their families and communities frequently stigmatize them; this is especially true of women and girls victimized by sex trafficking. Survivors are therefore at high risk of becoming re-enslaved.

A Community-Based Solution to Modern Slavery

Free the Slaves has developed a **Community Based Abolition Model** that captures the logic by which we redress key vulnerabilities. All of our programs are carried out with and through local partners. Our basic approach is to create assets that offset vulnerabilities: educate about rights and risks; organize community groups against slavery; strengthen household security; liberate those in slavery; and increase the costs and risks to perpetrators. The model draws from strategies that have been proven to be successful in other international human rights and development efforts. **Our model consists of:**

- **Contextual Research**: We undertake research to define the vulnerabilities and pathways leading to slavery, and needed interventions.
- **Capacity Building**: We provide training, technical assis tance and grants to strengthen local organizations and agencies to achieve sustainable solutions. **Our partners include:**
    - o Non-governmental organizations that serve at-risk communities.
    - o Government agencies responsible for essential services and/or legal protection.
    - o Media that benefit from training on how to report about slavery.
    - o Advocacy coalitions that seek reform of laws or more effective enforcement.
    - o International organizations, including donors and international NGOs.
- **Fostering Community Resistance and Resilience:** In concert with local partners, we implement programs to reduce community vulnerabilities. **The outcomes we expect are:**
    - o Behaviour change from education and participatory exercises; these yield changes in knowledge, attitudes and practices that protect against slavery.
    - o Launching or strengthening community-based organizations. Our partners and we encourage the creation of village and neighbourhood committees that mobilize action against slavery. They educate neighbours, look out for traffickers, pursue suspected cases of slavery, and advocate for better services.
    - o Household security is advanced by helping communities to access legitimate sources of credit, schools, health care and employment.
    - o Survivor security is advanced by ensuring former slaves receive needed shelter, counselling, medical care, vocational training and follow-up.
    - o Legal and police protection are strengthened through training, legal services for survivors, media reporting on police protection, and political advocacy.
- **Sustained Reduction in Slavery:** Enhanced community resistance and resilience lead to long-term reductions in slavery. Specifically, we expect to observe the following:
    - o Liberation of slaves through direct action by newly

empowered individuals and communities or through rescues and raids undertaken by NGOs and police.

- o Reintegration of freed slaves, who, through survivor services, acquire the wherewithal to claim a life in freedom.
- o Reduction in the number of people newly entering slavery.
- o Decline in the prevalence of slavery in formerly vulnerable communities.

Free the Slaves is currently in a three-year evaluation to rigorously evaluate our model's effectiveness across different types of communities, countries and forms of slavery. However, we already know that our community-based approach delivers results. We know the Free the Slaves Community-based Abolition Model is effective. Our work has led to the liberation of well over 11,000 slaves. The 2015 data are still being compiled. In 2014, our collaboration with partners reached 1,977 villages, where more than 82,500 people were educated to protect themselves and their families from traffickers. Almost 1,300 government officials were trained on how to fight slavery. The collaboration with partners led to the arrest of 163 alleged traffickers and slave holders. We did this on a budget of about US$3.2 million.

The Free the Slaves community model alone will not end slavery. While this approach will help to cut-off the supply of vulnerable people into systems of slavery, more is needed. A reduction in the consumer demand for goods made by slaves or with slavery-tainted materials is also necessary, as are improved law enforcement and services for slavery survivors. But a supply-side solution is essential in order to confront modern slavery from multiple directions.

You can learn more about modern slavery, our model and our monitoring and evaluation program at www.freetheslaves.net.

Forced Labour: A Reality in Our World Today!

by **Raisa Ambros,** Editor
CCEG Social Value & Intangibles Review

Interview with **Houtan Homayounpour**
Senior programme and operations officer for the International Labour Organization (ILO) Special Action Programme Combatting Forced Labour

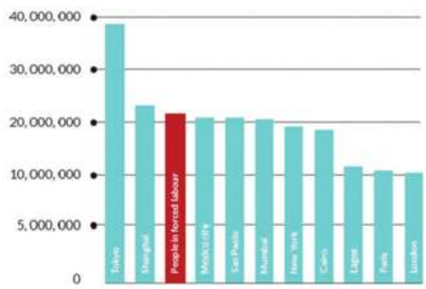
Based at the ILO Headquarter in Geneva, Switzerland, Houtan Homayounpour provides daily support to field colleagues on technical cooperation projects combatting forced labour and human trafficking, and is the focal point for private sector engagement, as well as donor relations. He is also a member and the 2013 chair of the UN Inter-Agency Coordination Group against Trafficking in Persons (ICAT). Previous to joining the ILO, he worked at the Canadian Ministry of Health in Ottawa.

Q. *Can you tell us about the state of forced labour in the world today?*

Victims of forced labour by region

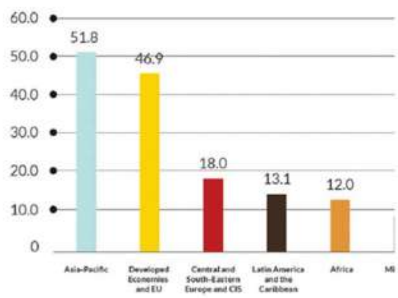
A. The ILO estimates that today 20.9 million people are victims of forced labour. This represents about three in every 1,000 of today's world population. Of these, 90% are exploited by private individuals and enterprises, while 10% are forced to work by the state, by rebel military groups or in prisons under conditions which violate fundamental ILO standards. Forced sexual exploitation accounts for 22% of all victims whereas forced labour exploitation makes up 68% of the total.

This is big business, and an ILO study published in 2014 estimates that it generates annual profits of over US$ 150 billion - two thirds of the estimated total or US$ 99 billion from commercial sexual exploitation alone, while another US$ 51 billion resulted from forced economic exploitation, including domestic work, agriculture and other economic activities.



The number of forced-labour victims compared to the populations of some of the world's largest cities

Annual profits of forced labour per region (US $ billion)



Q. ***Could you present a brief summary of the International Labour Organization's Protocol on Forced Labour? How does it work, and who is behind it?***

A. In June 2014, ILO adopted a legally binding Protocol (to the Forced Labour Convention of 1930 (No. 29) designed to tackle modern forms of forced labour and strengthen global efforts for their elimination. The Protocol, supported by a Recommendation, was adopted by government, employer and worker delegates to the International Labour Conference (ILC). The Protocol strengthens the international legal framework by creating new obligations to prevent forced labour, to protect victims and to provide access to remedy, such as compensation for material and physical harm. It requires governments to take measures to better protect workers, in particular migrant labourers, from fraudulent and abusive recruitment practices and emphasizes the role of employers and workers in the fight against forced labour.

Q. ***The International Labour Organisation launched the 50 for Freedom campaign in 2015. The campaign is aimed at mobilising people around the world to ask their governments to end modern-day slavery. What is the strategy and how is the campaign being conducted?***

A. It is very clear everyone has a role to play in fighting modern slavery, and that unless we all come together and unite against it, we are going to face an uphill battle. This is why the ILO, in collaboration with partners, has launched the "50forfreedom" campaign.

"50forfreedom" is a communications campaign aiming to create a grass-root movement connecting with people around the world, to raise awareness, to get them interested, to engage them in action, and to highlight the importance of ratifying the ILO Protocol. It aims to have **at least** 50 countries ratify the Protocol by 2018.

Please visit the platform: www.50forfreedom.org and signup to receive updates about the campaign, information on upcoming events, and ways you can get involved.

Q. ***How do you promote the campaign around the world, and how can people respond to your call to action? What level of knowledge do you find people have about modern slavery, and how much do they care about ending it?***

A. The Campaign was launched in Geneva in June, 2015, and has been on the road since. In collaboration with our partners, we've hosted events around the world - including in London, Lusaka, Buenos Aires, Addis Ababa and Paris. Many more are planned, so make sure you sign up to the campaign and join us at our upcoming events. The level of knowledge on modern slavery varies a great deal amongst people. For the most part, we find that general knowledge amongst the public is limited. However, the reaction of people as soon as they realize what modern slavery is and that it actually exists and that today there are about 21 million slaves - is shock, followed by two questions: "How is this possible? What can I do?"

Q. ***With the ILO's Protocol we could restore hope and freedom to millions of people trapped in modern slavery, but first it has to be ratified by countries around the world.***

Which countries have ratified it so far, and what kind of resistance did you receive from others?

A. Niger, Norway, the United Kingdom and Mauritania are the four countries that have ratified the Protocol so far, but many more have communicated to the ILO their intention to do so and that they have started the ratification process at national level.

Q. ***Niger is the first country to ratify the Protocol, why do you think they felt the urgency to end slavery when other countries have not yet done so?***

A. In 1961, the country ratified the ILO's Forced Labour Convention; then in 2002 it adopted national legislation to outlaw slavery, with strong penalties for anyone convicted of holding slaves. It was the first West African country to do so.

As the Nigerian Employment Minister, Mr.Salissou Ada said at the time of ratification "This is the logical next step to fighting this plague infecting [our] society."

The Niger government wanted to be the first in the world to ratify the protocol, showing how serious it is in fighting slavery - Reaffirming its commitment to ending modern slavery.

Q. ***What is forced labour or modern slavery?***

A. ILO's Forced Labour Convention No. 29, defines forced or compulsory labour as "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily." This can mean all work that is forced upon people by State authorities, by private enterprises or by individuals.

A number of indicators can help examine a situation of forced labour, such as threats and intimidation or fraudulent debt from which workers cannot escape, restrictions on workers' freedom of movement, with holding of wages or identity documents, or physical or sexual violence.

As for modern slavery, there is no international legal definition, but it is recognized to include various forms of forced labour.

Q. ***Governments should be required to take action to reduce abuses and fraudulent practices by job recruiters and employment agencies. To what extent do these bodies have an influence on modern slavery?***

A. There are an estimated 232 million international migrants and 740 million internal migrants globally. Most are

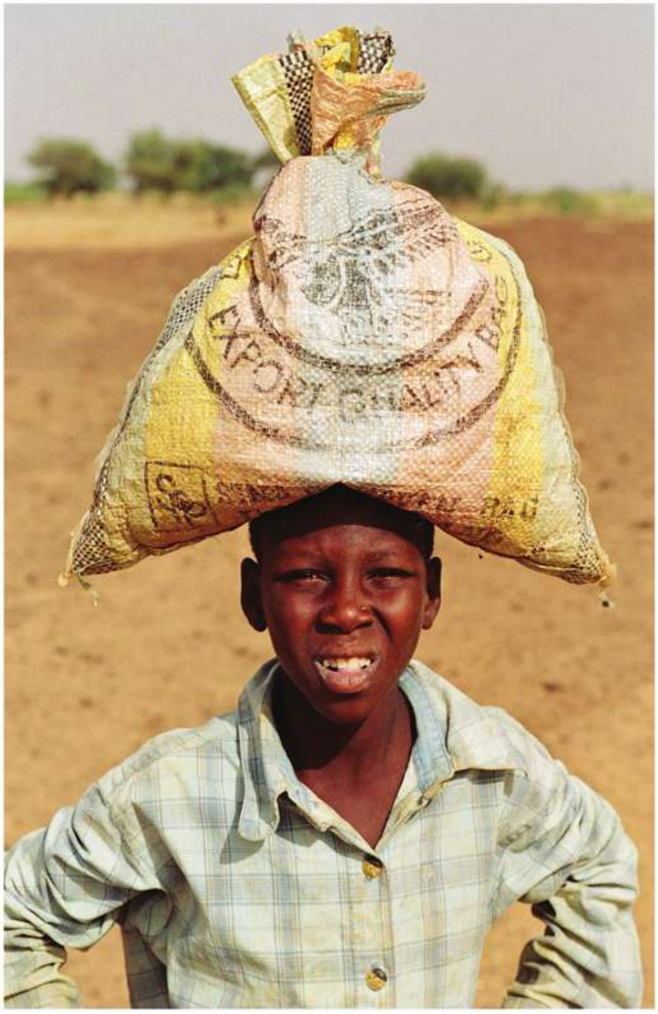
migrating in search for decent employment and better livelihoods. At the same time, as mentioned before, there are 21 million people in forced labour situations, of which 44% have moved either domestically or internationally for work. These figures reveal the important role of recruiters and employment agencies, in the fight against forced labour and slavery. Many are taking their role seriously and making sure that they recruit ethically, however at the same time there are some bad apples that take advantage of the vulnerability of people.

It was exactly for this reason, that the ILO launched a global **"Fair Recruitment Initiative"** to help prevent human trafficking and forced labour, protect the rights of workers, including migrant workers from abusive and fraudulent practices during the recruitment process (including pre-selection, selection, transportation, placement and possibility to return).

The initiative aimed also to reduce the cost of labour migration and enhance development outcomes for migrant workers and their families, as well as for countries of origin and destination. This is a multi-stakeholder initiative that is being implemented in close collaboration with governments, representative employment and workers' organizations, the private sector and other key partners.

Q. ***The Protocol on Forced Labour won't end modern slavery by itself. The 50 for Freedom campaign is a critical step in that direction. You have dedicated many years to combatting forced labour. When and how, in your opinion, will we see the millions of children, women and men reclaim their freedom and dignity, and have ubiquitous legislation to prohibit slavery?***

A. We all dream of the day when all countries have ratified the ILO Conventions on forced labour, as well as the



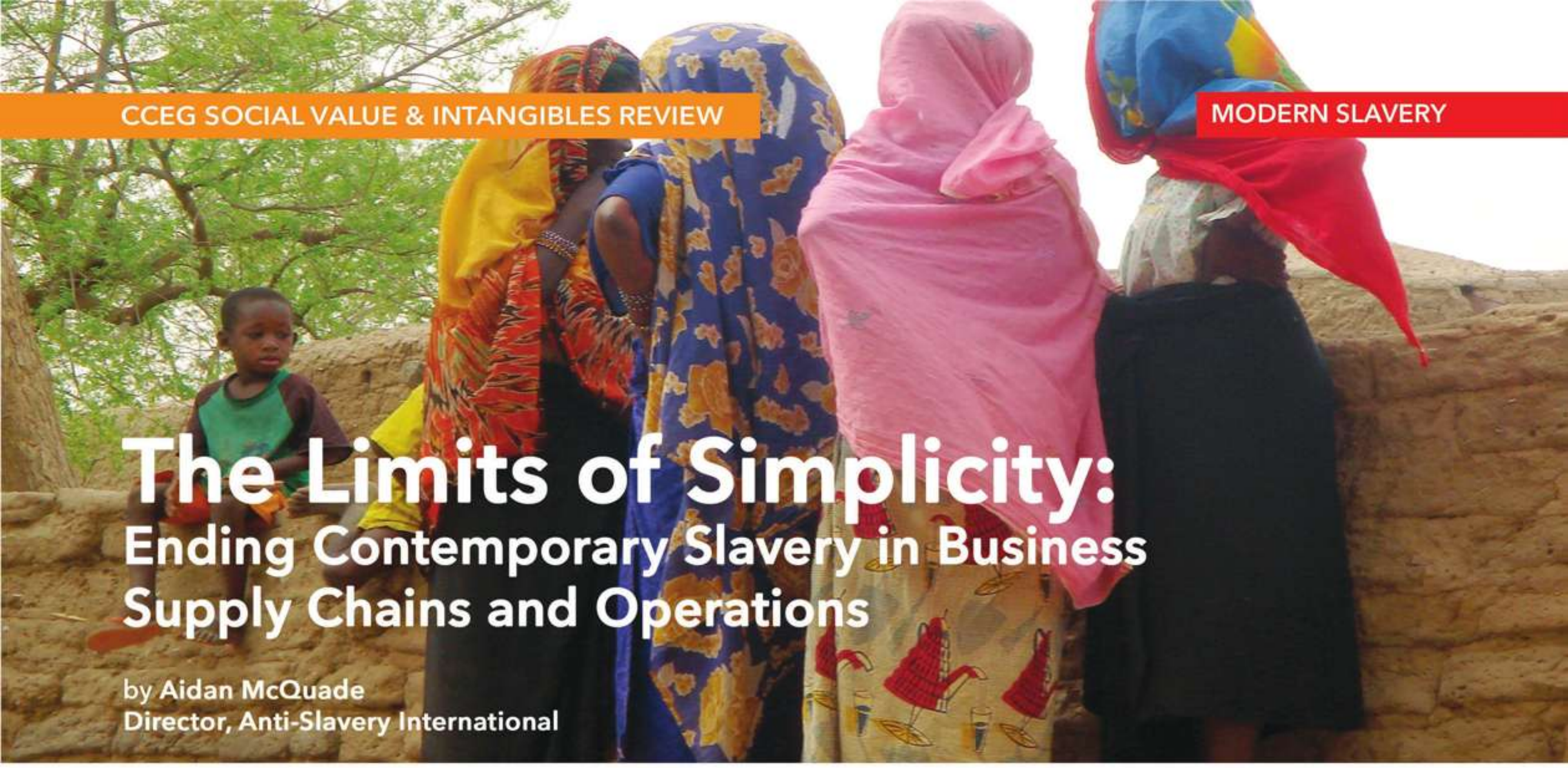
Protocol and have in place solid laws against forced labour and that they are enforced.

We dream too of the day that the elimination of forced labour is a top priority for all governments, and that all countries have a plan of action to address it and an institutional structure to lead and coordinate action against forced labour.

By then, the number of prosecutions and convictions of persons exacting forced labour would have also increased, hence preventing more unscrupulous people from trying to take advantage of others. This would be combined with systems for former victims of forced labour to have access to appropriate assistance and remedies.

We dream of the day that all fundamental rights of workers are respected.

On that day, forced labour would be no longer a problem, and millions of children, women and men would have reclaimed their freedom and dignity.



The Limits of Simplicity:
Ending Contemporary Slavery in Business Supply Chains and Operations

by Aidan McQuade
Director, Anti-Slavery International

42 is, as Douglas Adams reminded us, the answer to the ultimate question of life, the universe and everything.

It is an absurd notion, but Adams was getting at an important point with his tales of Deep Thought in the Hitchhikers' Guide to the Galaxy. He was getting at that belief in large parts of the modern world that the only things that matter are the quantifiable ones.

But, of course most of the things that matter in life, the universe and everything cannot be quantified, or are things for which numbers are merely crude metaphors. How do you quantify love? Or moral courage?

Or the level of contempt that one person can have for another human being that allows them to calmly contemplate working them to death?

Sometimes the quest for simplicity can simplify things so much that they give no meaningful insight into the issues that they are meant to describe.

This is true for many of the key social issues confronting businesses today that fall into this category. It is possible to quantify how much money a business spends on corporate social responsibility or philanthropy. That does not tell you if that spend has had a meaningful impact in advancing decent work in that business' operation, or in eliminating any of the egregious abuses that may disfigure the business' value chain.

To understand why it is instructive, I think, we need to look a little more closely at the issue of contemporary slavery. It is technically true that anyone can be enslaved, particularly if they are caught up in the cataclysms of war. But that truism masks a more fundamental truth: that the weak who are subject to the prejudices of others are the ones who are vastly more at risk of enslavement: Dalits and Adavasi in South Asia; migrants in Western Europe and the Americas; women and children everywhere.

As with all prejudices these are not rational: the societies in which slavery is routine would be much better off economically if slavery were eliminated and those who are currently enslaved assisted to gain decent work for themselves and their families. But such a rational approach would undermine the "aristocratic" privilege that they derive from the institutionalised exploitation and abuse of others. This was true in the pre-Civil War United States, just as it is true in contemporary India or Saudi Arabia.

There are means to begin the elimination of underlying discrimination practices and empowerment of those vulnerable to slavery.

For example, the provision of high quality and appropriate education to children vulnerable to slavery or child labour can empower kids sufficiently to avoid such abuses. Alternatively, unionisation is an important means to rebalance the power between exploited workers and employers to reduce the risks of slavery for adults - which all points to a significant fact: that the ending of slavery is a political challenge. Or rather, it is a bundle of national and international political challenges of varying degrees of complexity. This is implicitly recognised in the UN Guiding Principles on Business and Human Rights, which assert that businesses have the responsibility to respect the rights of workers, and governments have the responsibility to protect them.

It is difficult for businesses to respect the rights of workers when governments are failing in their responsibilities to protect them.

Up until now, too many businesses have been happy to acquiesce in this situation, happy to accept The cost savings that such exploitation may bring, perhaps upping their philanthropy contributions from improved profit margins.

But that is not acceptable. Business leaders have a responsibility to speak out on these issues - in the same way that business leaders will quite legitimately comment on economic policy they must also speak up on human rights and the human rights implications of the ways in which governments choose to structure their political economies. The UK and California transparency laws, and President Obama's decision in 2016 to close the loopholes in the US Tariff Act to empower official to exclude from US markets goods tainted by forced and child labour, makes this a business imperative. And the progress that was obtained in Bangladeshi garment factory safety as a result of businesses positively engaging on this matter shows the possibilities that such an approach can bring.

The struggle for a better world takes many guises, most of them non-quantifiable. But the failure to engage is easily measured: silence is the measure of moral cowardice. And there is too much of that in the world.

What does Social Value mean to you?

Michel Vaté

Professor emeritus at the University of Lyon, France
Associate Fellow of the Thomas More Institute (Brussels-Paris)

People's autonomy means to choose the life they would like to live. As a translation, individuals' autonomy is a 4D vector, namely: capital (human, technical, financial) and three social features (property rights, degrees of freedom, security level including food and health). Their living and working conditions improve when at least one of the dimensions improve with no degradation otherwise, throughout the unlimited be-do-have cycle. Following this economic approach, Social Value appears to be an aggregate index of autonomy at the collective level: it is positive where the resulting vector is growing, provided that there shall be no degradation at the expense of the more vulnerable or poor.

Jyotsna Belliappa

Principal Consultant, BlueSky CSR Company, India

Social values are important to me because they reflect the culture of the society. Rapid globalisation is changing the very texture of the societies leading to disruption of social values. This is reflected in the corruption, selfishness and unethical behaviour of our leaders and businesses. Governments, Business and societies need urgently to incorporate the concept and measurement of social values in the way they measure their impact if we wish to leave for our children a society where there is respect for diversity, fundamental rights, human dignity and equality.

Gheorghe Florescu

Author of best-selling memoir "Confessions of a Coffee Seller," and currently owner of a coffee-roasting delicatessen in Bucharest, Romania

For as long as I can remember, my motto has always been "I serve." Imagine my surprise when I found out it is the same as Her Majesty the Queen of England's?

Sometimes, a kind word or a joke that dispels sadness is all it is needed. A cup of good coffee, a gluten-free biscuit, a refreshing compliment can literally change someone's mood for the better. Creating something that responds to the needs of society and working 24/7 to fulfil the promises you made for a healthier lifestyle brings another type of satisfaction. They are all equally important to my philosophy of life.

Andrei Kapliev

Legal expert at Government of Moscow, Russia (Innovation Agency of Moscow)

Social value means a private property for me. That means land, a home, wages, business, money, savings, dividends, royalty of my family. Not only for consumption but for charity too. I love my life. The real and intellectual property that I have encourages me to develop and be happy. I would like all the people of our great world to be happy too.

What does Social Value mean to you?

Francesco Rullani

ERS hub Coordinator and Assistant Professor at LUISS University, Italy

Social value is not only about caring; it is about widening our perspective on the world. Economic decisions, social impact and environmental sustainability have always been seen as different realms. But, in an interconnected world like the one we are living in today, it is crucial that our decisions are holistic, and that our actions cut across these three dimensions.

Leaders, managers, and opinion-makers must be aware that in order to achieve any long lasting result in any of these camps their perspective needs to change. Not only the consequence of any action reaches all the three fields, but all of them are instrumental in performing that activity. For example, social value is not simply an unintended consequence of economic action,it is instrumental to achieve sustainable economic performance.

Dr Sahlan L. Momo

Chair of the Board, Spanda Foundation, The Hague, The Netherlands

Even though the following are already way too a many definition, unavoidably, my preference falls on one of them, or may be on all, and on us. A bit long but worth reading.

Social Values are:

a) The collective, shared perspective toward the common good, and its metaphysical counter-values;
b) The founding ethical stock of a community;
c) The collective identification of what is best for a specific community;
d) The individual moral and ethical social value imprint.
And that is it.

Vincent Leroux Lefebvre

Head of Purchasing, Global Procurement Lead for Marketing, SAGE, France

Used in its broadest sense, the definition of Social Value is quite complicated to understand. However, it is not without meaning. Social Value is a matter that affects everyone in the way they wish to take account of the impacts of their choices. It is therefore understandable that everyone attaches different values to it. By taking into account stakeholders, social value covers the universality of the future and without respect, there is no future. If you want to be respected, then first be respectable and not by demanding respect. Social Value is, for me, conciliation built on mutual interest within our human universe.

The Fashion Industry and Modern Slavery – Both Consumers and Manufacturers Need to Take Responsibility

by **Ed Andrew**
Co-founder of Australian women's and girls' wear fashion house Dimity Bourke and Head of Commercial at Seratio

Greater transparency is needed in the fashion trade's supply chain, and the buying public need to reflect on the economic reality behind the low priced clothing that is so popular but masks unacceptable conditions.

I suspect that when most people think about modern slavery they think that it only exists in some far away country. However, only a few weeks ago the English owner of a bed manufacturer, Kozee Sleep, which supplies Next and John Lewis, was convicted of human trafficking. He employed Hungarian workers in his Yorkshire factory who earned as little as £10 per week for 16 hour days. They had come to the UK on the promise of earning £1,000 per month.

Six months ago Australian Ugg Boot manufacturer Ever Australia and its directors were fined over AUS$10,000 for underpaying migrant Chinese workers in their pop-up shops in Sydney by as little as 40% of the minimum wage.

Mars, Nestle and Hershey are subject to a class action lawsuit for violating California's anti-slavery laws in respect of using child labor in their Cote D'Ivoire cocoa supply chain. The general message from all three brands is that they are working with NGO's, suppliers and the US Federal Government to help eradicate modern slavery but that it was a complex economic and geo-political situation. Hershey said that they had contributed to overall industry efforts to invest US$400m to help eradicate child labor in West African cocoa communities by 2020.

Reputational risk – or doing the right thing?

Large manufacturers admit that modern slavery exists in their supply chain so breaking media stories are only helpful if the neglect is wilful and the intent is real. Turning a blind eye is not good enough. Negative press has a reputational risk with consumer confidence, share value and brand value being eroded. No CEO in 2016 can live with that.

Thankfully there are brands and companies with CEOs whose mission includes helping those people being exploited and rather than terminate contracts, develop trust and educate factory owners to understand that there is zero tolerance and that treating your workers ethically helps both your business and the wider community.

The apparel and textile industry is one of the largest in the world worth an estimated US$1.2 trillion in 2011 and employing around 60 million people globally, according to a 2015 report by Verite. 97% of all apparel sold in the US is made overseas. China is the largest global apparel exporter at about 40%, the EU at 25%, India 4% and Bangladesh 3%.

It is also reported to be the largest industry in the world with a migrant or seasonal workforce. It has a low barrier to entry with low wages and a largely unskilled workforce made up largely of female workers.

The biggest risks to people in apparel are associated with the processes involved in textile production from cotton picking and harvesting, to milling and processing, dyeing, sandblasting of denim, transport and finally the cut, make and trim.

A report commissioned for the Australian Fashion Industry in 2015 produced by Baptist World Aid identified as many as 17 cotton producing countries which are at risk of having child labour or bonded labour in their workforce.

The collapse of factories in Rana Plaza in Bangladesh in 2013, which claimed 1,100 lives,has brought about change already with minimum wages increased by 75% to US$68 per month but it still has the lowest living wage in the world. It is not enough. Major brands such as Primark, Mango, Gap, Walmart and H&M were associated with factories there. One of the main concerns in identifying risk in the supply chain is how many of these brands had direct knowledge that these factories were in their supply chain. Is it good enough to say that if their order was sub-contracted or out sourced that they have no knowledge?

Transparency is key

It comes down to transparency and it is great to see Nike, a brand which seems to attract negative sentiment, with technology which allows them to identify in which factory each garment is made. Brand power provides the ability to squeeze prices but equally it can be used to extract information.

Transparency can, though, evaporate when a factory is squeezed by a large order from an important customer and needs to outsource other customer's orders.

I know from my own experience that there are really only two ways of sourcing a supplier - find them yourself through one's own network of contacts and industry bodies or use a sourcing agent. The sourcing agent can also mask the real identity of the supplier or end manufacturer and therefore conducting due diligence and achieving transparency can become more difficult.

Our Indian sourcing agent took me to the factories in Delhi which were going to manufacture our goods and albeit the visit was pre-arranged I was still able to inspect the entire factory and observe all of its processes. Likewise while living in Indonesia we visited all of our factories weekly, sometimes daily and we would turn up unannounced, enabling me to manage the risks better.

One of the factories that we inspected has a school and crèche for the workers' children within the factory compound, which is real progress.

The 2015 Australian Fashion report concluded that of 91 brands surveyed the supplier level that was the most transparent was cut, make and trim, with transparency, due diligence and auditing greatly reduced earlier in the supply chain until it all but evaporated at the level of raw material harvesting. Even when sending in 'boots on the ground' to replace audits the chances of identifying slavery are still low.

Economic pressures

In order to better understand consumer demand and the responsibility that consumers should take we need to look at the costs of manufacturing and brand margins. For example it is pretty well accepted that a men's basic cotton tee shirt will cost a factory US$1. This is true in most SE Asian countries except Bangladesh, where the cost is 50 cents, and possibly other very low wage countries such as Vietnam and Cambodia.

Recently a cursory Google search generated a UK website selling men's plain cotton t-shirtsfor 95 pence a unit or about US$1.40. Most fashion manufacturers will try to achieve a mark up of 5-6 times cost price, so how on earth is that company making any margin at all, even if they were manufacturing in Bangladesh and selling at wholesale price. They could be dumping stock but the point is competition.

As a manufacturer I know that on average China produces the most consistent quality for my products but I also know that it is the most expensive of SE Asian manufacturers. For example, a basic cotton girl's dress made in Australia costs US$15, in China it may be $8.50, in India it may be $6.50, Indonesia $5 and in Bangladesh say $3.50.

If I want to sell that dress in volume in the USA then I would need to pitch it at $39 and I need to work with an ethical factory which will provide quality at a price that allows me to make a decent margin. So now imagine that you are a high street retailer and the competition across the road has that same girls dress at $29. You can still sell it if you have strong brand value but you may sell less, so you find a cheaper factory and squeeze your supply chain at every level. Those factories get squeezed as

well and they need to cut cost - the easiest person to squeeze is the labour cost. The factory cannot negotiate for cheaper electricity.

On the high street it is the consumer who decides whether the price is fair and whether they will buy your product - quality, brand value but above all price. If the consumer is used to buying your product at a certain price, it is difficult to increase your price even if your cost base rises, as someone will still try to sell a similar product at the same price.

Consumer responsibility

Consumers need to take responsibility for their purchases and consider whether it really is possible to buy three t-shirts for £4.99 - can they really have been ethically sourced? Shouldn't we pay a bit more for brands we can trust?

The risk of exploitation rises exponentially with a consumer's desire for cheaper high quality products and a manufacturer's desire for greater profit.

These cheaper goods may be produced in areas where there is little or no regulated minimum wage, high unskilled migrant populations or lawlessness often as a result of recent civil unrest.

However, it can still occur under our noses. Consider the recent case in the UK of Sports Direct, whose share price plunged 33%, equating to around £1bn of lost shareholder value. It was alleged at the end of 2015 that thousands of temporary workers in their UK warehouses have been paid lower than the minimum wage.

Progress is being made but with an estimated 36 million people still in slavery around the world it is up to both consumers and manufacturers to take a stand.

Development of S/E Ratio® Prodigy Metrics

by **Joanne Evans**
Senior Research Analyst, Seratio

In 2011 the concept of developing a single number metric to measure social value was born, using a university collaboration to manage the development of the metric. It has since gone on to measure approximately US$4 trillion worth of organisations. In 2013 the Centre of Citizenship Enterprise and Governance (CCEG), a not for profit organisation was constructed to act as a standards body to curate the ratio globally. Seratio® is an organisation that has grown out of CCEG, and in 2015 took control of the licensing of the Social Earnings Ratio® platform. The proposition has grown exponentially over the timeline of the theory, with unprecedented international recognition.

Act 2012, Organisational Value, Personal Value (www.serat.io), Freedom for the Modern Slavery Act 2015, Health and Wellbeing, and value of Arts to name a few.

The Freedom metric will be released in April 2016 to assist transparency in the supply chain, aligning with the UK Modern Slavery Act 2015.

Personal Value (PV) was launched in December 2015 (serat.io), with the initial support from former First Lady Cherie Blair, Broadcaster David Dimbleby, Italian footballer Gianluigi Buffon and politician Rt Hon Peter Hain, also supported by the Tutu Foundation, UK. The latest celebrity to join the campaign (2016) is actress Sharon Stone who has commented on PV in her interview in this issue of SVIR.

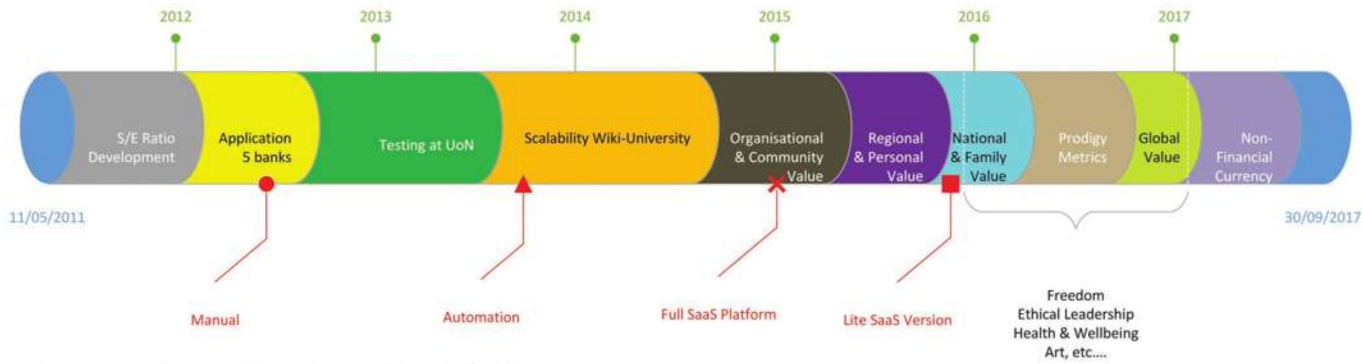
S/E has been used in several EU commission programmes (www.socialvalue.eu) and now has its own journal *Social Value & Intangibles Review* in 8 languages. In 2017 we are scheduled to release a book and an academic peer-reviewed journal.

CCEG (www.cceg.org.uk) and Seratio (www.seratio.com) have started the development of many prodigy metrics with multiple applications including the measurement of social impact as part of the UK Public Services (Social Value)

Principles and Methodology

The number of academic papers on S/E is burgeoning but the principles are the Social Earnings Ratio® are:

- Total Value = Financial Value + Non-Financial Value = P/E and S/E
- One number metric that represent the currency for non-financial value.
- CCEG's principal rule is that only positive sentiment is measured; for instance, slavery would not be measured, but the amount of freedom someone has would be



- It can translate sentiment into a financial value
- For automation on our SaaS platform, we often use a combination of big data, social media and sentiment analysis (Semantic Web 3.0).

At present, we offer 3 distinct routes to analysis:

- **Wiki - The recruitment of university students for research and analysis purposes. Generally, this takes 3 months to process manually;**
- **The Litmus Test (Lite version) can take 10-200 seconds to calculate including data entry and is accessible via specialist subject specific micro sites;**
- **Seratio.com is the in-depth analytics portals.**

The figures are no less meaningful because of speed of calculations but are often more appropriate for quick engagement or where rapid response is required. Allied to the approach is the academic development of key influencers on value. The international and ever growing team of PhDs have established KPIs of:

- **Transference:** Looks at the behaviour, reality and inter connectivity of value. Can value be modelled like fluid dynamic physics, or like energy which can neither be created or destroyed? Is value an artificial construct, or is it a natural phenomenon? How do you model (de)acceleration, creation, diminishing, diversion and destruction of value?
- **Geospatial:** Social value diminishes with geographical distance and its commonly used in identifying or resolving regional or urban value maps.
- **Temporal:** Both financial and non-financial value changes over time with lifetime values being an accumulation. Both currencies must have parity in order for this to be achieved effectively.
- **Directional:** Value has direction subject to whom is the central actor and whom the dependent stake holder(s).
- **Transactional:** The question of how to transact non-financial currency is currently in the research process with the initial work on notation.

The direction of travel is towards a notational symbol to represent Non-Financial Value. If $ is to articulate financial value, then $+TM may articulate non-financial value; this would be true in any currency, especially Reserve Currencies. The Wikipedia entry for "Social earnings ratio" points out the parity between price earnings ratio and s/e. S/E Ratio metrics are published not only through academic peer reviewed but also as Open Source on the Jorum site for non-commercial use.

Development Process

The best prodigy metrics appear to require 3 parties - the field experts, the independent publisher of a league table, and of course us as developers.

- Experts in the desired sector establish measurement requirements and system preferences.
- Citizenship Framework is constructed around all stakeholders - examining relationships and their direction.
- Questions must go through an academic frame work process. Care must be taken whilst constructing sentiment questions. For example, in the Freedom metric which involves trafficking, the question "Are you being trafficked?" is unlikely to provide accurate results. Similarly, in Domestic Violence,

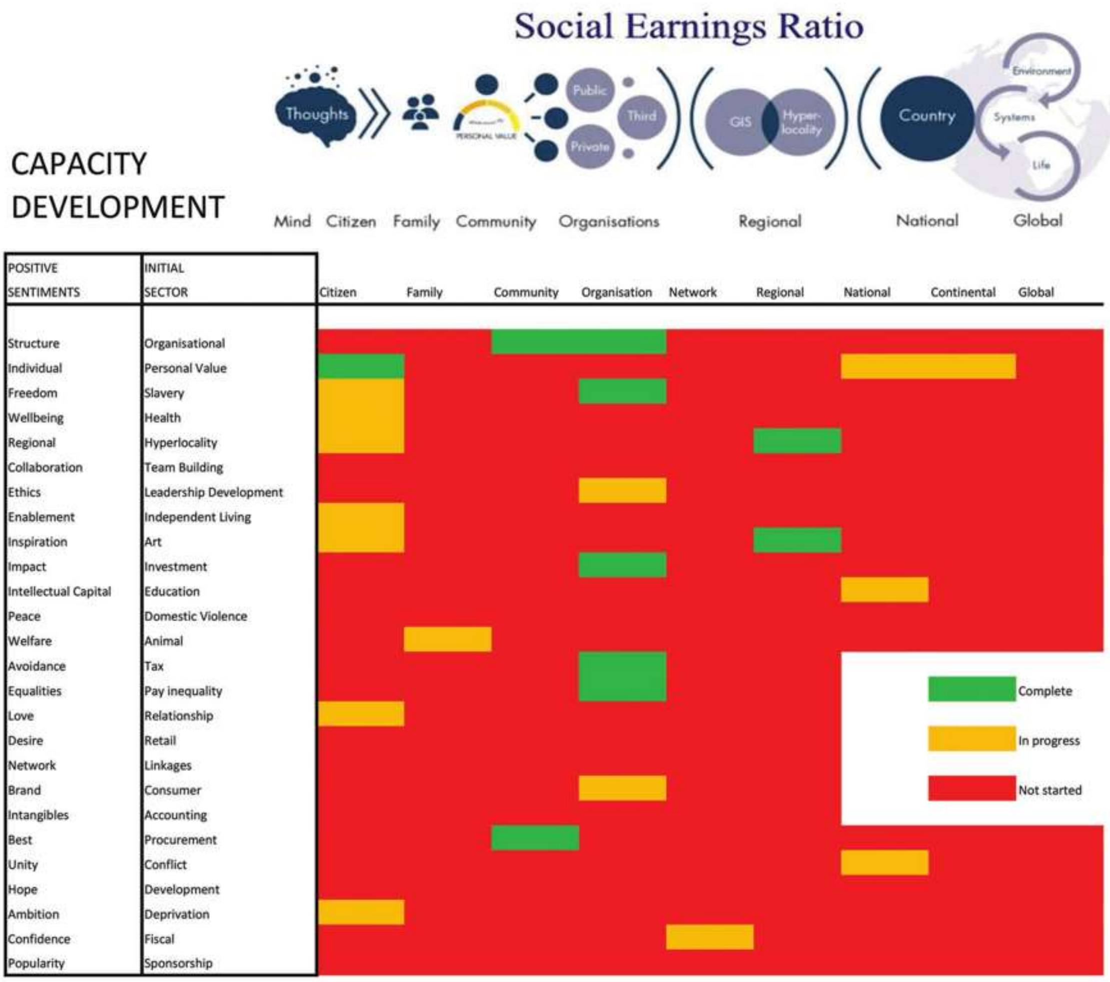
"Are you a victim of domestic violence?" fails to take into account learned helplessness.

- All metrics must undergo a Pilot Study, typically of 3 months' duration.

In every case, metrics have to go through the rigorous academic CCEG Approvals Committee to be awarded a must be satisfied that these parameters are addressed or clarified:

- Who are the author(s) and does it comply with Creative Commons 4.0 with a clear statement of IP registration?
- Is it compatible with the S/E Ratio generation family of metrics?
- Has it undergone testing with a strategy plan, examining volume of data, who carried it out, the scale and the scope?
- What is the underpinning research - will it with stand scrutiny, is there competition, are their exceptions?
- Are the inputs reasonable with the application?
- Is it fit for purpose across micro-meso-macro levels of application?
- Ethics and Risk - does it comply with the CCEG not-for-profit ethical stance, neutral on moral compass, has mitigation and safeguards, and is not biased?
- Is the information database safeguarded and secure?
- Does it measure positive attributes only?

During the process the parties will come to agreement on the IP to the metric label. There is an opportunity for organisations to own white label metrics powered by Seratio and approved by CCEG but in some cases it is better for the customer to be have an arm's length relationship with the metric provider. This has been the case with other winning non-financial value metrics such as Net Promoter Score (NPS). Like NPS, it has been the academic credibility and independent rigour of the S/E Ratio® development that links outcomes with the metric. Also like NPS, whilst Seratio measures neutrally, CCEG and licensees offer leading edge consultancy to improve the value outcomes being targeted. Due to the infinite nature of Capacity Development, non-financial value has no ceiling to parameters that link a good citizen, a good family, a good community, a good organisation, a good region, a good nation and a good world... with our thoughts; S/E Ratio® links all these strands.



Es Cada Vez Más Conocida y Aplicada la Responsabilidad Social en México

Social Responsibility is Growing in Mexico

Antonio Tamayo Neyra
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Blog: http://ecologiasocial.com.mx/

Corporate social responsibility (CSR) in Mexico is the result of three broad waves of progress on the part of business and government over the past 100 years. In the late 19th and early 20th century socially concerned businesses in Monterrey arranged housing, education and training for the workers and their families. This was followed by government initiatives creating social welfare institutions involving public-private sector partnerships.

In the third wave, from 1980s onwards, businesses have come together in trade associations such as AliaRSE (the Alianza para la Responsibilidad Social Empresarial) to develop training and audit programmes, with over 1,100 businesses audited by 2015. Thus overall, corporate social responsibility in Mexico is now much better known and applied, certainly amongst larger companies, but for many small and medium enterprises (SMEs) the costs of positive action in this area are considered onerous.

Como una marea que de manera paulatina va creciendo en su fuerza y alcance, se podría describir el desarrollo y aplicación de la Responsabilidad Social en México, ímpetu que ha venido adquiriendo una mayor velocidad en los últimos años.

Si bien el concepto de Responsabilidad Social, como actualmente se le conoce en prácticamente todo el mundo, se inició prácticamente en la década de los noventa del siglo pasado. En el caso de México me atrevo a decir que ha tenido tres momentos o estadios que en alguna forma convergen en este 2016.

Un primer momento se puede ubicar entre fines del siglo XIX y principios del XX en la ciudad de Monterrey, ubicada al noreste de México, a 200 kilómetros de la frontera con Estados Unidos y lejano a mil kilómetros de la ciudad de México, capital del país. Esta referencia a la distancia a la capital la menciono porque en esos tiempos por los pocos medios de comunicación existentes, los empresarios regiomontanos (gentilicio de Monterrey), tomaron su propio camino en cuanto al manejo y administración de sus empresas, sin tomar mucho en cuenta lo que sucedía en el resto del país.

En el período antes mencionado, se registró un fuerte auge industrial en esa zona, que inclusive llega a nuestros días. Inicialmente se instaló la Cervecería Cuauhtémoc que aún existe, se construyó también la Fundidora de Acero de Monterrey, primera acerera de Latinoamérica que cerró en 1986; y una tercera empresa, de nombre Vitro, que viene siendo un ***Spin-off*** de Cervecería, dedicada a la fabricación de productos de vidrio.

Estas tres empresas de importantes dimensiones se convirtieron en el ícono de la ciudad y la región. Pero lo importante en este caso, es que ellas pusieron en práctica lo que ahora se maneja dentro de la Responsabilidad Social, primordialmente con sus grupos de interés internos, sus empleados, siendo esto algo totalmente nuevo tanto en Monterrey como en el resto del país.

En 1918, en la Cervecería se constituye la Sociedad Cooperativa de Ahorros e Inversiones para los Empleados y Operarios de la Cervecería Cuauhtémoc, S.A., para fomentar el desarrollo integral de su personal y sus familiares. Sus objetivos eran proporcionar despensas, así como ofrecer servicios médicos que incluía tanto al propio personal como sus familias, caja de ahorros, descuentos, deportes, cursos y becas, entre otras prestaciones, además de otorgar créditos para vivienda en casas construidas por la propia empresa. Aunque ya no existe como cooperativa, la Sociedad se mantiene hasta la actualidad.

También a comienzos del siglo XX, tanto Vitro como Fundidora inician modelos de otorgamiento de créditos de vivienda para su personal, así como servicios de atención médica.

Estas empresas, de alguna manera se convierten en íconos de este tipo de atenciones a su personal, ejemplo que va cundiendo en el resto del país en diversos grados y modalidades, ya sea en atención médica o en otros servicios, condicionado a las características de las empresas, su tamaño y la visión o actitud de los dueños y directivos.

Segundo Momento

Un segundo momento en atención a la Responsabilidad Social vino por parte del gobierno, cuando en la Constitución de 1917 que actualmente sigue vigente, su artículo 123 consagra el derecho al trabajo, mencionando los principales derechos y obligaciones tanto de los trabajadores y de los ahora llamados empleadores (patrones). En ese artículo se establece también la figura del Salario Mínimo.

El texto sobre dicho salario decía textualmente lo siguiente: "deberá ser suficiente para satisfacer las necesidades normales de la vida del obrero, su educación y sus placeres honestos, considerándolo como jefe de familia". Sin embargo, al paso del tiempo, aunque sigue existiendo, solamente se usa como punto de referencia, ya que su monto es muy bajo para las necesidades actuales de cualquier persona.

En cualquier caso, su sola mención implica el pago mínimo que debe recibir el empleado por parte de una empresa. Posteriormente se promulga la Ley Federal del Trabajo en 1931, la cual reglamenta todos los aspectos del artículo 123 de la Constitución. Esta ley fue derogada cuando se promulgó la nueva Ley Federal del Trabajo en 1970, la

cual actualiza la anterior y agrega nuevos elementos que no consideraba la legislación laboral previa.

Uno de esos aspectos que no consideraba la ley anterior era la seguridad social, principalmente en materia de salud; aspecto que fue atendido con la creación del **Instituto Mexicano del Seguro Social (IMSS),** una Institución del gobierno federal, autónoma y tripartita (Estado, Empleadores (Patrones) y Trabajadores), dedicada a brindar servicios de salud y seguridad social a la población que cuente con afiliación al propio instituto. Está considerada como la institución de seguridad social más grande de América Latina; fundada el 19 de enero de 1943.

La ley del Seguro Social es el marco legislativo bajo el que rige sus operaciones el IMSS. Señalando que la seguridad social tiene como finalidades:

- La asistencia médica.
- La protección de los medios de subsistencia.
- Los servicios sociales necesarios para el bienestar individual y colectivo.
- El otorgamiento de una pensión que, en su caso y previo cumplimiento de los requisitos legales, será garantizada por el Estado.

Cabe señalar que actualmente esta institución pasa por serios problemas financieros. Sin embargo, es inimaginable su desaparición por ser el servicio médico prácticamente gratuito para todos los empleados formales del país, además de contar con una gran cantidad de servicios como guarderías, talleres y cursos de diversa índole en prácticamente todo el país.

Posteriormente, el gobierno del país creó el **Instituto del Fondo Nacional de la Vivienda para los Trabajadores (Infonavit)**, fundado el 21 de abril de 1972, e iniciando actividades el 1 de mayo, fecha en que se celebra en México el "Día del Trabajo". Infonavit es una institución tripartita donde participa el sector obrero, el sector empresarial y el gobierno, dedicada a otorgar crédito para la obtención de vivienda a los trabajadores, y brindar rendimientos al ahorro que está en el Fondo Nacional de Vivienda para las pensiones de retiro.

Está considerado como el mayor prestamista hipotecario en América Latina, con más de 5 millones de hipotecas en sus libros y una nueva agregada cada 53 segundos. Cabe señalar que ambas instituciones previamente mencionadas, tomaron como modelo para su creación, las organizaciones creadas por las empresas de Monterrey antes señaladas.

En esas fechas nadie hablaba en el país de Responsabilidad Social, concepto prácticamente desconocido.

Tercer Momento

El tercero y último momento se inicia cuando el Centro México para la Filantropía (Cemefi), asociación civil fundada en diciembre de 1988, inicia a fines de la década de los noventa del siglo pasado, la promoción de la gestión responsable de las empresas.

Cemefi es miembro de AliaRSE (la Alianza para la Responsabilidad Social Empresarial), que agrupa a Cámaras y Asociaciones empresariales para la promoción de la gestión responsable y sustentable de las empresas. Para la promoción de la Responsabilidad Social, Cemefi utiliza dos sistemas: El Distintivo ESR (Empresa Socialmente Responsable), que se entrega a las empresas que cumplen los requisitos de la evaluación respectiva y el Intercambio de Mejores Práctica para alentar la sinergia entre dichas empresas.

El Distintivo que celebró sus XV años el pasado 2015, es considerado como un parteaguas para el desarrollo y fortalecimiento de la RSE en México y Latinoamérica. En esta ocasión se otorgó a 1,126 empresas y, de ellas, 213 lo alcanzaron por primera vez.

Una empresa que obtiene el Distintivo ESR ha sustentado con documentos (evidencias comprobatorias), que cuenta con un alto índice de responsabilidad social. Este reconocimiento se otorga anualmente y es buscado de manera voluntaria por cualquier tipo de empresa y requiere refrendarse también anualmente.

Existen además unos certificados promovidos por el gobierno, también voluntarios, enfocados al aspecto ecológico; el de Industria limpia y de Industria segura. Ambos son otorgados por la Procuraduría Federal de Protección al Ambiente.Adicionalmente, desde el año 2007, Empresa Responsable, A.C. en alianza con el Consejo Latinoamericano de Calidad Humana y Responsabilidad Social, A.C., han impulsado la implantación de la Norma CRESE y la obtención del certificado CRESE de calidad humana y responsabilidad social en las empresas de México principalmente.

Todo esto ha servido para que cada vez sea mayor el número de empresas que gestionan su operación en forma social mente responsable.

Conclusiones

Si bien estas acciones mencionadas han servido para promover la Responsabilidad Social, todavía falta mucho por hacer según diversos analistas. Lo primero que deben hacer las empresas mexicanas, es alinear sus acciones socialmente responsables con sus objetivos de negocios.

En una encuesta levantada en 2013 por la consultora Responsable, más del 60% de los trabajadores respondió que, para su compañía, la responsabilidad social es importante, aunque el 85% considera que el sector aún no madura. Bryan Husted, profesor de Negocios y Sustentabilidad en Schulich, dice que las prácticas más comunes de responsabilidad tienen que ver con los procesos internos de las compañías, y al exterior, las empresas nacionales se enfocan más en los temas sociales y medio ambientales.

En suma, el principal reto para las empresas mexicanas, coinciden los especialistas, es que la responsabilidad social empresarial se convierta en parte del día a día del funcionamiento de las compañías, además de poder atraer a las Pymes a este modelo de gestión que lo ven lejano por considerarlo de elevado costo.

Where Doctors Compete for Patients and Are Paid in Pennies: The Future of Work

by **Kristy Milland,** Community Manager, TurkerNation.com

Most people with whom I speak about "crowd work" know nothing of the field, making it difficult to impress upon them how demoralizing, debilitating and disruptive the work can be. I have spent 17 hour days, seven days a week, sitting at my computer either completing work which has been damaging to my psyche or praying for it to return in abundance.

I wish I could have every person with power or influence sit down in front of a computer, set them up with an Amazon Mechanical Turk ("mTurk") account, and ask them to make enough to eat, pay for shelter, and ensure their survival for just one month or even one week. After only a few hours, the frustration and horror they face could be enough to push them to work towards change.

For now, I can only share the voice of the workers who do this for a living, and what it is like to do micro tasks for micro payments. This is a story of desperation and dystopia, one which, when paired with robots and algorithms, is inching steadily towards professions we could never imagine would disappear. If you think your job is safe, or that this work does not sound so bad, keep reading.

Crowd work itself is not inherently unethical, instead it is operationalized in such a way that it is used to unethical ends.

If one could access a crowd and pay fairly, then the tool would be beneficial to both the worker and the employer, but the platforms available today do not engender such positivity.

To begin, mTurk's design is such that wage theft is not only condoned, but built into the system. Those who post work, known as "Requesters" review work submitted in order to accept and pay a worker, or reject and deny them their payment. First, these rejections can add up to a point where the worker is essentially unemployed as their "approval" percentage falls under the minimum required to qualify for more work.

Second, when rejected, the work does not magically disappear, instead the Requester is able to keep it and use it for free. While one would hope that Requesters would only deny payment to workers who truly did not live up to expectations, it is tempting to reject a certain percentage of the work, just enough to pay fees or ensure that the project comes in under budget. This is wage theft, and as Amazon refuses to step in and mediate when these situations arise, it is a profitable option when using the platform.

What is truly reprehensible is that most of the pay on mTurk is so low that even those who do not engage in rejecting work unfairly, typically are paying significantly below minimum wage. Some have stated that the average wage on mTurk is around $2 an hour, although it is difficult to calculate as the tasks often take only a few seconds, and there is a great deal of work completed unpaid, such as searching for new projects or asking others about the reputation of an employer on the platform.

The more workers discuss this low pay in the media, the more people read such articles and fall under the assumption that paying that rate must be the status quo.

They also see the low wages and begin to form assumptions about who might work on the platform, and what sort of quality they will receive if they post work there. This leads to heavy use of the "US only" qualification, excluding anyone from outside of the United States, including myself, from doing as much as 85% of the work posted at any given time.

This leaves us with the dregs, and that means not only are we working for pennies, but since Amazon only pays us in Amazon.com gift cards, we are also forced to spend what we earn at the company store. When you factor in shipping costs and customs fees, our hourly rate drops ever further, until we are spending all of our free time on mTurk just to make the bare minimum we need.

Together, the low pay, wage theft, and outright discrimination are a foreboding sign for the future of work, which should indicate to us all that now is the time to take action to stop this unethical employment.

Yet doctors, journalists, authors, designers, engineers, and other professionals with lofty skills and expensive educations may think, so what? This is a job for the poor, uneducated, and those from developing countries, therefore it is not a situation which would ever endanger their career.

I have been a crowd worker for 10 years, since mTurk began. I have a college education and am currently an undergraduate student at an exceptional Canadian university. I have not only received many awards for my academic aptitude, but the papers I have co-authored have been accepted by prestigious conferences and have even won awards themselves.

In my spare time, I have taken to fighting for the rights of crowd workers, speaking before universities, non-profits, even being invited to discuss the situation with representatives of the European Parliament. I am educated, skilled, from a developed country where the minimum wage is $11.25 an hour, and yet crowd work was a necessity for me. While not everyone will end up in a situation where this simplistic work is all they have available, why would industry not start pushing all of its jobs to the crowd?

To begin, talented workers such as myself are readily available, so the crowd already offers high quality results. The cost is minimal as there is no overhead, and the highly competitive nature of such a platform drives the wages ever lower. It is easy to use the crowd, since there is always someone available to do the work, and projects get completed much faster than in an offline environment.

On top of all of that, the person posting the work never has to negotiate or even talk to the people completing it. Accurate, cheap, simple, and hands-off; the crowd makes getting the job done a snap.

This is where the creep of the crowd is threatening even the most prestigious professions, breaking up each job piece by piece and handing these tasks to the crowd. Why hire a doctor at your hospital? In their 2015 study "Is there a Doctor in the Crowd? Diagnosis Needed! (for less than $5)," Cheng, Manoharan, Zhang and Lease found that "Turkers" were exceptional at diagnosis, even when doctors fail.

Who needs a journalist when one can have an article written by the crowd for fractions of a cent per word? Netflix rendered programmers unnecessary by holding a contest for submissions to improve their movie matching algorithms, while Coca-Cola eschewed marketers and asked the crowd to help them craft their next ad campaign.

IBM, GE, Mercedes, and Amazon have accessed the crowd to develop new products, come up with eco-friendly ideas, design cars, and replace authors with free writing submissions respectively. What is worse is that in competitions only the winner gets the prize, yet those running the contest can keep all of the entries for free.

If this can be done today, why not lay off all of your skilled workers and tell them to sign up on your new expert crowd contest platform instead? As industry is run by corporations with only the bottom line in mind, there is no good excuse not to make such a move, leaving even those who thought their job was safe competing for one-off jobs with their peers.

Despite how difficult the situation is today and how quickly it is progressing towards changing the future of work for the worse, the workers have not given up.

They have formed forums where they can work together to better their income and even start organizing, such as my site, TurkerNation.com.

WeAreDynamo.org is another community created to help workers anonymously fight for change, and both the "Guidelines for Academic Requesters" and "Dear Jeff Bezos" campaigns which were drafted on the site have found great success. Unions are becoming involved, creating sites like FairCrowdWork. org, and together we may be able to combine their great wealth of experience with our passion in order to change the way crowd work is headed.

And new crowd work platform such as Prolific Academic in the UK, offer ethical options for people to access crowds in a manner which ensures better employment options. In a world where Amazon can make millions, while the workers on its platform make pennies, one must question their own labour future. It is vital that we fight back using the legislation we have available and through lobbying politicians to enact rules which will apply in this new era of technology that connects us all globally. At the very least, we must continue the conversation, and after asking ourselves if such a crowd is one we wish to join, when the answer is no, we must have our voices heard.

Social Value Act 2012

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A Surprising Link Between Creating Global Leaders and Social Value

Phil Renshaw explains how the ever-growing use of international assignment programmes – where organisations send employees to work overseas – has a valuation challenge and a solution similar to that of Social Value. Overcoming the challenge will create tangible value globally.

Phil is a Doctoral Researcher at Cranfield University and a Henry Grünfeld Research Fellow at the ifs University College. He is an expert in the value of international assignments.

Given the continuing globalisation with which we are all very familiar, most of us will know someone who has been transferred to work overseas by their employer. If we do not know someone who has been transferred, it will not be difficult to find someone who wants to be! Traditionally this was known as expatriation - moving overseas to live and work, with one's family/partner in tow, for a year or more. In recognition of the many different forms of overseas work we see today, such as short term projects or inpatriation which is a transfer from a subsidiary to a parent, these are now generally referred to as international assignments.

The reasons behind international assignments from the employer's perspective are wide and varied. They include the delivery of important projects where local skills are lacking, e.g. by NGOs and charities, transferring skills to distant operations, and the creation of Global Leaders. In other words, many multi-national organisations believe that to create the most capable leaders to run their future businesses they need to give them experience of working in and with different international cultures. Examples of such organisations include HSBC, PwC and GSK to name a few.

Surprisingly, despite the increasing numbers of such assignments and the significant costs involved, the vast majority of organisations do not measure the value that is created. This happens even when organisations have departments within HR, usually known as Global Mobility, specifically responsible for the implementation of the assignments.

Indeed, huge numbers of organisations have only rudimentary steps in place to determine the underlying goals of each assignment. Hence it is not too surprising that they do not measure the value created as they do not break down the components of what they aim to achieve in the first place.

It is difficult to know exactly why organisations do not measure the value of their international assignments, but we do know that they want to and are gradually starting to do so. One of the key challenges is that some of the measurement issues are intangible.

How do we measure the impact on our global brand of sending employees overseas – will it attract better applicants? How do we measure the improvement in an individual's capability as a Global Leader – will they gain promotion? How do we measure the impact of increasing our understanding of other cultures' negotiating tactics – will we increase our profitability?

The different perspectives on and definitions of social value illustrates the broad considerations involved when defining 'value' - see Social

Value & Intangibles Review, April 2015 edition page 17. It is very easy to assume that we all know what 'value' means especially when we hear terms such as maximising shareholder value, capitalism's ultimate agenda. The constant repetition of the phrase 'maximising shareholder value' can lead us to think that value is a simple construct. Actually it is not. Unfortunately, if we stop to think about it we can easily fall into the trap of philosophical debate. Should we listen to economists who talk about utility value - how much benefit the owner of something believes they will gain from ownership; and exchange value - how much someone pays for something? Should we listen to sociologists who may ask from whose perspective are we considering this value? Should we listen to philosophers who may ask how can value be measured if the unit of measurement, money, is itself a unit of value? All of these considerations are interesting, yet perhaps not useful - except perhaps to philosophers!

As Olinga Ta'eed has said about social value, it is better to be roughly right than precisely wrong.

The same is true for international assignments - we will be better off when organisations start to put measurement systems in place from which judgements can be made, learning can occur and measures enhanced, rather than debating how difficult this all is. There is probably more than one measurement that will apply to address the different contexts and aims, however we can certainly start with a simple approach that guides us into putting a single value out there from which we can build.

One parallel with social value and its measurement is noticing how the actions of international assignees can create benefits at a range of different levels. They may help address a business issue for a company, they may help to improve the employability of the individual assignee, they may help the local economy of the recipient country, and they may strengthen relationships between the company and its stakeholders. The list may be extensive, but we can create such a list and it can be used repeatedly to inform the decisions in different circumstances. This will simplify the position and help us leap over the first hurdle of successful change.

Any list of potential benefits of an international assignment is unlikely to be exhaustive, nonetheless it can be created. Then, with the benefit of expert opinion, the likely value of an international assignment can be identified, tracked and hence measured - for all the parties involved. Expert opinion will be the key in all of this- using specialists in human resources alongside specialists in value to find repeatable proxies to put a number on what is happening. For example, if we aim to create a Global Leader, what potential level of promotion do we expect this to create as this will demonstrate the improved capabilities. And how much might we spend to recruit an external person instead as that puts a price or value on the improvement. With practice these calculations will become easier and influential.

There appears to be a range of issues that are helping to create a tipping point for the use of the S/E Ratio and social value measurement.

These include local actions such as the UK Public Services (Social Value) Act 2012 as well as global actions such as the UN's Environment Programme investigation into creating a Sustainable Financial System and the recent commitment by the G20 Finance Ministers to support this - see www.unep.org. The tipping point for measuring value within international assignments is much harder to spot - let's face it, the magnitude of the issue is smaller. Nonetheless there is a related role to play in moving forward our understanding of value - especially assuming a desire to improve all our leadership capabilities.

My main focus so far has been on the organisational value of international assignments primarily because they usually fund the exercise. Let us not forget to emphasise the likely overlap with the Personal Value (PV) of those involved, see www.serat.io. For example, we know that the outcomes of international assignments are improved through informal and formal mentoring by those in the host country - which is an opportunity to increase the mentor's PV. Much of this arises from the mentor's personal experience of the host culture and awareness of or involvement in their own international assignment. So we can anticipate that a good experience for our assignee will increase their ability to mentor others in the future as well... and hence increase their PV as well.

As the demand for Global Leaders and the demand from employees to improve their leadership capabilities continue to grow, organisations will have to get to grips with valuing the intangible and extensive impacts that international assignments create if they are to be an effective solution.

As a recent Deloitte[1] interview with a senior finance professional reported, **"HR needs to talk to me in Excel not in PowerPoint!"** Otherwise how will organisations address the prioritisation issues they face? There is a fantastic opportunity to improve all our outcomes throughout the world, for organisations, individuals and their families - and that outcome will be extremely tangible.

1.Deloitte Analytics (2014) What price talent.

Centre for Citizenship Enterprise and Governance

RABACOS Project Area

Interview

Roberto Rabaglino

Architect
Lead Project Italy Village
Theme Park GLOBAL 100
Managing director

HISTORY JOINS INNOVATION: The Italian Art of Architecture in CHINA

by **Dr. Radu Motoca** PhD

Q. ***You are well known as an architect who interprets the homes and lives of international celebrities in finance, politics and cinema in various countries. How did you get to design part of the largest theme park in the world, the Global 100 in China?***

A. I went to China to see the World Expo 2010 in Shanghai. I was amazed by the Chinese economic power and ability to face future challenges by investing in advanced technologies, and create serious and bold projects in such a short time. From then on, I visited the country several times, to find contacts in the East. I intended to apply for projects as a professional architect as soon as there was an opportunity. Among the many people who I met in China, one day in Shanghai I met a young Italian manager, a person of high value who wanted to see my projects, and who then believed in and trusted me. When I was back in Italy, one September morning at 4.50am I received a text message from him: "I think you should take part in a tender for an amusement park, the largest ever. We need a project for the Italy Village. Hurry up and come here soon! It's a once in a lifetime opportunity!" A week later I had already got the visa in my passport, a pack of drawings outlining my proposal and a colleague with me who would support me in presenting my idea in Shanghai.

Q. ***What is Italy Village?***

A. Italy Village is a district of the Great Theme Park - Global 100. The Chinese Government has invested in a tourist development plan to increase the value of the beautiful island of Hainan, in South Macao. A brand new infrastructure system connects the various touristic elements: beaches, cities, airports, hotels and a huge theme park called GLOBAL 100. The theme of the park is 'The Movie'. The park is divided into three main areas: Asia with China in the middle, and America and Europe on either side, with seven movie towns. The Italy Village is in the European district. Its architecture represents and tells the story of Italy.

Q. ***What was your winning idea to enable the Chinese to get to know Italy?***

A. I have started from the Italian names that the Chinese know best: Pinocchio, Marco Polo, La Dolce Vita, the Roman Empire, Leonardo and Michelangelo. These are the names of the 5 areas that I have designed to tell the story of Italy and its cinema, each one in its own historical period. This allowed me to re-create Rome again with the Colosseum, the Forum and the Pantheon, Venice as it was at Marco Polo's time, the architecture and the art of Leonardo and Michelangelo, the fantasy and games in the Pinocchio area, the luxury of the Dolce Vita. I tried to stick to the architecture of the building façades as they were in their times, appointing set designers, architects and art historians. Then I used ultra-modern and futuristic architectural structures to mark the boundaries between the different areas. The Chinese are really passionate about Italy and we were able to incorporate those things which would touch their hearts: a fairy tale, cinema, fashion, and our culture.

Q. ***How did you manage to work in such a difficult and competitive international context?***

A. When I found out that the general master plan for Global 100 was managed by one of the most important international architecture companies in the world - Chapman Taylor - and that our 'neighbours' were stars of architecture or internationally renowned companies, I understood that I had to organize a highly specialized and very engaged professional team. I inherited my company, Rabacos srl, from my father, as well as my passion for architecture. In the family history of our company we have performed prestigious work in both the public and private sectors. However, on this occasion I thought it was important to have a strong and reputable Italian partner with international expertise in engineering and architecture – and this was Tecnic SPA. The partnership has been successful. We both ran the risk of facing a new market without ever having worked together. The enthusiasm of our team of young Italian architects and professionals, more than 25 people, made the difference in portraying the values of Italian cultural heritage. We worked hard with extraordinary organization, and at a pace which even the British found amazing.

Q. ***What kind of technology is necessary for such a vast project and for managing it from thousands of miles away?***

A. Obviously it could never be possible without internet and software-enhanced technology allowing the client to enter the project in real time in order to understand its development step by step. Conference calls, a small local assistance office and customized technology with swift technical design, called BIM (Building Information Modelling). For us it was amazing to match this new technology with freehand water colour drawings. It is difficult to find someone who can use BIM and draw great sketches of the Italy Village at the same time. It is fascinating to see how, in the most technological country in the world, the emotional craftsmanship of freehand drawing is appreciated, especially when accompanied with virtual reality sketches created with Chinese rendering. BIM allowed us to make quick modifications and to elaborate architectural graphs that were ready to be converted into real working drawings. The site set-up is already taking place. The first areas of the park will be opened in 2017.

© www.chapmantaylor.com/en/projects/detail/global-100-haikou-china/en/

Q. ***Would it be possible for an Italian architect to work on such a large project in Italy, counting only on their professionalism?***

A. It would be possible but not very probable. In Italy, apart from the lack of investment in large works, we suffer from an unjustified amount of bureaucracy and from an investment system that leaves no room for the young. In China and other parts of the world, ideas are followed by projects, and as soon as projects are approved, they are constructed in short time. Five years after the initial idea in 2012 for the island of Hainan, the works for Global 100 have started, whereas in Italy sometimes it takes five years to obtain the authorization for a sign on a shop!

Q. ***What was your greatest satisfaction in this project?***

A. My greatest joy was the justification of our belief in the architectural values of a young and dynamic Italian team who had the ability to communicate with the Chinese and share with them the history of Italian architecture. A team prepared to face international competition and able to export the essence of Italy with professionalism, passion and advanced technology.

Q. ***Future projects?***

A. Continue to generate new emotions.

www.rabacos.it

Modern Slavery Versus the Shared Economy

How a new initiative is bringing the hope of change to the mining industry in a quiet corner of South Africa

Douglas Racionzer is an Ashoka Fellow and social worker. Often referred to as a serial social entrepreneur, Douglas has been working in small towns in Southern Africa and India since 2010 seeking their rejuvenation through dialogue and local economic development.

ASHOKA
Fellow

We owe a lot to slavery. I don't like to think of it. Slavery is a vice in so far as it is vicious and demeans the dignity of those in servitude as well as the slaver. It is however clear that for thousands of years, it was how all the back-breaking work of empire was done. Ships were powered, mines were dug, bridges built and great monuments constructed by slaves. It is certain that you have ancestors who were slaves and most, if not all the economies of the world and their glittering civilizations, both ancient and modern have been built upon the backs and broken lives of slaves.

Today I guess it's best to talk of slaveries because there are many forms of this ancient practice which seem so different and yet, are really the same thing. The young Thai girls, sold by impoverished parents into sex-slavery. The Moroccan corsairs who enslaved many thousands of Europeans. The system of slavery that saw Africans shipped in their millions to work plantations in the new world. The ancient Greek slaves who taught their Roman masters to read and write. The guerrilla soldiers fighting a civil war in rural Uganda abducting children to fight as child soldiers. These are all different forms of slavery with the same economic root.

The fundamental economics of slaving have not changed over millennia and it is best understood by understanding the supply chain of this nefarious system. The supply chain for slavery is not, in its essentials as an economic system, fundamentally different from wage labour. Indeed, it has been argued by Marx and many others, that wage labour is an iteration of slavery. Both the slaver and the employer, seek to benefit from another's labour, without paying for the full value of this labour. Slavery is just the most efficient form of this approach and can be described as falling within a continuum where slavery sits at one extreme and ordinary wage labour at the other.

The supply chain for slavery needs a ready supply of human beings to be able to work. Their willingness to work is not a consideration. In most cases, the quality and "*fittingness*" of the humans in servitude to the job is an important consideration. There is often a trade-off in this matter between a slave who is compliant and easy to direct and one who can do physically gruelling and odious work. These two qualities are surprisingly difficult to find in the same person.

There is a very human perversity that seeks liberty and repose and these are precisely the sorts of things that slavers view with suspicion.

Modern slavery does have its brutal physical elements but most modern slavers prefer to rely on systemic oppression than on brute force.

For one thing, brute force is messy and it tends to incapacitate the slave while casting fear in the others. Systems of oppression on the other hand, are able to induce compliance without having to sacrifice the capacity of any of its victims or resort to physical violence.

Now systems of oppression come in many guises. Its most mature expressions enable proponents to lay claim to cultural traditions (caste systems, racial separatism and anti-Semitism) while blaming the victims for perceived personal failings.

The most effective and efficient systems of oppression are those where cultural tradition and procurement merge seamlessly into one because slavery needs a system for procurement and this system works best when the suppliers do not meet resistance to their procurement practices.

Take the "dop" system for example. In the winelands of the Western and Northern Cape, farm owners had for generations, paid their indentured servants in the cheaper wines they produced. One of the "perks" of slavery and servitude was that the wine was on the house.

This created a pliant workforce who suffered servitude, in part because they were enslaved to alcoholism, dependent upon the demon drink.

This "dop" system produced a significant proportion of the population who suffer from foetal alcohol syndrome.

Pregnant mothers, unable to resist their cravings for alcohol, drink excessively and give birth to children suffering from this nasty condition that condemns its victims to a life of poverty and incomprehension.

Today, farmers have ceased to use the "dop" system but can be heard in bars and coffee shops, complaining that their "people" are poor workers, lazy, drunk and unreliable. Most of these farmers fail to understand that they are reaping the consequences of a system of slavery and servitude their forebears imposed upon a subjugated population.

In Prieska, a small town along the Orange River in the Northern Cape, many of these unemployable people, unable to find full-time work on farms, eke out a living of sorts through artisanal mining, digging for "tiger's eye" semi-precious stone in the hills surrounding the town.

Some of the local farmers have branched-out into buying and selling raw tiger's eye. There are a few who cut and polish gemstones in Prieska but the local population has no lapidary tradition. The real tradition is alcoholism and servitude at the periphery.

The local farmers who trade in tiger's eye have, over the years, simply paid artisanal miners for cut stone taken from municipal land at prices the buyers arbitrarily set. This raw stone is packed in shipping containers and exported to India and China where lapidaries do the cutting and polishing on a scale that realizes huge profits in markets in the Global North; profits the local artisanal miners do not get to share.

This system is not "slavery" in any of the traditional senses of the word. No-one is physically forced into servitude. The miners sell their stone and have the liberty to choose the time, tools and place where they work. It is however a profoundly pernicious system of oppression that keeps artisanal miners in a state of poverty and often exposes them to injury and disease without placing any legal responsibility for their wealth or welfare on the middle-men or the state.

The state, perhaps not wishing to deal with the legal liabilities of health and safety and seeking to tax formal mining operations, compounds the situation by regarding artisanal miners as illegal miners or "Zama-Zamas", condemning them to a peripheral legal status in the shadows of the non-formal black market.

It's not a pretty picture and it is a global phenomenon. The World Bank estimates that over 100 million people around the world rely on artisanal mining for their livelihoods. The formal mining sector, in contrast, benefits under 5 million people and is in decline. We as a human species, need the raw products that miners dig out of the ground for our daily lives. We need a post-industrial mining system; we need hope. We need a system that liberates and offers opportunity for miners to flourish; an economic system for mining that does not make use of wage labour or any system of oppression. Has hope begun to germinate in the heat and dust of the Northern Cape?

The "Prieska Protocol" is patiently building, bit by bit, a viable alternate value-chain in mining. A value-chain that is not a system of

oppression and economic exclusion but is an inclusive shared economy where each stake holder in the mining value-chain gets to negotiate a fair deal and share in the profits of their labour.

The primary focus for the Prieska Protocol is on human dignity and solidarity.

Profits are part of the mix but they are not elevated above our common good. It is these social values that the Prieska Protocol champions and it involves dialogue and generosity. A very different ethic to the greedy, grubby grasping for profit that traditional mining has sought.

How does the Prieska Protocol work? Quite simply, the miners, local lapidists, marketers, social workers and environmentalists agree together to share the profits of the final selling price of mined stone. Presently, participating miners, social workers who work with them and the lapidists get 16% of the final selling price. The marketers receive 26%, an environmental trust receives 10% and the final 16% is spent on taxes, administration and transport costs.

The Prieska Protocol could be described as the Uber of the mining sector, driven by a transparent web-based audit system, it has already spawned an online shop; ethical gems online and, because we are unable to transform mining alone, we encourage you to steal the idea to create social value in your own industry. We will even help you to implement it if you need assistance to get up and running. We can be contacted at http://prieskaprotocol.weebly.com.

"MEANING"- The Millennial Generation's Enthusiasm for Genuine Philanthropy

by **Philipp Engel**
Co-Founder, Red Light Campaign

by **Emily Revess**
Ambassador, Red Light Campaign

London, 12 November 2015. As dusk settles over the city and its millions of lights start to glow and sparkle, people's minds turn towards their evenings and their free time, to fill with whatever is important to them. We find ourselves at an art gallery in East London's trendy Shoreditch. A queue of about 50 people has formed outside; as they are being slowly admitted one can hear laughter and excitement in their voices about a fun evening ahead. The event they are joining is called *Art for Freedom* and is an evening of fashion, art and dancing organised through our organisation against human trafficking, the Red Light Campaign. A variety of international artists and designers have contributed their pieces for people to look at or bid for, the DJ is the founder of an up-and-coming music start-up. The crowd around the bar is made up of young professionals coming from their jobs as designers, entrepreneurs, lawyers and bankers.

The guests at our event were not solely there because they were interested in art and fashion, or because they wanted to support a charity. They decided to attend the event because they represent a generation that is increasingly part of a value-driven economy, wanting to know the wider impact of their decisions as consumers and demanding issues of everyday life to be embedded into a wider philanthropic network of social values and impact. These millennials are developing and upholding a consumer-led movement that is centred on a mind-set aimed at questioning where, how and by whom products are made - and where and how their consumption decisions will have an impact.

This social consciousness or 'enhanced capitalist awareness is closely connected to an increasing public interest in the transparency of supply chains and production methods. In a world of social media and instant information, labour standards in one part of a large international supply chain are easily translated into a photo on Instagram that will then be associated with the end-product,

or even the entire corporation behind it. This new level of global scrutiny, which emerged unsurprisingly next to a global communication revolution, should be seen as an advantage rather than an obstacle. Companies that embrace an increased interest in their production methods and social policies can harvest more than 'likes' on social media - they can form a long-lasting and more genuine engagement with their clients and customers, adding a connection and integration with the social issues of the wider world to traditional success factors such as product quality, branding and marketing.

The crowd who spent their Thursday evening with us at the gallery were there because they loved art, fashion and design. For our event was not a 'charity event' in the traditional sense, it was an art and fashion event that had a philanthropic issue attached to it. The charitable message was not the *raison d'etre* for our event. Rather, the formula for our success as a small not-for-profit organisation has crystallised itself the other way round: people want to enjoy what they usually enjoy, but will choose circumstances that are embedded in constructive thoughts for the wider world over those that exist for singular purposes only, such as making money or. People today have been brought up with a sense of responsibility to care about the wider world and look for organisations and businesses to help them master the task of taking on some of it while still managing all the other areas of our increasingly complex lives.

When we organised our first photographic exhibition about human trafficking at the Houses of Parliament in 2011, little did we know on what fertile ground this initiative would fall. We suddenly found ourselves forming part of a rapidly growing number of people who have all come to the same realisation: that slavery, far from ever actually being abolished, has managed to cast its dark shadow through the centuries and continues to thrive today. More people are being robbed of their freedom globally in the 21st Century than ever before. Having become an underground activity, often not apparent at first sight, slavery is like a virus that has mutated and adapted to function all too well in modern times.

Every 30 seconds, a human being is sold for an average price of US$90. The profits generated from human trafficking are estimated to be US$32 billion every year. There is widespread indignation that this gross injustice has been allowed to continue. Modern day slavery is flourishing with 20.9 million people worldwide victims of forced labour. 4.5 million of these are victims of forced sexual exploitation, while 14.2 million are victims of forced labour exploitation. The remaining 2.2 million are in state-imposed forms of forced labour.

There are more slaves today than at any point in the 400 years of the Trans-Atlantic slave trade. This fundamental violation of human rights

is impossible to watch in silence or to ignore.

Ever since its first venture into the public domain, our organisation has gone from strength to strength. We have had an overwhelmingly positive response to every opportunity we provided for people to engage in the fight against human trafficking. We have capitalised on this by adopting a creative approach that is focused on positioning ourselves behind our followers rather than in front of them, providing them with practical tools and information to become empowered individuals, able to play their part in the global movement against slavery.

At the heart of our organisation lies our Impact Fund, which was launched in January 2014 with the specific intention of having a positive, pragmatic and immediate impact on the reintegration processes of people who have been and continue to be directly affected by human trafficking and modern-day slavery. For this purpose, the Red Light Campaign has entered into a special relationship with the Human Trafficking Foundation. Headed by the UK Home Office's Special Envoy on Human Trafficking, Anthony Steen, it is currently referring survivors of trafficking to the Red Light Campaign to assess whether sponsorship under the Fund is possible. The focus of the Red Light Campaign Impact Fund lies in pragmatic aftercare and the provision of goods or services to survivors of trafficking; tailoring the assistance provided so as to maximise the impact on each individual's particular circumstances. Examples of the assistance provided might include funding of language classes, skills-based courses, counselling sessions, access to the Internet, season travel tickets, computers or mobile phones.

"OUR APPROACH IS FOCUSED ON FINDING A WAY OUT OF THE MAZE OF MODERN-DAY SLAVERY: PROVIDING EMPOWERING TOOLS OF ACTION FOR A GLOBAL CIVIL SOCIETY, INITIATING OPPORTUNITIES FOR CONSTRUCTIVE NORMATIVE CHANGE IN SUPPLY CHAIN MANAGEMENT IN THE PRIVATE SECTOR, AND, ABOVE ALL, SUPPORT FOR SURVIVORS OF HUMAN TRAFFICKING" **Philipp Engel**

While a traditional charitable organisation would normally rely heavily or exclusively on fundraising and donations, the Red Light Campaign has, ever since its inception, drawn strength from the surge in appreciation for social entrepreneurs and issue-based campaigning. One of our main vehicles to generate interest, income and engage our audiences is our very own tech start-up and innovative social network, called the Cube Movement. Building online chains of communication between individuals and communities based on real world interactions, it highlights and introduces the issues of modern-day slavery and the fight against human trafficking.

The Cube Movement is designed to enable global chains of people to shed light on this issue by physically passing on unique informational Cubes from person to person. The network is based around wooden cubes that individuals and companies can order from our website. Each of these Cubes is equipped with information about human trafficking, survivor stories and a unique Cube Pin number. This number allows the user to log the location of that particular Cube on our website. Once the Cube reaches a new user, they are able to register the new location online again, before passing the Cube on. The more people receive a Cube, the more connections appear on our online map; powerfully illustrating aspreading global awareness. We offer corporate sponsorship mechanism, where by companies can buy advertising space on the cubes and on our upcoming mobile app.

The Red Light Campaign believes that private sector organisations can take an active role in mobilising consumer led change towards a more sustainable and transparent approach to supply chain management. After spreading the message about human trafficking over 850,000km around the world, we are excited to see the continued change we can invoke in millennials around the world in future.

QUALITY BY DESIGN • SUCCESS BY PLANNING • RESULTS BY PERSEVERANCE

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Boston Technology Research, Innovative Solutions Helping to Shape the Future of the Life-Science Industry

Boston Technology Research is a company focused on nurturing innovation and sustainability within the Life-Science industry.

Established in 2010 by Octavian Boca (President) and Kosal Keo (CEO), two entrepreneurs at heart, Boston Technology Research is headquartered in Boston, Massachusetts, and has grown to over 60 team members with offices in the USA and Europe.

Boston Technology Research's Software Solutions division (BTRS2) provides simple, yet intuitive software tools for Life-Science clients. Their software solutions along with their services division (BTR LifeScience Consulting) create efficiencies for maintaining compliance around regulations, quality management systems and the implementation of large enterprise software platforms. Their proprietary methodology, flexible resourcing model and deep expertise, make them a logical choice for compliance needs.

Due to the lack of foresight in pharmaceutical regulation and compliance, Octavian and Kosal saw a slowing in the quality and timeline of delivering life-saving drugs to patients, and found this unacceptable. Deciding they could spark the positive change needed within the pharmaceutical and medical device industries, Boston Technology Research was born.

Kosal and Octavian have worked in the Life-Science industry for over 20 years, holding roles from quality engineers to managing directors. Working in both large and small Pharma, their expertise spans the biotech gamut. Throughout the years they encountered a real need for improving the pipeline for safe and efficacious drugs. Boston Technology Research stemmed from a vision to unify this system by creating a fluid and manageable process by which Biotech and Pharma companies can efficiently reach government standards of compliance, both enhancing manufacturing and the quality of developing therapeutics.

Interview with **Octavian Boca,** President, and **Kosal Keo,** CEO
Boston Technology Research

by **Dr. Radu Motoca** PhD

Octavian, a technologist and visionary with a passion for art and innovation, has previously founded three successful US based companies, a Venture Capital firm, Kendall IT Solutions and Massachusetts Technology Innovation. In addition, he is the founder and owner of Lone Monk Studio, Boston's first music studio dedicated to electronic music. He dedicates his free time to photography and travel.

Kosal, a businessman and entrepreneur, co-founded two consulting firms in the Bio / Pharma and Medical Device industry, an IT infrastructure company (Kendall IT Solutions), and was a co-founder and Managing Partner in a Venture Capital firm. He is also an avid golfer.

Q. *Boston Technology Research has grown from a company of two to over sixty in only five years. What was your focus, and how difficult has it been to get to where you are today?*

A. We wanted to build a company that is progressive and thinks out of the box. We wanted to bring a fresh outlook to an industry that was stagnant and used antiquated processes.

Two guys, two laptops and a basement, that's how we started. It wasn't glamorous but it was exciting for sure.

Lots of hard work, sleepless nights and a little bit of luck helped us attract inspired and talented individuals who worked tirelessly towards a common goal. Fast forward a few years and here we are.

Although much of the company's current work is done through consulting, the vision of Boston Technology Research is being realized in the form of a software solution that embodies our principles.

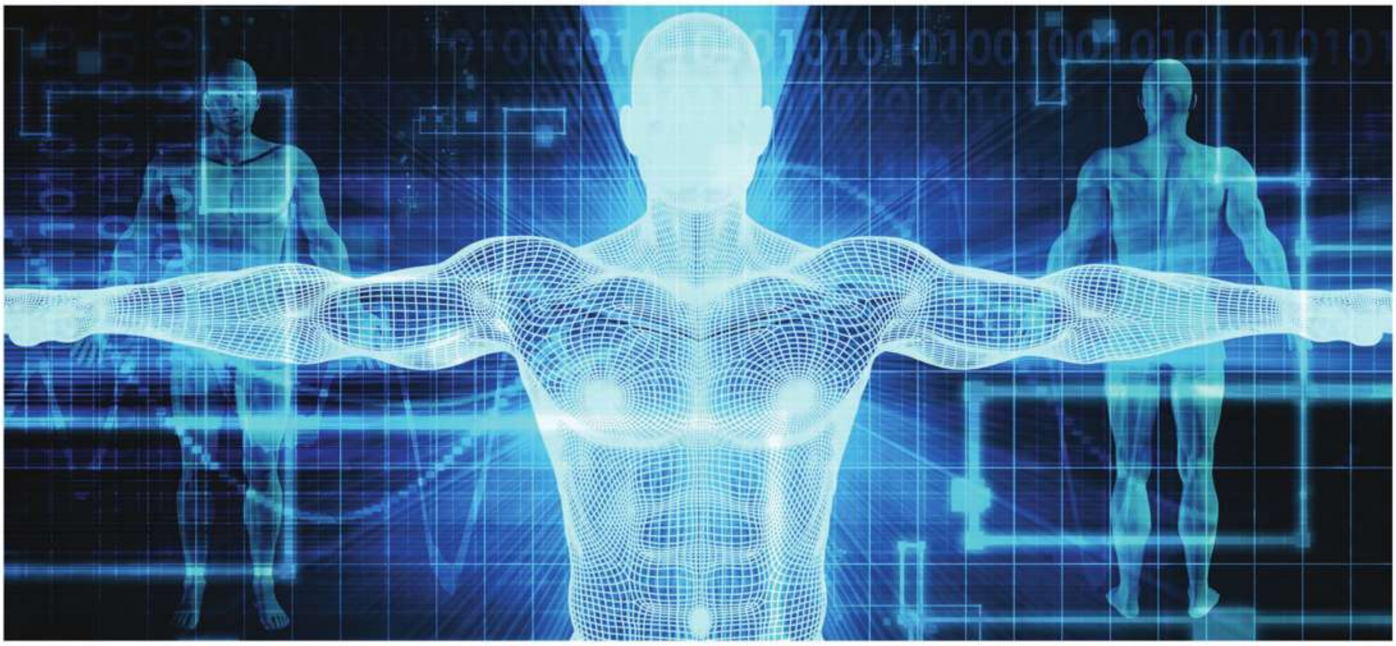
Q. *You've worked to develop different software modules that automate anything from computer systems lifecycle management, implementation/maintenance of quality systems to compliance assessments for regulatory requirements. How will this software impact the Life-Science industry?*

A. Our software streamlines and standardizes the entire quality process for computer systems associated with the development and manufacturing of these life-saving drugs. Our modules are comprehensive and dynamic; able to handle the demand of a continuously adapting regulatory system that pairs with the innovations of today. They will save companies the time and money they need to devote their efforts to the discovery and delivery of these important therapeutics.

This saving is especially valuable in Boston and Cambridge, MA, where we are located. This is an oasis of bubbling biotechs of all sizes. We're especially proud of the many small and mid-sized companies we're able to help. These companies, while filled with innovation, are competing not only in a field of giants, but with the lengthy and costly process of drug and medical device development. Our software gives them a fighting chance to bring new drugs to market that other wise might not have made it.

Q. *Boston Technology Research is simultaneously focused on partnering with companies who share your vision of getting therapeutics and medical devices to people who need them sooner. How do you collaborate with them?*

A. One example is in the world of drug counter feiting, a serious global issue. We're collaborating with companies that work with the new Track and Trace/serialization laws that legislate how drugs are identified from manufacturing to patients. With our software, we are helping them standardize and implement their technology faster, so they can safely distribute drugs around the world. When you or your loved ones need one of these therapeutics, we want you to feel confident that it's the correct dose, compound and pill.



Q. ***Your vision is to unify the systems involved in the manufacturing, compliance and quality of these drugs. How is this possible?***

A. This is an era in which many of these biotechs and pharmaceutical companies are going global. We see a future where the FDA and our world-wide counter parts work together to bring quality to a global standard where drugs can be efficiently and safely developed. These drugs have a lot of impact on patients' lives. If we can help just one company get a life-saving drug to a patient sooner, we'll feel we've accomplished our social mission. But we certainly aspire to help many more than that.

Q. ***You develop scalable compliance programs and software solutions utilized both by Fortune 500 companies and start-ups. What exactly is your innovation, and how dynamic are you? I guess what I'm asking is: why should companies choose you?***

A. Plainly put, we are different, so our software platform is different. We think outside the box and we challenge how the industry has been doing things. We've developed an integrated compliance ecosystem that uses automated workflows to gain efficiencies around implementation of processes, procedures and systems.

One of the hurdles that we've seen with adopting new technologies is the length and cost of implementation. Our implementation strategy is built on what we call the 80/20 approach, where 80% of available workflows meet industry standards and only the remaining 20% require configuration to adapt to specific companies' processes.

Q. ***We've discussed Boston Technology Research's footprint and your software platform in the Life-Sciences space. Can the software platform be used outside of that, for other applications in other fields?***

A. Yes, most certainly. Our software modules can be easily configured and adapted to fit a number of industries. We've already engaged in discussions to use our software platform for other regulated industries such as the nuclear, food, chemical, and aviation industries.
We envisage using our software as a collaborative tool in non-profit organizations as well. Our workflows can help facilitate manual/strenuous processes by integrating automation and building time-saving efficiencies. Organizations can also take advantage of document management capabilities with sensitive data because of our layered security structure.

Q. ***It seems that the two of you have accomplished a lot in a short period of time. You must be proud of where you are. Where do you envision Boston Technology Research in another 5 years?***

A. We sure are. We are humbled by our achievements, but none of this would have been possible without our dedicated team. At the end of the day we owe our success to them, it's as simple as that. Although we still have a lot of work ahead of us to get Boston Technology Research where we want it to be, we look forward to the challenge.

We want to be a global industry leader that helps advance a company's ability to bring drugs or medical devices to market quicker, safer and cost effectively.

Interview

Sharon Stone

"I have been with HIV+mothers who will not live to care for their HIV+ child."

by **Raisa Ambros,** Editor
CCEG Social Value & Intangibles Review

Interview with **Ms Sharon Stone**
Actress, model, film producer, and Global Campaign Chair, American Foundation for AIDS Research (amfAR)

Q. ***You have been the American Foundation for AIDS Research** (amfAR's) Global Campaign Chair for 20 years, and will continue to serve the foundation until a safe and effective AIDS vaccine is developed. How would you describe the social value of HIV positive people?*

A. I have learned much from my journey with people with HIV/AIDS. It is not mine to describe or judge the social value of another. However, I can say that I have learned much in my own journey. There have been times when I have been with HIV+ mothers who will not live to care for their HIV+ child. That is one of the most humbling experiences of my life. A mother is a mother regardless of the circumstance and we must meet that and all circumstances with care and humility.

Q. *Can you describe how their HIV status affects their lives in other ways beyond the physiological?*

A. The lives of those affected by HIV/AIDS is hit by a devastating blow, especially for mothers and children, as there simply is no cure and the treatments are broad-based.

We must be clear, as many people believe that since we have discovered many life extending drugs somehow AIDS is no longer a big deal. It is! It continues to kill humans every hour, and marginalizes people socially. It opens the door to so many other illnesses, because it is an immune deficiency disease.

Q. *In the United States, disability laws prohibit HIV/AIDS discrimination in housing, employment, education, and access to health and social services. How do you see HIV discrimination compared to other types of discrimination around the world?*

A. We have come such a long way in these last 20 years. I am proud of the work we have done, the efforts made by our government and the forward movement with the Catholic Church, all of whom have taken this very seriously. When I began with amfAR twenty years ago, we couldn't talk about these things. Now, in the middle of Africa, children know about HIV and the consequences of unprotected sex. We have made so much progress.

I cannot compare types of discrimination, as that is foolish; but can only say that all discrimination wastes our time and our humanity.

Q. *Current research has found that discrimination against people living with HIV is a contributing factor for delayed initiation of HIV treatment. How do you think we could combat prejudice, and empower infected people?*

A. We, as Americans, have a stigma about sex in general. So many issues, not just HIV/AIDS, are contributed to by the fact that discussions about our bodies and sexual relations are considered taboo; I disagree with that stance. Good health requires the knowledge of modern health care, so that we are able to live healthy, natural lives and care for our children.

Q. *You have spoken out on controversial topics, like making condoms available to teenagers and teaching the practice of safer sex. How did the government and the wider audience receive these proposals? Why do you think younger people are more likely to be infected with HIV, and how could we prevent this more effectively?*

A. Younger people are more likely to be infected by HIV/AIDS for several reasons:

1. This is the onset of puberty and hormones, which creates a very high sex drive.
2. Young people lack the wisdom that comes with age, especially involving sex.
3. Young people are often ashamed or embarrassed to discuss their sexuality, and therefore enter into these situations unprepared.
4. Adults often do not have healthy two-way conversations with the younger generations about giving thought to abstinence and/or safe sex.

Q. *More than half of all new HIV infections occur in gay men and other men who have sex with men. Many people also believe that AIDS is related to homosexuality. Why do you think this is?*

A. HIV/AIDS is a disease that is transmitted through the bloodstream; not the gay bloodstream, but the bloodstream. This actually means women are more likely to get this disease from men, than vice versa, although men to men is the highest risk as the tearing factor can cause blood to blood contact.

This disease began here in America in large part in the gay community, and was in fact originally referred to as GRID or Gay Related Immune Deficiency disease. Over time that it became clear that this disease was not "choosing" gay men, but was also contracted by women and children, and one in five new cases in America today are women. Worldwide, women constitute more than half of the people living with HIV/AIDS.

Q. *There are now roughly 34 million people living with HIV/AIDS worldwide. In the USA, more than one million people are living with HIV/AIDS, and approximately 50,000 Americans become newly infected with HIV each year. What is amfAR's preferred solution to preventing the spread of this virus? How efficient is this form of prevention, and to what extent do we rely on private companies to drive this prevention strategy?*

A. It is important to recognize the 39 million people who have died to date of HIV/AIDS as well. Many of the 34 million do know that they are living with HIV/AIDS, the statistic we offer is that one in eight do not know that they are infected.

amfAR has raised over US$600 million in 30 years, and with the wonderfully enlightened lead set by President Obama, the US government spent US$30 billion studying the disease and caring for those affected by the epidemic; with around US$3 billion going directly to research, we have a formidable partnership in our governing body.

All of the money that amfAR raises comes from private donors and I would like to take this opportunity to thank those who are working with us, staying with us, and who have thus far greatly changed the face of HIV/AIDS.

Q. *You decided to fight against AIDS and to join amfAR after the death of your friend and acting coach Roy London. What was your attitude to HIV before this and has that attitude changed since you became involved in the foundation's work?*

A. I began my work before I knew Roy was ill, however I was terribly moved by his illness and death, and said so publicly so people often believe that this was my motivation. I had already gone to South America and tried to help there and was already working with Elizabeth Glazer.

What actually happened was…

I had been called by Make a Wish Foundation to go and visit a young girl aged 11, who was ill with HIV/AIDS who would not be able to go to her school dance and her wish was that I would go and 'get her ready' as if she could go. I spent the day with her; she told me of her journey, her family, and in particular of her sibling whom she would leave behind.

Eventually, I lay beside her on the couch and as she tired, she told me of her wonderful trip to the Paul Newman camp for children and how she dreamed to go again. As she spoke she had such a light in her eyes that I became determined to get her there once again.

I borrowed a new motor home from one of the film studios, and asked two of my dear teamster friends if they could take turns driving her and her mother there and back. They agreed, and did so as a gift to her and her family.

She died in that motor home on the way back.

"This is why I said yes, for her; for her and for every child that should grow up and be spared such pain, such abandonment of society's ignorance and confusion." That we may always simply know in our hearts that everyone deserves the love, kindness, and decency of our care and concern.

Q. ***You have worked tirelessly to heighten awareness of HIV/AIDS as a threat to social and economic stability, and to underscore the urgent need for continued research. What do you find most rewarding about this work, and what has been your proudest moment so far?***

A. The very fact that people are living longer, healthier lives is by far the most rewarding aspect of this work; **when people stop me on the street and thank me for their lives there's a sense that this tough commitment has meant something real, something tangible.** Just hearing the voice of a single person joyfully living with HIV/AIDS is such a gift.

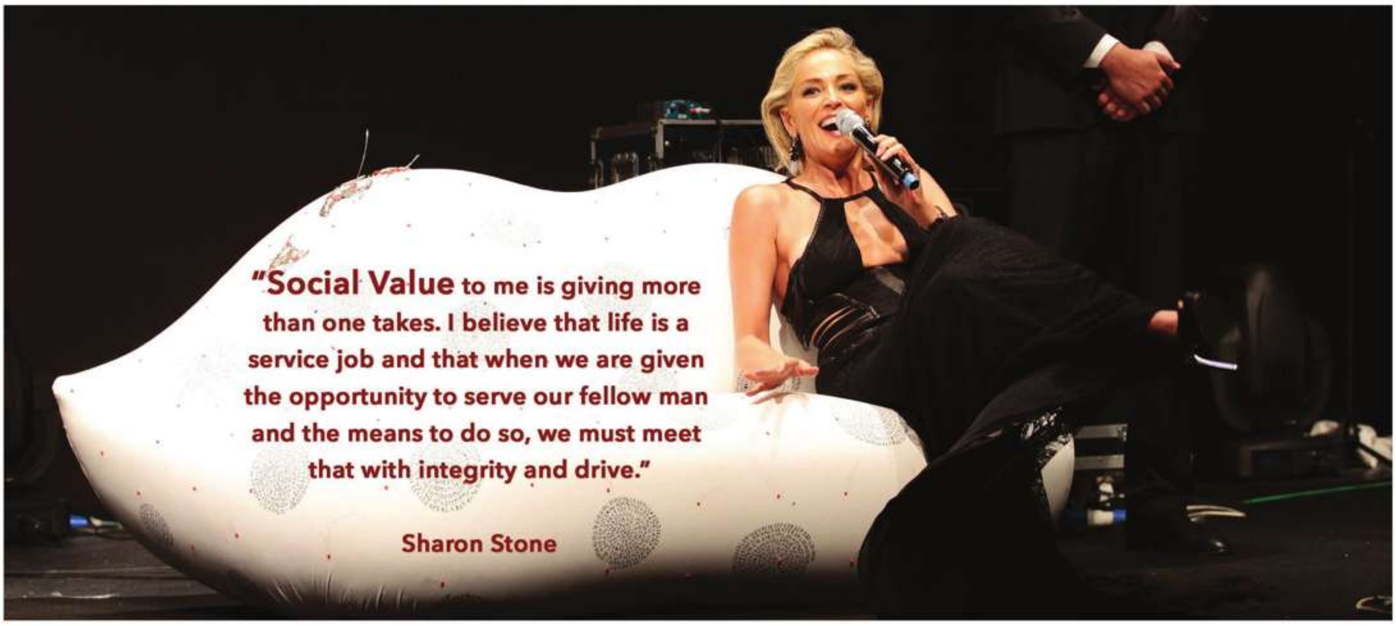
The proudest moment is one yet to come, when we can all stand together and say that we have found a vaccine, and a cure, and I believe this day is coming soon.

Q. ***It is fair to say that you have become the most active figure in raising money to combat AIDS all over the world. What did you learn from Elizabeth Taylor, the founder of the amfAR?***

A. I can say that the admiration that I hold for Dame Elizabeth Taylor grows year by year. Her foresight, courage, and sense of significance about what this crisis truly is remain unparalleled. She gave fame a meaning that has grown into a Hollywood tradition of representing that which needs to be seen and heard. It is my mission to hold her values to the light and never allow them to fail.

Q. ***The research initiative "Countdown to a Cure for AIDS" aim to find a widely applicable cure for HIV by 2020, with a strategical investment of $100 million. What is the status of this research and is 2020 a realistic deadline for finding a cure?***

A. We are doing quite well, though always needing private donations, as the research is very expensive and time consuming; we are opening a research centre in Northern



California. We at amfAR believe whole-heartedly that a cure is within view.

Q. ***In 32 years the amfAR has awarded more than 3,300 grants to research teams worldwide, with more than $388 million invested in its research programs. In your experience, what is the biggest obstacle to finding a cure?***

A. The mutation of the virus itself is quite complex.

Q. ***The amfAR gala coincides with Fashion Week and film festivals. What is the role of actors, fashion designers, and models in the promotion of the foundation's mission?***

A. We at amfAR have been incredibly blessed with the participation of those in the fashion and film industry. This is a family mission; we need to save and love our families. When I started, we raised less than $2 million at this event, the last time we raised around $34 million at the same event. This is completely due to the participation of the film and fashion industry "Where shine meets intention, anything seems possible."

It also brings so much awareness to the public, as people follow the film and fashion industries.

Q. ***There are both celebrity supporters and business supporters backing fundraising for the amfAR. Which is the more generous: celebrities or businesses?***
If you had a top ten list of philanthropists supporting your cause, who would be on it? Are there anonymous philanthropists?

A. It would be impossible to say who is more generous as generosity cannot be measured in dollars and cents. There are the donors, the buyers, the models who give their time for free, there are the stage hands, the amfAR producers and secretaries working for so little, there are valets and the paparazzi without whom no one would ever know how important all of this is.
Of course there are anonymous donors and if you would care to be one, just let us know.

Q. ***Which countries or events are more effective in raising money for amfAR, and how difficult is it to raise the many millions needed to support your research?***

A. Each country has its own approach. Certainly we raise the most money in France, as this has been our biggest and most spectacular event historically, however we have raised significant funds and awareness all over the world; from Dubai to India, from Dallas to NYC, from Milan to Paris to Cannes to Los Angeles and more.

Is it difficult? You bet your ass.

Q. ***People call the Cannes' event Cinema Against AIDS "Cinema giving back." What is your own definition of giving back?***

A. All of the people who gave me my career from the public to the press to the filmmakers are in league with me in creating a cure, therefore we are giving forward together.

Q. ***In addition to the time you give to the charity, do you also make monetary contributions?***

A. I have a charitable foundation of my own, and through that foundation we create fundraising and awareness activities, and help those in need in a variety of ways. However, I choose to do all of this anonymously, and I take no outside donations.

Q. ***The CCEG aims to measure the Personal Value of 1 million people on www.serat.io. What is your definition of Personal Value? How important do you think it is that people measure their Personal Value and have a clear view of their value to society?***

A. This is such an innovative concept that it stuns me to consider it. While it could allow one to reflect on how they could direct their lives to their own betterment, it is also concerning in the sense of the potential judgement it could produce. It sounds like a great movie plot!

Q. ***Is there anything else you would like to tell us before we sign off?***

A. Thanks for your attention to the ongoing HIV/AIDS crisis, and the very real concerns that we all should have, and the wonderful possibilities at hand for anyone who may care to help us.

DERMART: Interpreting the Skin Like a Canvas. The Aesthetic Experience to Make a Diagnosis on Diseased Skin

by **Massimo Papi**, MD

- Italian Association of Hospital Dermatologists (ADOI) - Responsible for the National study group on skin ulcers and vascular dermatology
- Specialist in Dermatology and Venereology since 1986
- For thirty years Dermatologist in IDI of Rome, Scientific Institute for cure and research in skin diseases
- Founder of the Italian Association for Ulcer care (AIUC) in 1999
- "Peer reviewer" for: Archives of Dermatology, Journal of European Academy Dermatology and Venereology, International Journal of lower extremities wounds, Italian Journal Dermatology and Venereology
- Conceiver of the project Dermart since 2009
- Lover of fine arts and painter

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DERMART is a new method of approaching skin disorders and age-related modification through a comparison with fine arts. It is based on the interpretation of the skin like a canvas, which requires the same instruments and observational training that we dermatologists share with artists and art critics.

Skin is the first surface, the first uncut sheet of paper that is offered to human beings in order to reproduce the world and communicate with abstract symbols.

But it is also the surface of a seismographer, the sensitive gel of a probe that permanently observes the organic and psychic inner workings. In sum, epidermis and dermis as a "place" of representations: signs, forms, more or less enigmatic or mysterious, disquieting figures to be deciphered and interpreted.

Have you ever tried to look at skin through a powerful magnifying glass? Well, if you did so you would realize that human skin is made up, like the surface of a planet, with lines, shadows, pigments, gradients and hues of colour, crests, furrows, dots and folds.

All these descriptive elements, which we dermatologists call "morphological," change significantly in relation to the area of skin under examination (for example the palm of a hand or the side of the nose), to the genetic characteristics of the person who is in front of us, and, especially, when the skin is diseased or aged.

The result of a skin disease often consists in the complete subversion of the normal composition of the "morphological" elements that we are used to recognising on the skin.

The lesions caused by skin disease are all made up of lines, shapes and colours that differ from the "normal" ones. They frequently express themselves through very precise colour nuances, creating specific patterns and shapes according to each specific disorder.

Forming a first impression before a skin lesion, and subsequently paying attention to the details of its lines, shapes and colours, means to observe the skin with the awareness of performing an act of "aesthetic" analysis.

When we look at a painting we observe the general structure first and then we analyse those details that consent art historians to identify the period in which the work was created, the artistic school of the distinctive signs of a specific painter.

Similarly, faced by skin that is modified in its structure and colour because of a disorder or disease, we can perform the same kind of analysis and, according to our level of knowledge and pleasure, we may compare what we have perceived with the painted works of art or with their fragments, in the sense of figures, symbols, colour nuances and signs.

The project

The skin is a canvas. The goal of the DERMART project is to share an original method of approaching skin disorders which focuses on aesthetics. This technique envisages our being trained in observational practices in order to improve our ability to differentiate colours, recognize clinical drawings and distribution of lesions and recognise optical and neurological tricks of vision. The result may be a more accurate diagnosis and a reduced number of laboratory and instrumental exams that are a heavy cost for public health systems. Each dermatologist should be able to describe details and morphological aspects of cutaneous lesions as art critics or artists do. The final social impact is twofold: a reduction in unnecessary costs and the possibility of exploring the skin from a new angle. It will improve our skills in dermatological diagnosis and facilitate contact with patients who will also appreciate the slight increase in visiting time required. Finally, describing skin diseases with the support of fine arts means making them sharable, lessening patients' embarrassment and reducing the discrimination that skin patients suffer when visible lesions are present.

The DERMART annual meeting will be held in Rome on 23-24 September 2016. Starting in 2017 DERMART will be also a school of dermatology.

From the birth of dermatology as a medical discipline, the coloristic descriptions (home rouge, langue noire, lilac ring, purpuric, pigmented, milky or ivory lesions, etc.) as well as figurative ones (linear, ring-like, map-like, target like, reticular, stellate, umbilicate, serpiginousor finger-like manifestations) that are useful for facilitating communication and learning of symptoms, have consented generations of professional doctors to suspect or diagnose different kinds of skin disease at a glance.

Also the names of many skin diseases contain descriptive elements linked to colours and shapes: pitiriasis rubra, rhomboid glossitis, digitate dermatosis, urticaria pigmentosa, rosacea, acanthosis nigricans, eczema marginatum, elastosis perforans serpiginosa, granuloma annulare, lichenaureus, pityriasis versicolor, mycosis fungoides, nevus ceruleus, psoriasi guttata, purpura pigmentosa, and many others.

"Colour is a mystery that escapes definition. It is a subjective experience, a cerebral sensation that depends on the correlation of three elements: light, object and observer."

(Enid Verity, Color Observed, 1980)

There are many points in common between dermatology and painting, because skin, like a painting, is before our eyes, and the body that we show is like a canvas.

Perception through the nervous system, from the moment of vision to that of conceptual elaboration, is realized through very similar fixed interpretative models: if in the painter this follows criteria such as style and artistic school, in the dermatologist it derives from long periods of training and studying on affected patients and on scientific texts illustrated with the appropriate images.

Both dermatologists and artists work through the visual perception of an image, and inter pretits various properties: colour, texture, shading, occlusions, gradients of nuances, contours, dimensions, symmetry and shape.

To visit a patient and his or her skin in its totality also means to try to interpret the personal therapeutic attempts made by the patient himself (scratching, cooling, etc.) in an attempt to alleviate the subjective discomfort, just like we all tend to do on our own diseased skin before we undergo a visit, but which often results in signs that may confuse the dermatologist, who must therefore be able to interpret them.

The skin thus appears like a stratified painted surface, as the result of the signs or of the chromatic changes that can be attributed to the illness, to the transformations caused by previous therapeutic interventions or enacted by the patient himself in a subjective and at times fanciful manner, or those changes which may be attributed to exposure to the environment, or to aspects of life style (for example the sun rays, ionizing radiation, the use of detergents, the application of cosmetics, smoking, etc.).

The comparison with art is a clinical approach that can also be used as a teaching model for students and doctors at the early stages of their career, and to encourage young dermatologists to find innovative modes and angles for observation and investigation.

DERMART therefore bridges the gap between two apparently very distant universes, in such a way that they can integrate each other, thus resulting in new suggestions and ideas.

It is possible to train oneself to interpret the skin through this interpretive key based on comparison with painting. Dermatologists who are trained in this skill can indeed seize on many clinical and morphological details and characteristics. The more clinical details we identify, the greater the chances of making diagnostic hypotheses, just like it is known that many words can compose sentences to express complex concepts in a more articulated and understandable manner.

We are convinced that technological progress has resulted in an enormous leap ahead in the quality of this discipline, both in terms of diagnosis and cure of skin disease, and in terms of the extraordinary advances made in the field of aesthetic and cosmetology.

However, dermatology remains an exquisitely clinical field and the approach to the patient is based on the gathering of elements and details, both physical and psychological, from which we can draw conclusions which at times are more precise and complete compared to those resulting from the more sophisticated technological investigations.

It is worth remembering here that the modern and technologically advanced methodologies of visual

analysis (like, for example, digital epiluminescence) are based on a series of observational data collections that are essentially expressed through the analysis of colours, lines and shapes.

DERMART is an invitation to bring our attention back to the clinical examination of skin manifestations by looking through the eyes of keen lovers of pictorial art and by re-examining a series of old and new 'artistic' morphological elements, which invite us to understand and discover skin diseases and the psychology of the affected person.

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Tigris Ta'eed & Jessica Palmer

Health and Wellbeing - Introducing a New Pilot Metric to Measure Sentiment and Intangible Benefits

by **Julie Robinson**
Founder, Move it or Lose it Ltd

It's long been known that exercise is the best medicine. If we could pop a pill that reduced risk of dementia by 30%, stroke by 35%, some cancers by 50% and osteoarthritis by 80% we would be knocking at the doctor's door to demand this miracle drug! Yet getting people to take their 'daily dose' is not easy. Having taught exercise to thousands of people, from 4 to 94, I know how many barriers there are to getting people moving.

As the founder of *Move it or Lose it,* my goal is to train hundreds of specialist instructors to motivate hundreds of thousands of older people to exercise in socially inclusive environments where they have fun, make friends and follow evidence-based exercises to help them stay well and independent.

Typically, our evaluations include physical measurements such as gait speed, balance, the ability to get up and down from a chair, which are all vital to show improvements or to spot a decline into frailty and intercede. However, when we ran a 12-month study evaluating frailer older adults with Age UK Burton, Dove Housing and St Giles Hospice, we realised that although the physical data was compelling, it was the anecdotal evidence that really captured the impact this intervention had on the individuals. After participating in a group class for twelve weeks, comments included:

"I met someone who used to work where I did. Also met a lady who lives round the corner from me. I met lots of new people."

"The exercises were very good; I can tell that I have done them. I think it's good to come, I look forward to coming as I live on my own."

"I feel much stronger and able to move better."

"The thing I enjoyed most about the group was just being with other people."

In order to capture more of the intangible yet vital benefits of health and wellbeing interventions, I am thrilled to be working with Seratio to develop and pilot a unique metric to establish what really matters - how it makes someone feel.

Using established, validated measures and refining them to get a measurement of peoples' mood, sleep quality, confidence and social circles will help us to shape what services are most important to the end user. What really helps them to feel better, happier, less lonely and more confident?

The metric can equally apply to a chair-based exercise class for older people, or a relax and revitalise group at a hospice, a dance session for people with Parkinson's or a walking programme in the park.

I am delighted to be working alongside Professors Christine Bamford and Olinga Ta'eed to get a working model of the metric tried and tested in a variety of environments.

Professor Christine Bamford commented, **"Capturing the sentiment of how individuals feel revitalised after exercise (or dance) which results in improvement to their health and mental wellbeing is certainly a hot topic at the moment - not just for individuals, organisations and statutory organisations - but also the media."**

Christine who is Acting President for CID/ UNESCO (London) is working in collaboration with Angela Rippon (well-known television presenter). Angela is championing the benefits that activity can bring to staying young and being healthier. Her "How to stay young - body" documentaries are due to air on BBC 1 on 7th April at 9 pm and "How to stay young - brain" on 14th April again at 9 pm. In May there will be another documentary on the impact of activity on dementia."

We will be trialling this on our programme training specialist instructors to make exercise fun for all in their local communities.

It's important that we quantify how the exercise programme can improve their fitness, strength and balance. It is equally important that we establish what our social impact is. This is especially relevant to group sessions when an atmosphere of support and inclusion encourages those who would normally avoid exercise, dance or movement because they may feel embarrassed or different.

Just recently I've had a class member confide that the weekly class she attends is "more beneficial than any antidepressant she has ever tried." And a lady who has just been told that after sixteen years she "is no longer classed as diabetic capturing the sentiments of people we can further refine and improve our services.

If you would like to know more or trial our pilot study for this health and wellbeing metric, please contact Professor Christine Bamford at Christine.Bamford@seratio.com. Or for more information about Julie's work please visit www.moveitorloseit.co.uk

Give a Man a Fish: How Do We Make Development Aid Sustainable

Capacity Development is a key strategy for addressing poverty in developing countries, but what can be done to ensure they are sustainable?

by **Lenni M. George**
Co-Director, The Development Alchemists Ltd

The Development Alchemists Ltd

Lenni is the co-owner of The Development Alchemists Ltd. With more than 20 years' experience of facilitation, training, organisational design and development, her international experience is extensive; she has worked in more than 40 countries with people of 170 nationalities. Previously she worked for the United Nations on a range of issues supporting the Secretary General's Reform process, in particular, on leadership and capacity development for successful public-private partnerships. Within the private sector, with multinationals such as Disney, Xerox and the retail sector such as Marina Rinaldi. Her work in international development focuses on the capacity of small businesses, especially in developing and emerging economies. She has written and published programmes for small enterprise growth. With a background in human resources, she designs and delivers training in many of the so-called soft skills such as leading change, negotiation skills, conflict resolution, effective communication, and especially the training of trainers. With a strong commitment to equality and diversity, she provides coaching and training in cross-cultural competences. She has a Masters degree in Training and Organisational Development and is researching capacity development for social enterprises for her doctoral thesis.

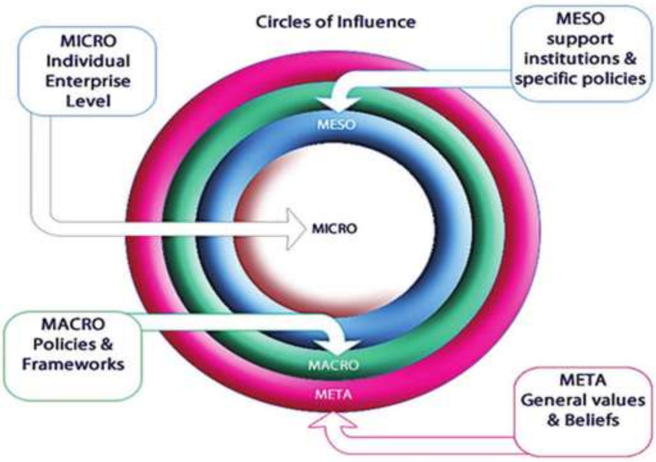
So what would you do if I gave you US$135.2? As you are reading Social Values and Intangibles Review, I am guessing you would want to do some good in the make some lasting mark or improvement, or, if you have picked up the magazine in the dentists waiting room, may be your answer is buy a yacht, sail to Macau and place everything on 17 black… It's a huge amount of money, representing what the international community spent on overseas development assistance in 2014, but it would seem to be now here near big enough to alleviate global poverty.

For many, the alleviation of poverty is the first on the list. It is the first of the 17 recently launched Sustainable Development Goals; the commitments made by donors and of governments who manage and disperse the funds in the name of International Development.

Many of the interventions funded by the International Community are described as 'capacity development', a vague and catch-all description of the process of increasing self-reliance, sustainability and choice (World Bank 2005, UNDP 2009, OECD 2011). Historically, governments, and then non-governmental organisations implemented international development projects on behalf of donors. With the effectiveness of aid and the mechanisms used to administer it under increasing criticism, (Moyo 2009) the international community and is examining a broader range of actors, including the private sector and the relatively 'new kids on the block', Social Enterprises, to participate in poverty alleviation strategies.

Social Enterprises

Social enterprises address societal problems, but unlike the traditional third sector they fund their operations by adopting business models of trading. Such an approach potentially offers more sustainable solutions than the typical three-year development projects administered through the International development community. Solutions to local problems can be developed at a local level and in the process more employment opportunities are offered to local and, sometimes, harder to employ people. Social enterprises do not, and cannot exist in isolation.



They are a part of a broader eco-system, where at the macro level, government institutions influence and establish the legal and political environment and the conditions in which social enterprises exist. At a meso level, government policies are implemented and here a range of direct services may, or, may not be provided by local and regional government, professional associations, universities and business development organisations. At a micro level it is not just the social enterprise that has a stake in its capacity to perform and sustain itself, but also, importantly, the community within which it exists, its suppliers, customers, staff and often, volunteers. For social enterprises to become successful in achieving their mandate, the whole eco-system needs to function and therefore, at all three levels, the development of capacity needs to be addressed.

But what actually is capacity development? Who provides it and how does it work? Do the beneficiaries of capacity development have any say in the process?

Dymonds are a world's best friend

Probably the best-known definition of capacity development is captured in the proverb "give a man a fish and he will eat for a day, teach a man to fish and you feed him for a life time." In English usage, Anne Isabella Thackery-Ritchie first published this in her 1885 novel "Mrs Dymond:"

"He certainly doesn't practise his precepts, but I suppose the patron meant that if you give a man a fish he is hungry again in an hour; if you teach him to catch a fish you do him a good turn."

So, capacity development is doing 'a good turn', and on first glance, it appears above criticism, there is certain logic and an attractive sense of sustainability about it. By deconstructing the proverb, some of the fundamental problems inherent in international capacity development are exposed; the first issue is which 'man' is provided with the fish/teaching? This is about how people access capacity development; who gets what? Are men and women equally able to access the opportunities provided? Eade 1997, and later Mitlin, et al 2006, suggest disparity and inequality, Moyo (2009) takes this further and exposes corruption in the distribution of development aid funds. Even where corruption is not evident, capacity development activities are often provided to governments and in the languages of the northern donors and development agencies, so preference is given to the people that already have additional language capacities.

When capacity development is provided, it is not clear how often the priorities of the government actually converge with the needs of the poorest people. One of the reasons that donors work with NGOs as their implementation partners is their capacity to reach 'grassroots' communities, acknowledging, at least in part, the difficulties facing government institutions in reaching all parts of the community. There are also cultural and customary traditions that make access to capacity development difficult for women; restrictions in travelling or meeting with groups that include men may result in some women, in some countries, not being able to take up the opportunities in the way they are made available. There are of course other practical considerations that include infrastructure, transport and the increased weight of caring for children, older dependants and the home which all contribute to the reduction in the time women, in particular, have available to be 'taught how to fish'. Development agencies are not unaware or immune to these problems and they are well discussed and documented.

In recent conversations with senior managers from some of the larger UN agencies, it is apparent to me that even if many of their projects and programmes are implemented

through local partners such as NGOs, their internal capacity development budget is actually only spent on developing their own staff and despite an observable increase in the numbers of calls for expressions of interest in providing "capacity development," the reality is most of the initiatives envision nothing more than training courses.

Fishing rights

Apart from access at the micro level, attention also needs to be given to the meso and macro levels; does the government actually even recognise fishing as an activity? Is it lawful to fish and is there a suitable environment for fishing activities to take place? There maybe a lot of work required at macro and meso levels before any fishing trips or lessons can commence.

Beyond the issue of access, does the development agency actually have the capacity to teach how to fish? A central tenet of capacity development is 'technical know-how'. The focus of technical know-how projects often tends to be implementation rather than capacity development and the result of an intervention is implementation of a technical issue and not the development of local capacity during the life of the projects.

Fish and other species

Another consideration of our fishing proverb is context; what kind of fishing methods are suitable to that particular man; is a fishing trawler bought and provided for a community that are fishing from a river or pool? There are criticisms of some development projects that import expensive equipment but do not provide adequate training and staffing for the maintenance of the equipment, which consequently becomes defunct, or even worse, missed the opportunity to create labour intensive rather than technology intensive solutions in areas of high unemployment.

Related to this is whether local wisdom is sought in the creation capacity development interventions. Ernesto Siroili illustrates this point, when as a young development worker in Zambia, working on an Italian-funded project growing beautiful tomatoes on the banks of the Zambezi, he was horrified to see that days before the harvest, hippos came in from the river and ate all the crops. The local Zambians of course knew this would happen, it was the very reason crops were not grown on the fertile banks of the Zambezi. When asked why they did not tell the development workers about this, they replied they had never been asked.

The context in which capacity development takes place is not always fully understood and in extreme cases the development agencies are potentially teaching fishing in a desert. In Kosovo, in 2003, a skills upgrading project funded the training of 1000 tailors and 1000 hairdressers, to encourage the development of micro enterprises. The initiatives were deemed successful, but consideration had not been taken of the conditions of the labour market. The result was 1,000 unemployed tailors and 1,000 unemployed hairdressers in a country with massive unemployment at around 47 percent for men and nearer 70 percent for women there was clearly inadequate demand for such services.

Rather than a reliance on projects and programmes, social enterprises have the potential to work on poverty alleviation strategies that are more sustainable; employing local people, and creating new products and services all fall comfortably within the social enterprise mandate, however, if social enterprises are to make a contribution to the alleviation of poverty, it is not only their capacity that needs to be

addressed, but that of the institutions and agencies engaged to support them, including the national governments that can legislate and create the setting in which they may thrive and grow, this of course being the enabling environment; the nourishing water to live in. After all is there any point teaching a man to fish if there is little water in the riverbed?

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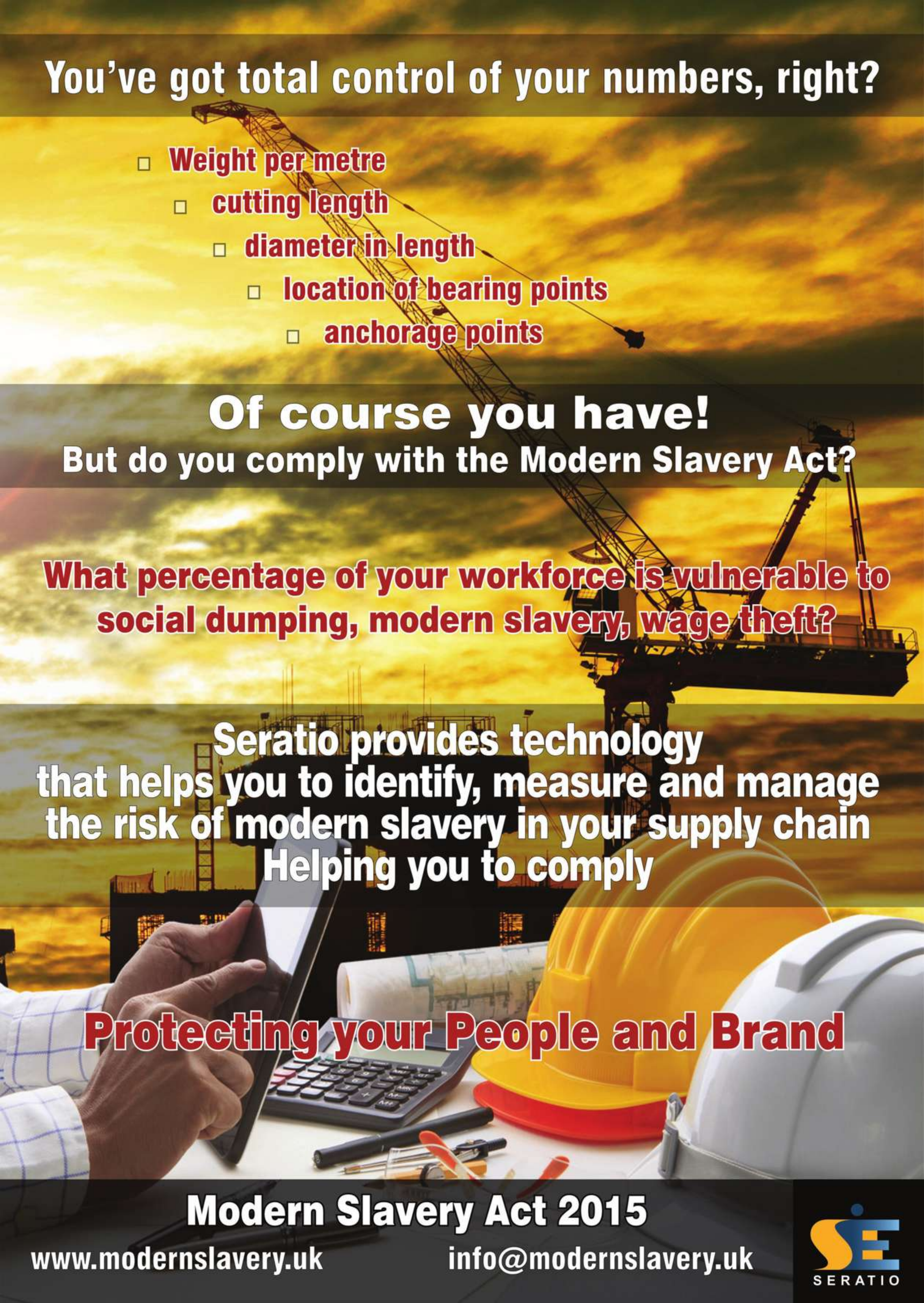
You've got total control of your numbers, right?
Weight per metre
cutting length
diameter in length
location of bearing points
anchorage points
Of course you have!
But do you comply with the Modern Slavery Act?
What percentage of your workforce is vulnerable to social dumping, modern slavery, wage theft?
Seratio provides technology that helps you to identify, measure and manage the risk of modern slavery in your supply chain
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SERATIO

Measuring Moral Courage – a Metric for Organisational Ethical Leadership

by **Gerry de Vries,** Director, Mission Performance

"At some point, we will measure the extent to which organisations continue to 'do the right thing' by their own people and by wider communities, even if this means disadvantaging themselves. That takes moral courage."

Seratio and the Centre for Citizenship, Enterprise and Governance (CCEG) are developing a metric to measure Ethical Organisational Leadership (ELM) with its partner Mission Performance, a global leadership development consultancy, and others. The metric will be piloted in summer. This article presents work-in-progress on the metric and its data requirements. The authors welcome challenges and feedback.

A practical way of thinking about an Ethical Leadership Metric is that it moves the assessment of leadership beyond the mere 'what' and into the 'how'. The 'what' of leadership encompasses primary organisational objectives such as revenue and growth, margins, innovation, customer satisfaction and shareholder measures such as share price and P/E. Ethical leadership is concerned with 'how' these objectives are achieved.

Dependent stakeholders' are at the receiving end of leadership and thus key to gauging an organisation's ethical leadership is how it is experienced by others, both internal and external. This raises the questions of what purpose ethical leadership should serve and what outcomes it should seek to produce or avoid. It could be argued that ethical leadership is in evidence when there is the moral courage to align actions and decisions with what creates, optimises and sustains value in matters such as 'community', individual wellbeing, absence of exploitation and inequality, the protection of the environment and sustainable use of resources even *if*, and particularly *when* this disadvantages the organisation.

Leadership Interventions produce impacts and outcomes that are either helpful or unhelpful in an ethical sense. For example, an organisation can take a stand on paying a living wage. One impact is higher disposable incomes for certain groups which could yield improved levels of general health or education as outcomes. On the opposite end of the ethical spectrum, an organisation could condone or turn a blind eye to inequitable treatment of employees (e.g. pay disparity, gender inequality, or protection of senior management) which would adversely impact on loyalty, people seeking to 'balance the scales of justice' and may result in higher staff turnover or greater difficulty attracting talent. An organisation can choose to clamp down on whistle-blowers, leading to mistakes and mishaps being hidden and people being blamed, resulting in increased risk of damages, loss of reputation and a loss of potential learning.

Measurement Requirements

To gauge organisational ethical leadership, there is merit in articulating what *outcomes* would cause an ethical leadership metric to move one way or another. What would one need to see in evidence? Organisations don't operate in isolation, there is an *internal* and *external* dimension to outcomes and impacts. Internal could be defined as affecting employees, clients, suppliers, and shareholders, and external as the wider communities and environment which are, or could be, impacted by an organisation, by design or default.

For the sake of brevity, we refer to the set of outcomes ethical leadership could seek to generate as 'doing the right things'. These can be regarded as criteria by which ethical leadership, or the absence thereof could be measured. They include, but are not limited to:

I. **Service to others is its crucible** - Maximising the 'net'* wellbeing for as great a number of people as possible. 'Wellbeing' covers a broad spectrum**. Key are the extent to which leadership detracts or contributes, whether by omission or commission, to:

a. ***Fair and Just Treatment*** - both in terms of equitable treatment between people (pay, conditions, assessment) as well as to individuals (e.g. balance between contribution and reward, adherence to values and ethical standards)
b. ***Respect and Inclusion*** - being respectful of differences (gender, ethnicity, values, religion) and actively seeking to include those who are different for instance through mental or physical impairment
c. ***Care and Compassion*** - treatment of people as human beings rather than human resources which implies a fair regard for their personal needs, ambitions, issues and fears
d. ***Connectedness and Belonging*** - the basic human need to be meaningfully connected to others requires leadership effort to foster, rather than destroy, communities and collaborative effort, as opposed to division
e. ***Safety and Security*** - ensuring people can function and operate in safety and with as limited exposure to outside threats as possible

II. **Building Community** - in a wider sense than in an attempt to support the wellbeing of individuals, the extent to which leadership actively seeks to grow 'social capital' and builds community across boundaries e.g. within local communities, those along its (global) supply chain and operations (geospatially) and those who could potentially benefit from its sphere of influence. More controversially, does leadership check unbridled drives for scale and efficiencies, as - one could argue - these, over time, corrode community fabric and make human interactions increasingly transactional, which is harmful to wellbeing. Scale is hugely damaging in social terms, but it is the final capitalist trick in the book, so all industries end there, hence globalisation. The reason why it persists is that the benefits of increases in scale are typically internally appropriated, whereas the costs, some of which may take a long time to emerge are not easily quantifiable, such as deprivation, are externalised and borne by society. Checking this is actually more important in terms of ethical outcomes than many of the other criteria.

III. **Honesty & Integrity** - the extent to which leadership fosters honesty about itself and the organisation; to which decisions guided by values and whether they act as a broker for openness and transparency throughout the organisation. For example, is there a reporting mechanism for unethical practices and are they openly dealt with? Integrity could be extended to include the use of tax avoidance schemes.

IV. **Sustainability** - the extent to which leadership challenges and minimises unsustainable use of the planet and its resources, unsustainable levels of inequality, and considers the temporal impact of its interventions i.e. longer term and on future generations

V. **Exploitation** - the extent to which leadership takes a stand and seeks to uncover and eradicate exploitation, and degrading and inhumane treatment of human beings and the cruel treatment of animals

Notes:
* 'Net' is problematic and requires further thought, as it implies that inevitable trade-offs where the benefits to a majority outweigh any damage to a minority are ethically acceptable.
** Wellbeing is also influenced by factors such as status (relative equality), being empowered, levels of control and stress, feeling valued and valuable, and being recognised. These could be included or it could be argued these cross into the realm of 'good leadership' of which ethical leadership is a merely a part, albeit a 'conditio sine qua non'

VI. **Fair Competition** - the extent to which leadership is successful in eliminating any practices that may distort the market ranging from the illegal (bribery, corruption, cartels etc.) to the legal but ethically questionable

VII. **Enabling Others to Act** - the extent to which leadership enables internal stakeholders to 'do the right things' under I-VI either by giving them a Licence to Act or by encouraging them, for matters outside their control, to report both ethical opportunities and issues.

Incorporating 'Commitment' to Ethics

Whilst the metric will gauge the extent to which leadership generates aforementioned ethical outcomes it also seeks to measure the levels of commitment to them. Determinant factors include:

- **Volition** - are the right things (still) done when doing nothing is also an option? For example: Are a living wage and safe working conditions offered because it is 'the right to do' or out of compliance? Are taxes paid even if there a legal routes of avoidance
- **Authenticity** - are actions taken out of 'inner discipline', with an absence of Ego and not 'for effect'? Would they still have been taken even when no one is looking or will ever know or there would be no recognition for them?
- **Moral Courage and Advocacy** - are 'the right things' still done even if there may be disadvantages to leaders personally or to the organisation? There could be risks or actual costs in terms of time, relationships, perks, finances, status, or prospects. Are others challenged to 'follow our lead'?
- **Proactive Honesty** - Organisational leadership should not only act on what they know but should 'make it their business to know' the extent to which their organisation is doing the right things. Doing the right things inevitably involves trade-offs and difficult judgment calls. To what extent does organisational leadership act as a broker for openness and transparency? Does it hide behind ignorance or 'look the other way'? Does it invite and instigate (outside) challenges and scrutiny to establish the full extent of ethical 'impacts' of its interventions across the globe, including unintended consequences? Does it encourage internal reporting and whistle blowing without fear of consequences? Does it seek to expand its influence to affect positive ethical outcomes?

Measurement Issues

The team is working on solutions for a number of issues surrounding the measurement of ethical leadership. These include the issue of **coercion and 'localisation'** - where leadership faces the dilemma of feeling forced to trade off positive outcomes for a majority with adverse, possibly unknown or less quantifiable ones for minorities, especially if geographically distant or external. The issue of **control** - where leadership encounters ethical issues and opportunities which are outside their locus of control and the issue of **"whose values and whose morals?"** - where politics, science, religion etc. suggest opposing courses of action on topics such as GM crops, gene therapy intensive farming, carbon emissions, development, inequality, AI and so on.

The team also aims to correlate an organisational ethical leadership measurement with established metrics such as SV and PV ('triangulation'), recognised business metrics, including 'people' metrics such as loyalty, absenteeism, turnover, talent attraction and retention.

Potential measurement questions

A limited set of questions is under development to measure 'positive' sentiments, both within internal and external stakeholder groups. Working examples below will be further reduced and simplified for use in the pilot.

Does this organisation proactively choose to 'do the right things' - even if no one is looking and if this is commercially disadvantageous - by:

- **Treating people fairly, with respect and care and ensuring their safety**
- **Fostering 'collaborative effort' and building community across boundaries and by being inclusive of those who are different**

- **Taking a stand for the sustainable use of the planet**
- **Exposing and eradicating exploitation and unsustainable inequality**
- **Promoting fair competition**
- **Acting as a broker for honesty and openness by ensuring people report on adverse ethical impacts (internal and external) without fear of consequences**
- **Being transparent about what it knows and doesn't know about its impact on ethical outcomes, and by instigating scrutiny and challenges to understand the full impact of current operations and plans on ethical outcomes across communities globally**
- **Are this organisation's decisions and actions aligned with its stated values and ethical principles?**
- **Are you or would you be proud to be a member of this organisation as it seems authentic and successful in its efforts to be ethical and do the right things?**

During a recent development workshop, Professor Christine Bamford commented that the unique contribution we can bring to the ELM is:

"being the catalyst for collaboration between field experts from Mission Performance and Academia, sector experts from key industries and our own teams of developers to simplify very complex issues. Asking simple questions of employees and others will surprisingly produce a richness and robustness of responses. Basing a metric around 5-6 simple questions produces favourable results (within 1-2 points variation) of complex multi-faceted data analysis studies undertaken over a longer period of time."

"Vulnerable people such as migrants are the most exposed because in many cases, they do not enjoy the protection of the law."

by **Charlie Helps,** Managing Editor
CCEG Social Value & Intangibles Review

Interview with **Patrick Liébus,** President
European Builders Confederation (EBC)

Q. ***The EBC was established in 1990, in an EU differing in many ways from the EU of today.***
How have changes in the EU influenced EBC? What was the status of the construction industry in the EU when you started out?
How was the industry affected by the slump in world economies at the time?

A. The Treaty of Maastricht, which created the European Union, represented a new stage in the integration of Member States. It was signed in 1992, only two years after the establishment of the European Builders Confederation; that was not by chance.

The six founding members of the EBC - Italy, France, Spain, UK, Luxembourg and Switzerland - were already very much aware of the increased importance of the European Union for the industry. As a result of this increased integration, today around 80% of national laws come from European legislation. They therefore joined forces in a European association to find a common ground to make the most of European integration.

A first example of the positive effects of this synergy is the campaign for a reduced VAT rate, which EBC promoted as from 1997. Two years later, the European Union adopted a directive which allowed a 3-year experimental application of reduced VAT rates to labour-intensive services. In 2009 this possibility was finally made permanent.

The VAT measure has been a success, with the number of jobs created in the countries that have applied a reduced VAT on housing maintenance and renovation, estimated to be between 200,000 and 250,000. Reduced VAT rates also have a positive impact on law-abiding businesses, because they reduce the competitive advantage of firms operating in the informal economy.

Q. ***What is behind these extraordinary statistics: 2.7 million small and medium business enterprises, 2 million micro-companies, 15 million workers, 10% of European GNP?***

A. Commercial property alone contributed €302 billion to the EU economy in 2013, almost double the contribution

of the automotive or telecommunications sectors. Construction is also the largest industrial employer in Europe with 15 million workers.

But behind all these numbers there are people. The sector is composed above all by very small and small companies. In the European Union the average size of a construction enterprise is just 4 workers. 91.9% of European construction firms have less than 10 employees.

Most of these companies are family-owned. These entrepreneurs have at their heart not only the health of the enterprise, but also their workers' health and wellbeing in an attempt to pass on the value of the enterprise to their children, because they want to guarantee a future both for the firm and its employees.

Q. ***With 80% of the total production and 70% of the workers in the sector, small and medium enterprises are leading. How does this trend combine with an economic system that seems to promote big industries?***

A. Today the situation is different from the 1990s. The European institutions do not only consider big companies and corporations in their policies. They are aware that the European economy is supported by small and medium enterprises (SMEs). And so they realise that legislation needs to be adapted.

A clear sign of the changing times is the publication of the Small Business Act in 2008, which is a milestone in the European policy for small and medium-sized enterprises. The principle at the core of the Small Business Act is 'Think Small First'. It places SMEs at the forefront of policy-making and aims to

ensure that new regulations don't add to the burdens faced by small businesses.

Q. ***How do you keep supporting small and medium businesses?***

A. The associations of small and medium enterprises have a very important role in all this. And this is obviously the reason for the creation of EBC. We wanted to give a voice to small businesses.

In Brussels, EBC works to make sure that the European Institutions respect the 'Think Small First' principle. This means that legislation has to be drafted and adopted keeping in mind the vast majority of economic players. But I'm not saying that SMEs have to be exempted from regulation - quite the contrary. If you exempt the majority, this can no longer be an exception, but the rule!

We are also engaged in improving the image of the sector. Last year we dedicated our 25th anniversary to a campaign around the inclusion of women and young people in construction trades. Construction is often considered as a dirty sector, with limited career opportunities.

This is no longer true. The building sector offers great chances to young people, women, immigrants and whomever is interested in learning the trade. It implies less physical force than before and it requires qualified people to make zero-carbon homes a reality. The starting salaries are much higher than many people expect and there is great

"The European Union must put an end to these abusive practices if it wants to ensure its future wellbeing"

capacity for career development. This sector offers a wide variety of construction trades that can cater to all manner of skills.

Q. ***How important is the inclusion of small and medium business representatives in the sectoral social dialogue? What do they have to offer that others do not have?***

A. Social dialogue is fundamental for the healthy functioning of society. An effective social dialogue should be pluralistic and represent all the relevant stake holders. Small and medium businesses must therefore be included because they bring a different perspective.

Owners of small companies are much closer to their workers than big companies. This way SMEs can have a view more similar to trade unions than the views of larger companies. Posting of workers is an example of it (I will explain this issue in the next question).

EBC has been fighting for the past ten years to be officially recognised as a social partner in the European Social Dialogue for Construction. Almost half of the European construction SMEs - represented by EBC - currently do not have a say in the European Social Dialogue Committee for Construction. This is not acceptable. I hope that 2016 will be a turning point for them.

Q. ***What has the sector to offer to Europe and the world in terms of sustainability?***

A. Construction has much to offer to society in terms of a sustainable path to growth. It has several obstacles to overcome, but - as the other side of the same coin - it has a real potential to improve.

Consider these examples:

EBC is committed to combating "social dumping." Far too many construction companies in Europe are affected by this abusive conduct. It creates unfair competition for all the companies which play by the rules and have to pay higher social security costs and wages than the fraudulent ones.

This situation is particularly clear in the case of workers that are posted from one member state of the EU to another. There, controls are difficult to navigate, and dishonest companies take advantage. In Brussels we are cooperating with the European construction trade union federation to try to find a common solution. We think that current legislation must be revised.

Construction also has a fundamental role to play in environmental sustainability. Buildings are the places where people spend most of their life, where they work, learn and have fun. This is partially the reason why these buildings are responsible for 41% of the total energy consumption and 36% of all greenhouse gas emissions in the European Union. The good news is that a lot of this consumption can be saved quite easily and in a cost-optimal way.

Micro, small and medium companies carry out most of the work in the energy renewal market. They are key actors in reducing the energy consumption of buildings and, in this sense, for the European policy on climate. These firms create local and qualified jobs. So, they are a real resource for the communities where they are active.

Q. ***How do construction projects create social value in the local communities where you build?***

A. As I just said, owners of small and medium businesses have a very positive effect on society, from inclusion and labour rights to countering the effects of climate change. They create leverage for employment. In France between 70% and 80% of apprentices in construction are trained by SMEs. I am an entrepreneur myself and in my career I have personally trained several apprentices. Seven out of nine of them

became building entrepreneurs themselves. They are now my direct competitors, but I am proud of them. They created new jobs within their company and boosted positive competition in the market.

Q. ***What is your definition of 'modern slavery' and how do you think construction companies could contribute in this regard?***

A. Unfortunately, in our society there are still many cases of modern slavery, when people are deprived of their fundamental rights. The sectors where the contribution made by the labour-force is high - such as construction - are the most at risk.

Entrepreneurs are still under pressure from the economic crisis that started in 2008 and that had devastating effects on construction. Clients always go for the lowest price and wages, which are usually the first element to be cut to bring down the price. This practice is very frequent due to long sub-contracting chains in big private works or in public procurement, where big companies make the profit to the detriment of small companies and their workers.

The most vulnerable people, such as migrants, are the most exposed. The problem is that they do not benefit from protection by the law, because many times they do not even appear in official registers. So, it's easy for dishonest entrepreneurs to take advantage.

This is why we insist that controls and exchange of information are essential. We propose measures to keep track of the workers and the harmonisation of social security systems. We take this issue very seriously and our activities demonstrate it.

I believe in social justice and equality. Health & Safety at work, fair economic treatment and level playing field for all companies are very important to me. People are the centre of my concerns.

I think this is quite common for owners of small enterprises. We work shoulder to shoulder with our workers every day, so for us the human dimension comes first. The economic prosperity of the firm becomes a kind of social responsibility towards the community, which we contribute to by creating local and qualified jobs.

I also have the chance to pursue these values in my role as EBC President by providing the European perspective. My motto is **"Stronger together."** I believe that our companies have to stick together through the EBC for a stronger sector, a healthier society and a better Europe.

About EBC

Established in 1990, the European Builders Confederation - EBC - is a European professional organisation representing national associations of micro, small and medium-sized enterprises working in the construction sector. EBC is a member of UEAPME (the European association of micro-enterprises and SMEs), on behalf of which it chairs the UEAPME Construction Forum.

The construction sector is of vital importance to the European economy. With 3 million enterprises, an annual turnover of around € 1,600 billion and a total direct work force of 13 million, the construction sector contributes at around 10% to the GDP of the European Union.

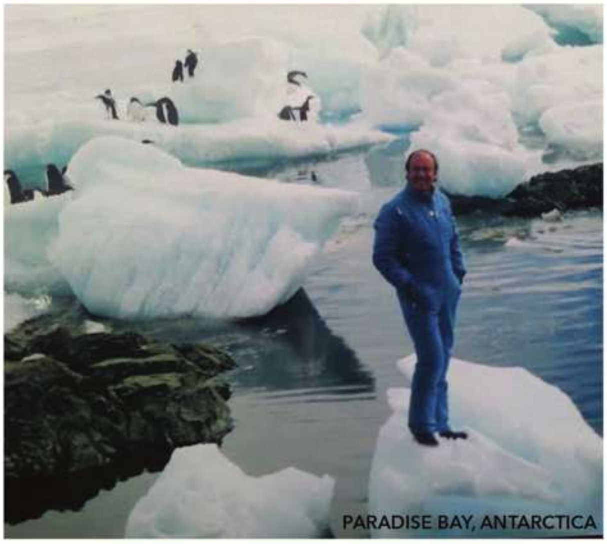
99.9% of the European construction sector is composed of small and medium-sized companies, which produce 80% of the construction industry's out put. Small enterprises (less than 50 employees) are responsible for 60% of the production and employ 70% of the sector's working population.

Enrico Cassia, il Pioniere dell' Architettura Eco-Sostenibile Italiana

Enrico Cassia, the Pioneer of Italian Environmentally-friendly Architecture

by **Dr. Radu Motoca** PhD

Interview with **Prof. Arch. Enrico Cassia**



PARADISE BAY, ANTARCTICA

Enrico Cassia is one of the most important Italian architects and restorers, with his long-lasting career starting at the end of the 60s and spreading across the globe. His work has ranged from social urban planning to environmentally - friendly architecture, receiving much credit for his unique talent along the way. In this interview he speaks about his personal story and the history of architecture in Italy and abroad. The two tales often overlap, while sometimes they are in contrast with one another, since Cassia's innovative and unconventional ideas have not always been positively accepted. This is especially true in Italy, where the conservation and restoration of cultural heritage is highly developed, while creativity in architecture and urban planning is lagging behind. An example is Rome, which is highly appreciated for the wealth of its ancient traditions, although it is unable to evolve in terms of modern urban planning, in contrast with other European and global cities that experienced a more extensive re-styling.

Il prof. Arch. Enrico Cassia è tra i più apprezzati e richiesti professionisti nel campo della progettazione architettonica, dell'urbanistica e del restauro monumentale in Italia e all'estero. Ha prestato servizio dal 1969 al 1985 presso la Sovrintendenza per i Beni Architettonici ed Ambientali del Lazio con l'incarico di esprimere i pareri di competenza per i Piani Regolatori Generali della Regione Lazio e di elaborare alcuni Piani Paesistici per le zone vincolate a norma delle Leggi 1089 e 1497/39.

E'stato insegnante di Urbanistica I presso la facoltà di Architettura di Roma ad interim con il prof. Eugenio Maria Rossi titolare della relativa cattedra.

È stato incaricato nel contempo quale consulente del Ministero dei Lavori Pubblici per l' accertamento dei danni conseguenti al terremoto del novembre 1980 in Irpinia. Tra il 1985 e il 1989 ha svolto presso l'Istituto Centrale del Restauro attività di ricerca nel campo della legislazione storico-ambientale con varie pubblicazioni.

Dal 1990 ha collaborato con diversi studi per progetti di pianificazione urbanistica e di alcuni centri storici per poi creare un studio proprio dove ha realizzato molte opere tra le quali: strutture ed impianti commissionati dalla Technipetrol S.p.A. e per conto del Ministero dei Trasporti e della Aviazione Civile, alcune realizzazioni per il Ministero di Grazia e Giustizia, numerosi edifici civili, arredamenti ed interni di molti locali commerciali e di studi professionali.

Ha ottenuto riconoscimenti come quello straordinario nella ricerca dell 'Habitat e dell' Energia Solare presso il Misawa Institute di Osaka in collaborazione con altri architetti, la nomina come socio onorario dell' Associazione per la Difesa del Territorio e dell' Ambiente della Regione Lazio e quella di Accademico Tiberino. Molto richiesto in Italia e all' estero nell' ambito del restauro monumentale ha curato recentemente a Budapest un significativo progetto per il risanamento di edifici storici.

Oltre alle attività di architetto si dedica con successo alla pittura, alla poesia e alla musica.

E' inoltre un appassionato viaggiatore per motivi storico-culturali ed antropologici.

Email: cassiae@libero.it

D. ***Architetto Cassia, Lei è uno degli architetti più stimati del panorama italiano, con diversi interventi e consulenze all'attivo, in Italia e nel mondo. Quando e come ha iniziato a muovere i primi passi nel settore?***

R. Ho iniziato a insegnare il disegno e la storia dell'arte subito dopo il diploma del liceo artistico. Dopo la laurea è stato naturale continuare questa attività presso la Facoltà di Architettura e come urbanista presso il Ministero dei Beni Culturali. Ho quindi cominciato a lavorare presso studi professionali ma subito dopo ho progettato e realizzato in proprio varie opere.

La Direzione Generale del Demanio nel 1974 mi ha affidato la ristrutturazione del piano copertura del palazzo Antici Mattei (palazzo Mattei di Giove dell'arch. Carlo Maderno nel centro storico di Roma, ndr) e concesso come studio professionale. Questa sede è stata per diversi anni centro di attività culturali connesse all'Architettura e all'Urbanistica.

Mi sono stati commissionati vari incarichi: nel 1980 il ministero dei Lavori Pubblici mi ha nominato consulente per le indagini relative all'accertamento dei danni del terremoto in Irpinia, ho partecipato alla progettazione e alla realizzazione di alcune strutture per conto del ministero dei Trasporti del Ministero della Giustizia.

All'estero, oltre alle consulenze per la conservazione ed il restauro dei beni culturali di alcuni paesi mi sono dedicato ad attività tecnico-ecologiche che mi sono valse tra l'altro un riconoscimento del Misawa Institute di Osaka. Ho anche cooperato con la Technipetrol S.p.A. per la costruzione di vari servizi per impianti petroliferi in Libia, Iraq e Portogallo.

D. ***Nonostante i molti lavori istituzionali, Lei rimane un libero professionista molto critico verso il sistema.***

Che evoluzione ha visto nell'architettura italiana durante la Sua carriera, cosa funziona e cosa dovrebbe migliorare secondo Lei?

R. Negli anni '60 la scuola di Architettura era ancora del tipo tradizionale ma dopo il rinnovamento avvenuto nel 1968 si è sviluppato un percorso più sensibile alle problematiche sociali, proponendo agli studenti ricerche e progetti in tal senso.

L'aspettativa era quindi che l'Urbanistica si sviluppasse secondo criteri ed esperienze europee, secondo gli studi di Le Corbusier in primis e di Gropius, di Alvar Aalto, di Mies van der Rohe ecc. Purtroppo in Italia ha prevalso l'interesse dei privati e dei costruttori che hanno disatteso le speranze di dare un contenuto sociale ai nuovi interventi edilizi con la conseguenza di privare i cittadini di strutture adeguate come servizi pubblici, terziario e parchi per il tempo libero.

Mi ricordo che durante il periodo universitario ci hanno fornito le planimetrie della zona compresa tra via Portuense e viale di Trastevere di Roma, come area libera da qualificare. In seguito, malgrado le nostre idee fossero in sintonia con il rispetto dell'impatto ambientale progettando complessi dotati di strutture moderne e confortevoli, sono stati realizzati confusi e ossessivi edifici peraltro privi di alcun criterio architettonico, dando luogo ad insiemi pressoché inabitabili. Lo stesso è avvenuto soprattutto nelle zone periferiche creando quartieri sprovvisti di criteri socio-urbanistici, senza le condizioni necessarie per vivere e convivere in modo dignitoso.

Di conseguenza possiamo constatare che la "Disciplina Urbanistica" è da noi materia puramente teorica. Nonostante ciò Roma, pur avendo subito rilevanti devastazioni soprattutto nel secolo scorso, rimane testimone di una storia plurimillenaria al contrario ad esempio di Parigi che è stata edificata in pochi anni nella seconda metà del 1800. Possiamo quindi valutare positivamente la trasformazione di numerosi siti in realizzazioni successive di altissimo contenuto storico-architettonico. Alla luce di queste esperienze i nostri beni culturali sono invidiati in tutto il mondo e i nostri architetti sono chiamati per consulenze all'estero, soprattutto nel campo del restauro.

L'archeologia è considerata un patrimonio umanitario e tutto questo viene apprezzato anche se lo sviluppo urbanistico lascia molto a desiderare. Una soluzione purtroppo non immediata potrebbe essere quella di divulgare l'importanza degli interessi collettivi nelle scuole e quindi già nella prima formazione dei futuri cittadini in modo che tali aspettative entrino subito nelle loro coscienze.

Sul piano tecnico-ecologico ben vengano le proposte alternative all'impiego del petrolio dove Architettura ed Impianti, ad esempio quelli fotovoltaici, possano non solo "convivere" ma portare una totale innovazione atta a creare un tipo di "mistura" che produca notevoli risparmi economici e nello stesso tempo salvaguardi l'ambiente. Serenità, piacevolezza e conforto sono condizioni essenziali del buon vivere insieme…
Siamo fiduciosi che il futuro ci porterà molti elementi originali ed innovatori.

D. ***Anche casa Sua presenta questi elementi…***

R. Personalmente non ho mai abitato in ambienti usuali, convenzionali. Ho sempre perseguito la volontà di vivere adattando o ricreando ambientazioni non compromesse. In questi ultimi trenta anni la mia scelta è stata quella di vivere nelle vicinanze della Capitale, prima in una villa panoramica ai Castelli Romani, circondato dal verde, poi ho optato per la presenza incondizionata e costante dell'acqua marina. Ho scelto una villa sulla scogliera, con la volontà di diventare "anfibio"! Ovviamente il carattere della residenza non poteva essere solo stagionale: doveva contenere elementi essenziali per poterla trasformare in un ambiente dotato di ogni comfort, articolata su vari piani, con molti servizi, riscaldamento e acqua calda ecologici, massimo grado di coibentazione per la tenuta della temperatura interna, sala per la musica ed il cinema, possibilità di ricevere ed esporre tutto quanto portato dai viaggi. Il risultato è stato quello di proporre un esempio di attrazione e di coinvolgimento per le persone a me vicine, non per influenzarle nelle loro scelte ma per godere insieme ad esse di questa "opportunità".

D. ***Parlando di viaggi, so che è una delle Sue grandi passioni. Come è nata? E di che altro si occupa, al di fuori dell'ambito lavorativo?***

R. Ho iniziato a viaggiare da piccolo, con la mia famiglia. Mi portavano spesso in giro per l'Italia per farmene conoscere la storia, i musei, le chiese, i monumenti e non posso che dire che il tutto fosse proprio divertente. Ma a 18 anni ho cominciato a peregrinare da solo, soprattutto all'estero visto che dell'Italia ormai conoscevo quasi tutto. Erano gli anni Sessanta e con la mia piccola Fiat "500" sono stato quasi ovunque in Europa sia occidentale che orientale e sulle orme dei miei mi sono interessato all'architettura, all'urbanistica, ai centri storici ma anche alle tradizioni, alla cultura, agli usi e ai costumi. Sono poi uscito dai confini continentali toccando quasi le estremità del globo dall'Antartide alle isole Svalbard. Ho visitato centinaia di città di 130 paesi, ho attraversato deserti in moto e in fuoristrada e distese ghiacciate con i cani da slitta, fatto trekking per centinaia di chilometri in Africa e in Nuova Guinea, scalato le montagne più alte e solcato quasi tutti i mari e gli oceani interessandomi sempre degli aspetti ambientali e culturali.

La musica ad esempio, notoriamente espressione di vivacità e comunicazione, è una delle basi dell'operatività dell'uomo quale protagonista della natura che lo circonda e per questo dispongo di una rilevante raccolta di brani folkloristici inediti. Tali testimonianze sono state da me studiate, valutate e filmate, spesso mostrate in televisione e presso l'associazione culturale "Andreina Cassia" che presiedo dove pittori, scultori, musicisti, artisti partecipano agli incontri esponendo le loro opere. Tutto questo mi ha fatto apprezzare di più il mio habitat e sentirmi ben collocato nel luogo dove ho scelto di vivere.

Construction Industry Not Sexy Enough for You?

by **Andy Robinson**
Managing Director Colmore Tang Construction

"X Factorisation" is rife; we have Simon Cowell thank for that.

For today's school children, it is second nature to aspire to fame and fortune through celebrity, particularly if they can sing or dance, and are pretty. On the other hand, not having these particular qualities tends to mean, at least for some, there is nothing rosy about the future of work.

The culture of celebrity is increasingly ubiquitous. I for one have no problem with celebrity per se but it does need to be tempered with reality, and we should ask ourselves what the real value of celebrity is in our society.

So what of the construction industry? How will it cope with this celebrity phenomenon? How will we engage with the 16-year-olds of today to entice them into an industry which they believe is the industry of last resort.

"Get a trade my son, you'll always have work as a plasterer."

This simply is not good enough; there are approximately 2million people employed in the construction industry, with approximately 200,000 aged 16-25; and 30% of the industry is due to retire in the next decade. Where does that leave the skill-base of the sector? Vulnerable and exposed, particularly when viewed alongside the Government's stated aim of building one million new homes by 2020 - a rate of building which has not been witnessed since the early post-war years. This is a major challenge for the industry, so what is our response?

The Construction Industry Training Board (CITB) is the industry body responsible for bringing forward the next generation of skilled trades people who should be fully productive in the workplace and add value to the process. However, the CITB is no X Factor! Where is the leadership inspiration to engage 16-year-olds in the opportunities the industry offers? Why is construction considered so unsexy? Even engineering has new-found sexiness with fantastic efforts to attract young talent following from the work of Jaguar Land Rover.

Where does social impact fit into all of this? In my view, the industry has a duty to ensure that the very best talent is nurtured and enabled. It has a duty to engage at the right level; a duty to be proactive, not simply reactive.

What if, rather than the CITB (which will be levying all members 0.5% of the wage bill to amass funds to provide training), we engaged an inspirational figurehead for the industry? A Kevin McCloud type and we produced our own *X Factor* for the industry; *the Great British Brick Off* to showcase real young talent. It's out there, we just need to find it and encourage it to join an industry that does exciting things, and we need to measure the success of our talent-development initiatives so as to continually learn and improve.

Industry leaders can make a tangible difference by focussing their efforts not on ad-hoc corporate social responsibility (CSR) campaigns, but on measurable innovative ways to identify, encourage, and continually develop new and existing talent. It will not help to run apprenticeships in isolation, they will succeed only if they are part of a joined-up programme of development. The built environment is, after all, where we spend the vast majority of our lives. Just imagine what a difference the construction industry can make to people's lives.

Technology is rapidly changing the way buildings are planned and constructed. Plans are no longer drawn on drafting tables. Complex shapes are laser cut by computer numerical control (CNC) machines. 3D printers make things we could once only have imagined. Homes are pre-built in countries where the skills and raw materials are to be found. These are all technological and design skills most naturally associated with the Millennial generation. Young people are digital natives, they were born into an era led by digital communication and automation. They have in-built problem-solving skills, and simply assume anything is possible. These young people, and their children are the next generations of designers, architects, builders, and craftsmen. We need to welcome them with open arms, but beware, their expectations will be high, and we will have to compete for the best talent. That is the new law of natural selection, and it drives the sort of change and innovation that our industry so desperately needs.

Sadly, the construction industry does not have a Shoreditch equivalent, where 20-somethings hang out in cool offices cooking up intelligent apps and solutions to problems we didn't know we had. Only through collective social impact and engaging early enough at school, will we bring about an attitudinal change. Sadly, we may well be in danger of saying the same things in another generation's time. So how can social inclusion impact this much needed change? Simply put, it is all about engagement; focusing on what is needed, not that which is nice to write in the CSR report and annual report.

Raising money for charity and doing 'good things' is obviously laudable, but so is teaching a five-year-old how to build something using a tablet and their hands.

The question that begs to be asked is: where is the industry leader who champions the sector, binds the stakeholders who can make change happen and inspires the younger generation to want to join the industry?

The Government has stated it seeks to train 3 million new apprentices by 2020, but quality over quantity should be our mantra. Creating huge social impact by empowering young people has to be a major driver for the industry for the next 25 years, not just the next four.

"If there were a poster child for social value in the construction industry, it would be the global green building movement."

by **Raisa Ambros,** Editor
CCEG Social Value & Intangibles Review

Interview with **Rick Fedrizzi**
CEO, U.S. Green Building Council (USGBC)
CEO, Green Business Certification Inc. (GBCI)
Chair, Global Real Estate Sustainability Benchmark (GRESB)
Author, *Greenthink: How Profit Can Save the Planet*

Q. *As a co-founder of U. S. Green Building Council (USGBC), what was your vision? Please speak about your achievements today, and the best practices of the USGBC. What is the LEED rating system? How does it work? How did LEED change through years? What is LEED v4?*

A. In 1993, David Gottfried, Mike Italiano, and I combined forces to start the U. S. Green Building Council. Our mission was to foster the incredible market opportunity for green building products. The built environment, we realized, is a huge part of our economy, and it has an equally huge impact on the natural environment and human health. We decided to create an organization that raised awareness about and encouraged the growth of what was then the tiny, practically non-existent, green building industry.

We intentionally modelled our vision for USGBC not on well-established environmental organizations, but after private sector trade associations and professional organizations. Our idea was simple: bring companies large and small to the table with environmental activists and idealists; we wanted to create a dialogue and see what conversations and innovations that kind of partnership could spark.

In order to build an industry from nothing, we spent years trying to get business people and environmentalists in the same room, and working together. In time, we began to recruit our founding members: United Technologies Corporation was an obvious choice, and forward-thinking companies like Armstrong, Herman Miller, and Anderson Windows soon joined too; also a handful of the premier environmental organizations, including the Sierra Club, National Resources Defense Council (NRDC), and Audubon came aboard early.

We started small, only 13 members; they became our board of directors, and I took on the role of founding chairman. One of our first struggles as an organization was to bridge the gap between the constantly warring factions of business and environmentalism. This was a big problem because we were both a mission-based trade association and an environmental non-profit; our whole organization was premised on the idea that real progress - and profits - could be attained through industry and environmental activists working together.

The couple of dozen early adopters realized the market and environmental opportunities of green building, but the green building industry itself was still in its earliest stage. No one had considered that the components needed to build a building were a product category that could be radically improved.

In 1997, we started to develop what would become the most transformative, market-based tool in the history of the environmental movement: Leadership in Energy and Environmental Design, or LEED.

LEED is a rating system which uses six categories: energy, water, waste, indoor environmental quality, materials, and innovation. It's a 100% private sector, market-driven program administered by USGBC through a consensus-based process, meaning it has nothing to do with the government.

LEED is technical in practice, but simple in concept. The more credits you earn, the greener your building is; a project earns credits by achieving a certain sustainability goal. Developers can choose from a long list of credits in order to arrive at a combination that fits their project best. If you earn a certain number of credits, you achieve the basic "certified" level; if you keep earning credits, you can earn Silver, Gold, and even Platinum certifications.

Our first iteration of LEED was based on some of the ratings systems that David had worked on with ASTM, and on work that Rob Watson had done as a long-time leader at the Natural Resources Defense Council (NRDC). I brought to the table my leadership and marketing expertise from Carrier and, with the help of countless volunteers and experts from across the country, together we created something unprecedented: a brand for green buildings that unified the industry, and a private-sector rating system that transformed the market on a scale none of us could have imagined in our wildest dreams.

LEED was never meant to be static, but rather to continuously improve and adapt to new technologies, practices, and advances in materials science. Since its inception, it's grown from a single rating system for only new buildings, to a set of rating systems that are applicable to a variety of building types, at every stage of their life cycle. LEED has also gone through regular comprehensive updates, the latest of which is LEED v4, a version that is more specialized and designed for an improved user experience. It includes a focus on materials, and the effect those components have on human health and the environment. It takes a more performance-based approach to indoor environmental quality; it brings the benefits of

smart grid thinking to the forefront; and it provides a clearer picture of water efficiency by evaluating total building water use.

Of course, if I left you with the idea that USGBC's contributions begin and end with LEED, I would be doing everyone a big disservice. Not only has LEED been growing tremendously fast, so have a number of other tools - a whole movement - inspired by it; starting with GBCI (the Green Building Certification Institute), and by extension PEER (Performance Excellence in Electricity Renewal) and EDGE (Excellence in Design for Greater Efficiencies). One of the reasons people have embraced LEED is because it is third party validated - and we wanted to make sure it stayed that way.

Q. ***What do you find most rewarding about working in the green building and sustainability field, and what has been your proudest moment so far?***

A. Of our many programs, I'm most proud of the Center for Green Schools at USGBC, which we established in 2010.Its goal is that every child will be in a green school within this generation.

A quarter of Americans walk through the doors of a school every day; yet instead of walking into places of opportunity, millions enter buildings where the air they breathe is filled with toxins and mold, where classrooms are poorly lit and overcrowded, and where resources are limited and outdated. In the United States, schools spend more than $8 billion on utility costs every year - the second highest expense after personnel. The U.S. Department of Energy says we can save at least 25% on energy costs through simple, low-cost energy improvements. That's over 2 billion dollars in savings – every year – enough to hire 35,000 new teachers!

"Our kids deserve better. The Center for Green Schools is all about demonstrating that where they learn matters."

Since its launch, the Center for Green Schools has made enormous programmatic and policy strides, including the establishment of the Congressional Green Schools Caucus, bringing together 50 members of Congress from both sides of the aisle, and the creation of the Green Schools Fellows programs, which brings sustainability experts into public school districts to implement meaningful green programs.

USGBC's work to advance green schools presents an opportunity to engage an even broader group of consumers.

With this opportunity in mind, we launched Green Apple Day of Service in 2012, to mobilize volunteers around the world to participate in service projects at local schools.

"The difference our work is making is deeply satisfying and critically important. The most important investment we can make in our future is in creating places that enhance our children's ability to learn - not compromise it. And if, in the process, we instil in them sustainability as a core value that they will carry with them throughout their lives by dramatically enhancing the environmental education curriculum, we'll have left a legacy that matters."

Q. *How did you come up with the idea of the World Green Building Council? What was the initial feedback? How would you describe the cooperation between all the green building councils around the world? Should they follow the same rules?*

A. When USGBC came into being in 1993; we created a model for how organizations could leverage public and private engagement in the development and advancement of the practice of green building. The model proved so effective that a number of countries began to create their own councils, and even their own rating systems. The World Green Building Council came into being in 2002 to provide a mechanism for these individual councils to work together.

The WorldGBC's mission is to strengthen green building councils in member countries by championing their leadership and connecting them to a network of knowledge, inspiration and practical support.

While every WorldGBC member works for the greater purpose of encouraging a more sustainable built environment in their own country, more localized rating systems exist that take into account local political and development realities. Most of these systems are similar to LEED. However, global developers are increasingly driving the use of LEED beyond the U.S. as a common standard for their portfolios. LEED has, over the past two years, become a more global system, thanks to the work of the LEED International Roundtable, which has been working to develop country-appropriate alternative compliance paths for specific outcomes.

Q. *You received some criticism for LEED standards because some buildings have not performed as well as the design standard indicated. Can you explain?*

A. LEED for New Construction, since the beginning, has used energy modelling to predict how a building should perform as a basis for certification; but modelling anything is an imperfect science, no matter how precise the measurement. USGBC has long recognized this performance gap with its Design + Construction rating systems (such as LEED-NC), and it is taking increasingly ambitious steps to close that gap.

Q. *How can a sustainable building policy be spread? What has to change on a cultural level?*

A. When we started USGBC, we knew that we needed a rating system, which led to the development of LEED; but we also knew we needed a way to educate and engage people with our idea, so in 2002, we held our first Greenbuild International Conference and Expo. That year about 4,000 people intrigued by the promise of green building met in Austin to learn from colleagues (as well as the competition) how they could join forces to change building practices, enhancing quality of life for both their occupants and the planet at large.

In the dozen years since, Greenbuild audiences have heard from world leaders; environmental activists; media celebrities, and technology and manufacturing giants. Last year's Greenbuild in Washington, D.C. attracted 22,000 people from 112 countries, who participated in almost 200 educational sessions, networking events and celebrations, and walked an exhibit hall that featured more than 1,000 innovative exhibitors. We also have locally staffed communities across the country.

Additionally, we offer education @USGBC, a platform that last year delivered 188,374 hours of education in 91 countries. This assists in global market uptake by training upcoming green building professionals and supporting the more than 200,000 LEED Professional credential holders who come from both the public and private sectors. Taken together these have been significant elements in creating a movement that is driving a fundamental change of practice in global real estate that will be valued at nearly US$1 trillion by 2020.

Q. ***How are the public and private sectors responding?***

A. Since its launch in 2000, LEED has grown exponentially and 88 Fortune 100 companies have LEED projects in their portfolio. More than 200,000 LEED professional credential holders are engaged in advancing this global movement.

LEED has certified green real estate in more than 150 countries, making it the most widely recognized and used green building program across the globe, and the force by which an unprecedented amount of buildings, leaders, companies and project teams have rallied to have a collectively enormous impact in creating better buildings. In the U.S., LEED-certified buildings will realize US$1.2 billion in energy savings over the next four years, and LEED-certified construction will contribute 1.1 million jobs to the U.S. economy.

Q. ***In the USA the building industry is 14% of GNP, a significant contribution. How can sustainability enhance this?***

A. If there were a poster child for social value, it would be the global green building movement. Improving energy and water efficiency in both new and existing construction across the globe is an immediate and measureable way to reduce global greenhouse emissions; it requires full participation by public, private and civil society players to achieve their desired improvements. Investors the world over are beginning to use environmental, social and governance lenses to drive their investment strategies.

Q. ***What personal values are most important to you?***

A. Integrity, compassion, ability to listen, a thirst for knowledge, kindness in all things, and a quest for excellence in everything you undertake.

Q. ***How can buildings work to influence the social value of the communities in which you build the projects?***

A. "Green buildings and communities provide fundamental social values that lead to improved quality of life for all that live, work, learn, play, shop and worship in them. "Green buildings save energy, save water, save precious resources, and save money for their owners and occupants. Communities that use these planning principles, and the collaborative processes that deliver them are more livable for all age groups and more desirable for companies and families alike.

Q. ***Would you tell us what your own definition of social value is?***

A. When used as decision-making lenses, environmental, societal, and governance factors provide the fundamental pillars of social value and allow those of us in the NGO sector to weigh various inputs in relation to our desired outcomes. In my view, if organizations can self-fund their programs of work, there has been a valuation of their services by the markets they serve.

The Urban Planning & Building Law System in Austria

by **Dr Gerhard Hartmann**
President of the Austrian Society of Construction Law and Construction Business Management, and Host of the European Society of Construction Law (ESCL) Annual Conference 2016 in Vienna

In line with its federal constitution, the Federal Constitution Act of 1920/29, Austria is a federal state; meaning that substantive regulatory competencies are split between the federation and provinces pursuant to the provisions of the articles regarding competency, cf. sec. 10-15 of the Federal Constitution Act. Some matters are solely regulated by the federation, respectively independently by the provinces, as well as jointly by both the federation and provinces.

The subject matter of "construction" is one of the responsibilities of the nine federal provinces in regards to both legislation and execution. Theoretically, there could be nine different provincial regulatory frameworks governing formal and substantive construction matters. However, economic considerations in effect preclude such a situation; a single market should at least exist within Austria in respect of the technical aspects of urban planning and building law. In this context, it should also be mentioned that provisions of federal law indirectly influence the construction sector, including for instance, environmental, conservation or energy legislation.

Each of the nine federal provinces has a building code which contains, in various forms, provisions regulating formal aspects such as building permits, which are to be granted by the respective municipalities, as well as substantive regulations governing technical execution and other requirements with which buildings must comply.

The aforementioned legislative levels of the federation, provinces and municipalities are complemented by the legislative acts of the European Union in the form of EU directives which require a transposing act or national implementing measure to come into force, and EU regulations which come directly into effect.

These EU legislative implementation acts play a significant role in harmonising technical regulations; among them, the Construction Products Regulation which generally follows the principle of the "New Approach."

The New Approach is a legislative technique developed after the passing of the "Single European Act" in 1985.

In accordance with the New Approach, the (EU) legislator now limits itself to defining 'essential requirements', i.e. in case of the Construction Product Regulation, stability, construction, function, acoustic and thermal insulation, fire protection, hygiene and sustainability.

To define the "essential requirements," the "harmonised European standards" are referred to. These standards are drafted within the framework of the European standards organisation CEN/CENELEC by the national standards bodies of the EU member states, the EFTA countries and Switzerland.

They are democratically legitimised as a result of cooperation between all interested parties – the New Approach hence stands for incorporating accumulated technical expertise into European legislation. Moreover, the New Approach also means harmonisation on

the level of transposing acts and technical standards since conflicting national standards are to be withdrawn upon the issue of a European standard.

The Austrian Institute of Construction Engineering (OIB) established by the Austrian provinces issues the OIB guidelines; these explain and define the essential requirements pursuant to the Construction Products Regulation and also contain many references to standards which serve to clarify and facilitate implementation of the OIB guidelines. The individual federal provinces declare the OIB guidelines binding by enacting legislation, thus making them a substantive component of each province's urban planning and building law; resulting not only in the uniform application of EU law (although the Construction Products Regulation does not require any separate implementation), but also in an extensively harmonised definition of technical implementation.

Simple regulations look rather different – and at this point in time, it is impossible to predict if and when the structures will be simplified and a new more efficient systemic approach established. A clear vision, as so beautifully depicted by Antoinede Saint-Exupéry in The Little Prince, is lacking at both a European and national level – and not just in Austria –... "if you want to build a ship, talk about sunset on the high seas, not how hard it is to fell trees. We have enough trees; it's just the sunset that's missing."

What does Personal Value mean to you?

Anatol Basarab
Psychologist, author, coach, instructor, and ardent passionate of numerology and parapsychology, Romania
www.anatolbasarab.ro

Personal value is a sort of personal brand that you are creating by everything you do, especially for others and for society. It is not what you think about yourself, but the way the others appreciate and rate you.

Personal value represents the inner and outer value of an individual. By confronting our qualities with those of the others, we choose our partners for business, conversations, or life. It is composed of the way a person uses values and internalises them, and this is one of the basic steps in personal development. People are composed of multiple values, including moral, cultural, spiritual, professional, social values, real values; all chosen or acquired over time.

Higher personal value comes only when you fully know yourself; then only will you be able to really know others.

Massimo Mamoli
Assistant Professor in Marketing, University of Padua, Italy

Personal Value to me means collaboration, co-operation and improve life for others.

Every time I go into a classroom, I try to give a part of me; when I meet students I think the way to solve their doubts is to explain using case histories in workgroups.

This is the only way to achieve my objectives... by my duties.

Robert Rubinstein
CEO, TBLI GROUP, The Netherlands

Personal Values mean to me: be authentic, useful, honest, reliable. You don't have to climb Mount Everest barefoot. Calling back is a good start.

Franz Fraitzl
Special Effect Technician, founder and innovator at Upcycle Chile

As I grew older and hopefully wiser my values changed with every mayor life experience that I encountered. At the beginning of my working carrier I did not have any personal values because I was still proving my worth. Once I became aware who I really was my purpose and goals became clear. And with that my personal values. I believe in making a difference, I feel strongly about environmental awareness. I have a compassion for helping others and care deeply for the less fortunate. I love to continue learning and staying creative in life. I am an entrepreneur with the passion and commitment to projects that hold high ethical values. I believe in personal fulfilment and personal growth. Being able to wake up every day and do at least one good deed no matter how small and insignificant it might be.

What does Leadership mean to you?

Hassane Amaazoul
PhD student in Management Sciences Laboratory Management and Development of Enterprises and Organizations (MADEO) - Mohammed First University, Oujda, Morocco

It is above all a gift. Leadership is the power and capacity of an individual to influence the conduct of a group to solve problems or achieve goals. A true leader must be able to build confidence, certainty, strength, courage and optimism in his group. Leadership is an equation with several variables such as vision, imagination, confidence, membership, creativity, good sense, strong personality, emotions and charisma.

Letizia Ciancio
Psychologist, Communication expert and Author

- "Being a father. Being a mother. History of an ordeal" ("Essere padre. Essere madre. Storia di un'avventura," Armando Editore)
- "The change we need. Fostering individual change for Enterprise success" ("Il cambiamento possibile. Promuovere il cambiamento individuale per il successo dell impresa," Intrecci Edizioni)

Provided that leadership is a relational process, not an entity in itself, I'd like to describe what leadership could be from the leader him/herself.

A leader is a person who - committed to his/her continuous improvement and self-realization - is capable of activating in the others the same desire for themselves. A leader is more than a good model to imitate... he/she is a witness of a solid life held with high-level purposes. A leader activates anyone's potential only through the strength of his/her life, because looking at him/her, anyone would like to do the same.

Leadership can be thus defined as the capability of a person to motivate followers in transforming their attitude, by means of the strength of his/her model.

János Hunyadi
Managing director, Corvinus Credit Consulting Ltd, Hungary

I define leadership as knowing how to influence others – especially the people from your company – to bring the future to the present and persuade them to make it a reality.

Edita Olaizola
Directora Ecosistema Interno en People plus Profit, Spain
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What is Ethical Leadership?

It is, above all, a position of respect which is something that can vary in function according to differing variables, but in general it is a vital position based on virtues such as justice, generosity, and sincerity, which transcends from the leader to their team. In turn, this helps the organization to flourish. It is a virtuous cycle, managed by the leader.

We think this equation sums it up:

Ethical leadership = a position of respect + relationship model + periodic personnel revision.