

Tuesday, 28 January, 2003

Searching for a human face to capitalism

BBC News Online business reporter in Davos

By Mike Verdin



There is one thought, isn't there, that saves all of us from reviling the super-rich.

That means we don't envy - too much - the kind of Bill Gates figure who, in the time he takes to drink a cappuccino, has earned enough to buy Ecuador, with change for the Galapagos Islands on top.

It is the idea that, swamped by pressure and sycophants, the wealthy aren't happy.

Unfortunately the wealthy Lynn Fritz is.

He may own a plush house in the plushiest part of San Francisco. He may have built up his family firm into a multinational sold to UPS, the delivery firm, for \$500m.

But, after using \$4m of his windfall to start his own not-for-profit organisation, he is at least as content as the average lower rate taxpayer.

'Damn fine thing'

"When you are working for a corporation, for every unit of work you put in you get 1.5 times as much back," he tells BBC News Online.



Fritz is lending a hand to development workers

"With humanitarian aid, for every unit of work you get 20-30 times as much back.

"You feel you are really making people's lives better. It's the most damn fine thing I have ever done."

Power of one

What his institute is doing is to develop a system to handle logistics for aid organisations.

Mr Fritz's fortune came from turning transportation of goods from a 20 partner trial - shipping firm, documentation agency, customs assistant - into, for the client, a one stage process.

"That was highly innovative in

the 1970s", he explains.

And also profitable enough to turn a firm with 20-30 staff into a giant employing 10,000 people in 120 countries, and clients including Sears, Nokia and oil firm Halliburton.

Now his institute is tackling the same kind of fragmentation in charity logistics. With the help of the International Federation of the Red Cross, he is developing software to support the delivery of humanitarian aid.

"There seems to be nothing written about it," he says.

"Every charity seems to have their own system. And some are more efficient than others - it is a very difficult process."

Generous many

And Mr Fritz's tale of generosity is only one among many at the gathering of leaders at the World Economic Forum's annual summit in Davos, an event which is, in some ways, a Woodstock for the Wealthy.

(Ask for the time, and it will be read to you from something branded Cartier or suchlike.)

I met Pere Roquet, president of



Few people are convinced of Bill Gates' generosity

Andorra's Caixa Bank, who has funded a factory in the Peruvian Andes, and a hospital boat to serve islands in the Ganges delta.

I met George Soros who has spent more than 20 years giving away his fortune. From the 1980s, when he engorged Hungary with free photocopiers to help pro-democracy campaigners escape censorship, to current efforts to encourage banks to lend to the poor.

(He even agrees with the principle of the Tobin Tax, words more usually mouthed by left-wingers, and which would impose a sort of VAT on foreign exchange transactions.)

I saw Bill Gates, the world's richest man, announce through that crooked smile that his foundation was throwing \$200m at solving the world's greatest medical challenges.

But while US Health Secretary Tommy Thompson may have fawned something about Mr Gates being the greatest person who ever lived, few others seem

to be able to see the halo.

Image and envy

Indeed, during the anti-globalisation rally on Saturday, his name featured almost as high on the protesters' list of the damned (somewhere behind George Bush and Donald Rumsfeld) as it does in the Forbes global rich list (first).

So why are the rich so hated?

Of people I asked at Davos, most cited the afore-mentioned envy, some blamed poor publicity of charitable initiatives. Others said that, even if the publicity was right, the media was not interested.

"It's the age old problem," said one US executive. "Good news is no news. It just is not as interesting."

Indeed, if you have got this far in a piece about the noble rich, you are either bored or Lynn Fritz.

Trust factor

Mr Fritz himself cites the issue of trust, as fostered by one-to-one contact.

"You don't build trust by being that kind of Charlie figure, as in Charlie's Angels. You know, the TV show," he says, showing his age.

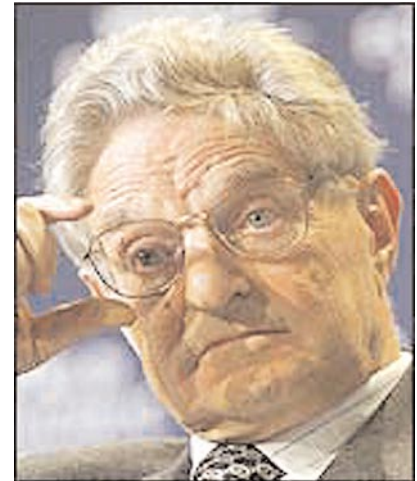
"You build it through face-to-face contact.

"Take the Peace Corp. These volunteers actually help people on the ground. Those being helped

can meet the volunteers face to face and that does build trust.

"It is eloquent without words."

Trust is in fact central to any half-decent company.



George Soros is trying to get banks to lend to the poor

"There is an implicit agreement for corporate good citizenship. For building up trust with employees, and customers."

What may be needed is more do-gooders such as Bono, the pop star aid evangelist, who took the then US Treasury Secretary Paul O'Neill on a tour of African poverty-spots last year, and can show more of the wealthy where best to put their philanthropy.

"People follow Bono," Mr Fritz says. "This could be a new development - leaders who champion certain areas, and common sense issues, and ways to engage in them."

Working together?

And suddenly, there seems hope.

Corporations are offering solu-

tions. And the writer feels uncomfortably selfish.

The world's problems - disease, hunger, poverty - there is hope that summit delegates are digging into their deep pockets to resolve them.

There is hope that Mahathir Mohamad, Malaysia's prime minister, had not looked hard

enough when he told Davos that capitalism had lost its human face.

There is hope for the 170 million people affected by natural disaster every year, or the 1 billion, depending on your definition, living in poverty.

And then Trevor Manuel, South Africa's finance minister, and

civil rights campaigner Humi Naidoo spends more than half of a press conference on Africa's development drive complaining that the conference has ignored the continent's plight.

And you realise that even though some skirmishes for corporate humility have been won, the battle has only just begun.