

Sir Digby Jones' Speech

Lady Getty, ladies and gentlemen, what a privilege for this Brummie lad, born on the wrong side of the tracks, to come here today to one of the great displays of what quality philanthropy really can do, and to be asked to deliver an inaugural lecture to commemorate that great man. At the same time, it enables me - who spent three years just up the road trying to become a lawyer, coming down here often, not into this building of course - to come back. So thank you for giving me the privilege to be able to share a few thoughts with you this afternoon.

You mentioned my marathon exploits. It was nearly a year ago. It was last April. I actually decided I had to do the marathon in the August of the year before, because in this job, you eat and drink for your country, and I was hell bent on proving that I'd won the battle against anorexia. I got to August of 04 and I'd put on three and a half stone in this job, so I thought I'd better do something about it. So I said, I know what I'm going to do, I'm going to run the marathon. Pat, my wife, when she stopped laughing, got out the insurance policies, realised I was worth more dead than alive, and said, you do it, dear, that's fine! And so I did. I thought, right, no alcohol for seven months, none at all. No puddings. I didn't miss it. It was seven months, three weeks, two days... And I went out every Sunday and ran round a bit, and come the great day, I actually did it in five hours, fifty eight minutes and twenty six seconds, and I didn't do a Paula Radcliffe. I didn't stop. I didn't even walk actually. The last mile was the same speed as the first mile. And I did a passable impersonation of a bellowing water buffalo. I was coming over Tower Bridge - and this actually is a significant sign of the power of globalisation - I was coming over Tower Bridge and I was overtaken by this Chinese guy, and he was walking! It was a tad difficult really. But it raised a few bob for people who'd love to have our problem.

It is an even greater privilege to be asked to deliver this inaugural lecture, given that this is my last year at the CBI. I'm the only one who's ever done two terms and they've asked me to do a third, but I think, no, it's important to get out at the top of your game. And last November we had the National Conference of the CBI and the Prime Minister came to speak, and Tony Blair and I - I said to the Queen the other day, I hate name droppers! - Tony Blair and I were sitting in this little ante room waiting to go on and all the advisers had gone, and he said, 'I hear you're off next year?' And I said, 'Yeah, I am.' He said, 'Why are you doing that? You love it!' And I said, 'It's very important not to outstay your welcome.' What am I saying?

I do think it's important, if you can make a difference, that timing is everything. And it was back in August 1999, and I was changing planes in Copenhagen Airport, having been on a deal for Nokia in Helsinki and my mobile rang and it was a headhunter, and he said, 'I'd like to talk to you about the new Director General of the CBI.' And I said, 'Who's that going to be then?' And I really thought he was ringing me for a reference on someone else, and that's the truth. And he said, 'Oh, we rather thought you'd put your name forward.' I said, 'Me? That goes to clever grey suited people from London.' He said, 'Exactly, we want to make a difference.' So he knew I wasn't clever, he knew I wasn't grey suited - Brummie and proud of it. I said, 'Well, you'd better send me the details then', and he did. I read them through and I can remember Pat saying, 'That's just you.' I said, 'Well, it is except if you've seen the pathetic amount of money on the bottom right corner.' And we changed our lives. We sold in Brum - in fact, we sold quite a nice big house in Birmingham - and bought a very small flat in London, and it fundamentally changed our lives.

I deeply believe that business can make a difference, and I hope over the seven years - I've probably got it wrong more times than I've got it right - but I hope we have elevated the business equation more into different parts of our society where perhaps

business was either not welcome or misunderstood. I've believed all my life in something I call socially inclusive wealth creation. You see, I think that business has got every right to say to those who make the rules, parish councils, local authorities, Regional Development Agencies, national Government, European Union, the WTO, whoever make the rules, I think we've got every right in the world to say, 'Will you create an environment in which we can get on and create some wealth?' because we are, after all, the only people in our society who actually build schools and hospitals and airports and pay for armies and nurses and teachers, because we're the only ones who create wealth. And out of that wealth, if we keep it in our business, we pay tax. If we award those who took the risk, the shareholders, in dividends, they pay tax. And if we employ people, they pay tax on that. And that tax in part goes to pay for good quality decent hard working people in the public sector, who in turn pay tax on that. And it is that tax which builds our public services. But if it wasn't for the wealth that business creates in the first place, there would be no tax. There would be no-one employed to pay tax, and we wouldn't have a single school, we wouldn't have an army or a navy and we wouldn't have a prison, an airport or a railway. And I think that point is so often forgotten, especially by politicians and journalists, by teachers and trade unionists. And, at the same time, I wish that those who make those rules would then say to business, 'Actually we'll get out your way and we'll let you get on with doing the business.' I've learnt in this job: Yes Minister - remember that? It wasn't a comedy, it was a training film! I'm here from the civil service. I'm here to help. And it is extremely difficult in a society where regulation becomes the norm, to carry on and create that wealth using entrepreneurial flair, taking risk and using enterprise.

But businesses only have the right, in my view, to ask the democratically elected leaders of this country to allow that wealth creation process to happen if we are socially inclusive in the way that we go about our wealth creation. We have to win the respect of those we affect with actions. We have no right to it, and it is there to be won. It is there also to be lost. And politicians will respond to those people whose respect we win, because they need them for their livelihood and power. So it is for us in business to be socially inclusive in our wealth creation. We have to be better trainers of our people. We have to equip them in a very frightening globalised world; a world where the no-one takes prisoners; a world where India wants your lunch, and China wants your dinner; a world where people are terrified because what their dad did, and their granddad did, and their great granddad did, doesn't happen any more, and they feel ill equipped and frightened. And then the man on the corner selling white powder seems to have the answer, and then to pay for that habit, they come and mug you and nick my car. And we have to, as business, reach out, around, under and help support those who are frightened by a changing world. I don't want to do what America or France does. I don't want to be protectionist and selfish. I don't want to live in a world where no-one's got a passport. I don't want to live in a world where they declared yogurt a matter of national security.

But in return we have to reach out to our people and equip them and skill them better. We have to be more sensitive to the environment that we affect by our actions. My members constantly pleasantly surprise me, by just how keen they are to be good environmentalists. You won't read that in a newspaper, it's good news. But they really do try very hard, but the business process so often is, by its very nature, not very environmentally friendly. And business has to do more. But it has to do one other thing: it has to wear on its sleeve a badge of pride that it does do more, and it has to shout about it. And we have to be more green in the way we do things. But Governments, please, just cut us a bit of slack and just make the other countries do it too. This globalisation does mean that we have to compete in a very fiercely competitive world, and there's no level playing fields. And, as employers, we have to just reach out and be corporately socially responsible by our very presence. I am a

director of Business in the Community. I'm proud to be such. I'm the first Director General to serve out a full term as a director at BITC. And every day I come across some fabulous examples of businesses, small and large, doing it with CSR. Sadly, you won't read about that, because it only needs one; it only needs one silly director in a board room who awards himself a much bigger pension than anybody else; it only needs redundancies to be declared on the day the chief executive with the share price in the tank is getting a huge bonus. And then you never read about the 99.9% of businesses that every day in every way are corporately socially responsible.

I've got a member up in Manchester and they make paint. You can't get more environmentally unfriendly than that. And they take the water out of the river and they do some horrible things to it. And then they clean it up and they put it back, and they actually put it back more clean than they took it out. Can I get newspapers to write about that? No - because it's not news. If, on the other hand, and I'm sure one day this will happen, one day somebody just makes a genuine error and just presses that button, and out into the water of Manchester goes four gallons of paint. I bet that's going to make every headline. And then there'll be sixteen regulations to stop every paint manufacturer in Britain.

It's no good business bleating about this. It's no good us just saying, 'Oh, isn't this dreadful, terrible' and cowering in the corner. We have got to get out, up, look it in the face and just do better tomorrow. We have to super please and we have to win the respect of those we affect by our actions because Corporate Social Responsibility isn't just good for your business. I mean, these are win-win. People like working for businesses that show they reach out, down, round and under. They like boasting about it down the pub at night. People like buying goods and services of companies that really do try, they like the CSR. The world has changed. We compete every day for skilled people. The days of being able to get by not being able to read, write and count, by not being computer literate are over, and we haven't got enough skilled people. So if you want the best to come and work for you, then you'd better show that you care for the environment in which they operate. That's why it's good business sense. But it's also just the right thing to do, because every single business can do something. Those who are blessed with a great amount can do fabulous things like this. And thank God they do. But the smallest business in the land can go to the smallest parish in the land and just help. And so often CSR, although rightly in many ways we focus it on dosh, writing the cheque, so often a real difference in a community can be made by an input of enthusiasm, inspiration, knowledge, experience and probably above all else, just a very simple word, time. And I won't have it that there isn't a business anywhere which can't afford that. And so often, charities can benefit just from a bit of guidance. In this rather nasty world, we all can benefit with someone putting their arm round us and just saying, 'Hi!' And running a business is lonely. Running a charity is just as lonely. And if we can get businesses to give of their time and their inspiration and their enthusiasm and their experience, then so often charities can make the most of and maximise the benefit of those who can write the cheque. So it's an add on, it's not substitution, in the round.

Charities, also could just do a little bit better in the way they liaise. You were kind enough to mention some of the things I do for charity. In my former life as a Brummie lawyer, I used to get involved in quite a few and if you see on my CV now, it's got a fair few on there that I happily am patron of. And I do see that, so often, charities know they've got to reach out to the business community and they know they should, but they're either doing it in the wrong way - there's not just one way - but they're not hitting the right part of the business. Sometimes, it's quite a lowly person where your aim should be. Often it's the boss. They're not actually pressing the button that opens it up. Or sometimes they think they know best when they don't. Don't go and approach a company for a big donation on the day they declare a profit

warning. Don't go and think you know the man because you play golf with him and he turns out to be the one person in the organisation with no clout. Charities need to do their homework too if they're going to maximise the connection with business large or small.

We also need to develop in the country, in corporate life, not only in that socially inclusive wealth creative environment that I really do believe is possible and often happens, but we also need just to increase in absolute terms the amount of corporate giving. In the United Kingdom corporate cash and in kind donations represent about 3% of the value of money given and time invested to charities. Only 3% of all the time and the dosh that's given to charities comes from corporate Britain. In America it is almost twice that. It's 5.6%. I think that says something for the attitude of business to charitable giving in the States. I think it says something actually for societal norm in the way that Americans see their obligations to the charitable sector. I guess if I sat a small business man or woman down in Newcastle, Leeds, Manchester or Birmingham, and I said, 'Why is that half what it is in America?' it wouldn't be long before I got the answer: 'Well, I pay my tax, it's their job.' And you see one of the greatest enemies I think to a socially inclusive wealth creative society that is equipped to take on India and China, but at the same time, blessed with the wish to give, is that if you constantly tell people that nanny knows best, eventually the people let nanny do it! And what we are very close to becoming is an over regulated society in which people are encouraged to take no responsibility for their own actions, take no responsibility for their neighbour, because the man from the Ministry has created a regulation to ensure that you have no need for responsibility because all you've got are rights. And when you have rights, then when they are broken, you can blame somebody and then you'll be entitled to compensation. We are fast becoming a world where we lie to people and tell them risk doesn't exist. Don't play conkers in the playground, love, you might get hurt. Don't do backstroke in the swimming pool, you might bang into somebody. We even now have Girl Guide campfires where they don't have the campfire because some kid got spat on by a sausage, sued and got five thousand quid! If we actually create a generation who have only been through sports days where there are no winners, who have only taken exams that they can't fail, then they will not take risk and then they will not accept responsibility for themselves or their neighbour, and they give up. Regulatory protection knows best and they leave it all to them. And they pay their tax and they have all their rights and then they don't have to do anything else because Government does it for them. Nanny has not only told them they know best, but Nanny's going to be left to do it. We're not there yet, but we're at five to midnight and I guess one of the reasons why it is difficult to get corporate Britain more into the giving mode is because they do feel that they are doing so much by way of taxation and they are burdened down by regulation. That's not a world I want. It's not actually a world that will do this fabulous country any good at all. But I just caution politicians that they're getting very close to that world. They will say, as part of their defence, 'But it's the NGOs, you know'. We live in a knee jerk reaction society. We live in a society where newspapers demand instant action of politicians in response to everything. And you can bet your bottom dollar that at the end of the street with the banner and cheering loudly is an NGO about to give that politician a seriously hard time.

I have campaigned and so have many people for greater transparency in the boardroom, greater transparency to shareholders and greater communication from business about how it goes about creating its wealth, and where it spends it, and how it awards people: I think that's absolutely right. Also I demand it from NGOs. I want to know who funds these people. Why shouldn't I? They change my life. I want to know where their corporate governance is. I want to know who takes their decisions and to whom they are accountable. Why shouldn't I? They force politicians into taking decisions which change my life. And so often you find NGOs that are opaque,

and I'm being kind, and that have no corporate governance and are the plaything of one or two, sometimes well meaning, and sometimes not, individuals.

You know, it was a Party Conference - one of the three Conferences I go to, and one of the things I won't miss next year - (you know, I've given up telling political jokes - they tend to get elected) and I'm told by security that they're burning my image on the beach. 'Oh, this sounds like fun.' He said, 'You can't go down there.' I said, 'Why not? They're burning me. I think I have every right to go down.' 'There'll be a problem!' I said, 'There won't. Don't worry about it. Come on. Are you man or mouse?' So, off I go with PC Plod down to the beach, and I'm in great company. They're burning three effigies, Bush, Blair and me! Those two because they sort of run the world and me because, for some reason, I'm exploiting the whole of Africa. But anyway, there they are and there's a huge crowd in front on this beach and they've all got banners, all nasty horrible things written about me and the others. So I went up to one of these people holding this banner (and actually, he looked like he could do with a good bath) and I said, 'Do you really believe that?' I think he was doubting my parentage, and he looked at me and went, 'Oh my God!' And I said, 'No, don't worry about that, I just want to know if you really believe it.' He said, 'I've got no idea what it says.' I said, 'Why is that?' He said, 'See that van over there?' I said, 'Yeah', a big white van, a side panel van, handing out these things. He said, 'I turn up at all the Conferences and I get a fiver to hold it for the morning and a fiver to hold it for the afternoon. It's the Conference season and I make a load of money.' Such is the power of an NGO! And I wish, just wish, that sometimes we got that hugely influential aspect of our society and those who make the rules a little bit into context.

There is one sector in this restructuring world, especially in this country, that gets nowhere near the attention it deserves as an agent of constructive improvement in Britain today. And this is the voluntary sector. I had the fabulous good fortune to chair a hospice in Birmingham for some years. In fact, in 1998 I got on a bike in John O'Groats and got off it 13 days later in Lands End and raised a few bob for them. I've never forgiven them. And I learnt then how the hospice movement can make such a contribution to one aspect of care in our society. How at a time of acute stress in people's communities, not just for the sufferer, but also for their families and their friends, how they really are an agent of reaching out, down, round and under, and how they can train others to deal with what I always thought was a very embarrassing event, until I took part, and then found just how uplifting and enlightening it is. How they can train others and how they, frankly, make an enormous contribution to this society's public spending and public service delivery without asking for a penny from this Government. What's the point of asking? They can give £750 million for the Dome and not twenty grand to a hospice anyway. But the voluntary sector is not seen by Government as that agent of change.

I take part - you read about it every day - in the great argument about getting the private sector methods of delivery into the public sector. And so often I come up against obduracy in the trade unions. I've actually sat with a trade union general secretary in private and I've said, I've been to a school in Hull that has huge truancy issues; it was vandalised every day; the teachers' morale was on the deck; and, oh, what a surprise, the results were rubbish. It was knocked down, the private sector came in, built a new one, they run it and now the head teacher runs the teachers, the teachers teach the kids, they don't worry about the rest of it. And, oh, what a surprise! It's modern, it's new, it's clean, it's warm, it's dry, so the kids go. And the exam results are better, which means at the end of the day, they aren't going to come mugging you and nicking my car. By the way, skilling the next generation which firms can employ and the result is happiness. And I said to him, I put to you that if the difference is that kid with a future or that kid on the dole, and the difference is that

there's a member of mine making money out of it, that has to be a better thing to do than leaving the kid on the dole. And he said, categorically not. What? He said, no. He said, making sure that no-one makes money out of education, if I have to do that by ensuring that the next generation doesn't get an education, it's the price to pay. Now if I have that obduracy in the union movement, when the Government is on our side in trying to change that, I find it very, very strange. And I can't get Government to understand and take their blinkers off that there is a whole sector out there that come to this whole debate without that prejudice that I've just explained. To come without having to win an argument about making money is right or wrong for the voluntary sector. Everybody loves them. They're skilled in what they do, and they're so much better at it often - not always, of course. They're human just like you and me. But they're so much better at it in delivery as well, because they've been doing it for a long, long time. Now if they come to the party with all those assets on the Balance Sheet, why doesn't Government use them more in delivering to a public sector that needs reform? And they had to understand that they're not like the private sector. Government must understand that the voluntary sector needs to be treated a bit differently in helping. For instance, you can say to one of my members, 'There's a contract, invest, take the risk.' No trustee of any voluntary sector organisation can take that sort of risk, nor should they. It's your and my money. The private sector can say, 'If I actually lose this having tooled up with people and new kit and I lose it, well there's something else I can do with that.' If that happens to the voluntary sector, they could well go under. So why doesn't Government, especially the Department of Health, look at the voluntary sector and just change the way it approaches tendering, the way it approaches seeking delivery and judging output and risk, and then use that organ to help improve our world? If I win that argument, it's no good if the voluntary sector hasn't got the money to do it. And that's another reason why the wealth-creating, socially inclusive society has to work: because we need the wealth created to give to the voluntary sector to produce the goods.

I read with some alarm just a few weeks ago how David Cameron was saying that buying a chocolate orange at a checkout was a bad thing to do. I'm not going there as to party politics, that's one thing the CBI has always, and completely rightly so, set its face against. You never hear a word condemning or supporting any political party from the CBI: we comment on policy. And I do understand why a Leader of an Opposition, trying to find a position, has in some way to try to get some new ground and take ground from others. It's part of the political game. But if we don't stop this political, politically correct, push that chocolate is bad for you, then we are really going to cause some of the great wealth creators a real problem. It's not chocolate that's bad for you: it's bad parents who are bad for you. And, of course, you shouldn't be in a position where you can sell ten chocolate bars to a child without any fetter, but don't let's get into a position, where children and their parents aren't put in the way of any form of taking responsibility and taking a decision for themselves. Because if we get to the position where there are no crisps and no chocolate available for sale when there might be, one day that child is not going to be equipped to make a decision and take responsibility for its own actions. Isn't it better to educate through school, through parenting, through our society, and for that child and its parents to make a worthy decision on the array of choices that are before it? And it does worry me that confectionary, and chocolate in particular, is being pilloried in this way, if for no other reason than I come from Birmingham, and proud of it, and it's the home of Bournville and Cadbury's. If I came from York, I'd be talking about Rowntree or Terry's. And then you have in London and in Manchester the Fry family - they were all Quakers. They all made enormous contributions to the dream of social inclusion and wealth creation going together. You go to Bournville, even today, you still don't see a pub within five miles of Cadbury's factory. You still see the houses and the sports facilities and the health facilities that Cadbury built for their employees at a time, ladies and gentlemen, when - and I say with some shame - business wasn't

doing it. And, oh yes, they made that awful, dreadful, thing which political correctness tells us is going to send us to perdition called chocolate. You're half way up Everest, a blizzard comes in and you rubble round in your anorak to try to find a lettuce leaf! All I ask is just to get this thing into context and try and educate people to understand their responsibilities. Don't regulate good quality, socially inclusive community minded businesses out of the game.

I'll leave it there and I welcome your questions. Perhaps I could just make two observations. One, it wasn't me who thought of this phrase. It was the Prime Minister at another time, not this one. But please remember that the Good Samaritan could only do the business because he had a few bob. And the second thing is, I've learnt in this job over seven years - and it's been the most enormous privilege to lead British business in its lobby efforts - I've learned something new every day and I've also, I hope, just put a few questions up to people which have led, I hope, to better decision making. But I've learnt one thing above all else; that I was wrong about what led me to make that decision way back in August of 1999. You see, Pat and I decided that we ought to be doing this because business could make a difference. I've learnt in these years I was wrong because business doesn't make a difference. If we get this right, my friends, if we build a socially inclusive wealth creative society, not frightened of its own shadow and equipped as this fabulous nation can be, really to take on the world in an era of tolerant, liberal, democratic capitalism, then business doesn't make a difference, business makes the difference. Thank you very much.