

Michael Thurston – U.S. Consul General to Melbourne
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“Corporate Social Responsibility and the Right to Connect”
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First of all I want to thank Monash University and the Castan Centre for Human Rights Law for the opportunity to speak at this conference. In particular I'd like to express my appreciation to the Centre's Director, Professor Sarah Joseph, and Administrator, Janice Hugo, for the kind invitation and generous assistance.

Today, I would like to discuss the importance the United States Government assigns to promoting global corporate social responsibility and internet freedom, the growing interconnectedness of the two issues, and concrete efforts by the U.S. State Department and partner organizations to achieve those objectives.

It is especially appropriate to talk about corporate social responsibility here in Melbourne, which is emerging as a global leader on the issue. Last November, the United Nations announced it had chosen Melbourne to be the worldwide headquarters for its corporate social responsibility program. This initiative will establish a co-operative network for 7,700 companies from around the world to share expertise on community investment and philanthropy. This is an achievement Melbourne and Australia should be very proud of.

The U.S. Government is a strong promoter of corporate social responsibility not simply because it is the right thing to do, but also the smart thing to do. As Secretary of State Hillary Clinton has said, “investing in our common humanity through corporate social responsibility and socially responsible development are not marginal to our foreign policy, but essential to the realization of our goals.”

Socially responsible companies are global ambassadors both to other people and to their governments. They are our first line of diplomacy. More people will do business with American companies and use American products than will ever meet an American diplomat, a development worker, or a soldier. Often American companies are the face America shows to the world; that is part of why the State Department not only advocates for American businesses large, medium, and small, but promotes best business practices as well.

Businesses that aren't being run sustainably cost governments and citizens money. Economically speaking, unsustainable businesses bring down their country's GDP, create instability, and increase the number of people who require aid. In environmental terms, unsustainable practices lead to degradation, pollution, long-term health problems, and costly clean-ups. Finally, regarding human rights, the absence of responsible corporate behavior can reinforce the worst tendencies of authoritarian regimes.

Businesses are therefore an essential partner in reversing trends that threaten us all. Government can't solve the most pressing challenges alone, whether it is climate change, nonproliferation, or poverty. The goal is to mobilize businesses to align their income goals with solving these problems. And we are simply kidding ourselves if we don't recognize that corporations often have as much if not more influence on the future of the planet than many nation states. Just to give you some sense, the Gorgon Project on Barrow Island alone is a \$42 billion project. If it were a country, that would be roughly the 78th largest GDP in the world, larger than the entire GDP of 112 other nations.

With these concepts in mind, the State Department established the Awards in Corporate Excellence, or ACE, to recognize the critical role that U.S. businesses play in advancing good corporate citizenship and democratic principles. U.S. companies are nominated by U.S. ambassadors throughout the world, based on achievements in areas such as innovation, responsible environmental stewardship, exemplary employment practices, and contributions to the overall growth and development of the local economy.

As a recent example, Mars Incorporated was selected in 2010 because of the company's special relationship with the cocoa farmers of Ghana. Mars has supported the Sustainable Tree Corps and helped in developing the Cocoa Livelihoods Program to evaluate the cocoa sector of Ghana and other regions. Mars works to raise awareness of the importance of reducing child labor and protecting workers at every level of the cocoa value chain from the fields to the factories. And by 2020, Mars has committed to certify its entire cocoa supply – all 250,000 tons a year – as sustainable.

Another 2010 winner was Cisco for its work in the West Bank, an area often viewed by companies as a "no-go zone." Instead, Cisco saw an opportunity and invested \$10 million in Palestinian programmers. And by including both Palestinians and Israelis on the same programming teams, Cisco has taken people and economies that are too often kept apart and reconnected them in person and in cyberspace. I'll elaborate further on Cisco's admirable work later in my remarks.

The U.S. Government is also a strong supporter of a number of public-private initiatives to promote best practices in support of promoting transparency, development and human rights, particularly in the area of oil, gas, and mining. And I apologize in advance for the gratuitous use of acronyms in this part of my remarks.

One example is the Voluntary Principles on Security and Human Rights, which were established in 2000 and provide guidance to extractive companies "on maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms." The Voluntary Principles are backed by governments, corporations, such as BHP, Chevron, ConocoPhillips, ExxonMobil, and Rio Tinto, and NGO's, such as Amnesty International, Human Rights Watch and Oxfam. The Principles seek to help companies on key operational issues, such as carrying out assessments of human rights risks, engaging with and

conducting human rights screenings of public and private security forces, and developing systems for reporting and investigating allegations of abuse.

Another example is the Extractive Industries Transparency Initiative, or EITI, which is a coalition of governments, companies, civil society groups, investors and international organisations aiming to strengthen governance by improving transparency and accountability in the extractives sector. With good governance the exploitation of oil, gas and minerals can generate large revenues to foster growth and reduce poverty. However, when governance is weak, it may result in poverty, corruption, and conflict. The EITI supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining.

U.S. support for this initiative is reinforced by financial reform legislation passed in 2010 that included a landmark provision that requires energy and mining companies registered with the U.S. Securities and Exchange Commission to disclose how much they pay to foreign countries and the U.S. government for oil, gas, and minerals. Similarly, the United States has launched what we call the Energy Governance and Capacity Initiative, or EGCI, which provides a wide range of technical and capacity building assistance to the host governments of select countries that are on the verge of becoming the world's next generation of oil and gas producers, such as Papua New Guinea. EGCI's core objective is to help these countries establish the capacity to manage their oil and gas sector revenues wisely for the benefit of national economic development. EGCI also supports a broad range of U.S. foreign policy objectives, including ensuring the security of global oil and gas supplies, supporting clean energy goals by maximizing the efficiency of oil and gas resource development, furthering political and economic stability in developing countries, promoting democracy and human rights, and combating corruption. As I said before, doing right is also being smart.

I'd now like to switch to the issue of internet freedom.

In a February 2010 speech, U.S. Secretary of State Hillary Clinton called for a "global commitment to internet freedom, to protect human rights online as we do offline." This is based on the premise that the universal rights of individuals to express their views freely, petition their leaders, worship according to their beliefs, and to assemble and associate are just as valid in cyberspace as in a public square. Taken together, she referred to these rights as the "freedom to connect."

In the year and a half since that speech, events across the globe, most notably in the Middle East, have clearly demonstrated the prescience of Secretary Clinton's words. From Tunisia to Egypt, Syria to Iran, use of the internet helped advance political, social, and economic change. Sadly, in some cases, it was also used as a means to stifle or extinguish that change.

As with any new technology, the internet has the capacity to both enhance and degrade the human condition. In China, the government censors content and redirects search requests to error pages. In Burma, independent news sites have been taken down with distributed denial of

service attacks. And in Cuba, the government is trying to create a national intranet, while not allowing their citizens to access the global internet

For the United States, on the spectrum of internet freedom, we place ourselves on the side of openness. We are supporting the development of new tools that enable citizens to exercise their rights of free expression by circumventing politically motivated censorship. We are providing funds to groups around the world to make sure that those tools get to the people who need them in local languages, and with the training they need to access the internet safely.

In the last three years, we have awarded more than \$20 million in competitive grants to support a burgeoning group of technologists and activists working at the cutting edge of the fight against internet repression. This year, we will award more than \$25 million in additional funding. We are taking a venture capital-style approach, supporting a portfolio of technologies, tools, and training, and adapting as more users shift to mobile devices. We have our ear to the ground, talking to digital activists about where they need help, and our diversified approach means we're able to adapt the range of threats that they face. We support multiple tools, so if repressive governments figure out how to target one, others are available. And we invest in the cutting edge because we know that repressive governments are constantly innovating their methods of oppression and we intend to stay ahead of them.

Last year, the State Department launched Civil Society 2.0 to build the technical capacity of civil society organizations to accomplish their missions through the use of connection technologies. Civil Society 2.0 seeks to match these organizations with technology tools and tech-savvy volunteers to help raise digital literacy, strengthen the information and communications networks of NGOs, and amplify the impact of civil society movements. In September 2010, the Secretary launched the mWomen initiative – a public-private partnership led by the Global Women's Initiative designed to close the global gender gap in mobile phone adoption.

Monitoring and responding to threats to internet freedom has also become part of the daily work of our diplomats and development experts. Our embassies raise the cases of imprisoned bloggers, journalists, and online activists at the highest levels of government, and we take a public stand on their behalf. In the last year, we publicly raised the cases of online activists and journalists in countries ranging from Egypt and Tunisia to Azerbaijan, Syria, and China. The State Department also continues to advance Internet freedom as an economic issue in multilateral forums and will continue to advocate for openness on the Internet in our bilateral relationships.

We are committed to continuing our conversation with people everywhere around the world. Earlier this year we launched Twitter feeds in Arabic and Farsi, adding to the ones we already have in French and Spanish. We'll start similar ones in Chinese, Russian, and Hindi. This is enabling us to have real-time, two-way conversations with people wherever there is a connection that governments do not block.

At the same time the United States is actively supporting the “freedom to connect,” we recognize that an open internet comes with challenges. In a follow-up speech earlier this year, Secretary Clinton highlighted a number of these challenges, starting with achieving a balance between liberty and security. We need successful strategies for combating the threats of terrorism, extremism, human trafficking, cyber-crime and child pornography, without constricting the openness that is the internet’s greatest attribute. So we are investing in our nation’s cyber-security. We are cooperating with other countries to fight transnational crime in cyber-space, and helping other nations build their own law enforcement capacity.

The second challenge is protecting both transparency and confidentiality. The internet is a public space, with the power to make information of all kinds available instantly, but it is also a channel for private communications. Whether it is for governments, businesses, journalists, activists, or ordinary people, there must be protection for confidential communication online. The existence of connection technologies may make it harder to maintain confidentiality, but it does not alter the need for it.

A third challenge is protecting free expression while fostering tolerance and civility. The internet can amplify and speed the dissemination of intolerant, hateful language, as well as provide a space for people to bridge their differences and build trust and understanding. The United States does restrict certain kinds of speech in accordance with the rule of law and our international obligations, but we don’t restrict speech even if the majority of people find it offensive. And when it comes to online speech, the United States has chosen not to depart from these time-tested principles.

In the end it comes down to choices, and the choices we make today will determine what the internet looks like in the future. Governments have to choose to live up to their commitments to protect free expression, assembly, and association. People have to choose how to act online, what information to share and with whom, which ideas to voice and how to voice them. And businesses have to choose whether and how to enter markets where internet freedom is limited. Which brings me to the final portion of my remarks – the intersection of corporate social responsibility and the freedom to connect.

When countries curtail internet freedom, they place limits on their economic future. Their young people don’t have full access to the kind of free inquiry that spurs people to question old ways of doing things and invent new ones. Barring criticism of officials makes governments more susceptible to corruption. Freedom of thought and the level playing field made possible by the rule of law are part of what fuels innovation economies.

If you invest in countries with aggressive censorship and surveillance policies, your website could be shut down without warning, your servers hacked by the government, your designs stolen, or your staff threatened with arrest or expulsion for failing to comply with a politically motivated order. The risks to your bottom line and to your integrity will at some point outweigh the potential rewards, especially if there are market opportunities elsewhere.

Now, some have pointed to a few countries, particularly China, that appear to stand out as an exception, a place where internet censorship is high and economic growth is strong. Clearly, many businesses are willing to endure restrictive internet policies to gain access to those markets, and in the short term, even perhaps in the medium term, those governments may succeed in maintaining a segmented internet. But those restrictions will have long-term costs that threaten one day to become a noose that restrains growth and development.

In 2010 for example, we saw Google, one of the world's most innovative and respected firms make the courageous decision to discontinue the censoring of search results in China, after experiencing a sophisticated cyber attack from inside the country. While Google still remains actively engaged in China in a number of other areas, its position in the search engine market has dropped significantly, and earlier this year the company claimed the Chinese government was blocking its free Gmail service. In an increasingly interconnected global economy, where long-term prosperity depends on not just manufacturing, but innovative use of the internet, picking fights with companies like Google is bad for business and economic development.

It is therefore no surprise that in the past year, we have seen the emergence of a global coalition of countries, businesses, civil society groups, and digital activists seeking to advance internet freedom. We have found strong partners in several governments worldwide, and we've been encouraged by the work of the Global Network Initiative, which brings together companies (like Google), academics, and NGOs to work together to solve the challenges we are facing. Challenges such as how to handle government requests for censorship, or how to decide whether to sell technologies that could be used to violate rights, or how to handle privacy issues in the context of cloud computing. We need strong corporate partners that have made principled, meaningful commitments to internet freedom as we work together to advance this common cause.

But corporate social responsibility in this area is more than just dealing with authoritarian regimes. It is also about advanced firms using their technologies, skills and innovation to advance broader goals of peace and prosperity. Which brings me back to the example of Cisco in Israel and the West Bank.

Three Ramallah-based Palestinian companies originally began working with Cisco as part of the \$10 million it pledged for corporate social responsibility. The funds provided training, equipment, and a direct communication link to Cisco Israel. The companies quickly began developing five R&D and software projects that involved real business. Cisco gave these companies the opportunity and the exposure they needed to demonstrate that Palestinian companies can compete in the global marketplace and that the Palestinian economy is open for business.

Cisco also worked with the Palestinian Authority to fund other projects, such as youth centers, specialized training, and most recently a venture capital fund that will focus on the Palestinian technology sector. Cisco's work has helped create a personal connection between Israelis and Palestinians. Technology bridges the gap between Netanyahu and Ramallah, and provided the first

positive interaction many of the young developers have ever had with their counterparts on the other side of the Green Line.

Cisco also launched the Digital Cities Project between the predominantly Jewish city of Upper Nazareth and the predominantly Arab adjoining city of Nazareth. Using advanced internet technology, the project provides concrete tools to improve relations among the Jewish and Arab residents while promoting tourism, health care, education, and civil services.

Their “Net@” program encourages teenagers from disadvantaged communities to become leaders in the technology field through advanced technical skills and a complementary social leadership curriculum that reinforces commitment to community. Since 2003, Net@ has graduated more than 2000 students in Israel. This program has been so successful that Cisco has used it as a model to launch another pilot program, Mediterranean Youth Technology Club, in neighboring Middle Eastern countries.

Finally, Cisco Israel’s Women Empowerment Project has promoted the inclusion of more women in the ICT industry. Two pilots were established, one for Jewish women in Netanya and one for Arab women in Baqa el Garbya. Six hundred women have graduated from this program so far, and 65 percent of them have found high-quality jobs in the sector.

Those are the kind of corporate initiatives the United States and other governments should encourage and reward.

CONCLUSION

In closing, we need to remember that internet freedom isn’t about any one particular activity online. It’s about ensuring that the internet remains a space where activities of all kinds can take place. Quoting Secretary Clinton:

“This is one of the grand challenges of our time. We are engaged in a vigorous effort against those who we have always stood against, who wish to stifle and repress, to come forward with their version of reality and to accept none other. We enlist your help on behalf of this struggle. It’s a struggle for human rights, it’s a struggle for human freedom, and it’s a struggle for human dignity.”

Thank you.

For more details see the following links:

- Awards for Corporate Excellence (ACE) - <http://www.state.gov/e/eeb/ace/>
- Voluntary Principles On Security and Human Rights - www.voluntaryprinciples.org
- Extractive Industries Transparency Initiative (EITI) - www.eiti.org
- Global Network Initiative – www.globalnetworkinitiative.org
- U.S. State Department & Internet Freedom - www.state.gov/e/eeb/cip/netfreedom/index.htm