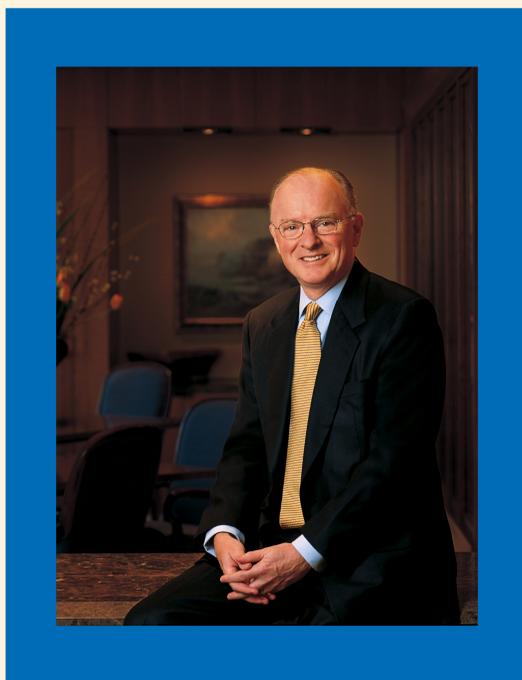


# ChevronTexaco



## **Corporate Responsibility: New Partnerships Are Needed to Address Developing World's Problems**

*by David J. O'Reilly*

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*In a world marked by a growing disparity of living standards, corporate responsibility means more than private sector social assistance. It means each of society's partners — business, government, and community groups — must assume broader responsibilities to tackle challenges no single entity can overcome alone.*

**T**he issue of poverty and the meeting of basic human needs is the defining challenge of the 21st century. Globalization is generally a force for good, but in many places, many people are being left behind. The benefits from economic growth do not always flow to those most in need. It is critical, in my view, that we properly identify and address the root causes of poverty. And to do so successfully, I believe there is a need for new, innovative global partnerships and collaborative approaches – approaches that will help create sustainable economic growth while making sure benefits are widely shared.

Recently, Secretary of State Colin Powell presented my company with the State Department's highest award for corporate excellence. The honor was based on the sustained efforts over many years of our Chevron Nigeria Ltd. (CNL) affiliate to improve life in the communities where it works in the Niger Delta. CNL's involvement with Niger Delta residents is part of our company's commitment to improve community life in that West African nation. But as important as these efforts are, I believe they are just part of a bigger, largely unreported story. It is the story of a profound philosophical change in how industry views its role in society, especially in developing nations.

This new approach has emerged gradually over the last few years. Often referred to as corporate responsibility, it addresses issues that span a spectrum of human rights, workplace conditions, ethics and the environment. But at its core is the impact a company has on the communities in which it lives and operates.

ChevronTexaco has long delivered the more traditional "bricks-and-mortar" development programs. But today our approach has evolved into community engagement, which emphasizes greater dialogue with our community partners, a commitment to long-term sustainability and new criteria to guide how we work with those communities.

Our community engagement activities are informed by a daunting list of human problems afflicting the developing world. In Africa – in many ways the emotional heart of this world – upward of 300 million people, half the continent's population, live on less than \$1 a day. The average yearly income for African citizens comes to less than the annual agricultural subsidy for a cow in Europe or Japan.

In addressing the causes of poverty, I believe progress needs to be made in several areas: trade reform, human capacity building, debt relief and the improved delivery of development aid. But to be effective, action on these fronts must be accompanied by government reform in the areas of good governance and transparency. In those developing countries where these issues have been addressed, we have seen the benefits of economic growth being more broadly distributed across the population.

It is the enormity of existing economic disparities that convinces me that only through new partnerships and coalitions, which unite private, public and quasi-public institutions, can they be overcome.

What could these new partnerships look like? To offer one example: Late last year, ChevronTexaco joined with the United States Agency for International Development (USAID) and the United Nations Development Programme to form a \$50 million partnership to spur sustainable investments in Angola.

The largest private alliance ever entered into by USAID, the partnership has opened the way for government to tap new sources of financing and technical expertise that the private sector brings to the table. Major relief groups and nonprofit agencies have joined in the partnership as well. Of course Angolan government participation is crucial to imparting a sense of ownership to its people.

These new partnerships break down barriers that often isolate developing countries from the community of nations and a world of ideas. They also break down barriers that can exist between government, business and communities who may simply not speak each other's language or, at worst, distrust each other.

One can only wonder how long our shrinking world can tolerate economic disparities so vast that human beings in one place are valued less than livestock in another. But by working together, I'm convinced we can begin to span such chasms. As expressions of our heightened sense of corporate responsibility, and as vehicles for improving lives, I believe these new partnerships hold the answer.

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