

Global hunger. Corporate greed. When will enough be enough?

Media around the world is currently feeding off the increasing prices of food, everywhere. The World Bank chief has joined in with the prediction that starvation is a distinct possibility for many of the weaker nations, leading to political turmoil. The FAO chief (Food & Agricultural Organisation) says only 14 per cent of available water is used in Asia, 2 per cent in Africa, the rest flowing into the oceans each year. If this is the sorry state of affairs, what do our political leaders and their henchmen do at the office everyday?

The instinctive urge to shoot the messenger is of course misdirected energy. But when you put the disparate pieces of our puzzling world on the table, the emerging picture is embarrassing indeed. A kilogram of rice costs over US\$1, a barrel of oil costs over US\$100. One influences the other. The subprime loans crisis will cost over US\$1 trillion, the Iraq war will cost the US alone as much as US\$3 trillion. Different problem, same instinct. Many pundits will argue none of this has any connection to global hunger, as if these colossal costs aren't real and do not affect the common man. Whichever side of the argument we may be, we are all subjected to an incalculable amount of calculated spin. It is all too easy to throw stones at our politicians and bureaucrats. But those of us in business would do well to spend a minute and ponder the glass houses we go to work in.

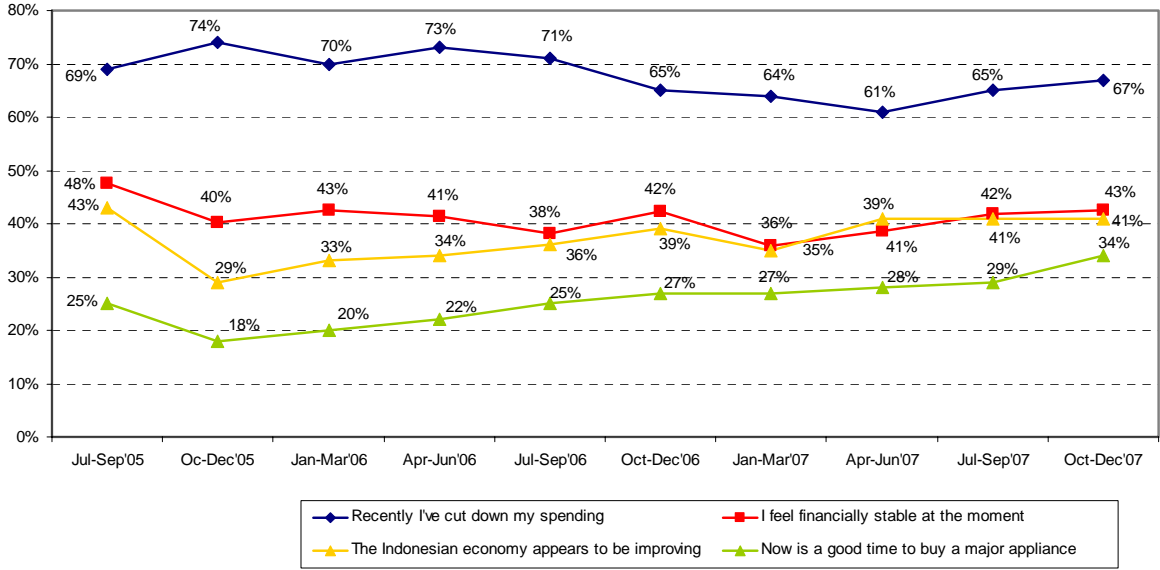
The altar of the shareholder has become the convenient excuse for inexcusable conduct. The voracious appetite for dividends and stock prices has allowed CEOs to hold boards and investors alike to ransom. Systemic deception has become acceptable culture in too many boardrooms, with nothing more than a wink and a nod required down the chain of command. When it gets to a point that an accountant is unable to explain complex new financial instruments and their equally befuddling acronyms, disaster cannot be far away. Not even a decade ago, the Internet bubble exploded with disastrous consequences, ripples felt around the globe. Everybody who then believed the lessons were learnt have been proven wrong, not even a decade later. For every errant CEO who has gone to jail, there are hundreds who have made millions in severance pay alone. Regulators and lawmakers appear not to be troubled.

It seems as if the profit motive is no longer an adequate driver of business today. Unbridled greed has taken over, a global corporate culture spreading like a cancer unchecked. Even those who say it was always a human failing would accept that it is a reality of nuclear proportions today. It seems almost fashionable to play this game of corporate roulette, waiting to see if anybody wiser exists to catch the perpetrators of these white-collar crimes that affect the lives of millions who have no collars at all. Distorting the truth or helping to bend it, can do irreparable damage well beyond the company.

Anybody who would like to believe Indonesia has yet to be tainted by this malaise, could ask a simple question as a test. How many people have a cellular phone connection? A simple answer, a number that resembles the truth should not be too much to expect. But you are unlikely to get one. You are more than likely to be told that it all depends on 'terminology' or 'definitions'. 40 million. 60 million. 80 million. 100 million subscribers. These numbers have all been quoted in this newspaper in the last 60 days. They cannot all be right, only one comes close to the truth. Similar mysteries abound in other industries.

On the other hand, does anybody want to know that at least 60 million SIM cards will be thrown away this year? It's not a number you will find rolling off an industry analyst's lips. That's apparently because that kind of talk doesn't build investor confidence. As if shareholders, investors, bankers and financial advisers are incapable of handling the truth. A nonsensical game reiterating the fact that people believe what they like to believe.

LINES THAT DIVIDE THE HAVES & HAVE-NOTS



Regardless of the rising price of rice, the Indonesian people seem constantly divided in a 40:60 ratio, the “haves” and “have-nots”. At any point in time, only about 40 per cent ‘feel financially stable, or think it’s a ‘good time to buy major appliances’, or have not ‘cut down their spending recently’, or believe that ‘the Indonesian economy appears to be improving’. For the remaining 60 per cent the everyday struggle to put food on the plate gets occasionally even harder, as when the price of fuel jumps up. For the overwhelming majority, having to choose between a 4-kg bag of rice or a cellphone is an easy decision. Yet many industry analysts and bankers have difficulty coming to the same conclusion.

These observations are based on Roy Morgan Single Source, the country’s largest syndicated survey with over 27,000 Indonesian respondents annually, projected to reflect almost 90% of the population over the age of 14. That is a universe of 140 million people. The results are updated every 90 days. The opinions expressed are my own.

The silent majority have little ability to improve their lot, all by themselves. While they are ready to be put to good use, the line needs to be drawn at abuse. As corporate citizens and fellow humans, working with the truth should be a basic prerequisite. There is plenty of opportunity in Asia and in Indonesia, if effort and monies were directed appropriately. What is unfortunately in oversupply is greed, fostered too often with the need to distort the truth.

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