

SMALL AND MEDIUM SIZED BUSINESSES - ETHICS

The Construction of a Country

It is in times of crisis that we measure the integrity and solidarity of a human being, of a community and of a country. Adversities can destroy a person or become opportunities for him to grow. It is not for nothing the popular proverb says: *One must draw strength from weaknesses.*

We are approaching the bicentennial of our nation. What contribution can we make to the next century? What errors can we avoid with our children? What good advice can we leave printed on the minds of the coming generation?

I think it is necessary to strengthen two pillars for the Chile of tomorrow. Without the development of small and medium-sized businesses there is no future for our nation. Without ethics ruling the hearts of the citizens, there is no homeland. These are the two legs that allow us to walk and run, crossing obstacles and valleys. The title of this reflection stems from this.

Some of us who have spent over thirty years in the thick of things have sorted out at least three national crises: that of 1981 when the dollar that had remained fixed for several years suddenly took an astronomic jump; the Asiatic crisis in 1998 when experts prognosticated that it would not affect our economy, but it did; and the recession of 2008 that is still in progress so we do not know the extent of its repercussions and consequences.

In the area of small and medium sized businesses, the crisis is growing as the demand diminishes drastically and, on the other hand, norms lacking flexibility in the work-place are enforced. These times become more complex for specialty areas as their workers are normally trained and capacitated in their own businesses and thus they must make every effort possible to retain their laborers since it is not easy to replace them.

All these crises have brought structural changes.

Some of the legal regulations in force oblige the large businesses to tutor the small ones. Instead of strengthening the weak leg with exercises, they give them a wheelchair which needs someone to push it. These solutions contribute to the growing social imbalance and instability.

Mistaken hypothesis:

The small and medium sized businesses may become large developing businesses, but they are not necessarily in an embryonic state waiting to become big. What often occurs is that many of the large businesses began small, but that is not the same as arguing that the small ones must inevitably develop into large ones in order not to come to a standstill. Of businesses in Chile, 97% of them are medium, small and micro businesses.

The reality in the rest of Latin America, and in general in the globalized third world, is not very different. And the population of the third world is growing rapidly while the first world, although small, grows more powerful. Capital moves away from violence in the streets. Without equality, there is no social embrace: *justice and peace have kissed.*

Eighty percent of the workers in this country work within the great spectrum of small and medium-sized businesses and thus are in the most vulnerable sector. In order to progress with balance, a country must count on an important number of businesses, small and medium sized businesses that are solid and healthy, and not be focused only on the large businesses as often happens.

Another dilemma, how does one manage to distribute the legal profits more equitably in this society when the market so competitive? What can we contribute so that the concentration of wealth and the unequal distribution of income do not continue to increase? We all know that this is presently one of the endemic wrongs in our country.

Simultaneous with strengthening the small and medium sized businesses, the solution would be to apply the principles of theocratic socialism. If we examine and analyze some ancient concepts that were formulated over three thousand four hundred years ago in the Mosaic Law, where, for example, it was established that: *when you reap the harvest of your land, do not reap every corner of the field*. When you gather the grapes and olives, do not gather up all the fruit. Those who have lived in the country know that after passing the sickle there are always some sheaves left, some ears scattered around the sown field. That stubble was not to be collected; it was for the poor, the needy, the widows and the foreigners. This principle established by God contributed to equality and protected the weak and the handicapped: people and businesses should be open to a supportive culture.

One step in the correct direction is to emphasize and promote all the possibilities and implications of social and business responsibility.

It is argued whether or not we are a corrupt country or becoming corrupt. If we compare ourselves with some, we are honest. If we do so with others, there leaves much to be desired. Regardless of opinions, it is certain that there remain the scandals over missing or misused money which frequently appear in the news.

It is not only a political problem, but also a moral one. It includes everyone from the northern border to the Antarctic limits; from the Andes Mountains to the ocean; it concerns all of us. *He who thinks he stands, let him be careful that he does not fall*. Corruption, like bitterness, contaminates many. It must be pulled out by the roots or prevent its appearance by waterproofing the foundations.

Owing to the explosive growth of our institution, in 1999 we presented the need to complement the Declaration of Principles with the elaboration of a Code of Ethics. This document was studied and approved in the May 2005 Assembly. The existence and observance of these guidelines extol the trades and project them safely into the future. Today we see the preventative need to devise a Code of Ethical Behavior which will be binding on everyone who works in the Social Network of the CChC, certainly the businesses or entities that compose it. We are always happy to note that one out of every two Chileans is in some way involved with CChC and its network. With greater reason, if we want Chile to endure, we must influence in every way possible. The following is an example.

These are some of the reasons why, especially during the last decades of this beloved institution to which we belong, we have supported the vision and emphasis focused on the small and medium sized businesses and on ethics – two legs that will permit Chile to progress toward the third centennial: *The country is built with small and medium-sized businesses and ethics*.

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