

2014 United Nations Forum on Business and Hunan Rights

2 December 2014

Friends and colleagues,

Let me introduce you to the global workforce.

2.9 billion workers.

60% of workers are employed in the 'formal' economy but the majority of them with increasingly precarious employment and struggling on poverty wages on which they cannot live and raise a family with dignity.

Even within the formal economy there is an historic crisis in unemployment with more than 200 million people registered and desperate for work, the majority are women and young people who may never know the dignity of labour as the 'right to work' intended. Many more have given up looking for formal work.

Then there are the 40% of workers who are occupied in the informal sector, the sector of the economy of desperation where there are no rights, no minimum wages and no social protection. This is not just a developing country issue as between 20 and 90 per cent of the G20 workforces are made up of the informal economy. It is withering decent work and it is withering formal business.

It gets worse 35 million workers enslaved....the overwhelming majority exploited by private individuals and enterprises that generate 150 billion dollars of illegal profit from their labour.

And corporate supply chains now incorporate representatives of all of these groups of workers

As the increasingly dominant model of global trade global supply chains are failing people, failing developing economies as your people are exploited and the majority of profits are taken offshore. This trade in production is now worth 20 trillion dollars and growing exponentially.

We need all of you to change this....

The Nepalese worker owned by another human being in Qatar needs you....

The Indian domestic worker whipped in Saudi Arabia needs you.....

The workers surviving Rana Plaza but still without adequate labour laws need you....

The workers in Cambodia who were not shot fighting for a minimum wage of just 177 US dollars a month need you....

The flower growers in Colombia who just want to form a union but fear for their lives need you.....

The cocoa farmers and their children exploited in Cote de Voire need you......

The Indigenous people impacted by the Tampakan copper mine in the Philippines need you...

And millions more......

For trade unions the UN Guiding Principles on Business and Human Rights are is the most significant instrument addressing business behaviour in over 30 years. They resolve questions of great importance to workers - issues of rights and responsibility, obvious to workers and their trade unions but denied too often by corporations and even their governments.

Business enterprises have responsibility for their supply chains and their other business relationships. One of the greatest threats to workers’ human rights is companies seeking to escape their responsibility for the people who do the work is by outsourcing and through indirect employment. Today’s global supply chains are characterised by exploitation and precarious, often unsafe work. The Guiding Principles for the first time provide a consensus that businesses have a responsibility for human rights violations in their supply chains. In other words – subcontracting work no longer means subcontracting responsibility for the human rights of workers.

The “state duty” to protect human rights and the “business responsibility” to respect human rights are different and independent. This means that states cannot use the power of business as an excuse to not do their duty to protect human rights and business enterprises cannot use the failure of the state to do its duty as an excuse to avoid their responsibility to respect human rights. Companies operating in Qatar today have a responsibility to respect human rights of migrant workers including their right to join a trade union.

It doesn't matter how badly the state of Qatar or other Gulf States use Kafala systems of slavery and fail in their duty to protect human rights, companies have 'responsibility to do so'!

It doesn't matter if nations fail to regulate business or formalise work with legal rights, a mandated minimum wage and social protection, business contracting work through supply chains must afford rights including the right to collective bargaining and non discriminatory wages and conditions.

Remember what Article 23 of the Universal Declaration of Human Rights says, "*everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity and supplemented if necessary by other means of social protection."*

Responsibility is not a “voluntary concept” Corporate social responsibility” is believed by many to be voluntary. As the Guiding Principles make clear respecting human rights is not “optional”. The Guiding Principles use “responsibility” as a mandatory provision.

It’s not about the company – it’s about the rights-holder. CSR is too often about the “business case” and the benefits to the company when it “does the right thing”. The focus of the Guiding Principles is on rights holders and the need to protect and respect their human rights and to provide remedy where their rights are violated. The only “risk” here that is important is the “risk” that human rights will be violated – not the risk to the company that violates human rights.

The responsibility of business to respect human rights includes the right of workers to join a trade union and to collectively bargain for wages and conditions of work. The Guiding Principles are clear that the responsibility of business to respect human rights and core international labour standards. .........for workers this means freedom of association and the right to bargain collectively, freedom from forced and child labour and non discrimination.

Due diligence is about a lot more than “doing no harm”. The due diligence set out in the Guiding Principles is proactive. It’s not about identifying actual or potential negative impacts – it requires companies to take positive action. For workers due diligence means that no business should do anything to discourage workers from exercising their right to join a trade union and no business should avoid any genuine opportunity to bargain collectively.

The Guiding Principles are the starting point but there is a lot of work still to do:

National Action plans: The development of National Action Plans by all governments should be a priority. These plans should be developed by all countries in a transparent and participatory manner with the full involvement of civil society and trade unions. They should result in greater policy coherence nationally and internationally by obliging governments to review their investment policies and treaties, and their procurement policies and to ensure coherence with their duty to protect human rights.

Due Diligence: The important work ahead will be in building a genuine consensus over what would constitute due diligence in specific situations. The test will be how companies respect the rights of workers’ in their supply chains.

Remedy: There is a pressing need to develop realistic access to remedy for victims of human rights abuses. Companies still deny responsibility for establishing genuine grievance mechanisms with the intention to provide remedy including financial compensation. Today too many grievance mechanisms provide public relations but sadly little else.

Investors: Investors, including minority shareholders, have a responsibility to use their leverage to ensure that the companies in which they invest respect human rights.

In the final summation we have an 80 billion dollar CSR industry and it has failed. The global workforce is in a bleaker place today with more and more reluctance to mandate rights and to ensure compliance. There is no substitute for mandated legal requirements and access to justice.

It goes without saying that all of the above will require the active participation of civil society and trade unions in shaping of both public and company policy. This work is what will decide whether the State Duty to Protect, the Business Responsibility to Respect are truly realized and make a difference to workers and the communities in which they live.

It will take all of us.

Sharan Burrow

General Secretary

International Trade Union Confederation

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