

International Focus Workshop

Future Research Agenda for Human Rights Responsibilities of MNCs in the Developing World – Towards an Integration of Perspectives and Improved Measurements¹

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Organized by:
The human rights group within the
Transatlantic Doctoral Academy on Corporate Responsibility (TADA)

Nicole Janz, Adriana Orellana, Rocío Robinson, and Jordi Vives i Gabriel²

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Future Research Agenda for Business and Human Rights – Towards an Integration of Perspectives and Improved Measurements

Can and should MNCs step forward and foster human rights in weaker and conflict states that are not capable of protecting human rights effectively? To shed more light into this debate, the human rights group within the Transatlantic Doctoral Academy on Corporate Responsibility (TADA) organized an interdisciplinary focus workshop, “Human Rights Responsibilities of MNCs in the Developing World” convened on June 7 & 8, 2012 at the Universität St. Gallen. In-depth analysis of the role of business in human rights enabled the formulation of a research agenda provided in this report. In sum, we propose that future research on business and human rights should work towards an integration of multi-disciplinary perspectives and improved tools for measurement.

The following questions were addressed by Professors and students, for which all participants contributed discussion and debate:

- **PANEL 1: HUMAN RIGHTS RESPONSIBILITIES OF BUSINESSES**
How can we motivate MNCs to act responsibly towards human rights?

Outcomes:
 - A financial argument is needed in order to motivate MNCs to behave responsibly towards human rights and to maximize their positive externalities;
 - Address conceptual confusions regarding MNCs and their human rights responsibilities: their ability to be agents who bear moral responsibilities, and the state's interest in ensuring economic stability as a public good.

- **PANEL 2: RESPONSIBILITY AND COMPLICITY**
How can we go beyond Ruggie’s framework of responsibility to respect and duty to protect?
Can dimensions of responsibility be formulated in terms of complicity?

Outcomes:
 - Make a shift from complicity to advocacy. Ruggie’s definition of corporate complicity appears quite limited insofar as it includes direct and indirect involvement in human rights abuses, but neglects passive types of complicity such as silent or beneficial complicity, and the duty to speak up;
 - Increase the role of transitional justice to address liability for gross human rights violations in areas of conflict/weak governance to find avenues of prosecution;
 - Call on to MNCs to promote human rights and to address the risks and limits which arise from having too much power and influence in global governance;
 - Corporate complicity encompasses not only the duty to respect, but also to protect human rights since business is not only an economic actor, but also a political one.

- **PANEL 3: CSR IN PRACTICE IN THE DEVELOPING WORLD**
What is the future of human rights and business?
What can we learn from CSR initiatives and practice in specific industries?

Outcomes:

- Business and human rights trending topics include: moving away from the “cut and run” strategy, increasing reputational risks for human rights abuses, expanding the proximity of supply chain, and moving towards more transparency and participation;
- Given the politization of the firm, MNCs face a process of institutional change which can fall in symbolic meanings and weakly entrenched practices;
- The Ruggie guidelines represent a shift of paradigm from a “blame and shame” to a “know and show” approach. MNCs need to be aware how much protection of human rights a host state provides and identify stakeholder expectations;
- Industries are starting to confront alleged human rights accusations by developing initiatives related to their business. For example, in the banking industry, the Equator Principles, the Thun group, and the UNEP Statement by Financial Institutions.

We propose that future research agenda on business and human rights should work towards:

1. ***Taking a more integrated, multi-disciplinary and theory-practice perspective.*** The interdisciplinary nature of the human rights and business debate requires networks and transfers of knowledge on all levels, and should include disciplines such as law, philosophy, business ethics, political science and business practice/practitioners.
2. ***Utilizing theories, frameworks and ideas.*** Strengthen the connection between theory and practice. Theoretical work on business ethics should be made more understandable for policy makers and practitioners; this includes proposing useful hypotheses for further empirical research. Perpetuating conceptual clarity is key since there is risk of ambiguity in the debate if there is no balance between a theoretical and a more pragmatic approach.
3. ***Shifting from voluntary standards to hard law.*** Effective mechanisms to ensure respect and protection of human rights need to go past the stage of voluntary initiatives towards binding standards: rules and regulation, accountability tools, inclusion of CSR into decision making processes. There is a clear need to advocate the respect and the protection of human rights for businesses in a rigorous way, mainstream human rights issues into core business, and develop effective means and tools for improvement.
4. ***Include more Human rights advocacy and measurement.*** Further develop quantitative measurement of human rights protection, CSR commitment and the general impact of business on communities. Existing research standards, initiatives’ participation, and the impact of business on human rights should incorporate not only qualitative narratives, but also clear measurement tools. For example, data from the Global Compact or Business and Human Rights Resource Centre could be re-coded and more systemically analysed. Future research needs to ensure valid, reliable and accessible measurements, and foster data comparability to combine quantitative and qualitative research in a more effective way.
5. ***A call for optimism.*** Although the road ahead is long, much progress has already been made by the UN Global Compact, the GRI, and the work of John Ruggie. If conceptual clarity as well as measurements and advocacy tools are improved through collaboration among theorists, empirical researchers and practitioners, we can be optimistic that there will be substantial improvement in the interrelationship between business and human rights.