

**2016 Asia Regional Forum on
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Keynote Address
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On behalf of us all, allow me to thank the Government of Qatar for hosting this first-ever Asian regional forum on business and human rights. And my personal thanks to the UN Working Group for inviting me to participate. Asia has become a major force in the global economy, which makes this forum both timely and potentially consequential. Much of the world has discovered over the past decade or two that the issue of business and human rights is at the heart of achieving sustainable business models, and the social and economic development of nations.

To get us started, I have been asked to provide a brief summary and update on the Guiding Principles.

Where Do the UN Guiding Principles Come From?

The UNGPs were developed over the course of six years under my mandate as the UN Secretary-General's Special Representative for Business and Human Rights. What was unusual about the process of developing the Guiding Principles is that they were not hammered out in a windowless conference room in Geneva.

They were built on extensive research, visits to mining operations in Latin American and apparel factories in Asia, and nearly 50 international consultations on every continent. These consultations, which I convened, involved the key stakeholders: representatives of governments, businesses, civil society, workers organizations and affected communities, including indigenous peoples. But the pen that wrote the Guiding Principles was mine. That is how we avoided the lowest common denominator formula that often characterizes intergovernmental negotiations.

Thanks to widespread stakeholder consensus, the UN Human Rights Council unanimously endorsed the Guiding Principles in 2011, the first time that it endorsed a normative text that governments did not negotiate themselves. In its resolution, the Council recognized the Guiding Principles' contribution "to a socially sustainable globalization."

All thirteen Asian member states on the Council supported the endorsement including, I am happy to say, Qatar.

What Do the Guiding Principles Cover?

The UNGPs are built on the three-pillar "Protect, Respect and Remedy" framework that I proposed in 2008:

- States have a **duty to protect** human rights through policies, regulation, legislation and effective enforcement;
- Enterprises have a **responsibility to respect** human rights: that is, to avoid people's human rights being harmed through their activities or business relationships, and to address harms that do occur;
- Where individuals' human rights are harmed, they should have **access to effective remedy**: both states and enterprises have a role to play in enabling this.

The Guiding Principles encompass all internationally recognized rights, including those enumerated in the International Labor Organization Declaration on Fundamental Principles and Rights at Work.

What Does the Responsibility to Respect Human Rights Mean for Enterprises?

In order to "**know and show**" that it respects human rights, an enterprise should have the following in place:

- A public commitment to respect human rights that is embedded into its institutional culture;

- An ongoing process of human rights due diligence that includes the following:
 - (i) Assessing risks to human rights arising from the enterprise's activities and relationships;
 - (ii) Integrating the findings into its decision-making and actions in order to mitigate the risks;
 - (iii) Tracking the effectiveness of these measures; and
 - (iv) Communicating its efforts internally and externally.

- An enterprise is also expected to enable access to remedy to people who are harmed as a result of its actions or decisions.

What Is the Status of the UNGPs?

UN High Commissioner for Human Rights, Zeid Ra'ad Al Hussein, describes the UNGPs as "the global authoritative standard, providing a blueprint for the steps all states and businesses should take to uphold human rights." The *Economist* has referred to them as a "watershed event" in putting human rights more firmly on the business agenda.

Numerous international, national and industry standards have incorporated or reference the UNGPs, in particular their formulation of the corporate responsibility to respect human rights.

Eight national action plans for the implementation of the GPs have been published thus far, and another 30 or so are in the process of developing one, including six in this region.

The International Bar Association has issued guidance on what the UNGPs mean for national bar associations, and will soon publish a supplement on their implications for law firms.

Amnesty International, in its recent report on the migrant worker situation in Qatar, uses the Guiding Principles as the benchmark standards. The China Chamber of Commerce of Metals, Minerals & Chemicals

Importers & Exporters has advised China's overseas mining operations "to observe the UN Guiding Principles during the entire life-cycle of the mining project."

In July 2015, FIFA, the global governing body of football, the world's most popular sport, announced that it will recognize the provisions of the UN Guiding Principles for future World Cups and "make it compulsory for both contractual partners and those within the supply chain to comply with these provisions." And just this past February, the FIFA Congress added a new clause to its constitution, stating that "FIFA is committed to respecting all internationally recognized rights and shall strive to promote the protection of those rights."

In short, the convergence behind the Guiding Principles is both wide and deep.

Let me now turn briefly to two related subjects: developments around the Guiding Principles in Asia and in global sports organizations, specifically in relation to FIFA and the 2022 Men's World Cup in Qatar.

Asia

As many of you know better than I, there is a great deal happening in this region around the GPs, but less at the level of governments than in civil society or on stock exchanges.

The reasons for the relative reluctance of governments are many and diverse – too much so to explore them fully here today. But I think I detect one common thread: the belief on the part of some that respect for human rights may somehow impede economic growth and sustainable development – that growth must come first, and then we can talk about rights. This could not be further from the truth. Acting on that belief undermines both human rights and sustainable development. Consider just one illustration.

A number of governments in this region aim to replicate China's path to export-based manufacturing-driven development. Keeping wages low and working conditions poor is an implicit part of that strategy. But it won't work, for three reasons.

First, this region's major global export markets for manufactured products are becoming more protectionist due to the loss of manufacturing jobs in those markets. Hence future opportunities to follow that path may well be more limited.

Second, China's economic boom didn't have to compete with robotics. The next tier does. For example, Foxconn, the world's largest manufacturer of electronic equipment, recently announced plans to invest \$5 billion in a factory in India. But Foxconn also plans to automate 70 percent of its assembly line work. So the number of new jobs Foxconn will create in the future will be a fraction of what it was in China, where at its peak Foxconn employed somewhere on the order of 1.3 million people.

Third, substandard and dangerous working conditions give you Rana Plazas and their counterparts in other sectors. They give you a disempowered and alienated workforce, and economic inequality. This is a path to social cleavages and conflict, not to sustainable development.

So, what are the answers? One is to invest in people – in health, education, adequate housing.

Another is to embrace the transparency and accountability that are essential to learning from mistakes and recalibrating policies based on facts on the ground.

Beyond these general policy prescriptions, all governments should set clear standards for businesses and enforce them. They should use their own extensive transactions with business to signal that they are serious, in particular state-owned enterprises. They should provide assistance to smaller businesses that may have capacity limits, and ensure that access to

effective remedy is available for people who have been harmed by business conduct.

These are the paths to sustainable development. The idea that human rights impede development has it the wrong way around.

FIFA and Qatar

The Guiding Principles apply not only to governments and traditional business enterprises. They apply equally to major sports organizations that conduct extensive commercial activities.

Some of you may already have seen the independent report I published last week on FIFA and human rights. We will have a panel discussion on this subject tomorrow, so I will be brief today.

In connection with the 2022 Men's World Cup, the issue of course is the *kafala* system for the control of migrant labor in Qatar. What I hope tomorrow's panel will clarify is what FIFA and Qatar have done to address the human rights abuses committed under that system, what if anything more they plan to do between now and 2022, and whether that's enough.

For now, let me just say that the case illustrates perfectly my core message: no one should – or can – hide from human rights. Being proactive in dealing with human rights challenges of course is better for those who are at risk. But it is also better for the governments and sports organizations involved, for whom so much of the appeal of these events is in the positive effect they can have for their reputations. Those reputations now hang in the balance as the whole world is watching not just the games on pitches, but what it took to get there.

This is true not only of FIFA but other such organizations, including the International Olympic Committee, and not only of Qatar but also of all other host countries. No longer can these events take place at the expense of abuses of workers and the summary displacement of inconveniently located communities.

Conclusion

Let me draw these remarks to a close.

The Guiding Principles have taken business and human rights further than any similar such initiative. But we haven't come far enough yet. Further international legalization is both inevitable and desirable where borders undermine protections for people. But it needs to be carefully crafted and targeted to have any chance of making a difference to real people in real places.

The Guiding Principles provide civil society actors with a legitimate and agreed set of expectations of business, which they can use to reinforce in their analyses of cases, and their engagement strategies with governments and businesses alike.

Businesses everywhere have significant unrealized opportunities to gain new customers, business partners, financing and investment in an age when decisions are increasingly informed by scrutiny of how companies understand and manage risks to human rights with which they may be involved.

The Sustainable Development Goals adopted last year offer a new vision for the world in which business has a critical role to play. Businesses undoubtedly will continue to contribute to human rights through philanthropy and promotional activities. But just as their critical role in addressing climate change is to reduce their negative impacts on the environment, so respect for human rights – minimizing their negative impacts on people in their own operations and value chains – will determine whether business truly contributes to the realization of the SDGs.

To those already on the journey, I say stay the course and build on what has been achieved. To those who remain unsure or may be unaware, it's time to get on the "rights" side of history. Quite apart from hard and soft law standards, human rights have become the vernacular spoken by

people everywhere to affirm and assert their human dignity. It is by respecting their dignity that we will achieve sustainable social and economic development for all.

Thank you!