

Irene Khan's Speech at the World Economic Forum, Davos, January 23rd, 2003

Amnesty International has been attending the World Economic Forum for the past four years. Last year in New York, the Forum was overshadowed by security concerns following 9/11. These concerns far from dissipating have deepened, with the threat of military attacks against Iraq. To that has been added a gloomy economic climate and a stream of US corporate scandals and misdemeanours, which has sapped the confidence and complacency of corporate leaders.

- In these difficult times, some people are trying to portray corporate responsibility for human rights and multi-stakeholder engagement as threats and unnecessary.
- We would say, on the contrary human rights are more important than ever and we need to strengthen not weaken compliance of companies towards these principles.
- Why? Because human rights are not a luxury for good times. Human rights are important for business at all times, but particularly so now when public confidence is at its lowest. In the long term, human rights are fundamental for stable, open societies which businesses need for their operations. Conversely, an environment in which human rights are regularly and seriously abused is a risk factor for companies
- The risk of public exposure leading to boycotts or legal action - is not theoretical but very real. NGOs have successfully campaigned and led boycotts against companies that fail human rights or environmental or ethical standards. Victims and their advocates have sued companies internationally - there are a number of cases in the US currently on corporate complicity on abuses in Myanmar, Colombia and Indonesia. (Case in UK against Cape plc for exposure of workforce to asbestos in South Africa).
- Three, There's also a bottom line issue: The dividing line between investors, shareholders, consumers and the general public is disappearing. For instance, pension funds are large investors and shareholders in companies but people want to know where their pensions are being invested. Corporations now need to worry about individuals who do not want to put their financial future in the hands of companies that either practice or profit from repressive measures, will instead take their money elsewhere.
- Four, civil society watch is becoming more vigilant. Across the street at the Public Eye on Davos where I will be also speaking hundreds of activists are meeting to debate, and scrutinise the impact of corporations on social issues, including human rights, and to demand greater accountability. Thousands of miles away, at the WSF in Porto Alegre, which AI is also attending, tens of thousands of people are gathering to demand "another world", which we believe is possible through greater respect for human rights by states as well as non-state actors.
- Finally, companies themselves are beginning to feel the pressure of corporate social responsibility. Hundreds of companies have joined the UN Global Compact. Many are working with the Global Reporting Initiative, of which AI is a Charter member. Amnesty International is engaged in direct dialogue with a number of major corporations.
- In this spirit of dialogue with companies we are launching today a booklet on "[Doing Business in Russian Federation: A Human Right Approach.](#)"
- Why Russia? We are not singling out the Russian Federation. In the past, Amnesty

International has produced similar documents on China and Saudi Arabia. Russia is a leading world power. Foreign investment has slowly returned to Russia because of the growing perception of economic stability, its vast natural resources, particularly oil and gas, and a talented labour force.

- But there are hard human rights realities in Russia, which directly affect business - and they must be aware of them, so that they don't aggravate the situation.

- In October I visited Moscow to launch Amnesty's campaign on human rights in the Russian Federation. Our campaign highlights major human rights problems, including arbitrary detention, appalling prison conditions, ethnic discrimination and racial violence against minorities, in the Russian Federation, unlawful killings, widespread use of torture, internal displacement, disappearances, gross violations in Chechnya - with abuses committed by both sides - and pervasive corruption everywhere.

- Businesses in Russia are not insulated from the human rights problems, whether in terms of direct operational impact, the impact on their staff or their reputations - more info is provided in our booklet. (Some companies have had staff members arrested and detained in appalling conditions. Employees and their families are subject to discrimination, arbitrary exercise of official power and the daily indignities, which can affect productivity and morale. Some companies have had employees conscripted into the army where the soldiers are at risk of severe bullying.)

- Corruption and the use of private security forces are two issues with direct impact on businesses.

- Corruption affects companies directly. (Some companies have found that firms which owe them money have disappeared without trace. In one case an employee received a death threat when she tried to collect a debt.) and corruption harms human rights because it leads to arbitrariness, it perverts the course of justice, it denies access to those who cannot pay bribes, distorts the level playing field and diverts resources.

- Those who speak out against corruption and human rights abuse are threatened, detained and prosecuted. During my visit to Moscow I met Olga Kitova, a journalist, who was detained and tortured because she published an article denouncing the corruption of local officials. She told me she would have died were it not for Amnesty's help in getting international attention for her case. Today another journalist on whose case Amnesty International was working released. Grigory Pasko was sentenced to four years in a labour camp for exposing corruption and writing about the dumping of nuclear waste by the Russian navy.

- We are not asking companies to divest from or boycott Russia - but we are asking companies to influence the human rights climate in Russia through their own policies and practices.

- In particular, Amnesty International wants companies to respect non-discrimination in their employment policies and in their treatment of the communities in which they operate.

- We are calling on them to exercise particular vigilance on the conduct of private security forces that they employ (to protect a company's plant, equipment and staff, and to avoid corruption. They must scrutinize the records of security providers to make sure that they have not committed human rights abuses in the past. They should sign contracts with security providers to ensure that roles and responsibilities are clearly defined and that their methods, policies and practices respect human rights.)

- To those companies who are involved or thinking of becoming involved in Russia's oil industry, we are asking them to make sure they don't repeat the mistakes in other

parts of the world and end up in dispute with the local communities, or complicit in human rights abuses in those areas.

- We are calling on all companies to also make respect for human rights an integral component of their business dealings with partners, associates, subsidiaries, suppliers and government officials and to report their activities, including the impact of their activities on human rights in the communities in which they operate.

- More details in the booklet. (There are some simple steps companies can take, to make their conduct consistent with human rights obligations. These are:

- Writing their own code of conduct.
- Monitoring and reporting their conduct in public
- Avoiding corrupt practices
- Ensuring respect of human rights
- Not feed trade which fuels human rights violations
- Scrutinizing the conduct of their security forces
- Engaging with the community
- Eliminating discrimination
- Not use forced labour or exploitative child labour
- Guaranteeing health and safety
- Ensuring freedom of association and collective bargaining and establish fair working conditions]

- As soon you can see from the Russia booklet, we are asking companies to voluntarily support basic human rights principles, and we will continue to do so in Russia and elsewhere. But we also have come to the conclusion that this is not enough. We will now campaign for legal accountability of corporations for human rights under international law. Why?

- First, because voluntary codes have limits. Only the most enlightened companies have agreed to include references to human rights in their own codes of conduct. Less than 40.

- Second, we have found that some companies exploit the absence of law to argue that they are not required to respect human rights principles. Companies tell us that human rights law applies to nation states, not corporations because they are not party to the treaties. They say that action on human rights is political and that they cannot interfere in politics. But can companies really claim no liability, for instance when they prospect for oil in Sudan, Chad and Cameroon, or Turkey, or employ women in the export processing zones in Mexico, or sell internet technology to the Chinese authorities to censor the internet and the Chinese authorities then arrest, detain and torture people suspected of violating the censorship.

- Third, leaving the debate in the realm of voluntary commitments has, in practice, too often let governments off the hook. Governments have clear obligations to ensure companies respect human rights. Dialogues on human rights and the private sector that leave out the role of law altogether play into the hands of governments who are failing to live up to these obligations.

- Fourth, power must be constrained by law. Companies wield considerable power and influence and have a profound effect - for better or worse - on individuals. It is not surprising then that - as with other powerful institutions - there are efforts underway to constrain that power.

- Fifth, law has a deterrent effect. Unlike voluntary codes or self-regulation, breaches of the law are punished; people whose rights are violated are entitled to damages or other forms of restitution. In short, companies will take more seriously claims grounded in law. The potential penalties for non-compliance and the risk of being

labelled as law-breakers create risks that cannot be ignored.

- Finally, companies are already subject to many national laws that, in effect if not in name, regulate corporate behaviour in areas relevant to human rights, [e.g. anti-discrimination and equal opportunity laws, laws protecting unions and the right to organise, laws punishing companies that commit egregious environmental harm - all of these laws can be seen as protecting human rights.] But in an era of global economic integration depending simply on voluntary codes is not enough. Law and the ability to enforce them vary enormously from country to country. This is why AI supports the development of a binding legal framework at the international level - and which reflect ethical standards of global relevance including universal human rights principles. What better ethical standard than international human rights which are applicable universally?

- International legal accountability of corporations for human rights would backstop and complement - not replace - national level laws. Any international law would have to be enforced through the national system but international human rights standards would provide a benchmark against which national legal systems could be assessed.

- What kind of international law instrument - you will ask. There are a number of initiatives underway including Draft Principles in the UN Sub-Commission- but the most important now is to gain broad consensus among governments and corporations - and that will allow a full debate on what kind of instrument and the institutions needed to make this work. Hiding our heads in the sand of self-regulation is not enough!

- Of course, companies tell us we should trust them, that their voluntary principles will do the trick. But in reality it took violence and unrest around oil pipelines and oil installations in Nigeria, Colombia and Indonesia to bring oil companies in the US, UK and now Norway and the Netherlands to endorse voluntary principles for the use of security forces in the extractive industry. It was fear of a consumer boycott and concerted effort by NGOs that led governments and industry to put in place the Kimberly process for international certification of diamonds so that conflict diamonds could be eradicated.

- Voluntary codes are important but Amnesty International is convinced that voluntarism alone is not enough. We need both legal accountability and self-regulation. International legal accountability will provide a global "bottom line" that's enforceable against all sizeable companies and will actually encourage better and more effective self-regulation.