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Duty-bound to protect

Human rights are not negotiable. German and European companies must protect them throughout the world

Read this article in German.

Fire disasters in textile factories in Bangladesh and Pakistan, environmental destruction through coal mining in Colombia, devastating breaches of a dam from a flood control basin in Brazil or the massacre of coalminers in South Africa: it's also because of such calamities that the debate about fair consumption has gained momentum in recent years. States, companies, civil society and consumers in the Global North also bear responsibility for the purchase and use of commodities and goods. At the same time, global supply chains and production processes are today more comprehensive and more complex than ever before. For many people they are simply not transparent.

Even in the year 2019, there's forced labour and exploitation, unfair wages and no job security in many parts of the world and in many businesses. Joining trade unions and improving working conditions is difficult in many countries and at times even dangerous. Especially in conflict regions, countries with fragile state structures and in authoritarian regimes, basic labour rights, human rights and environmental standards are violated in the course of economic activity. Again and again, German companies also play a major role in all these cases. They have a responsibility to take preventive action so that such disasters don't repeat.

The debate about fair working conditions along global supply chains concerns the crucial issues of the future. In what kind of world do we want to live in the future? What contribution will we make to shape globalisation in a fair way? How can we protect human rights and ensure that workers have earn a living wage? What can we do so that tomorrow's world where people can live with dignity, in which the environment is not totally wrecked by environmental disasters and the consequences of climate change?

A national action plan

More than ever, the economy, the environment and social issues must be considered as interconnected. That's not a new idea. In fact, it has been on the international agenda since the publication of the Brundtland report at the end of the 1980s and the UN Conference on the environment and development in Rio de Janeiro in 1992. These three issues are also at the heart of the ambitious goals of the Agenda 2030 for Sustainable Development that was agreed upon in 2015.

The UN sustainability summit takes place in September 2019, the first meeting of heads of state and government since accepting the goals four years ago. At this summit, they must not only send a strong and worldwide message for the accelerated implementation of the UN Sustainable Development Goals (SDGs), but we must also finally show concrete progress in the area of growth, the economy and human rights. Three goals hang closely together in that context: SDG 8 on decent work and economic growth, SDG 10 on the reduction of inequalities and SDG 12 on responsible consumption and production.

It was important to adopt the UN guiding principles on the economy and human rights to engender effective changes. With the national action plan for the economy and human rights in Germany, we are creating a framework to be able to comply better with the state's duty to protect, also in a global economic context. Moreover, we made clear to companies that they themselves are responsible for fulfilling their human rights due diligence. And last but not least, affected workers as well as local inhabitants living near big projects should be able to have their rights enforced more easily where they are affected by human rights violations.

Generations before us have fought for the rights of workers and for social progress.

It wasn't self-evident that we were at all able to adopt an action plan for the economy and human rights for Germany in the face of the misgivings of business associations. The action plan agreed by the German cabinet in December 2016 states very clearly our expectation that all German companies implement and adhere to human rights. At the moment, the measures taken by companies up to now are monitored – the so-called monitoring of the national action plans. This clarifies how companies currently comply with their obligations and what the problems are in their business relations and global supply chains.

Regardless of the statistical results of this analysis, it's clear that we need a legal framework. The phase of the withdrawal of politics, depoliticisation and the faith in voluntary solutions has to come to an end. Because only if *all* German companies would live up to their human rights due diligence would we need no law. There are gaps in protection that we must urgently close.

We need laws and rules

Currently the ghosts of the past are resurfacing and an improvement in human rights protection in the economy is under attack. Thus adhering to human rights must, as a matter of principle, not be a voluntary matter. In the area of the economy and human rights no progress can be achieved with voluntary action. That's what experience has shown. The number of companies who are speaking out in favour of rules and laws also grows, not least because they finally want to have the same international rules for the economy – the famous level playing field.

Companies under public ownership or under state control have a special function as role models here. With public acquisitions, the state must move forward as a good example with binding goals for sustainable economies. That also means that the state must rule out handing over public contracts to companies which do not comply with their human rights responsibilities.

Criteria for sustainability must also be applied to products and services in the financial world in an international finance centre such as Germany. Business development banks and public or state funds must publish how their investments align with sustainability and follow ethical principles. Moreover, human rights criteria must be valid both in trade on stock exchanges and for international flows of money. Investors and customers must be able to clearly understand the social and environmental risks in financial projects. It goes without saying that profit maximisation must not come at the expense of environmental, social or human rights standards.

These demands are reinforced by international recommendations to Germany. The UN committee for economic, social and cultural rights has clearly shown itself in favour of a law on human rights due diligence irrespective of whether more or less than 50 per cent of companies voluntarily observe their duties. The German coalition agreement does also not envisage a 50 per cent quota but a rigorous implementation of the national action plan, including effective and comprehensive monitoring. In the action plan itself, it's set down that the federal

government expects of *all* companies that they should integrate their human rights due diligence in all business activities. This explicitly covers, next to their own business activities, processes for managing supply and value chains.

In February 2019, the German Federal Minister of Labour and Social Affairs, Hubertus Heil, indicated his support for binding rules and announced an EU-wide binding regulation on human rights due diligence in supply chains for the German EU Presidency of the Council in the second half of 2020. Should it not be possible to achieve a consensus on that in the EU, then he favours a 'coalition of the willing', which legally anchors these obligations at the national level and agrees on common standards.

In the Social Democratic Party, we are discussing this very intensively both with civil society and representatives of companies and associations. Concrete recommendations are emerging from these conversations. We urgently need a draft law for human rights obligations for German companies and an initiative for an EU-wide binding regulation for human rights due diligence in supply chains. We must also consider local authorities more seriously. Export credit guarantees must only be given to projects and companies who can clearly prove that they observe duties of care when it comes to human rights. External economic promotion must work towards the above-mentioned goals being accomplished. And we also need active support for a binding legal instrument of the United Nations for the economy and human rights.

Child labour, starvation wages and failing social insurance were woeful characteristics of the 19th century in Germany. Generations before us have fought for the rights of workers and for social progress. It is high time to promote these achievements throughout the world.



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