

# **HUMAN RIGHTS AND THE RESPONSIBILITY OF COMPANIES**

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Few companies today question their responsibilities regarding the environment or health and safety at the workplace. Human rights on the other hand, have traditionally been seen as a political issue with governments as the greatest potential violators of rights, but also as the entities with the responsibility to protect and promote the same rights. For that reason, human rights have, until recently, been downplayed in the debate on Corporate Social Responsibility.

This perspective change forever with a number of high-profile cases during the 1990s, in which companies suddenly became embroiled in complex human rights issues. Oil companies, for example, have been accused of complicity in human rights violations in Africa and Latin America, and companies in the clothing industry which have outsourced their production to Asia, have been criticised for the poor working conditions of their suppliers. Companies responded to activists' pressure and the media coverage and started to include a reference to human rights in their codes of conduct or general business principles. However, while there may be a dawning recognition of the importance of human rights, companies are still confused about what their responsibilities actually are, and how they should go about implementing a systematic policy in this area.

## **The Human Rights and Business Project (HR&B Project)**

The HR&B Project was established in 1999 as cooperation between the Danish Institute for Human Rights (DIHR), the Danish Confederation of Industries (DI)<sup>1</sup> and the Danish Industrialization Fund for Developing Countries (IFU)<sup>2</sup>, to address the challenge of making human rights operational in a company context. The project represents a rather unique example of the business and human rights communities working together. The main research is carried out by DIHR, while DI and IFU offer the business perspective to the research.

All three founding organisations meet once in 3 months to discuss project activities, examine ongoing activities and to plan for the future. This coalition helps DIHR secure regular updated information from the companies even on a daily basis and ensures that the work of the HR&B Project remains dynamic and relevant to the needs of business. Lately the Danish Confederation of Trade Unions<sup>3</sup> and Danish International Development Assistance (Danida) have also joined the Board.

The HR&B Project strives to combine the expertise of the human rights research community with the experience of business in order to develop concrete achievable human rights standards for companies, and to help companies live up to those standards in practice through training and advisory services. One of the main activities of the HR&B Project is the development of practical and operational tools for the implementation of human rights in a business context. This includes country

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<sup>1</sup> DI is Denmark's national employers' confederation representing more than 6000 companies.

<sup>2</sup> IFU is Denmark's Industrialization Fund for Developing Countries.

<sup>3</sup> Landsorganisationen Danmark (LO)

risk assessments, decision maps, issue papers, and the Human Rights Compliance Assessment (HRCA).

### **Human Rights Compliance Assessment (HRCA)**

The HRCA is the key tool produced by the HR&B Project and has been developed over a period of 6 years, involving more than 100 human rights experts, NGOs and companies. It is a diagnostic tool designed to help companies detect potential human rights violations caused by the effect of their operations on employees, local residents and other stakeholders. The HRCA is intended to help companies systematically address human rights and avoid violations.

The entire tool runs a database containing more than 350 questions and 1400 corresponding indicators, developed from the Universal Declaration of Human Rights, the 1966 Dual Covenants, and over 80 other major human rights treaties and conventions. The HRCA is designed as an interactive computer programme that allows the company to select the relevant questions and tailor the HRCA to their needs.

The HRCA furthermore constitutes a database on which more specialised checks can be developed, focusing on a specific issue or country. This specialisation will often take place through the development of a Country Risk Assessment (CRA) with the cooperation of NGOs that specialise in certain human rights issues.

### **The Dalit Discrimination Check (DDC)**

In 2005 the HR&B Project conducted a country risk assessment on India. The objective of the India country risk assessment was to identify the main human rights risk areas from a corporate perspective. The risk assessment showed that caste-based discrimination constitutes a wide-ranging human rights problem, which affects the lives of over 250 million people in India and that companies are at great risk of violating the human rights of Dalits when operating in or sourcing from India. Even though the Indian government has introduced formal protections by law, caste discrimination remains endemic and is accompanied by strong patterns of impunity.

The International Dalit Solidarity Network (IDSN) commented on the India country risk assessment and subsequently DIHR and IDSN decided to engage in a partnership with the aim of developing a specialised version of the HRCA that specifically addresses the issue of caste discrimination. The purpose is to provide a practical caste discrimination tool that will help companies which operate in India or source from India to avoid engaging in discriminatory and abusive acts against Dalits, directly or indirectly. The specialised Dalit Discrimination Check (DDC) will be accompanied by a set of explanatory guidelines on how to confront caste discrimination and how to use the DDC. Finally, the process will include the organising of a workshop in India where the DDC will be formally launched.

The DDC will be designed to serve as a support tool for companies that have signed up to the Ambedkar Principles or in other ways obliged themselves to conduct business in a responsible manner. The DDC will deal with Dalit discrimination in the

company's own practices as well as in the supply chain. It contains approximately 25 questions in the following categories:

1. **Employment Practices:** deals with the rights of the individuals employed by the company or seeking employment within the company
2. **Operational Practices:** deals with the rights of the individuals employed by the company or seeking employment within the company
3. **Utilities and Services:** deals with the rights of individuals using essential goods and services which are provided by the company, such as educational, housing, and medical facilities
4. **Supply Chain:** deals with supply chain issues

The draft DDC is now ready for testing. The consultation and testing process will be carried out in the autumn of 2006 and will involve a number of European companies which operate in India. The final DDC will be launched by the end of 2006.

### **How to participate**

Companies that have accepted the invitation to participate in the consultation and testing process will be asked to register as users to the DDC and thereby will be provided with a password that gives them access to the programme. The tool comprises of the following:

1. **The Dalit Discrimination Check (DDC)** This is the heart of the tool and it contains approximately 25 questions. Each question is supported by an explanatory paragraph specifying why it is an area that the company should pay attention to. A list of 'suggested indicators' is provided to help guide the user in determining whether or not the company is in compliance and how to answer the overall question. The section is divided into two parts; one that specifically focuses on the discrimination issue and one that more broadly focuses on supply chain management and deals with issues such as child, forced and bonded labour – all being areas that particularly affect Dalits.
2. **Briefing Note on caste discrimination** This section provides an introduction to the DDC and the complexities embedded in caste discrimination. It also addresses the reasons and importance for companies operating in India to tackle caste discrimination.
3. **User's Guide** This section provides a practical instruction on how to use the computerized version of the DDC.
4. **Suggestions for promotional activities** This section does not directly form a part of the DDC. It has suggestions for how the company can promote and support the human rights of Dalits within their sphere of influence.

When testing the DDC, companies are asked to make a general review of the information provided in the sections above, focusing in particular on the following:

- Are the questions and indicators in the Dalit Discrimination Check clear, concise and comprehensible?

- Do you find the questions and indicators reasonable and relevant?
- Where do you think the greatest challenges are for following the standards in the DDC?
- Are there any issues that need to be covered more substantially?
- Is the Briefing Note on caste discrimination clear, concise and comprehensible?
- Does the Briefing Note provide you with a good understanding of the complexities involving caste discrimination and how a company should approach the issue?
- Does the User's Guide provide you with adequate instruction on how to use the DDC?

While running the DDC in the computerized version, companies are also asked to consider the functionality and the features of the computer programme such as:

- Do you find the structure and features of the computer programme clear and useful?
- Should additional functionalities/features be added?

Our aim is to develop a practical, effective and user-friendly tool for companies, and any input and suggestions for improvement will be highly appreciated.

### **Future plans**

Subsequent to the consultation and testing process, a meeting will be scheduled where the participants will meet with a representative from the Human Rights & Business Project and the International Dalit Solidarity Network or a relevant national Dalit Solidarity Network. The purpose of this meeting is to discuss the testing process and the feedback from the company.

When we have met with all companies and received all the feedback from the company testing and consultation, the input will be incorporated into the DDC and it will then be finalised. The DDC will be launched at a workshop by the end of 2006. Companies that have participated in the consultation and testing process are invited to participate in the workshop and present their experiences from using the DDC.

Upon completion the DDC will be freely available for companies and others to use.

Further information about the DDC and HR&B Project can be found at:

<http://www.humanrightsbusiness.org>