



BSR Conference 2008 | Sustainability: Leadership Required In Conversation with John Ruggie

Breakout Session Summary

Wednesday, November 5, 2008 | 2–3:30 p.m.

Speakers

- **John Ruggie**, United Nations Secretary-General's Special Representative, Business and Human Rights; Professor, International Affairs, and Director, Kennedy School of Government, Harvard University
- **Aron Cramer**, President and CEO, Business for Social Responsibility (moderator)

Highlights

- The Ruggie Framework for Business and Human Rights is a policy framework rather than a legal one; it lays out the minimum responsibilities of companies with respect to human rights.
- To implement the framework, companies should engage in due diligence to assess their impacts on all human rights.
- Management of human rights should be viewed from a risk-management perspective but also represents opportunities.
- Companies are encouraged to engage with the United Nation's mandate on human rights to further define the framework.

Memorable Quotes

- “There are two elements to CSR: One is a risk management side, and one is an opportunity side. The “corporate responsibility to respect” is on the risk management side.” —John Ruggie, United Nations
- “This is not an aversion to legal instruments, but experience has shown that bad law can be worse than no law; and we are nowhere near being ready to produce good laws at the international level.” —John Ruggie, United Nations

Overview

Ruggie opened with an overview of the “Framework for Business and Human Rights”, explaining that it is intended to put order to what has been a fluid interpretation of business' responsibility to human rights. The framework includes three principles: the state duty to protect, the corporate responsibility to respect, and the need for more effective access to remedies. The UN Human Rights Council has welcomed the framework and extended





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Ruggie's mandate to address human rights for an additional three years to further develop the specific guidelines in greater detail.

Ruggie contrasted the framework with the UN Norms, which has the fundamental flaw of entangling companies in states' responsibilities. As a result, it increases the risk that stakeholders could demand companies assume the responsibilities of the state. Another clear difference is that the Norms tries to define a finite list of human rights—a futile debate given that companies can impact any and all human rights. The framework is focused not on which rights matter, but on systems that companies can use to assess impacts. Ruggie made clear that he does not recommend the framework be codified as law.

Ruggie stressed a critical step in implementing the framework is conducting due diligence to assess impacts on human rights. This process needs to be comprehensive and must include community engagement, which is critical to companies retaining their social license to operate. Ruggie emphasized that he has a specific, ambitious mandate that cannot be expanded to include other issue areas—such as water and climate change—but the mandate will pay specific attention to vulnerable groups.

On the issue of grievance mechanisms, Ruggie stressed the need to help build government capacity to address issues rather than undermine it. Cases where companies are accused of human rights violations should go to courts, while smaller issues that build resentment should be targeted with alternative mechanisms for dispute resolution.

When asked how companies can avoid allegations of complicity in human rights violations by host governments, Ruggie noted the importance of greater transparency. As an example, he cited the new Global Network Initiative, a common human rights code for the internet and telecoms industries on freedom of expression.

In response to whether he sees distinctions between corporate practices in OECD countries and those in emerging markets, Ruggie stated that he has seen greater interest in OECD countries. He believes that this is an issue of time lag rather than a fundamental difference.

Cramer stressed that we are witnessing the making of history and strongly encouraged companies to engage in designing the framework since it “is very important and is going to live on for quite some time to come.”

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