

The Amnesty International UK Business Group

Putting Human Rights on the Corporate Agenda

Sir Geoffrey Chandler

THE PRIVATISATION OF THE WORLD economy which followed the ending of the Cold War made the corporate sector a more important international influence on human rights for good or ill than almost any other constituency. Through its spreading supply chains it touched directly the lives of millions. Its operations affected the social and physical environment wherever it worked. Directly or indirectly it influenced the political scene. Unlike the environmental movement, however, which had long recognised the potential importance of companies and had for many years engaged in dialogue with them, the human rights movement was very slow to react. Human rights organisations had sporadically exposed and condemned direct corporate involvement in violations, but made no attempt to recruit the influence of the corporate world for the protection of human rights, although there was an obvious logic in harnessing the influence of entities which increasingly formed the bloodstream of the international economy. Indeed, companies and the human rights non-governmental organisations (NGOs) viewed each other with mutual ignorance, prejudice, suspicion and hostility. If we were to

respond to the challenge presented by this new world, we needed somehow to cross this divide, finding a common language with which to engage in dialogue and create a mutual understanding.

In 1991 a small group of Amnesty members with business or industrial experience formed the Amnesty UK Business Group. The group started with a clear, if generalised purpose, which was set out in a Statement of Intent in November 1991. Its stated aims were 'to make the business community in the UK more aware of human rights issues around the world in the belief that corporate management can help to put an end to human rights abuses' and to 'encourage companies and business people involved in overseas trade and investment to use their international links to work for an improvement in human rights'. The statement added that the group:

does not call for disinvestment or sanctions against governments or other bodies guilty of human rights violations. Similarly it takes no stand on the legitimacy of economic relations between such a government and organisations which have a commercial relationship with it.

It offered help to companies in the form of information on international human rights law and the human rights situation in countries in which they operated, assistance with company education programmes to raise awareness of the issues, and the organisation of urgent action appeals for employees or associates who might become victims overseas.

The foundations underlying the group's approach were that companies contributed much to the benefit of the world, that the best of them had their own principles, and that those who worked in them were no more or less moral than ourselves. But, if a company did harm in carrying out its business, if it failed to do the good within its legitimate power, then it would rightly be condemned. We wanted companies not only to avoid harm, but also to give positive support to human rights. We needed to expand companies' perceptions of their legitimate responsibilities; to reconcile conflicting views: ours that human rights were the business of business; theirs that they were not.

We had to make a fundamental decision. We were well aware of company abuses and those who suffered from them. But should we use what few resources we had in seeking out abuses? Or should we seek to remove the causes of abuse by influencing company policies and practice so that support for human rights would be applicable across the entirety of their operations? We chose the latter.

Amnesty was regarded with suspicion by companies. To counter this, we recruited as sponsors Richard Branson, Baroness Jean Denton, Sir John Harvey-Jones, Sir Peter Parker, Sir Lewis Robertson, Anita Roddick and Michael Stoddart, all of whom willingly signed the Statement of Intent and allowed us the use of their names. The group was launched at a dinner in November 1991 by Douglas Hurd, Foreign Secretary of the Conservative Government of the day.

We faced a problem in that Amnesty's traditional way of working was through protest and time-limited campaigns, whereas ours would be a long haul through engagement. Moreover Amnesty's attitude to the corporate sector was conditioned by an adversarial ethos derived from dealing with human rights abuses. Our initiative was therefore regarded with official indifference which was reflected in a minimum of administrative support which was later to dwindle to nothing. But this indifference also left us free to work from first principles, to experiment by trial and error unfettered by constraints. Indeed, for a time the group, its work done chiefly by volunteers,¹ operated as a semi-independent NGO, recognised as such by the outside world, and this was to be its strength.

The group's targets were the 50 or 60 major UK-based transnational companies (TNCs) which included some of the biggest in the world. We were initially naive. We thought that we could blow the trumpet and the walls of Jericho would fall. But Joshua was not a good role model. Letters to the chairmen of all these companies asking if we could come and discuss the issues and if they would be prepared to become 'companies in correspondence' with us met a polite but universal negative. The reply of the Chairman of BP in April 1992, 'I am afraid you are asking me to stand at the top of a very slippery slope', exemplified the responses. Human rights—then seen by all to be the civil and political rights which had led to Amnesty's founding—were for governments, not for companies.

We learned that a generic approach, engaging companies through correspondence alone, was a failure, that specific approaches on particular countries could provoke a wider response, and that we had to sharpen our objectives. In 1992 the group wrote to UK companies working in South Africa with a briefing on the situa-

¹ The group comprised people acting in their individual capacity from academe, consultancies, socially responsible investment and accountancy, together with human rights lawyers and Amnesty members retired from business or industry.

tion there. This produced an appreciative response from a number of them with a promise to circulate it, but no undertaking in regard to action. The letter included the hope that 'one day it will be as much a source of pride for companies to say that they are an influence for the better in the human rights field as they are eager to claim today in the environmental field'. But that day had clearly not come.

In early 1993 we circulated to companies an Amnesty report on torture in China, offering to come and discuss its implications for their own operations. All replied, but none felt it appropriate to discuss the issues. A few expressed appreciation of the briefing and their sympathy. One or two chairmen admitted to personal membership of Amnesty. The majority view was reflected in the response of the chairman of British American Tobacco: 'We operate worldwide and we do not comment on such matters as human rights violations. It is inappropriate for us to do so, particularly as the environment in which we operate is so variable.' The most positive response was that of Trafalgar House: 'As a company which operates in almost every country of the world we are very aware of the need to demonstrate our commitment to human rights.' The least positive that of Rolls Royce: 'The report does not correlate with our own information and experiences in China over more than thirty years. I do not believe any useful purpose would be served by a meeting.'

We were not getting through, even though there was growing awareness of our existence. In early 1994 a UK business delegation to China, well aware of the country's huge economic promise, but not of its human rights violations, prompted us to clarify our targets which became:

- ▶ Explicit corporate commitment to human rights based on the Universal Declaration of Human Rights (UDHR)
- ▶ Operationalising that commitment
- ▶ Subjecting it to independent audit

We argued that a distinction needed to be made between, on the one hand, interfer-

ence in political matters, which companies rightly saw as taboo, and on the other the ability to express condemnation of human rights violations. Our work on China stirred some interest, but there was still total corporate reluctance to engage.

In 1995 Shell changed the world for itself and for the work of the group. Reputational disaster, not corporate forethought, nor indeed our arguments, proved the catalyst for change. Shell's experience in Nigeria and, later, BP's in Colombia provided us with a platform and a breakthrough. The arbitrary execution of Ken Saro-Wiwa and eight other Ogonis by the Nigerian dictatorship of General Abacha in November 1995 is a story that does not need retelling. The insistence of Shell, the largest foreign oil company in Nigeria and the operator, though minority shareholder, of its partnership with the Nigerian government, that it was improper for the company to play any role in trying to deflect the course of events, led to international condemnation. While the potential influence of the company was certainly exaggerated, its silence until the last moment could find no justification and the accusation of complicity with an oppressive regime which the company's activities helped to sustain proved overwhelming to the reputation of one of the most sophisticated and respected companies in the world. Shell's arguments for inaction stemmed from the belief that to intervene would imply a breach of its existing principles which called for the avoidance of involvement in domestic politics. The failure to perceive the difference between such politics, which rightly should be immune from corporate influence, and human rights, which transcend national boundaries, lay at the root of the situation, just as it had underlain the responses that we had earlier received from companies. Indeed, the UDHR, with its injunction for 'all individuals and organs of society' to give their support, was unknown to companies, as it was to most of the world, but was now to become our key weapon in seeking a change of attitudes.

Our approach to Shell had begun with

protest—a delegation to Shell Centre at which we met the Chairman of the Committee of Managing Directors—and almost every NGO brought pressure to bear. In an unprecedented confession of corporate culpability Shell admitted it had not kept pace with the views of society. The company asked for our help and 1996 saw a long period of engagement in the UK and in the Netherlands, where representatives of Amnesty International Nederland and Pax Christi also played a role.² This was a learning process for both sides, engendering mutual trust and respect without which it would have been difficult to move forward constructively. Shell now systematically examined the core values that should underpin its business and how these should be interpreted into a revision of the company's Statement of General Business Principles which had been first formulated in 1976. Discussions continued over a period of many months. The fact that we were meeting the company was public knowledge, but we respected the company's wish to treat the detail of the discussions in confidence which enabled them to be fully open with us on the development of their thinking and to seek advice on both drafting and implementation.

As a result of this, in March 1997 support for human rights was explicitly embedded in Shell's Statement of General Business Principles. This now included a responsibility to respect the human rights of employees and 'to express support for fundamental human rights in line with the legitimate role of business'. While the UDHR underlay the Statement and was mentioned in supporting documents, it did not feature in the Statement itself. While some argued for this, it was for us the beginning of recognition that the very broad obligations of the UDHR could not be imposed on business without being interpreted in a manner that related to the

business sphere of influence—an issue which has been central to the debate ever since. Similar discussions were now taking place with BP, whose security arrangements in Colombia had come under intense public criticism for their alleged contribution to human rights violations, and in March 1998 BP also published a revised set of business policies. These, entitled *What we stand for . . .*, incorporated explicit support for the principles of the UDHR.

We could now approach other companies not only with the UDHR, but also the example of two of the world's most respected companies. And peer example we knew would make more impact than NGO preaching. We therefore planned a systematic approach to other major TNCs, our next converts being Rio Tinto, which had also suffered reputational damage, and BT, which had not.

There were a number of arguments which shifted formerly entrenched positions: the demonstrable cost to reputation of getting it wrong, the applicability to companies of the UDHR, a document of which they had been previously unaware, the argument that silence on human rights was not neutrality, and that we were asking companies not to criticise governments, but to support internationally agreed values. It was labour-intensive work. We had to understand the imperatives of business and gain the respect of those with whom we talked. We had to win the argument of principle and then assist the development of policies. The 'business case'—the cost to reputation—might be the way in, but it was important to remember that the business case is fundamentally amoral and cannot begin to cover the totality of a company's operations.

The process of engagement taught us to recognise our own inadequacies, in particular the failure so far to produce clear human rights guidelines for companies

2 See Lawrence 2002 for an admirably intelligent analysis of the dialogue between Shell and the human rights organisations, though the theoretical framework built to understand the conditions that drive corporate-stakeholder engagement probably overstates the organisational coherence on the NGO side.

and the weakness of tackling the essentially international challenge that TNCs offered on a purely national basis. Companies feared that the adoption of human rights policies might put them at a competitive disadvantage with those that did not and asked if Amnesty was taking international action, to which the answer was: no. The first we could remedy and were shortly to do so; but Amnesty's failure to confront the corporate challenge internationally remains a continuing problem today.

We realised that, with engagement, needed to go other mutually reinforcing activities. We needed to create a climate of opinion by getting the issues into the public domain and therefore spoke publicly to a variety of audiences on every occasion offered. We needed to use the 'multipliers': for example, we approached the business schools, almost exclusively followers of Milton Friedman in their teaching, and argued for a broadening of their curriculum. We encouraged the involvement of consultancies and professional bodies. We forged ad hoc alliances with like-minded NGOs. We did not abandon protest as a weapon. But while protest can raise issues, it takes engagement to win the argument.

In early 1996 we had produced a further briefing paper on China, but again the action we asked for was in very general terms: explicit support for the UDHR, a declaration of intent to maintain internationally accepted employment standards and to deal only with suppliers who adhere to such standards, a willingness to exercise quiet influence within the country without jeopardising the company's commercial interests. But companies are pragmatic entities, wanting to know in detail what they are committing themselves to. This we finally provided in 1997 in *Human Rights Guidelines for Companies* (Amnesty International UK Business Group 1997), the first publication of its kind, which remains a useful document to this day. This spelt out the direct responsibility of companies for the protection of human rights in their own operations and

provided a checklist of the human rights principles which were applicable to them. It included sections on policy and strategic planning, personnel policies and practices, and security arrangements, extending the meaning of human rights for companies from the narrow interpretation of only civil and political rights to the broader spectrum which has now become accepted. It moreover made clear, which many international lawyers still fail to do, that companies' responsibility for their impact on human rights exists regardless of the obligations of states. The publication provided a useful entrée to companies as a prelude to engagement. Requests from Amnesty sections in other countries led to an immediate international circulation.

In 1997 we held, in Birmingham, the first public conference on business and human rights. Chaired by Sir Adrian Cadbury, one of the UK's most distinguished industrialists, this was attended by companies, NGOs and government representatives and we used the occasion for the launch of *Human Rights Guidelines for Companies*. This broke a barrier and opened the way for a succession of conferences in universities and institutions on the subject of human rights and corporate responsibility.

Amnesty's support for the group ended at this point. But, unsolicited, Joel Joffe, the organiser of the defence of Nelson Mandela and his co-defendants at the Rivonia trial, offered us most generous financial help from his charitable trust and sustained our work for three and a half years. This enabled us to recruit Peter Frankental as a staff member who provided a superbly constructive administrative base for what had been till then a predominantly voluntary effort. We were now able to conduct a systematic approach to companies, including financial institutions for the first time, and to produce publications that could help spread awareness of the issues and provide constructive assistance. These included briefing for pension funds, a brief on Saudi Arabia and a geography of corporate risk which

has since been widely copied and expanded by others. Most importantly, in April 2000, a management guide, *Human Rights: Is it any of your business?* (Frankental and House 2000) was produced jointly with the Prince of Wales International Business Leaders' Forum and had the advantage of now being able to include case studies from companies that had embraced human rights. In 2002 the single-page geography of corporate risk was expanded to illustrate the international risk exposure to human rights violations of companies in six major industrial sectors and was launched simultaneously in London, Brussels, Stockholm and New York. We responded to requests from Amnesty national branches in other countries to talk to their transnational companies for which they felt themselves to have no capability.

The Business Group had created a bridgehead for human rights in the corporate world. The genie was out of the bottle: human rights were now on all agendas and initiatives proliferated. All raised the profile of the debate, and, even though any self-sustaining momentum would be slow to come, there would be no retreat. The Business Group now became one of many entities engaged in promoting human rights. It continued to play a part in the debate, to engage with companies, and to look in detail at particular areas, such as host-government agreements, in which human rights could be at risk.

Had the group not existed, other influences—the increasing corporate experience of conflict and violations, the power of the Internet and the outlet for protest it provided—would eventually have brought change. What the group did was to hasten that change. When it closed down in 2007 its pioneering work had been completed.

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