



Rights and Accountability in Development

The UK Action Plan on Business and Human Rights will bring little comfort to victims of corporate abuse

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FOR IMMEDIATE RELEASE

The UK Government has set out its strategy (“Good Business: Implementing the UN Guiding Principles on Business and Human Rights”) for implementing the UN Guiding Principles on Business and Human Rights, which were endorsed by the UN Human Rights Council in June 2011.ⁱ The Action Plan is structured around three pillars: the State duty to protect human rights; the corporate responsibility to respect human rights; and access to remedy.

The Action Plan is a welcome restatement of the government’s expectations of all business enterprises domiciled in the UK to respect human rights. But the strategy consists of little more than repeating the tired formula of encouraging and providing incentives to business to act more responsibly. Companies operating overseas may do so secure in the knowledge that the Action Plan does not envisage enhanced government oversight or regulation of their conduct, not even when they operate in conflict-prone countries with weak or dysfunctional governments and institutions.

As is made abundantly clear in the Action Plan, even if human rights abuses are exposed companies are unlikely to be penalised and remedial action for harm caused will be largely dependent on a company’s goodwill and the effectiveness of its internal grievance procedures. The government continues to turn a deaf ear to criticisms that voluntary mechanisms do not provide an appropriate and adequate means of safeguarding human rights against business abuse.

The Action Plan does not address the limitations of current market regulations which often neither constrain nor enable respect for human rights; as RAID’s work on the Alternative Investment Market has shown, human rights must first impact upon the market before the regulations are called into play.ⁱⁱ In 2012 an opportunity to restore London’s tarnished reputation was lost when proposals under the Financial Services Bill to require human rights reporting by applicants to the stock exchange or annual human rights impact statements by oil, gas and mining companies were tabled, but rejected by the government. The government also rejected a role for the Financial Conduct Authority in fostering ethical corporate behaviour, including respect for human rights.

It is unclear from the Action Plan the extent to which government procurement rules enabling public bodies to exclude tenderers ‘on a discretionary basis in certain circumstances’ when there is a finding of gross misconduct will be applicable to entities implicated in human rights abuses and, if so, what standard of proof will be required. This is particularly relevant in relation to

private security companies (PSCs). The UK Government, though paying lip-service to the importance of the International Code of Conduct's multi-stakeholder initiative – which offers the prospect of some limited independent oversight of PSCs – has pressed ahead with piloting an industry-based certification and accreditation procedure. This is tantamount to self-regulation and will lack credibility. Furthermore, the government does not offer any assurance that it will only award contracts to companies that are in full compliance with the International Code of Conduct.

The Action Plan is a damp squib more concerned with pandering to the concerns of British business rather than upholding the UK's human rights obligations.

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ⁱ United Nations, Human Rights Council, *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, A/HRC/17/31, 21 March 2011.

ⁱⁱAsset laundering and AIM: Congo, corporate misconduct and the market value of human rights, available online at http://www.raid-uk.org/docs/AIM/AIM_Report_2012.pdf.