



## USCIB CROSSCUTTING POLICY BRIEF

# Advancing Human Rights & Rule of Law, Leveraging Supply Chains

### EXECUTIVE SUMMARY:

UN Sustainable Development Goal 16, “Peace, Justice and Strong Institutions,” makes clear the key role that governance and the rule of law play in promoting peaceful, just and inclusive societies and in ensuring sustainable development. Despite the many government high-level pledges to promote human rights and decent work in line with International Labor Organization (ILO) standards, however, national-level implementation remains poor in far too many countries.

In the face of government governance gaps, U.S. businesses are rising to the task and expanding their individual and collective efforts to advance responsible business conduct globally. Our shared goal of the realization of human rights and labor rights for everyone everywhere will remain unacceptably elusive, however, unless we also holistically address root cause governance issues.

We urge the Administration to fully utilize all levers of U.S. influence to work with allies, bilaterally and within the multilateral system, to identify incentives for governments to pass, implement and enforce national laws that reflect international labor and human rights standards. USCIB stands ready to support the Biden Administration in this effort.

### CONTEXT & BACKGROUND:

U.S. companies have worked to advance human rights and labor rights in their supply chains. Companies have developed Codes of Conduct preventing forced labor, monitored their supply chains, supported remediation plans, conducted trainings, engaged in partnerships and connected in industry forums to actively address instances of forced labor.

Supply chain-related policy has evolved as well, and over the years, international policy coherence has been achieved on authoritative global standards, such as the UN Guiding Principles on Business & Human Rights, the ILO's MNE Declaration and the OECD Guidelines for Multinational Enterprises. The recent and marked growth in the development of local, national, international and multilateral standards and laws, however, has created a complex regulatory landscape – at times inconsistent with recognized global standards, creating increased complexity for businesses trading internationally.

USCIB is a recognized global leader in international labor, human rights and sustainability policy. We play a leading role in the negotiation and adoption of international labor standards as the U.S. Employer Representative to the ILO. We are also active in human rights and labor rights policy discussions with U.S. government agencies and as the U.S. affiliate of the International Chamber of Commerce (ICC), Business at the OECD (BIAC) and the International Organization of Employers (IOE).

## GOALS & OBSTACLES:

The greatest barrier to achieving human rights for all people everywhere is the persistent challenge of weak rule of law in countries where human rights abuses are often most prevalent.

States have the primary duty to develop strong national institutions, as well as promulgate and effectively enforce domestic laws covering ALL companies within its borders, regardless of whether they participate in global supply chains or not. States must also meet their existing human rights duties and obligations as required under international law and in accordance with the UN Guiding Principles for Business and Human Rights.

Meaningfully addressing this challenge – together and holistically for 100% of workers – must be our shared goal. By taking a holistic “all workers” and “whole of country” approach, we can address both the 90-95% of workers in the domestic economy AND the 5-10% of workers employed or linked to global supply chains.

## USCIB ENCOURAGES THE ADMINISTRATION TO:

- Undertake a thorough and data-based assessment of the measured impacts, benefits and costs of supply chain policies on the advancement of human rights and labor rights globally:
  - Review examples such as the Dodd Frank 1502 Conflict Minerals Rule and other supply chain directed regulations to assess their identified impacts on rights holders, national and global businesses, rule of law and the overall advancement of human rights and labor rights, employment, economic growth, trade and private sector investment
  - Engage in substantive consultation with U.S. businesses and other stakeholders to reflect real world conditions
  - Set out objectives and cooperative approaches, domestically and internationally, to advance rule of law, economic development, trade, investment and innovation to support the advancement of human rights
- Convene a national conversation with U.S. business groups on supply chain policy to:
  - Explore how to align supply chain policies with internationally-accepted business and human rights principles, including those already endorsed by the U.S. government
  - Marshal international development and trade and investment policies to support capacity-building for governments committed to advancing rule of law, human and labor rights and sustainability
  - Target support toward public administration capacity and national budgeting, given the links between deficient enforcement and corruption
- Strategically engage with allies to step up actions against governments which are demonstrated violators of human rights and reward those who work to meaningfully advance the rule of law
- Through robust engagement in key multilateral organizations, like the ILO, secure the advancement of coordinated country-level approaches that combine strategic interventions to shore up the rule of law with long-term programs and time commitments