Corporate Responsibility to Respect Human Rights & Business Schools’ Responsibility to Teach It: Incorporating human rights into the sustainability agenda.

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Abstract

The preamble to the universal declaration of human rights calls on every organ of society to teach and educate for the promotion of the rights it contains. However, few if any business schools contain any systematic and critical discussion of human rights in their accounting and business curricula. This oversight is becoming increasingly apparent as interest and concern grows over the increasing size and power of MNC’s in relation to the state, the traditional duty bearer in relation to human rights. The growing number of cases where large multinational corporations have been complicit in human rights violations, along with an increasing role for corporations in the provision of state services, has resulted in a number of new initiatives by the United Nations to bring the Universal Declaration to bear on business activity, along with a raft of international standards and protocols. This essay begins to explore how the discourse and apparatus of international human rights is shifting to focus on the responsibilities of corporations in relation to the protection and promotion of human rights, in conjunction with the now apparent increase in focus on sustainability, and in doing so presents the case for incorporating human rights into business and accounting education at both the tertiary and professional level. The paper concludes by presenting the challenge that the emerging discourse on business and human rights presents to the dominate ideology taught in business schools and outlines a number of principles that should characterize any attempt to bring human rights into the accounting and business curricula. It is contended that a key objective should involve exploring the articulation between human rights and sustainability.
Corporate Responsibility to Respect Human Rights & Business Schools’ Responsibility to Teach It: Incorporating human rights into the sustainability agenda.

“... the General Assembly proclaims this Universal Declaration of Human Rights as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.”

Preamble of the Universal Declaration of Human Rights

1. Introduction.

The preamble to the universal declaration of human rights calls on every organ of society to teach and educate for the promotion of the rights it contains. Business schools would generally consider themselves to be important organs of society but few if any contain a systematic and critical discussion of human rights in their curricula. This oversight is becoming a concern for two reasons. Firstly, multinational businesses are becoming increasingly powerful organs of society with the ability to both positively and adversely impact on the realization of human rights. The fact that almost half of the largest 100 economies in the world are corporations, and the sales revenue of the six largest MNC’s is greater than all other GDP’s except 21 countries (Korten, 2001; Rugman, 2005) coincides with The UN’s naming of 85 companies (18 of which were based in the UK) that, in their opinion, helped to perpetuate human rights abuses in Democratic Republic of Congo alone¹ (Christian Aid 2005). But secondly, new public sector ideology means that business has so penetrated the operation of the sate, in terms of the delivery of public services that many state functions like health care, education and security for example are being delivered

¹ In June 2005, a report by Human Rights Watch claimed that AngloGold Ashanti had made payments to “murderous armed group” in the DRC in order to gain access to valuable tracks of DRG’s natural resources. According to an expert report submitted to the UNSecurity Council in January 2007, there is a clear link between the activities of armed militia in the DRG and exploitation of the countries natural resources.
by private corporations. The fact that they are, however, does not remove the states responsibilities in
terms of its human rights obligations to those receiving services from private sector organisations. These
facts have not gone un-noticed by the UN or human rights NGO’s. As Ratner (2001) comments,

“The last decade has witnessed a striking new phenomenon in strategies to protect human
rights: a shift by global actors concerned about human rights from nearly exclusive attention
on the abuses committed by governments to close scrutiny of the activities of business
enterprises, in particular multinational corporations.”

Over the past decade in particular, the human rights responsibilities of corporations has emerged as an
issue of considerable concern, however, the majority of research and education in this area has been
undertaken within law schools rather than business schools. The issue has been almost completely
overlooked within the accounting and business literature and is also almost entirely absent from the
business and professional education literature. This essay begins to explore how the discourse and
apparatus of international human rights is shifting to focus attention on the responsibilities of corporations
in relation to the protection and promotion of human rights and draws attention to the need for a critical
discussion of human rights to be incorporated into business and professional accounting education. The
essay is structured as follows: section two provides a brief introduction to the emerging discourse on
business and human rights and provides some justification for linking the two. Section three considers
some of the responses from both business and the global regulatory environment, including the
development of new institutions, voluntary reporting standards and reporting practices. The final section
begins to explore the current lack of attention to human rights within business and professional education
and begins to consider what a business education for human rights might involve.

2. The Emerging Discourse on Business & Human Rights

Much of the conventional discussion of business and human rights arises from The United Nation’s
Universal Declaration. The Declaration, which was ratified in 1948, represented the first broadly agreed,
international attempt to constitute the notion of human rights. Amnesty International defines human rights
as follows:

“Human rights are those rights that people have as a consequence of being human. They do
not need to be given, bought, earned or inherited. Human rights are those basic standards
without which people cannot live in dignity.” (Amnesty 2005:9).

Yet while at a normative level the rights that individuals poses may not need to be bought or earned, they
do need to be socially sustained. Human rights are relatively modern, socially constructed concepts. And
while, as Howen (2005) observes, the discourse of human rights has become the generally accepted normative standard in relation to the way in which human beings should be treated, recent debates surrounding the detention of suspected terrorists or the actions of animal rights activists for example, highlights the politically contested nature of the idea of rights. Human rights are therefore political and ideological constructs as well as legal constructs (see for example Dousinas 2000).

Two treaties codified The Universal Declaration into international law in 1966: the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR). These three documents are collectively known as the ‘the International Bill of Rights’. Although, as we noted above, the UDHR does call on “every individual and every organ of society” to play a role in realizing the rights it contains, this body of International human rights law requires states, not companies, to ratify conventions, protocols and other human rights instruments. It is therefore nation states that have historically been held accountable for compliance with human rights treaties including respecting the efforts of individuals themselves to realize their rights. States have a duty not only to respect (in the negative sense of not infringing) individual human rights, but also have a positive obligation to protect and fulfill these rights. Protecting human rights involves ensuring that there are mechanisms for redress where individuals feel that their human rights have been violated. This obligation may be construed in negative terms as the obligation not to contravene the individuals rights but also in positive terms, as providing individuals with the means to realize their rights where they are unable to do so themselves (Amnesty 2005). Rights are therefore socially constructed concepts and the discourse on rights is specifically about the construction of relationships between entities: between individuals and companies, and between states and companies. These are social relationships which may only be fulfilled via collective means (Amnesty 2005). Apart from some specific obligations under international criminal and humanitarian law, there are few binding legal responsibilities for business in relation to international human rights law (Ratner 2001). The states obligation to protect its citizens against human rights abuses by third parties includes, however, those abuses perpetrated by corporations. This requires states to put into place sufficient laws in order to ensure that its corporations do not violate internationally accepted human rights conventions. States normally do so through the implementation of domestic laws, although there are concerns over the willingness of some states to enforce such obligations (IBLF 2005). While many companies are therefore subject to domestic laws that regulate them in relation to human rights (Amnesty International note (2005), there is growing concern over a states ability to regulate multinational corporations for human rights abuses perpetrated outside of the jurisdictions within which they are headquartered.
Over the past decade in particular, the idea of human rights has become increasingly discussed in relation to the behaviour and responsibilities of large multinational corporations. This growing focus on corporate accountability and human rights reflects an historical shift in global politics and the continued evolution of global capitalism. In particular this interest is predicated on the significant increase in the nature and volume of investment by multinational corporations in developing countries and their power in comparison to the states within which they are investing, as was noted above, almost half of the largest 100 economies in the world are corporations. These investments are often couched within the terms of bilateral investment treaties and mediated by stabilization clauses that can create a tension between protecting the corporations’ investment and the protection and fulfillment of human rights. The fact that these investments are often partially funded by home states via national Export Credit Agencies is seen to accentuate the requirement for human rights obligations to be considered in relation to MNC’s. Yet while the power of corporations has increased, they have simultaneously become more independent of state oversight. Ratner (2001) comments

“Many of the largest TNEs have headquarters in one state, shareholders in others, and operations worldwide. If the host state fails to regulate the acts of the company, other states, including the state of the corporation’s nationality, may well choose to abstain from regulation based on the extraterritorial nature of the acts at issue.”

At a more critical level, however the growing focus on human rights and business is related to the structural conditions of the global economic system. Venkateswarlu (2003) for example comments,

“The wage rates for children are far lower than adult wages. We can reduce our labor costs considerably if we hire girl children. If we want to hire adult labour we have to pay higher wages. With the current procurement price we get from the seed companies we cannot afford to pay higher wages to the labourers’. The exploitation of child labour on cottonseed farms is linked to larger market forces. Several large-scale national and multinational seed companies, which produce and market the seeds, are involved in perpetuating the problem of child labour. The economic relationship behind this abuse is multi-tiered and complex and masks legal and social responsibility.”

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2 Although interestingly the ICMM:2 a body set up to champion the mining sectors interests comments, “One example is the current lack of clarity over the boundaries between companies and states in upholding human rights (while seeking to uphold human rights within their legitimate ‘sphere of influence’, for example, companies also clearly need to avoid becoming political actors, or interfere in the political affairs of host countries.” (ICMM page 2) Yet this seems rather naïve and to ignore the rather obvious point that companies are political actors and do have an impact on the affairs of host countries.
Yet, on the other hand, the increased capacity of NGO’s (particularly through new media technologies) to mobilize public opinion in the face of corporate complicity in human rights abuses like child labor, has increased the willingness of MNC’s to engage with and report on the issue (Ratner, 2001). The Business Leaders Initiative on Human Rights (BLIHR, 2005) for example comment,

“The rights of transnational firms – their ability to operate and expand globally – have increased greatly over the past generation as a result of trade agreements, bilateral investment treaties and domestic liberalisation ... In light of this transformation in the institutional features of the world economy, it is hardly surprising that the transnational corporate sector – and by extension the entire universe of business – has attracted increased attention by other social actors, including civil society and States themselves.” (BLIHR 2005).

As a consequence, scholars are increasingly critical of a conceptualization of human rights that construes the state as the sole duty holder in both protecting and promoting human rights (Ratner 2001). Ratner (2001) for example argues for the “need to view corporations, and not simply those working for them, as dutyholders.” In fact there is a growing body of legal work on the concept of business complicity in human rights abuses across international jurisdictions (by the International Commission of Jurists for example) (Oxford Pro Bono, 2008) and a significant amount of progress has been made in advancing the individuals ability to seek redress from corporations in relation to human rights abuses through class action law suits under alien tort (Amnesty 2006; AccountAbility 2004; Oxford Pro Bono, 2008).

Multinational companies are of course a nexus of complex networks of relationships with suppliers, states and other companies, which further problematises the application of both the idea of human rights and related legislation for such entities. The Office of the United Nations High Commissioner for Human Rights (OHCHR) has however employed the concept of sphere of influence: to chart the scope of an organisation’s obligations to respect human rights and opportunities to support them. Ruggie (2008: 15) for example, suggests that an organisations’ sphere of influence encompasses, “a company’s internal and external business networks, including its relationships with joint venture partners and government authorities.” Amnesty International (2005) contends,

“one could argue that a corporation has a degree of (moral) responsibility towards society that goes beyond respecting and protecting human rights. For instance, when a company operates in a territory where the state is unable to fulfill the rights of its people, a company could be asked to act in order to ensure that individuals have access to those resources needed for survival.” Amnesty 2005 (11-12).
There also seems to be a growing discussion, particularly amongst NGO’s of corporations’ responsibilities in relation to operations in conflict and post conflict zones. Again, Amnesty International (2005) comments,

“In such situations companies could try and reduce ethnic tensions and minimize prejudices among groups by promoting an atmosphere within the companies’ direct sphere of influence that could contribute to normalising social relations in the community where the company operates.”

Here the company’s responsibilities in relation to its sphere of influence are clearly seen as extending beyond the obligation to maximise shareholder returns.

However, the nature of the business-state relationship is also becoming more complex with more of the services that have traditionally been provided by the state, being outsourced to private sector companies. Under these circumstances, the states obligation to protect human rights, generates a requirement on government to adequately regulate and monitor, for example, the outsourcing of immigration detention centers and prisons; potentially hazardous industrial emissions, the treatment of workers by their employers, and so on (Amnesty 2005).

The notion of rights is therefore a political and ideological proposition that is shifting with the evolution of global capitalism. Historically, the discourse on rights has specifically focused on the relationships between individuals and States. Yet as the relationship between states and corporations shifts quite dramatically, the question remains as to the nature of the obligations that can legitimately be conferred upon corporations beyond respecting human rights. As the BLIHR (2010: 17) comment, “They do not have the obligation under human rights law to fulfill or realize human rights. But often their activities can and do contribute significantly to help realize rights.” Ruggie notes (2008, see also Avery et al 2), “There are few if any internationally recognised rights business cannot impact – or be perceived to impact – in some manner. Therefore, companies should consider all such rights.” Professor Ruggie, 2008).

In 2003 the UN outlined the human rights duties for companies in *The United Nations Norms on Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights*. The Business Leaders Initiative on Human Rights (BLIHR) was also established in 2003 in an attempt to show how the universal declaration could be translated into business policy and practice. BLIHR (2010) explain,
“By 2003, the subject of business and human rights was receiving greater international attention with the development of the United Nations Global Compact and the growing momentum within the context of the UN Sub-Commission on Human Rights where the so-called ‘Norms’ on Business and Human Rights were being proposed. BLIHR agreed to take an agnostic position on the Norms during their development, when most business associations were stridently opposed and to ‘roadtest’ the content of the Sub-Commission adopted Norms in business contexts with the aim of developing an evidence-based response” (BLIHR 2010:8).

Under the direction of Mary Robinson, the BLIHR brought together a group of ten major companies with the aim of embedding human rights more firmly within corporate consciousness. BLIHR’s objective was to indicate how international human rights standards could be applied in the context of business policy and practice. The Business Leaders Initiative on Human Rights was superceded in March 2009 by another business led project, the Global Business Initiative on Human Rights, which focuses more specifically on the application of human rights to business practice in emerging economies (BLIHR 2010:8). This new body has proceeded to engage with a further question, “how do human rights contribute to the way a business might understand its (mainly moral) responsibilities to the broader international development agenda?” (BLIHR 2010:8). New institutional initiatives from within the business community are therefore beginning to emerge which shape the meaning of human rights as they are being applied to corporations.

In 2005 the UN appointed Professor John Ruggie of Harvard, as a Special Representative of the UN Secretary-General on Business & Human Rights with the mandate to ‘identify and clarify standards of corporate responsibility and accountability for transnational corporations and other business enterprises with regard to human rights.’ He has been specifically tasked to,

“elaborate on the role of states in effectively regulating the role of businesses, including through international cooperation; to research and clarify concepts such as ‘complicity’ and ‘sphere of influence’; to develop materials and methodologies for undertaking human rights impact assessments of business activities; and to compile a compendium of best practices of states and businesses” (Amnesty International 2005: 10-11).

In 2008, Prof. Ruggie presented a policy framework of three core principles to the UN Human Rights Council to guide the business and human rights agenda. These principles were: the States duty to protect against human rights abuses by third parties, including business; businesses responsibility to respect human rights; and finally, the need for more effective access to remedies for victims of human rights


Despite the fact that companies have been reluctant to fully embrace Ruggie’s framework, many have begun to articulate their social responsibility in terms of obligations towards human rights and as Ratner (2001) comments, “their actual recognition of corporate responsibility undercuts any conceivable doctrinal bar to such duties.” For example, according to a 2006 survey of Fortune Global 500 companies, nine out of ten companies who responded to the survey had human rights principles in place. More than half of the FTSE 100 companies had adopted a human rights policy and over 60% of respondents referenced the Universal Declaration within these policies (IBLF 2005). Companies are therefore beginning to articulate their social responsibilities in terms of human rights as they are conceived through the Universal Declaration. BLIHR (2004) would therefore seem correct when they comment,

“increased numbers of businesses [are] willing to talk seriously about their human rights responsibilities, perhaps recognizing that human rights is the most legitimate and universal framework for determining the social dimensions of business responsibility and issues of corporate governance.” [Business Leaders Initiative on Human Rights, Report 2, page 11, Dec. 2004].

The language of human rights is therefore beginning to make its way into the working environment of corporations at the policy level and this section explores the broader ways in which the issue of human rights is impinging on the working environment of corporations.

Human rights has very much entered the context within which multinationals now operate and pressure on corporate performance in relation to human rights is emerging from a number of different sources primarily in relation to access to consumer markets and access to capital. Pressure is coming in the form of reputational risk. The child labour controversies of retail companies like Reebok, Nike and Gap and the connection between Shell’s operations in Nigeria and the execution of Ken Saro-Wiwa during the 1990’s brought human rights to the attention of those concerned with managing companies reputational risk (BLIHR, 2010: 7).
Human rights related issues are also impinging on debt financing of FDI through banks. A number of cases of bad publicity, for example for The Royal Bank of Scotland due to allegations of “dirty loans” may partially be behind the increasing use of human rights impact assessments by banks when considering debt finance (Amnesty International 2006). Human rights are also becoming an increasingly important factor in relation to government export subsidy through Export Credit Agencies and access to equity through ethical investment funds and sovereign wealth funds, for example the Norwegian pension fund has excluded Wal-Mart from their pension fund based on their human rights record. Attention is specifically being directed at the connection between government funds, (for example through Export Credit Agencies) and corporations due to the states responsibilities in relation to human rights. Finally, the legal community has made a significant amount of progress in individual ability to seek redress from corporations in relation to human rights abuses through class action law suits under alien tort (Amnesty 2006; AccountAbility 2004).

A number of international standards now explicitly delineate business responsibilities in relation to respecting human rights. The International Labour Organisation’s Tripartite Declaration, for example, delineates a number of workplace human rights; the UN Global Compact, initiated by Kofi Annan in January 1999, likewise delineates a series of human rights, workplace and environmental standards all derived from UN instruments. The first two principles of the compact state that, “Businesses should support and respect the protection of internationally proclaimed human rights” and “make sure that they are not complicit in human rights abuses.” Within 5 years from its initiation the Global Compact had almost 1,700 corporate participants publicly committed to the principles and incorporating them into organisational practices and policies. The Compact now has around 4,000 business members from all corners of the world, although another 70,000 trans-national enterprises and countless millions of small and medium-sized enterprises are not yet party to the Global Compact Principles (Oxford Pro Bono 2008). A number of NGO’s however, argue these initiatives have substantially failed. Christian Aid, Amnesty and Friends of the Earth are calling for an international framework for corporate accountability (Christian Aid 2005).

In 1976, the Organisation for Economic Cooperation and Development (OECD) produced its Guidelines for Multinational Enterprises. The guidelines provide multinational enterprises (MNEs) from OECD member countries with principles and standards for the purpose of achieving sustainable development.

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3 Human rights impacts assessments are becoming increasingly prominent within banks assessments of financing projects although they are relatively rudimentary (Amnesty 2006).
While the principles are voluntary, adhering countries were required to establish National Contact Points (NCPs) as a mechanism whereby concerns over violation of the guidelines can be reported\(^4\). Companies registered in OECD member countries may also face being reported via National Contact Points. National Contact Points provide avenues to pursue allegations of human rights abuses. For example, The Royal Bank of Scotland (which is not predominately state owned) was reported via the UK National contact point in relation to loans provided to Vedanta Plc due to the companies disregard for the rights of indigenous people in the Indian state of Orissa\(^5\). Kevin smith from NGO, Platform, commented, "The Treasury has a legal duty to ensure that RBS isn't using taxpayers' money to support companies that trample over human rights and trash the climate" (Guardian 2009).

Governments are also embarking on initiatives to encourage companies to address human rights. In 2000, the US and UK governments, seven major oil and mining companies along with nine international NGO’s publicly expressed their support for the Voluntary Principles on Security and Human Rights. These principles were been drawn up over a year-long dialogue convened by the US State Department and the UK Foreign Office. Since then the Norwegian and Dutch governments have joined the process, and 16 companies now participate (as of December 2005). Along with these various initiatives there are also a raft of sector specific principles (see table 1).

**Table 1 about here**

The language of human rights is now impinging on the business environment in a number of ways. BLIHR conclude, “the corporate responsibility to respect human rights’ has become the baseline expectation for business behavior – in particular through the application of human rights due diligence.” (BLIHR 2010: 8). The language of human rights seems to be becoming a crucial factor in corporations social license to operate and securing legitimacy with a broad range of stakeholders. However, it is also becoming an increasingly important aspect of managing legal risk along with the operational risks associated with public relations and consumer boycotts. It is impacting on notions of due diligence and labor relations. It is becoming an increasing factor in investor expectations and in relation to the strategic positioning of organizations within key markets (Oxford Pro Bono 2008).

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\(^4\) NCPs report to the OECD Committee on International Investment and Multinational Enterprises (CIME) on an annual basis.

\(^5\) The company proposed to build an opencast bauxite mine near the holy sight of Niyamgiri.

There is therefore a growing awareness of the increasing size and power of multinational corporations and the inability of states to discipline these companies for breaches of human rights that fall outside their jurisdiction. The geo-political shift that has taken place in the global economy now means that MNC’s work across state boundaries and may not be subject to the laws of the countries in which they are incorporated. Their size and power means that they have the ability to benefit from complicity in human rights abuses but the corollary is that they also have the power to influence countries with poor human rights records. The growing evidence of cases where large multinational corporations have been complicit in cases of human rights violations, along with an increasing role for corporations in the provision of state services, has resulted in a raft of international initiatives, standards and protocols and as a result the discourse on human rights is slowly entering the narrative on corporate social responsibility. However, as yet there seems to be little discussion about business and human rights in relation to the responsibilities of business and professional accounting education. Anecdotal evidence would suggest that there is very little in the curricula within business schools, management and accounting departments, or professional accounting curricula, on the issue of business and human rights, although we just don’t know because there is very little research in this area. Of the university signatories to the various Global Compact Networks across the globe, it would be interesting to know how many have business and human rights courses as compulsory elements of their business and accounting curricula. The issue of human rights is simply not incorporated into the mindset of future business leaders within business schools or through the aculturalisation processes of the accounting professions.

However, as the discussion above indicates, building a case for incorporating human rights within business education isn’t that difficult. It could be based on the power of corporations to both positively and negatively impact on human rights and the fact that the discourse of human rights is now a significant and growing part of corporations’ policy, practice and reporting. There is therefore a moral argument on the one hand. If the idea of human rights does potentially represent a valid way of protecting some of the most vulnerable within society from abuse and exploitation, then we should be concerned about those “organs in society” that can affect both their promotion and violation. Multinational corporations can certainly do both. However, secondly, there is also a pragmatic argument. If business schools want to prepare students adequately for the kinds of issues that will populate their life-world then it would seem that they should be aware of human rights. As Ratner (2001) commented above, “their actual recognition of corporate responsibility undercuts any conceivable doctrinal bar to such duties,” and the same argument would also seem to apply to any objections from business schools that human rights falls
beyond the scope of business and accounting education. An argument which of course misses the point that the majority of business and accounting education is already about the human rights of a particular group within society, namely the property rights of shareholders. But finally there is also a critical argument. As we noted above, the idea of rights is a political and ideological concept and it would seem that we are entering a critically important period in the ideological construction of rights, as they apply to both corporations and individuals. If the notion of rights is going to play an important role in ensuring that human dignity is not sacrificed in the pursuit of economic development, then it is crucial that the issue receives considerably more critical analysis within the accounting and business curricula than it has received to date. So regardless of ones perception of business and accounting education, whether moral, applied or critically reflective, there is an obvious case for exposing accounting and business students to the discourse on human rights.

However, if an argument can be made for incorporating human rights into business education more generally, perhaps there is an even stronger case to be made for its incorporation into accounting education, both at the tertiary and professional level. If the profession is at all concerned with the public interest, then one would imagine that there is little of greater interest to the public than insuring that human rights are respected, protected, and promoted. Over the past decade in particular, there has been a renaissance in professional ethics both within the accounting profession and the professions more generally. As accounting reporting standards become internationally accepted and the function of accounting in global financial systems becomes more important, one would imagine that the discourse on human rights could inform any subsequent discussion of what contributing to the (global) public interest might mean. It may therefore be apropos for those international standard setting bodies like IASB not only to consider how the idea of human rights might impact on global reporting standards, for example in relation to workplace rights, but also for bodies like IFAC to address how human rights can be incorporated into professional education standards. Even at the level of practice, many corporations are reporting externally, both in the annual reports and social reporting media in relation to human rights commitments and performance. One would also imagine that there are internal systems for managing human rights issues relating to government contracts for example.

Given that a plausible argument can be made for incorporating human rights into the business curricula, the question then becomes what would the curricula look like and how would it be taught?

Of course there is a burgeoning literature on the content and delivery styles of effective business and accounting ethics courses, and effective learning more generally, which lies beyond the scope of this
essay. The objective here is not to prescribe a definitive human rights curricula, rather it is to set out the case for the inclusion of human rights within the business and professional accounting curricula, to try and get human rights into the consciousness of professional accounting bodies and global bodies like IFAC; and to raise a few issues for further reflection. Developing a curriculum for business and human rights isn’t something that should be accomplished in isolation. One would imagine that it should be established in conjunction with bodies like the ILO and NGO’s like Amnesty International, along with representatives from the Global Compact and other business initiatives, if it is to have any legitimacy. So there are process issues at the heart of developing the curricula for business and human rights, particularly for global professional bodies like IFAC that purports to be acting in the public interest, but also for business schools.

Yet, whatever the content of a business and human rights curricula, it is important that students are given a real sense of the ways in which current business practice is about rights, primarily the property rights of shareholders and the intellectual and property rights of corporations, both of which are strongly supported in law primarily due to the power of both corporations and capital owners. These rights are therefore prominent because both constituencies have the power to make them so. However, students also need to be given a sense of the way in which businesses, in many cases the businesses and broader economic system within which they will work, are caught up in human rights issues and the ways in which they can adversely (and positively) impact on the realization of human rights more generally. Both these learning objectives would go some way towards dispelling two firmly entrenched myths about accounting and business practice. Firstly, it would challenge the myth that accounting and business practice is amoral. However, secondly the human rights discourse also challenges the outmoded doctrine, taught in many business schools, that the function of business in society is solely to maximize shareholder wealth. As the discussion above implies, it is also crucially important that the issue of human rights is not cast simply as just another risk that needs to be managed. To do so would be to miss the structural tensions that represent some of the core challenges of bringing the discourse of human rights to bear on the practice of business. Any business and human rights curricula would therefore, need to address the extent to which corporate complicity in human rights violations is related to the structural conditions of the global economic system. The point here is that while a response to these challenges lies to some extent in the individual moral integrity of an individual business person (if enough leaders responded in this way change might happen) there is also a pressing requirement for greater engagement with the systemic nature of business complicity in human rights abuses in order to innovate broader systemic and regulatory solutions. And students too, need to participate in the human rights discourse and get engaged in developing solutions themselves.
From the brief review above it would seem possible to begin to sketch out some obvious elements of a business and human rights curriculum: the nature of human rights, the law, the ways corporations impact on human rights, and as we noted above, the extent to which the global economic system creates tensions between the competing rights of property owners, laborers and others, along with more practical issues like the GRI and other disclosure initiatives. However, it is also important for any new focus on business and human rights within business and accounting education to also contain a critique of the discourse on human rights itself. As the discussion above suggested, the idea of human rights is socially constructed. For example, the Organisation of the Islamic Conference adopted their own Cairo Declaration on Human rights in Islam in 1990, in response to the perceived Western bias in the rights advocated in the Universal Declaration. Costas Douzinas (2007) for example has cast the discourse on human rights as a form of neo-imperialism that serves the cultural and economic interests of the West.

Yet over and above the need for a critical appraisal of the way in which the discourse of human rights functions in the service of the cultural interests of specific groups, there is also a pressing need for greater critical engagement with the relationship between human rights and sustainability. The UN of courses recognizes the link between the state of the environment and the realization of human rights. At the 1972 UN conference on the Human Environment in Stockholm, for example, the UN acknowledged that the environment is “essential to his [or her] wellbeing and to the enjoyment of basic human rights—even the right to life itself” (NGLS 2002:2). Human rights and sustainability are clear themes in emergent frameworks like the Global Compact and the GRI, which bring together issues of human rights, labour, the environment and anti-corruption. Perhaps, as a consequence, human rights issues are also being disclosed under the umbrella of sustainability via the CSR media of some corporations. Xstrata’s 2009 sustainability report for example contains extensive reference to human rights and there is some evidence of a combined sustainability and human rights framework at operation within the company. They state, for example,

“Our unique Sustainable Development (SD) Framework guides Xstrata’s commodity businesses and provides assurance for the Board that standards are being upheld. It addresses all SD-related topics and is backed by a detailed set of SD Performance Standards. Our SD Framework is aligned with international standards including the International Council on Mining and Minerals principles and guidelines, the Precautionary Principle, the UN Global Compact, Voluntary Principles on Security and Human Rights, ISO 31000, ISO 14001 and OHSAS 18001.” (Xstrata 2009: 24).
While in the primary focus on human rights seems to relate to security and labour issues, there is some evidence of an emerging connection between environmental rights and sustainability issues. Again, Xstrat state in their 2009 sustainability report

“The primary human rights issues in our business relate to:

**Labour:** The rights of our employees and contractors to work for equal pay, associate freely, to a safe and healthy workplace, to non-discrimination and to their legal rights;

**Security:** The conduct of security organisations protecting our operations at certain specific locations where there is a threat to our people or assets. The conduct of public security forces who enter our sites during the execution of their duties; and

**Communities:** The impact our operations may have on communities includes the use of land and mineral assets, economic impacts, displacement, access to resources such as water and energy and other environmental impacts. In certain circumstances disagreements over these factors can lead to an environment in which human rights are compromised.” (Xstrata 2009: 32, emphasis added)

It would seem clear that any discussion of human rights within the business curricula would need to address the compatibility of a notion like human rights in relation to the idea of sustainability and visa versa. As Vischer (2005: 47) comments,

“How do human rights and sustainability relate to one another? There has been a growing awareness that there are limits to human development on our planet. More and more people have to live with the limited resources offered by nature. The quality of life of future generations is threatened. What does this imply for human rights? This is being heatedly debated.”

The issue is being debated, but not in the accounting literature or in accounting departments and business schools. It’s not a debate to which future business professionals are being exposed. Visher (2005: 48) goes on to comment,

“Some people believe that a new “generation” of human rights is called for and that the catalogue of rights should be extended to the natural world, expressly stating that all human beings have a right to a healthy environment. But is this a realistic proposition? Can the two concepts of human rights and sustainability be so easily combined? The two concepts have different roots and serve different purposes. The Universal Declaration of Human Rights is intended to create a social and political order guaranteeing the development of every individual human person and of humanity as a whole. Starting with the rights of the individual, it sets out the basic prerequisites for a just social order. It is not immediately concerned with preserving the planet. The concept of sustainability has developed out of the
disturbing awareness that human activity has sparked off an inexorable process of destruction. The Universal Declaration of Human Rights is essentially more anthropocentric.

.... How can these two objectives be brought into line with one another?"

The question of how these two discourses of human rights and sustainability are coming together, both practically in terms of what corporations are doing and reporting would therefore also require to be critically explored.

5. Conclusion.

The human rights responsibilities of corporations is therefore emerging as an issue of considerable importance. However, as yet it has failed to make its way into the core curricula of business schools and the accounting profession. This essay has begun to explore how the discourse and apparatus of international human rights is shifting to focus attention on the responsibilities of corporations in relation to the protection and promotion of human rights. The essay has presented an argument for incorporating human rights into the business and accounting curricula and has offered some suggestions as to what a business education for human rights might involve. However, while education does play an obvious role in the realisation of human rights, as the preamble of the Universal Declaration rightly identifies, it would be naive to think that education on its own will stop business complicity in human rights abuses. Of course human rights needs to be incorporated into the business school curricula at the same time as it is incorporated into international standards governing FDI; the protocols guiding government subsidy though Export Credit Agencies; the ethical screening practices of investment funds and the conditions of bilateral trade agreements (Amnesty 2006). Yet while as academics we can research and lobby for change in these particular areas, perhaps we have an immediate and more local opportunity to start with what we teach.
References

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### Tables

*Table 1: Sector specific initiatives incorporating human rights.*

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(adapted from Oxford Pro Bono 2008)