

Check Against Delivery

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Business and Industry Major Group (B&I)

## **Comments to the U.N. Open Ended Working Group on the Sustainable Development Goals (SDGs) Stakeholder Consultation**

By Norine Kennedy, United States Council for International Business

- Thanks for this invitation...My name is Norine Kennedy, with the United States Council for International Business (USCIB). My organization is the US affiliate of the International Chamber of Commerce and the International Organization of Employers, and through ICC and IOE, we are part of the newly formed Global Business Alliance for the Post 2015 Development Agenda (GBA).
- The GBA is a diverse group across sectors and countries, offering a broad range of approaches, expertise and perspectives to strengthen and inform the deliberations at every step of the way.
- GBA represents business from every region of the globe with global, regional, national and sectoral business organizations and associations, involving companies from multinational corporations (MNCs) to small-medium enterprises (SMEs). Our objective is to make effective, concrete and long-term contributions to the formation of the new international development agenda.
- On the 4<sup>th</sup> discussion question concerning linking transparency and inclusive growth, we see the opportunity in the current SDG deliberations to broaden ***the discourse on “poverty reduction” to embrace “inclusive growth”***, which through equality of opportunity is the basis for fighting inequality, improving social outcomes and reducing poverty. This means looking beyond the basic human needs to encompass the enabling conditions required for individuals, societies and economies to realize their full potential.

In GBA’s Shared Business Messages, we highlight the following:

- The need to support policies and institutions that protect and promote human rights including: democratic values, independent courts, free speech and individual liberty
- The need to align and scale up corporate sustainability based on universal principles in the areas of human rights, labor, environment and anti-corruption in order to promote transformative impact on markets and societies.

## A. HUMAN RIGHTS

Respecting the dignity of every individual and creating a legal climate in which human rights can flourish are not only fundamental ethical requirements, but preconditions for sustainable political stability and economic and social development.

In 2011, we were deeply involved in the development of UN Guiding Principles on Business and Human Rights, overseen by Prof. **John Ruggie**, the UN special representative for business and human rights. The principles instruct companies to respect human rights and institute a due diligence process to “know and show” that they do.

The 3 pronged approach frames:

- **The State duty to protect** against human rights abuses, including by business, through appropriate policies, regulation and dispute resolutions.
- **The corporate responsibility to respect** human rights, that is, to act with due diligence to avoid infringing the rights of others.
- **Access to effective remedy** for victims of human rights abuse, including through court or in-house processes.

This "protect, respect and remedy" framework clearly distinguishes between the responsibilities of the various players, and clarifies the complex interface between human rights and companies. These Principles aim to articulate what these established instruments mean, and to address the gap between law and practice. They clearly state that companies cannot assume the responsibilities of governments, and that suppliers are themselves responsible for complying with national law and respecting human rights.

## B. INFORMALITY/ENTERPRISE CREATION

Businesses depend on strong and stable societies. Yet rights to property and other aspects of citizenship and society are still lacking in many countries. These are absolutely indispensable to job creation and economic opportunity needed to lift people out of poverty. Entrepreneurs and enterprises in the informal economy struggle to do business in a situation of legal uncertainty and insecurity, and are faced with numerous economic constraints. They need the tools to buy and sell their products legally, to own property and commercial use of property, to enter into legal contracts, to establish a business identity, to raise capital, to sell shares, to legally export; in essence, to have the official recognition of their property and business ownership. This is an additional fundamental empowerment in the economic area which too many lack and which is a pathway to sustainable livelihoods.

We are looking for efficient and clear business regulations in the areas covered by the **World Bank Doing Business Reports**, namely:

- a) Starting a business;
- b) Dealing with construction permits;
- c) Registering property;
- d) Getting credit;
- e) Protecting investors;
- f) Employing workers;
- g) Paying taxes;
- h) Trading across borders;
- i) Enforcing contracts; and
- j) Closing a business.

## **CONCLUSION**

In closing, business supports the development of the SDGs because they promote important objectives to eradicate poverty and improve quality of life. We are seeking SDGs that can make a difference and be implemented. For this reason, GBA recommendations emphasize the development of national policies and institutions that will lead to good governance, economic growth, environmental protection and social progress – the mutually reinforcing objectives of sustainable development.

To be successful in this, the new SDGs should engage:

- all countries to do what they can at the national level, engaging their domestic resources, in line with their priorities and circumstances
- all stakeholders, particularly business

Thanks for your attention and we look forward to working with all of you in next week's meetings and as this vital work continues.