

Transnational influence:

# The power of business

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**Fair treatment of employees is a basic expectation for a socially responsible corporation**

Without human rights, our existence and our future would be meaningless, both as individuals and nations. Changing circumstances do not alter either their essence or their universality and therefore they need to be supported by efficient mechanisms and procedures of assurance, protection and authority. Every human right is indivisible and interdependent. Its protection must be absolute. We are creating a new world in which democracy, development and respect of human rights are interrelated concepts which strengthen one another. Only better education and full awareness of these matters, as well as the participation of us all, will allow violations to be avoided.

**Excmo. Sr Don Felipe González Márquez**  
Prime Minister  
The Kingdom of Spain

■ Those committed to the struggle for greater global human rights usually focus on the roles and responsibility that government should play to end massive human rights violations or to ensure the national climate to protect the rights of people and the environment. Obviously government plays a central role. The human rights community properly holds the state responsible.

But, as we all know, other institutions are also major players in denying human rights or creating the context for their protection. In the United States and around the world, the Church, universities, unions, professional associations to name a few, can be human rights champions or violators.

One institution too often neglected in an analysis of building human rights in the 1990s is the business sector, the transnational corporation. Obviously there is no debate about the global power and influence of companies like Royal Dutch Shell, Sony, CBS, Citibank or General Motors. The Fortune 500 companies in the US have enormous economic power, the ability to influence public policy, influence over employees and communities, impact on global economic trends. It is important that we carefully evaluate the roles and responsibilities of global business in advancing human rights. Sometimes corporations have more power than nations.

## Responsibility to employees

Virtually all would agree that companies have a special responsibility to protect and enhance the human rights of their employees. This is simply good business sense! Most transnational corporations state they support: a safe, healthy secure workplace; reasonable wages and benefits; non-discrimination in employment; freedom of association; no use of child labour; no forced or compulsory labour; and respect for the environment.

Many also talk about programmes of community outreach.

Clearly there are many companies who don't follow such standards, running plants that are unsafe or have environmental hazards, exploiting workers, opposing unions. Yet these can be considered reasonable expectations and we should hold companies accountable to them.



However, some human rights challenges related to the workplace deserve more attention. For example, what is a transnational company's responsibility if it knows the government of that country is working to destroy the trade union movement, targeting some of its employees for intimidation, violence and even 'disappearances' or death. I believe we should expect management in that country to speak up and call for an end to such intimidation. If they ostensibly support the right of employees to organize freely they should likewise protest against a government's repressive actions.

In terms of wages, ironically many US companies are comfortable in verbalizing their support for reasonable wages but conveniently refuse to evaluate whether their wage levels are fair, decent or a living wage for an employee and their family. In the Maquiladoras of Mexico where US companies employ over 500,000 workers, big name companies like General Motors and Ford, AT&T and General Electric, Zenith and Johnson & Johnson employ thousands of workers at wage levels that are above the Mexican government's minimum wage but average \$35 to \$55 a week, a shockingly sub-standard wage that clearly does not allow employees to feed and care for their families adequately.

It is a responsibility of transnational corporations to ensure that their employees, whether they be in Mexico, South Africa or Taiwan, are paid a fair, decent and living wage. Fair treatment of employees is a basic