



## **CORE Submission to Foreign Affairs Committee Inquiry into ‘Global Britain’ policy**

### **About CORE**

CORE is the UK civil society coalition on corporate accountability. We aim to advance the protection of human rights with regards to UK companies’ global operations by promoting: higher standards of conduct; compliance with the law as part of a more effective regulatory framework; and improved access to remedy for people harmed by UK-linked business activities.

### **Background and introduction**

We welcome this inquiry and the opportunity to submit evidence. The ‘Global Britain’ policy offers an opportunity for the UK government to demonstrate international leadership by developing and implementing a strategy for economic prosperity that fully integrates human rights protection and promotion.

### **Executive summary**

- Government must restate ongoing commitment to the promotion and protection of human rights and labour rights as part of its Global Britain policy, particularly in the face of temptations to neglect existing standards to secure trade deals.
- Defending the ‘rules-based international system’ must involve the protection of human rights as international human rights and humanitarian law are the cornerstone of that system.
- Trade deals must be used to strengthen, not weaken key values and commitments as the UK leaves the EU. Placing human rights at the centre of a Global Britain policy will aid this.
- Government should go further by removing investor-state dispute settlement provisions from trade deals and improving sustainability impact assessments.
- The FCO should develop its capacity to integrate business and human rights considerations into their support for UK businesses overseas.
- A cross-departmental and strategic approach will be necessary to develop policy coherence in putting human rights at the heart of the Global Britain policy.
- Strengthen existing FCO work on Overseas Business Risk documents and protecting Human Rights Defenders.
- The UK should engage constructively with the open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights and continue to encourage foreign states to implement the UN Guiding Principles on Business and Human Rights.

## **What would be required to make ‘Global Britain’ a credible strategy, and the extent to which those elements are already in place?**

1. A credible ‘Global Britain’ strategy must be underpinned by an unequivocal restatement of the UK’s ongoing commitment to the promotion and protection of human rights and labour rights. It is particularly important that as the UK leaves the EU, the government does not abandon or neglect existing human rights standards and commitments for the sake of securing new trade deals with the EU and beyond.

2. In the preamble to the most recent FCO Human Rights and Democracy Report, the Secretary of State for Foreign Affairs wrote that ‘promoting human rights is an essential aim of the foreign policy of a Global Britain ... promoting the values that Britain holds dear is not an optional extra, still less a vainglorious addition to our diplomacy; it is in keeping with centuries of tradition.’

3. In this context, it is notable that while the Foreign Affairs Committee’s ‘Global Britain’ report identifies ‘protection of the rules-based international system’ as a key theme expressed by senior figures in government, human rights has not been evident as a significant element of the Global Britain concept to date. We agree with the Committee’s finding that ‘...the Government needs to work harder and do more to deliver on its promise to strengthen the rules-based international order’. As international human rights and humanitarian law form the cornerstone of the international rules-based system, this promise must incorporate the protection and promotion of human rights.

## **How elements of foreign policy such as rule of law, cultural influence and military interests should be balanced against the trade aspects of ‘Global Britain’**

4. The Committee identifies free trade as a key theme of Global Britain. There is the potential for tension between the pursuit of free trade and the UK’s human rights commitments, both in terms of UK government rhetoric and willingness to raise human rights concerns with potential trading partners, and within the content of new trade deals. Conceived correctly, however, trade deals can be a powerful tool to tackle the worst forms of human rights abuses - including modern slavery - in global supply chains, and to promote more and better jobs that help to realise the economic and social rights of vulnerable and disadvantaged individuals/groups in the UK and abroad.

5. It is essential that as the UK leaves the EU, commitments to human rights are integrated within the UK’s foreign and domestic policy frameworks so that trade agreements work to strengthen, not weaken, key values and commitments, including the UK’s commitment to protecting and promoting human rights and labour rights. Trade agreements must be viewed as a mechanism for tackling widespread human rights abuses, and not open up markets in a way that risks increased exploitation.

6. Many domestic labour rights, human rights and equalities protections are guaranteed by the UK’s membership of the EU and supported by strong EU rules on protection and enforcement. At a minimum, the UK should ensure it does not roll back on current EU policies in relation to trade and human rights post-Brexit. If the UK leaves the single market, the EU-UK trade agreement should enshrine the commitment that human rights, labour rights and equalities will always be as good as or better than those protections in the rest of the EU.

7. In leaving the EU, the UK's capacity to use its market size as leverage in the negotiation of trade deals will diminish. For this reason, government ministers should not assume that the UK can sign up to trade agreements and then subsequently raise human rights concerns through these trade relationships alone. This is why it is vital for the UK's trade policy to be guided by clear values establishing the parameters for future deals.

8. These values must be asserted as a matter of urgency. The apparent pro-active pursuit of trade opportunities with Sudan,<sup>1</sup> and the statement by the Secretary of State for International Trade that the UK's relationship with the Philippines is 'built on a foundation of shared values',<sup>2</sup> risks embedding an approach to trade policy that simply ignores serious concerns about human rights situations in partner countries. The UK government must not avoid raising these concerns during discussions around future trade deals. Placing human rights at the centre of the Global Britain policy will allow the UK to avoid the pitfalls that would come with prioritising trade above all else. Whilst the DIT will have the central role in developing trade policy, as the lead on human rights protection internationally, the FCO should coordinate the integration of these values across relevant departments to ensure policy coherence.

9. All future trade deals should include human rights and labour rights provisions, as is now a standard component of all EU and US trade agreements. However, the intention to revitalise the UK's foreign policy offers an opportunity to go further. Modern trade agreements frequently include a range of obligations such as investor protection, intellectual property, government procurement and regulation of service industries which can constrain policy space in partner countries, and have detrimental social and economic consequences.<sup>3</sup> Some of the cases brought before tribunals under the investor-state dispute settlement (ISDS) system raise profound questions of social and environmental concern. There have been instances of foreign investors circumventing national courts and using the privileged access to international tribunals granted to them via ISDS, to restrict states' ability to provide public services (such as water and sanitation) or to block the introduction of measures intended to improve public health, such as plain packaging on tobacco products. The UK government should act against this trend by guaranteeing that it will exclude ISDS clauses from future trade deals.

10. The impacts of future trade deals should be independently monitored, and effective enforcement mechanisms put in place to address any infringements of human rights and labour rights provisions. As currently conducted, EU sustainability impact assessments (SIAs) do not tend to include detailed, sector-specific impact assessments on human rights and generally identify only positive impacts based on assumptions of economic growth. Post-Brexit, the UK should develop SIAs that take human rights and labour rights seriously, and including ongoing assessments of the impacts of trade deals.

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<sup>1</sup> <https://www.theguardian.com/global-development/2017/dec/11/boris-johnson-trade-forum-sudan-rights-abuses>

<sup>2</sup> <https://www.politicshome.com/news/uk/foreign-affairs/news/84867/liam-fox-praises-shared-values-uk-and-philippines-he-meets>

<sup>3</sup> A joint report by the IMF, World Bank and World Trade Organisation in 2017 concluded that "adjustment to trade can bring a human and economic downside that is frequently concentrated, sometimes harsh, and has too often become prolonged." See International Monetary Fund, The World Bank, World Trade Organization, 'Making Trade an Engine of Growth for All', discussion paper for G20 meeting (March 2017):<https://www.imf.org/en/Publications/Policy-Papers/Issues/2017/04/08/making-trade-an-engine-of-growth-for-all>

11. Encouraging trade is not only about state-to-state relationships. The FCO also has contact with the private sector through support provided to UK business overseas, and sending representatives to international industry and trade meetings. The FCO should develop greater capacity to incentivise industry to integrate business and human rights considerations into their activities in these instances. Moreover, the composition of such delegations should not consist only in business leaders.<sup>4</sup> Delegations should also include human rights expertise and other stakeholders.

### **The capacity of the FCO and other relevant government departments to deliver upon Global Britain.**

12. Effective strategies, cross-departmental coordination and appropriate expertise are essential to achieving the policy coherence necessary for a Global Britain approach which prioritises human rights. As the Whitehall lead on international human rights, the FCO should develop greater capacity within its Human Rights department to generate policy coherence across, in particular, the Departments for International Trade, Business, Energy and Industrial Strategy, and International Development.

13. Within the FCO, existing activities relating to the protection of human rights in the context of economic activity should be maintained and strengthened. For instance, the FCO committed to improving its Overseas Business Risk Service (OBR) that provides UK businesses operating overseas with information on issues including human rights, bribery and corruption.<sup>5</sup> However, in a recent evaluation we conducted of the OBR country-specific documents to inform a submission to the UN Working Group on Business and Human Rights, it was clear that the information given is often patchy and unhelpful, and sometimes non-existent. In some cases, countries with known human rights risks, categorised by the FCO as ‘countries of concern’, including Guatemala, Honduras, Egypt and Sudan, had no OBR document at all.<sup>6</sup> This suggests a lack of joined up thinking even within the FCO. The OBR documents, Infrastructure Sector Opportunities guidance, and ‘Doing Business Guides’ should include relevant information needed to enable UK private sector entities to take steps to ensure respect for human rights within their international operations.

14. The FCO carries out commendable work using its influence to support human rights defenders (HRDs) internationally. As part of the government’s ‘Global Britain’ policy, the FCO should reiterate this commitment to support and maintain space for civil society, especially for HRDs, including women HRDs. This is particularly important in the context of increased threats to defenders globally. Business & Human Rights Resource Centre documented 388 attacks on defenders in the area of business and human rights in 2017, up from 290 in 2016.<sup>7</sup>

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<sup>4</sup> <https://www.theguardian.com/world/2018/jan/29/may-to-take-business-leaders-on-china-visit-in-search-of-deals>; <https://www.theguardian.com/world/2018/feb/02/china-commends-visiting-theresa-may-for-sidestepping-human-rights>

<sup>5</sup> P. 16

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/522805/Good\\_Business\\_Implementing\\_the\\_UN\\_Guiding\\_Principles\\_on\\_Business\\_and\\_Human\\_Rights\\_updated\\_May\\_2016.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/522805/Good_Business_Implementing_the_UN_Guiding_Principles_on_Business_and_Human_Rights_updated_May_2016.pdf)

<sup>6</sup> [http://corporate-responsibility.org/wp-content/uploads/2018/03/COREAIUK\\_submission-to-UNWG\\_tradeinvestment\\_2018.pdf](http://corporate-responsibility.org/wp-content/uploads/2018/03/COREAIUK_submission-to-UNWG_tradeinvestment_2018.pdf)

<sup>7</sup> <https://www.business-humanrights.org/en/key-findings-from-the-database-of-attacks-on-human-rights-defenders-feb-2017>

15. In going ‘Global’ the UK should continue to play a proactive role within the UN, to promote existing human rights law and develop new law where gaps exist. The UK should engage constructively with the open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights, which has a mandate to elaborate an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises.<sup>8</sup>

16. Similarly, the FCO made commitments to lobby foreign states, including through ministerial contact and embassies and high commissions, to support the international implementation of the UN Guiding Principles on Business and Human Rights (UNGPs).<sup>9</sup> This work must be reinvigorated alongside the government’s own implementation of the UNGPs.

**ENDS**

**For more information please contact William Meade, Policy and Communications Officer at [william@corporate-responsibility.org](mailto:william@corporate-responsibility.org)**

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<sup>8</sup> <http://www.ohchr.org/EN/HRBodies/HRC/WGTransCorp/Pages/IGWGOntnc.aspx>

<sup>9</sup> P. 10

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/522805/Good\\_Business\\_Implementing\\_the\\_UN\\_Guiding\\_Principles\\_on\\_Business\\_and\\_Human\\_Rights\\_updated\\_May\\_2016.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/522805/Good_Business_Implementing_the_UN_Guiding_Principles_on_Business_and_Human_Rights_updated_May_2016.pdf)