



# **Business and Human Rights**

## **-Submission to the Department of Foreign Affairs and Trade**

*March 2015*

***ISME** is the only independent voice of Small & Medium business in Ireland, representing in excess of 9,500 members across all sectors. The Association is owned and run by owner managers and is independent of big business, government and unions; the TRUE voice of the Irish SME. [www.isme.ie](http://www.isme.ie)*

**ISME**, the Irish Small & Medium Enterprises Association, is the only INDEPENDENT body representing owner managers of small & medium businesses in Ireland. Small and Medium Enterprises (SMEs) constitute 99% of all businesses in Ireland, employ over 800,000, which equates to 68% of Private Sector employees and 52% of total employees.

The Irish Small and Medium Enterprises Association (ISME) was formed in 1993 to guarantee that Small and Medium Enterprises in Ireland have an independent voice. The Association represents in excess of 9,000 SME businesses throughout the 26 counties. Our independence stems from the fact that as a business organisation we uniquely rely on the resources of our members. We are not reliant on big business which compromises other representative organisations. We are the only independent representative body for SMEs in Ireland.

Our organisation's members employ over 225,000, from the sole trader operation right up to businesses with 250 employees. We also are a 'broad church', representing all sectors, from importers to exporters, agri-food to engineering, retail, manufacturing, distribution, service industries, including accountants, solicitors and other professions.

## **Introduction**

The UN Guiding Principles on Business and Human Rights (UNGPs), endorsed by the United Nations Human Rights Council in 2011, are a global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity. ISME supports the three pillars of the UN framework and welcomes the decision to draw up a national plan on business and human rights. The Association notes the intention to build upon the achievements of the National Plan on Corporate Social Responsibility. ISME is an active participant on the forum dedicated to progressing this plan and is open to assisting on the National Business and Human Rights Plan also.

## **Education and Awareness**

ISME members are committed to complying with national and international human rights standards. They do not discriminate and respect the need for diversity within their businesses, particularly gender diversity. There is a general sense of goodwill towards the advent of a national plan on human rights and an interest in ensuring that Irish businesses are not adversely affecting the human rights of any persons either at home or abroad. However, it must be recognised that businesses are not always aware of human rights infractions being committed due to their activities. They also are not always fully informed of their duties and responsibilities in relation to human rights. ISME suggests that a key focus of the plan should relate to awareness raising and education.

When attempting to raise awareness amongst SMEs on a particular topic we observe some key mistakes that are consistently repeated. Leaflets are too long and technical, acronyms are used in abundance and the key information is hidden in the

text. If the Department wishes to educate SMEs on this issue they must ensure that all communications are short, simple and jargon free. Plain English must be used and we suggest engaging with NALA, that National Adult Literacy Agency, to ensure that any explanatory text complies with their plain English guidelines. Communications should also be kept to a single page where possible.

### **Respecting the Needs of SMEs**

It is important that the National Plan be cognisant of the strained resources of SMEs. Small businesses do not have capacity to comply with any undue or onerous burden of compliance with the plan. No provisions can be introduced that would inhibit trade. Businesses must be trusted to adhere to standards without requiring any reporting elements.

SMEs do not have the resource capacity of large businesses and cannot be expected to invest much time on this issue. They must be assisted with their compliance. The Association suggests circulating a simple checklist outlining the key things they must do and be aware of. This would serve as an education piece, it would get them thinking about their supply chains and processes and the elements of their business that might have potential human rights risks attached.

If an SME suspects that they are inadvertently infringing on human rights (perhaps inadvertently through their supply chain) there should be a point of contact outlined in the plan who could assist them in investigating the potential infringement and in remedying the situation.

### **Training**

As noted, there is a lack of expertise and awareness of human rights issues within SMEs. We suggest that training materials be provided. Rather than setting up training courses and asking SMEs to fund sending valuable staff members we suggest creating youtube videos and online tutorials. A short online course might also be helpful. This could be circulated to SMEs so that they could fit it into their schedule at a time of their convenience.

### **Public Procurement**

The Association notes that it has been suggested that bonus point in public procurement contracts be used as a 'carrot' to entice businesses to comply with the human rights agenda. ISME is entirely opposed to any new provisions being added to public procurement rules unless they pro-actively assist SMEs in winning public procurement contracts. There are many issues surrounding SME access to public procurement and these need to be rectified.

There is no justification for adding any mention of human rights compliance to public procurement tenders. It should be assumed that all businesses are compliant unless

proven otherwise and there should be no mandatory reporting. Thus, asking businesses to report on their activities or compliance in this area would be tantamount to increasing their paperwork burden. This would further complicate an already complicated area.

ISME supports the implementation of a National Plan on Business and Human Rights and is willing to further engage in consultation on this issue if required.