Business for the Rule of Law

CONSULTATION WORKSHOP REPORT

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HOST/FACILITATOR:
UN Global Compact, UN Foundation, LexisNexis and Reed Elsevier
Workshop Report

1. UN Global Compact and Business for the Rule of Law Overview

Overview

- Key for Business to know they have “foundation and justice” in country.
- These efforts are inspired by the UN Global Compact, General Assembly High-Level event on rule of law, SDGs.
- ROL aligned in human rights principles and norms in terms of international principles.
- Importance of access to justice as a component of ROL.
- Exciting that “access to justice’ will be key goal in next decade or so.
- Weak institutions and weak rule of law is inhibitor to human rights law and has a negative impact on people.
- “Rule of Law operationalizes human rights” investments, practices, and procedures in country.

Participant Workshop Objectives Shared in Introductions

- Raise awareness of the UN Global Compact.
- Explore policy dimensions of the rule of law and how business can engage with the rule of law.
- Identify how to leverage civil society and networks to advance rule of law efforts.
- Explore business for the rule of law and the gender dimensions to access to justice.
- Discuss the relationships between formal and informal rules and how to engage others in creative ways on the rule of law.
- Discuss how to operationalize frameworks to promote the rule of law, including concepts on supply chain issues.
- Discuss rule of law in the context of strengthening relationships (such as between enforcement entities like attorneys general) in the US and in other countries.
- Discuss the business case for engaging with rule of law values and how to engage with these values in a practical way. Go beyond rhetoric to action.
• Discuss how business can utilize data measurement to demonstrate the impact of adopting and engaging with rule of law policies.

• Explore how rule of law can support efforts to gain entry into foreign markets.

• Discuss how law firms can position themselves to create leverage for rule of law for clients.

• Discuss how to move rule of law ideas in cultures that are different from our own (e.g., Cuba).

• Identify additional ways LexisNexis can support customers and clients around the world to support access to justice (e.g., currently working on a mobile application).

• Address the problem of transnational criminal organizations.

• From the business perspective:
  o connect business and human rights;
  o develop legal and policy frameworks so business can understand human rights.

2. Business Support for the Rule of Law in Practice [Explained]

3. Business Case for Supporting the Rule of Law

a. What does the rule of law mean in this country?

  o Depends on what you’re looking at. One participant likened it to the parable of the elephant, where many diverse views of the elephant were expressed by the blind men—and all of them were partially correct. Linked to context and conditions — challenges and opportunities, for business opportunities in a particular area.

  o Core elements of the ROL include (1) property rights — how are they enforced; (2) what the law is; (3) access to the law; (4) impartial and independent review; (5) enforcement; (6) social infrastructure and stability.

  o Participant cites example of having attended a meeting regarding economic development for the ICT industry in Latin America. Attendees were impressed with the proposed economic development plan and ideas concerning workforce training. However, due to the absence of strong social infrastructure and stability in this particular region, concerns remained regarding:
    ▪ Worker safety;
    ▪ Security of property and assets (e.g., facilities can be protected); and
    ▪ Law enforcement trustworthiness.
How do you address social infrastructure and stability within a region?

- Institutions need to be developed so they can withstand individual political actors coming and going.

The context and conditions integrated into the rule of law, impact what the term means from a business perspective.

- Is the business concerned about their employees being detained?
- Does the business feel their property is secure? Participant cites example of colleague who worked with a desk clean, as a result of having worked in countries where officials and/or law enforcement would seize company materials.

b. How does business benefit when there is a strong rule of law? Alternatively, what challenges exist for business when the rule of law is weak?

- When you consider the rule of law, especially in various parts of the world, you may consider:
  - What are the property rights minimum standards? Are they good standards, are they adequate, or can they be improved?
  - What is the law? Is there access to the law?
  - Are there impartial legal institutions?
  - Is there some mechanism of enforcement of the law?
  - Even the US today shows some signs of the unravelling of the fabric of the ROL.

- If a business considers such questions and finds the potential exposure to risk high, they cannot confidently answer these questions; it is difficult for them and others within the business community to consider moving into such a market.

- Participant cites example from one B4ROL workshop where a major insurance company, if a particular market doesn’t have a strong rule of law, it is difficult to consider selling insurance products in such a market.

- A strong rule of law can benefit business as it helps foster an enabling environment. In many jurisdictions around the globe, a strong rule of law doesn’t exist.
4. Business Action and Business Examples in Support of the Rule of Law

a. Explore the meaning of the business action and how it relates to business.
   
o. Business Action #2 — Respect and support the accountability of all persons, institutions and entities, public and private, to laws that are publicly promulgated and which are consistent with international norms and standards. Specifically:
   
   ▪ Respect the equality of all before the law;
   ▪ Respect the accountability of all to the law;
   ▪ Support the equal protection of all under the law; and
   ▪ Encourage appropriate consultation in the drafting of laws.

   o. (Breakout) There is a serious challenge in the U.S. regarding the transparent promulgation of laws at the federal level; increasingly seeing legislation by enforcement. Federal agencies are loath to set regulations for entities; businesses may only become aware of regulation, when other companies get in trouble with regulators. The current system doesn’t always allow for legislative oversight by Congress or submission of comments as part of the rulemaking process.

   o. The key term in this business action is accountability, want to keep exploring it and also discuss the notion of respect versus support. Accountability is not just about new initiatives, such as supporting an ICT company in their development of a system to monitor births. Accountability is about showing your impacts which already exist. Look at corporate operations across the board and identify impact. There is an important element here of internal and external accountability for a company. Is your company in compliance with human rights due diligence measures? Is your company actively working to identify human rights measures? Is your company working to mitigate the likelihood of human rights abuses in the company’s labor supply chain?

   o. In terms of this business action, for two aspects, equality of all before the law and equal protection of all under the law, there is an inclusive aspect of this, especially as it relates to the labor market and equal pay for all. Some universities have started to offer gender disaggregated data regarding their own work force diversity and pay. She Works is an example of an initiative where they have set equal pay targets and are looking at salary structures within the work force, especially in emerging markets, and which companies can pledge to support.

   o. Our group focus to access to laws — challenge of businesses seeing the benefit of investing the rule of law because responsibility to shareholders, etc. Ethics and corruption are long term cultural changes, and one cannot reap the rewards for a long time. The reality is that bringing to the attention of people that you are dealing with certain roadblocks. There should be a real focus on cultivation at the law school and
business school levels, to build leadership in the local community at a young age so these individuals would not be swayed by corruption.

- Other initiatives have looked at where women are underutilized and have developed solutions for ensuring female work force participation. In India, where there is a huge ICT industry, despite the presence of a highly STEM-educated female population, this was not translating into high levels of female employment within the ICT company work force. A barrier identified was women’s safety commuting to and from work and during the work day. To respond to this, companies instituted a company-managed transportation system to provide commuting services for women from home to work and inviting in-laws to accompany women during excursions during the work day (e.g., a trip to the ATM machine).

  - Participant notes studies linking gender inclusiveness to positive economic outcomes for a company and for the private sector (e.g., more women on corporate boards can help expand business to new consumers). In the Middle East there is a highly-trained female work force and a shortage of labor, so tapping into that work force which was otherwise constrained, shows there’s an economic case to be made.

b. **Explore how the business action can be implemented by business by sharing an actual or hypothetical example.**

- Real world example: A bank identified $29 trillion dollars under their management and whereas, the social finance market (e.g., green bonds and microfinance initiatives) was a one trillion dollar market, they believed it could be a $15 trillion dollar market. The bank decides to help finance the building of coal plants in a particular region. The bank needs to ensure their plan facility is protected. In this example, the rule of law is important to the bank as it ensures basic protections and institutional transparency – two policy prescriptions which are a part of the UN Global Compact. The bank’s decision had broader implications; their investment was a business endorsement for the rule of law in this particular region, an endorsement which carries a different kind of weight than had a political institution offered the same support for the security of the rule of law in the region.

c. **Are these the correct business actions to include in the Framework?**

  - Yes

  - Not supplanting what governments are doing. One question is how we work together to complement ROL or not even work with the government, but directly with the people?

    - Fair labor — expanding labor pool
- Cultivating young minds — sponsorship
- Formal/informal justice systems — make laws accessible to people — property rights — maybe formal laws say you get property upon death of spouse but informal laws give it to your brother.
- Corporate responsibility codes —
- Respecting local justice processes and not influencing them adversely in a way that subverts the system. Make sure the processes are fair.
- Relationship of corporate social responsibility.
- History of ROL making. Examine when people need to work together to disrupt the law.
  - Notion of building a culture of lawfulness, especially among the youth. Most companies that are in developing countries want to be there for a long time, so they are contributing to the betterment of society, especially starting with youth. One aspect to help young populations in these other countries is birth registration, as one cannot engage in legal processes without a legal identity.
  - Operationalize and mobilize
    - Implementation questions — a few basic points — there has to be a political will to implement these ROL principles won’t be implemented and enforced.

d. Are there business actions that are missing from the Framework that should be included?
   - No

5. Call to Action (to Business and by Business) to Support the Rule of Law
   a. What are some concrete steps business can take to respect and support the rule of law?
      - Be explicit about internal values.
        - These values can usually be evidenced in a corporate values statement.
      - Be clear your brand is getting behind the values.
        - Corporate social responsibility is one way business can show this commitment to getting the brand behind the values.
      - Emphasize in communications that business for the rule of law is apolitical. It can bridge people from all political persuasions.
o Move from compliance to civic education, not just rules and law.

o In the larger discussion of corruption the group discussed the situation where there isn’t enforcement in the short term and the long term. Businesses paying bribes is not a solution, as that activity will get the business noticed by corrupt officials. Company executives need to understand there will be delays when the business uses legal means.

o The group discussed the dichotomy of smaller companies and larger companies. Larger companies have the luxury of funds, background, and experience, and it thus may be harder for smaller companies/mid-size companies to be engaged. Smaller companies may need mentors or some type of collaboration to create change working together.

o Creating the political will – injecting the business voice into lobbying to convince governments to change.

o For those governments that have the political will – partner with organizations who are on the ground. For example, in Mongolia, businesses are working with the judiciary and training the judiciary core on commercial litigation in areas such as mining law and shareholder rights. Businesses are working with Mongolian national chamber of commerce and industry to create mediation centers.

o There is an opportunity for the UN to partner with the private sector. The UN is present in the development side of 150+ countries where one or more UN entities in capacity building in partnership with local governments. It is a very neutral and legitimate entry point for reform agendas, but its role with the private sector represents an untapped “market.”

o Redefining CSR –

o Definition of support – philanthropy is just one … public policy, partnerships, collective action.

o How critical are the CEO or Board to implementation? Best practice may be building support from the ground up; CEO and Board will acknowledge the success but it is the support of the individuals for the initiative that will make the launch successfully.

o How do you avoid corruption? What do you do if the competition will not comply? Penalties will deter. Regime change identifies corruption. Strengthen local government commitment (better salaries, better education) to mitigate interest in requesting bribes. Train local counsel through intensive coursework, trains the staff and sends signal to local government.
OBSTACLES

- The UN is actively involved in numerous countries on the capacity side and not on the development side. Could the private sector look for support from the UN? This could be done at an arm’s length. Capacity would be the cover to get the knowledge.

- Tension exists between the business goals and timeline — short term planning is Quarter and long term is 1-5 years. Additionally, investment must be closely tied to revenue and shareholder benefit.

- Corporations, in country, are careful to avoid being confused for the state. By taking on responsibilities that should've been fulfilled by the state, individuals may start to overly rely on the corporation and not drive change within the state.

ROLE OF GLOBAL COMPACT

- Companies that have been leaders in the support of Rule of Law should mentor companies that are developing their own policies.

- The Resident Coordinator for the country could be utilized to be the liaison for the companies in the country. This is not typically done so this capacity and influence could be expanded.

b. What actions can other actors, including Government, academia and civil society take to improve legal institutions, access to justice, equality before the law, capacity building and other such action?

- An evolving conversation is taking place around the economic benefit for business to support rule of law efforts, including how support for the rule of law can help business avoid economic risks, which are associated with corporations tied through bad supply chains.

- The definition of corporation is evolving quite rapidly and investors are finding what’s material to them is evolving quite rapidly as well.

- Real world example of actions other actors can take which support business for the rule of law efforts.
  - An international organization has established a program in Mongolia to help expand capacity for commercial litigation disputes specific to the mining industry. The organization developed:
    - Training for the judiciary on mining law and shareholder rights.
    - Commercial mediation centers in large cities for dispute resolution.
Business Action #3 Breakout Session Summary in Group (Table 3):

**Business Action:** Support and encourage the equal enforcement of the law, and independent adjudication of the law, consistent with international norms and standards. Specifically:

a) Support fairness in the application of the law;
b) Respect judicial independence;
c) Support procedural and legal transparency
d) Not engage in bribery or support corruption.

**Summary:**

- Discussion focused on access to the rule of law and its importance, in helping ensure equal enforcement of the law.
- What we’ve done is try to take business down to help with technology and modern law enforcement techniques — i.e., partnership with large software company and take chief legal officers — how to run Internet scanning devices, how to do subpoenas on Facebook, partnering with corporations for public protection.
- One thing to show them the technology and another to provide the technology — how do you enable them to start using it and make sure that they implement it; is it wide enough spread (i.e., all countries)?
- Most fundamental issues would be when even the judges, lawyers, and others do not have a copy of the law itself.
- Starting point is just to create a codification of the national laws and put it on a platform that is accessible. An additional value would be the confidence that the law represents an accurate copy, with the most up to date precedent. One would start with the notion of “do you even know what the law is?” Transparency is not the same things as access. Disseminating the law should lead to fairness in the law because there will be fewer chances of judges on their own being unfair, mean spirited, etc.
- From a business perspective, when the national laws for a country are codified, this step supports foreign investors.
- Chaos vs clarity. Chaos can work in the first couple of years, but then society needs to make it to the next level. One can only go so far with the Wild West mentality, perhaps making it from the 3rd world to the 2nd world, but chaos will not allow for growth beyond that. For additional growth, there needs to be clarity and stability with social cohesion, fairness mechanisms, courts to adjudicate and provide safety, and without limits to business development.
- Data security, privacy, and cross border data transfer rules are types of additional protections giving rights to consumers. These rights tend to be more sophisticated. By contrast, ROL is not a luxury, and to support it, one needs a foundation to build on.
(you cannot drop Western society legal structure on a 3rd world country — it wouldn’t work). You have to grow into to a certain sense.

- Previously you couldn’t even find labor laws in China — our partners over there if they could get their hands on the law, it was a feat! If you examine some laws, they are as rigorous as ours, but they have selective enforcement.

- Big problem for businesses — fear of capricious enforcement of the laws (i.e., corruption). They need predictability.

- What can business do about this? It is a long, slow fight. They could complain about corruption to senior government officials. The senior officials in the country have to finally understand that bribes and corruption would be big impediments to potential eventual economic development.

- We’re trying to cultivate our own leaders by exposing them to how we do things in the US — so that internally, as they move and grow, they will already be on the RIGHT side of enhancing the rule of law- cultivating … by complaining — it won’t work. It doesn’t create an immediate action — business has to help grow its own set of leadership … that’s an extended period of time commitment.

- Mentorship/sponsorship

- Fighting corruption can be hard because it is a time problem. We could spend the next 20 years bringing up the next set of leaders, or one will be in the same place 20 years from now.

- Partnerships with UN could be difficult with the short term cycles businesses have with stakeholders and shareholders. If progress is not made within that short cycle, the investment could be seen as “throwing money away.”

**Business Action #4 Breakout Session Summary in Group (Table 4):**

**Business Action:** Support initiatives that make justice accessible to all. Specifically:

a) Support initiatives to strengthen access to legal services such as paralegal services or free legal clinics;

b) Support enhanced access to information; and

c) Support efforts to increase understanding of the law and its application.

**Summary:**

- Discussion focused on providing access to the law as well as discussion of the role of formal law versus informal law.
  
  - Formal law – discussed development of mobile applications to spread accessibility to the law, and make people aware of legal penalties and legal recourse/remedies.
Informal law — discussed an accountability laboratory and how to make mediation available to individuals.

- Discussed the future of providing access to law efforts in the context of the rule of law being used to predict risk.

- Real world example: In Lithuania there is a petition regarding company adherence to the rule of law. Individuals have said they will not work for a company that doesn’t sign on to the petition to show that the company adheres to the rule of law.

The group began with the definition of Rule of law — is it limited to the formalized rules or can informal processes be included?

- Where FORMAL LAW is established, initiatives should focus on:
  - Understanding and promoting the rights of an individual — an awareness of personal rights, privileges, boundaries and responsibilities.
  - Knowledge of the remedies and penalties — an awareness of how formal law can provide access to justice as well as where individual actions could put the individual at risk (e.g. where the individual could be sued or prosecuted).
  - Reporting violation of rights — how do we enable individuals to capture a violation of human rights (e.g. oral testimony, phone photo or video capture); how do you capture date, time and location stamp with anonymity?

- INFORMAL LAW is typically present in local communities. This is a set of behaviors or informal understandings of a community. For example, the Accountability Lab recognizes that access to formal law may be limited in some countries, so they apply ROL through local mediations.

- FUTURE LAW — we should anticipate the changes in perception or future laws. Could analytics be used to predict the direction of laws or rulemaking? Who tracks those changes and who has the rights to participate in that conversation?

- FUTURE LAW, PREDICTION and VALUATION — a calculation of the tangible risks will allow business to make decisions where the laws have not been formalization. Government looks at trends, participation or compliance and policy priorities but may be slower to take action on future law.
  - When is the law at the point where individuals need to disrupt the law?
  - What tools would you put into place to make predictions?
MILLENNIALS/TRANSPARENCY and MOBILITY — the younger workforce and its value set, plus use of technology, may expand the definition of and commitment to ROL.

- E.g., CLEAR WAVE in Lithuania is a visible demonstration of students using online petitions; it is important because it transcends place of work.
- Data needs to be independently reported with minimal capture of personally identifying information or personal attributes; this would avoid manipulation of data to skew or discount certain classes of people.

Business Action #5 Breakout Session Summary in Group (Table 5):

**Business Action:** Respect applicable contract and property rights. Specifically:

a) Support the development of a strong legal framework with clear contract and property rights;

b) Respect applicable contract and property rights, both real and intellectual, in all of our business dealings; and

c) Use agreed dispute resolution procedures, and respect any final outcome, if and when disputes arise related to contract and property rights.

**Summary:**

- Discussed the development of strong legal frameworks and in the absence of a central government with reach into regions, one must understand the traditional approaches outside of capitols. Business must interact with those approaches in an appropriate way that respects those traditional systems.
- Business should make sure there’s a process of dealing with what you have (contract and property rights), and should ensure that the process is fair towards the outcome.
- Corporations have to advance their best ethics. With large capital investments corporations want ethics which go towards supporting the community and workforce (an enlightened self-interest).
- Business should not try to influence the dispute resolutions, as there’s self-interest in that. If you are weakening the capacity of how courts work, you don’t know when that will come back to hurt you (and business wants the courts to apply the law in a fair and consistent manner).

Business Action #6 Breakout Session Summary (Table 6):

**Business Action:** Advocate business respect and support for the rule of law in our business relationships and share experiences in this area.

**Summary:**

- Understand the value proposition — it is business that demands the rules of the game first.
Business can innovate on their own and there is a way of looking past one-size-fits-all approaches.

Business needs an element of predictability and transparency; everyone needs to be speaking the same language when talking about the rule of law.

Specific proposals:
  i. Take a fresh look at corporate social responsibility and rule of law efforts and synergies.
  ii. Leverage the energy of youth and technology to foster rule of law efforts,
  iii. Create an endowment.
  iv. Business pledge to engage in fighting global corruption.
  v. Put rule of law language into contracts and subcontracts to ensure they are impacting the supply chain (IBA working language that can go into it).

Discussion of how law firms are in a unique position to guide this work. Law firms can start conversations with clients, to help recommend they adopt these practices from the outset.

Trust between business and government. Best and brightest are in the private sector (e.g., business sponsorship program for individuals to go into justice department or ministry to get expertise so there is trust between commercial industry and government).

- **The Meaning of the business action and how it relates to business**
  
  Proposal: Take a new look at corporate social responsibility, write better CSR policies related to rule of law and human rights, focus on practical action.

  Why: If businesses act on their own they don’t need one-size-fits-all rule from a top-down, government approach, support innovation.

  Proposal: More data on causal relationship between rule of law and business objectives, development.

  Proposal: Need to leverage the energy of youth and technology to foster rule of law.

  Observation: Businesses are the ones demand the rules of the game first, and eventually those get transferred to other parts of societies.

  Business is driver for initial civil rights and human rights, other rights follow.

  Question: Does rule of law mean national law or does it refer to arbitration law that can trump the court system. Does this you mean rely on the national law or arbitration law (potentially in developing countries)?
Question: Arbitration clauses in contracts can hurt incentives to develop rule of law institutions globally, the question is what can I do to help foster court system in country that will be robust there.

Observation: Best trained people are working in the commercial area, unless there is political space to engage they will never apply these skills at home. You need to find a way to make sure they are engaged in “broader discussions” and there is a vehicle to do so.

Need to take into account different cultural systems, can’t just transplant one system to another

- For example, in a country with collectivist ideals, our constitution will not make sense. These constitutions will just have social rights, which are can be unclear and are not readably enforceable.
- Some countries understand “rights” differently, different understanding of fundamental right.
- These different conceptions also mean different conceptions of “rule of law.”

In a country without rule of law for a long period, it is incredibly difficult to start from scratch. Citizens will have no faith and government will defend rights.

Law firms are in unique position, best and the brightest, are the justice ministry.

Business communities too often use arbitration communities.

- **How the business action can be implemented by business sharing**

  - Proposal: Joint pledges among businesses they won’t engage in corruption or bribery.
  - Proposal: Sign up for Global Compact Principles, using existing business relationships.
  - Proposal: Put something in contract with vendors and sub-contractors to see this cascade all the way down, higher a legal expert.
    - We expect this from our suppliers and you are going to expect this from your suppliers.
  - Proposal: Look at rule of law when analyzing contracts, understandably this role needs to be developed.
    - Maybe there is model contract language, be a little more conversation around it.
    - Businesses can work together to develop standard working contracts.
  - ABA Rule of Initiative may have rule of law language for contracts, is there standard contract language, good idea to check with IBA/ABA on rule of law.
Key Question: How can businesses foster institutions that advance rule of law?

Observation: Businesses need to make sure government is accountable to its own laws.
  - Business won’t come unless there is an element of predictability.
  - Government will respect that.

Observation: Business going in new jurisdiction should make sure rule of law on the agenda so other businesses can start speaking the same language.

Domestic legal systems have better ability to enforce laws.

Proposal: Call for support of commercial courts, intellectual property courts.
  - Civil law countries have the ability to create separate courts; this is not the same in common law systems.

Proposal: Create endowment for young, promising associates to work in the ministry of justice or otherwise, make sure well trained people in commercial sphere can extend expertise in governance institutions.
  - Admittedly this might go slowly.

Proposal/Challenge: Lawyers can help write Constitutions, but be wary of attribution problems (i.e., an American helping draft Cuba’s Constitution).
  - Be wary, however, of cherry-picking clauses from other Constitutions. These elements may not apply to local contexts.

Proposal/Challenge: Have institutions that are actually driving rule of law take a role. For example, Hungary in the 1990s had rule of law driven by the establishment of a Constitutional court. It was uniquely empowered to hand down rule of law issues. There is a warning that politicians found a way to reel in the court.

- Breakout discussion continued

  - Working with your competition, having a foundational aspect (collective action has not been explored).
  - As a company in emerging markets, and if you stick your head up too much or are too critical, you can get in trouble or expose yourself to lots of backlash.
  - Lots of power in collective action, there isn’t one framework where there’s a developed infrastructure for a business to put in place.
  - The ability to go outside existing legal systems, in terms of arbitration clauses and so forth.
  - Big risk and little risk actions supporting the rule of law.
- Using data to demonstrate the business case for engaging in rule of law;
- Investing in formal and informal justice systems;
- Millennials signing on to pledges; and
- Relationship between corporate social responsibility and rule of law.

- When is law at the point where individuals need to work to disrupt the law and change it (e.g., legalization of marijuana)? Balancing this with the notion that as a business we don’t want to disrupt the working environment.

- Helping to build a culture of lawfulness especially for youth, there has to be a political will. Not only the responsibility of the corporate or legal community, civil society and an active press has to highlight and galvanize communities to act.

- Getting buy in from folks on the ground and locally and they have to be the ones on the ground.

- Regarding corporate social responsibility and business needing to make a business case for the rule of law:
  - Labor supply is not safe; and
  - Contracts are not respected.

- For corporate social responsibility/rule of law programs, even in a nascent state, can take back these two key issues as basic rationale for the business case.

- Help evaluate short term vs. long-term consequences of decision around rule of law. E.g., regarding corruption, the first bribe you pay is going to lead to more. Corporate boards have to understand it will ultimately take longer for you as a business to get what you need.

- It is a supply and demand issue and on the supply side, there is an implicit culture where government officials are encouraged to supplement their income. Can support business action by thinking of ways to strengthen local government capacity, increasing salary for local government can in turn help business.

- We were approached by an NGO to conduct a law school course on ethics and corruption standards, in a country that historically has ranked very high in terms of levels of corruption and danger. Our colleagues in that market seized this opportunity. The course on the ethics of business was embraced. The benefit for the company is it sends a signal out to the local government, that you can’t have this company buy their way in.

- An increasing number of multi-stakeholder forums as opposed to multilateral, where we are working on legal models to be adopted on a federal basis, largely in the technology sector (not sure if it’s because technology has younger leadership that is
more idealistic). Internet and governance resonates with people across the globe. Increased programs that develop laws on basic human rights seem to offer promise beyond what we've done in the past that's focused on agreements with government. More opportunity for civil society engagement. One action we can take is for more companies to get engaged in those forums.

- Are small or large businesses, or both, active on these forums?
- The opportunity is there for small and medium-sized enterprises (SME) the challenge is having available resources. While it is harder for a start-up to engage, the opportunity is there, but they have to be willing to commit the investment. If we can encourage more participation in these forums from SME’s would be beneficial.

- (Not an example) but something which is part of the overall approach to UN partnership with the private sector. There hasn’t been good engagement with capacity building side of UN and the private sector. UN is present in 150 or more countries in the development side. Work is down at the request of government where there is a neutral and legitimate entry point. There is an untapped capacity for the private sector to partner with UN entities, perhaps through a more neutral way, instead of having to stick your head out and being seen as an entity which is critical. Re-defining corporate social responsibility through this context.

6. Mobilizing Business to Support the Rule of Law

a. What obstacles, if any, does your organization experience that prevents it from supporting the rule of law in this country or in any other country it has an interest in, such as investments, operations, business relationships?

- Lack of capacity within a local jurisdiction.
- The recent workshop in Myanmar would be a good model for how to talk about this concept in societies where this doesn’t have a lot of traction.
- Not knowing where to turn to or raise awareness.
- Having a platform to advocate.
- So many things in the private sector begin and end with resources and our fiduciary duty to the shareholder. When things are going well, there’s more opportunity to invest in initiatives not directly impacting our bottom line.
- In the business world, short term is now next month and long term is one year, the pace has accelerated. A lot of what we are talking about regarding rule of law is a 20-year investment, not one year or five year. Rule of law is important but there is an
element of luxury to it from an investment standpoint (question arises, can I commit a CEO to invest in the long-term).

- One strategy that can keep momentum going internally towards rule of law efforts is bringing the issue to the attention of the ultimate funder. Attach someone who is a well-spoken advocate on this issue, so they can attach a real story to this.

- Preventing us from supporting the rule of law
  - Corruption / Bribery
  - Lack of capacity in the local jurisdiction — like Cuba — their Constitution was passed in 1976, and it is a socialist Constitution (not reflecting the rule of law). The UN could help to give input on how to talk about issues in societies where this concept does not yet have a lot of traction.
  - Difference in our own economy — lean times, less able to
  - create expectations for how much you can get out of the private sector — a lot of good people are willing to help; but getting organizations to commit resources can be a big lift
  - Another thing that helps to keep momentum going — bringing to the attention of the ultimate funder. Personal connections change perceptions; everything that one participant initiates she tries to attach a well-spoken advocate on the issue — providing a real story to follow that to see the translation immediately. Attaching real live people or stories can be an effective advertisement on how you get companies to buy in.
  - Obstacles — undertaking efforts to advance the ROL in different ways — you don’t want to undertake obligations that belong to the state so that local stakeholders are looking to you for an outcome that is not yours.
  - Aligning resources — ensuring that, not only states and governments are invested in this, but that the private sector is taking on this role as well.

b. How can the UN Global Compact, and other actors, support business to take action in support of the rule of law (e.g. information sharing via webinars on specific rule of law topics, in-person events, leveraging online resources, strategic partnerships)?

- A re-emerging theme today is the importance of strategic partnerships. The UN Global Compact can continue to facilitate, meeting of the minds on who is doing what around rule of law in the private sector. Emphasize the private sector is not there to play the role of the state.

- UN Global Compact can think more strategically with the UN system and other actors.
Several ideas which emerged from the New York workshop, which focused on technology-related solutions. Participants indicated the need for:

- A platform for dialogue;
- An archive for frameworks; and
- Forums to talk about these issues.

Companies that are leaders on supporting the rule of law acting as mentors to those who wish to engage more.

Promoting global governance — and partnerships with the private sector. Aligning our work ethics and work streams—these show how one can add value.

Have someone from the Global Compact be in various countries as a coordinator. Bring capacity down from international level (treaties, etc.) to the national level (where there are local networks on the ground).

7. Additional Comments, Suggestions or Questions

[Workshop Report End]