

ILO & UNDP B+HR Academy Joint Training for Enterprises on Responsible Business and Decent Work

Supported by the Government of Japan

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Background

The Government of Japan supports the International Labour Organization (ILO) and the United Nations Development Programme (UNDP) to promote Responsible Business and Decent Work in Indonesia through their respective two projects. The two respective project covers “Responsible, Inclusive and Sustainable Supply Chain (RISSC) project and “Promoting responsible business practices in target countries where Japanese Companies operate, with particular focus on promoting human rights due diligence in global supply chains (B+HR Global).”

The overall objective of the ILO project is to build more resilient, inclusive, and sustainable global supply chains through expansion of decent work and responsible business conduct. Focusing on electronics (Indonesia), automotives (Thailand) and aquaculture (Philippines), the RISSC project has four main areas of action: (1) improving sector level understanding of decent work challenges and opportunities, and their links to long-term industry growth and sustainability; (2) developing sector level tools and capacity to address critical decent work and responsible business issues; (3) developing policy advocacy to improve the enabling environment for decent work in these sectors; and (4) expanding the application and uptake of due diligence and responsible business practices by key supply chain actors, especially those linked to Japan.

The UNDP Business and Human Rights (B+HR) global project is working toward two outputs of (1) providing technical support to governments to develop and/or implement national action plans on business and human rights (or similar policy instruments), and (2) strengthening the capacity of the business sector to understand and conduct human rights due diligence under the B+HR Academy. In its second year, the project has up and running programme in fourteen countries, including four Southeast Asia countries of Indonesia, Lao PDR, Thailand, and Viet Nam.

Why Responsible Business and Decent Work? Unanimously endorsed by the UN Human Rights Council in 2011, the United Nations Guiding Principles on Business and Human Rights (UNGPs) is the first global standard on the corporate responsibility to respect human rights. After over a decade of implementation, the UNGPs has spurred legislation and policies on corporate responsibility over human rights abuses.

Examples include Business and Human Rights National Action Plans (NAPs) in over 30 countries globally, and mandatory and voluntary human rights due diligence (HRDD) policies and guidelines, including the Dutch Child Labour Due Diligence Act, Modern Slavery Acts in the UK and Australia, German Supply Chain Act and most recently Canada’s modern slavery act, and Japan guidelines on respecting human rights in responsible supply chains. Apart from increasing obligations and expectations set by government, society is also increasingly

concerned about how business activities impact human rights. Media attention on irresponsible business practices are coupled with rising consumer and investment expectations demanding companies are not being associated with human rights abuses and violation. As result, business must adopt to fulfil legal obligations and public expectations for responsible business practices by identifying, assessing, and then addressing negative human rights impacts through an on-going process call human rights due diligence (HRDD).

Supply chains are a common way of organizing investment, production, and trade in today's global economy. Facilitated by technological development, domestic and global supply chains have contributed to economic growth, job creation, poverty reduction and entrepreneurship all over the world. Supply chains are increasingly a lens to examine decent work challenges and opportunities, including when goods and services cross-national borders for consumption or as inputs for further production.

It is widely recognized that supply chains as an engine of development, especially when they promote technology transfers and the adoption of new production practices, which in turn can enable higher value-added activities requiring enhanced skills, productivity, and competitiveness. At the same time, aspects of supply chains have raised concerns about their impact on working conditions and the protection of workers' rights that needs to be addressed.

Why electronic manufacturing sector?

The electronics industry has been a key driver of economic growth and employment in many developing countries, including Indonesia. Participating in global electronics supply chains can have several benefits, including the growth of domestic industries as competitors and suppliers, and increasing exports. Like other countries, Indonesia's electronics industry has high growth potential in the form of a rising middle class, lucrative domestic market, and strong regional supply chains. (The electronics industry in Indonesia and its integration into global supply chains, ILO working paper, 2019)

In 2019, the sector employed 260,000 workers directly and supported the livelihoods of million more. In the same year, it exported electronics worth almost USD8 billion, to destinations including Singapore, Japan, and the United States.

Despite, the electronics sector's job creation potential, it is important to ensure that efforts to enhance productivity and growth are matched by measures to enhance conditions of work. The findings of this study suggest that wages, social security, occupational safety, and health, and working conditions need to be further improved in Indonesia. (Ibid)

Against this backdrop, ILO, and UNDP with support from the Government of Japan, are organizing a joint training for companies on Responsible Business and Decent Work.

Under the collaboration, the training is targeting Indonesian and Japanese electronics manufacturing companies operating under global supply chain and will introduce the United Nations Guiding Principles on Business and Human Rights (UNGPs) that includes human rights due diligence (HRDD) and Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.