

Human rights due diligence by businesses: An integral part in reimagining Africa's economic future

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As the [25th World Economic Forum on Africa](#) gets underway under the theme of reimagining the continent's economic future, human rights due diligence by businesses would help them respect human rights, besides mitigating operational, legal and reputational risks.

This year's World Economic Forum on Africa hopes to "take stock of progress over the last 25 years, share insights on the present landscape and identify innovative approaches to accelerate inclusive growth while bringing about sustainable development in the future". It is inspired by a quote by Nelson Mandela that "a bright future beckons. The onus is on us, through hard work, honesty and integrity, to reach for the stars". The main thrust of the Forum is propelling the continent's economic growth through enterprise. In the midst of this foreseen growth, posterity will judge us on how we protected the vulnerable of our times. This includes those whose livelihoods and dignity are threatened by corporate conduct – not only those who benefit.

Investment in Africa is modest compared to other regions in the world, but the trajectory over the last decade suggests that it will continue to rise as an important global investment destination, as a source of raw materials and also as a growing market.

That the growth of enterprise in Africa has improved livelihoods cannot be gainsaid. The growth in the extractive industry has seen previously marginalised areas benefit from devolution of services; for example, the oil-rich Hoima region in Uganda has seen improved infrastructure and social services. Courtesy of the growth in financial sector, a significant section of the population now has access to banking services. For their part, business enterprises have been directly involved in reaching out to their proximate communities. When some Western African countries were recently stricken by Ebola, corporations offered support both in kind and in cash. Corporate Social Responsibility arms of corporations have provided support for communities, such as the Equity Bank's Wings to Fly programme that has so far provided education scholarships to more than 5,000 secondary and university students from poor backgrounds, some currently enrolled in top colleges around the world. For those reached by these programmes, the impact is real – and can even be life-changing.

But a focus on just the good news ignores the high costs that often accompany natural resource exploitation in Africa. Civil society organizations and the media regularly report concerns regarding negative human rights impacts of businesses, as documented by [Business and Human Rights Resource Centre](#). These include, for example, violent displacement of rural people by oil waste processing plants in Uganda, the contribution of oil revenues to the conflict in South Sudan, impoverishment of local people to make way for large-scale agribusiness in Ethiopia and Tanzania, and the failure of extractive industry revenues to contribute to local socioeconomic development.

Most of the concerns raised relate to mining, oil and gas, and large-scale commercial agriculture sectors. The [Zimbabwe Environmental Law Association](#) has documented how communities in mining areas "are displaced without receiving adequate compensation, experience health problems due to environmental pollution and face human rights violations by the state and mining companies". Failure to respect locals' rights has posed a great risk to business enterprises' social license to operate. For example in Uganda, McAlester Energy Resources [had to withdraw](#) from a planned project to process oil waste because of opposition from civil society after hundreds of families were evicted from their homes to make way for the projects; many homes were destroyed, and several who refused to leave

their homes were killed. Despite initiatives to reduce the likelihood of the “resource curse”, the discovery and exploitation of natural resources has exacerbated conflict in some regions, with the attendant loss of lives and property and displacement of thousands. Recently, [South Sudanese and international organizations](#) expressed concern over how the fight for control of oil fields has contributed to one of the world’s worst humanitarian crises. [A New York Times columnist](#) recently chronicled how Angola, a country rich in oil and diamonds, has one of the highest child mortality rates in the world. [The High Level Panel on Illicit Financial Flows from Africa](#) has just detailed how more than US\$50 billion is lost annually, mainly through commercial activities – cash that could otherwise be used to reduce poverty. This issue is at the heart of World Economic Forum on Africa’s themes of financial integrity and good corporate governance.

The New Alliance for Food Security and Nutrition, initially backed by the G8 in 2012 (and still supported by the G7 countries plus Russia), involves 10 African governments making land available to foreign investors for commercial agriculture. New Alliance investment programmes have allegedly harmed food security and livelihoods of farming communities, for example [in Tanzania according to ActionAid](#). In Ethiopia, another New Alliance country, the [Anywaa Survival Organisation](#), among others, has highlighted the human rights impact of forcible displacement of indigenous small-scale farmers and pastoralists to pave the way for commercial agriculture, as well as killings, arbitrary detentions, sexual violence and other repression and intimidation of those who have resisted.

Governments bear the primary duty to protect and fulfil human rights in situations like these. The imperative to encourage investments notwithstanding, governments are obligated to protect the rights of locals and workers. This could be by way of adopting and implementing National Action Plans on business and human rights to frame a government’s engagement on these issues and set specific, transparent commitments. Tanzania is among the countries that are leading the way by committing to adopting one, a process that involves consultation with the Commission for Human Rights and Good Governance and civil society organizations, such as the Legal and Human Rights Centre. Governments should begin by removing procedural and legal barriers to access to remedy for victims of human rights abuses by corporations to ensure that they get justice.

But if African governments fail in this regard, companies can and must adopt practical measures to safeguard vulnerable communities. Most essentially, they should apply the [UN Guiding Principles on Business and Human Rights](#) to their operations by carrying out human rights due diligence and taking steps to avoid complicity in human rights violations by governments or other actors.

Respect for human rights by businesses is not synonymous with being anti-investment. The two are far from incompatible, as the growing number of leading international African and global companies that have [adopted human rights policies and due diligence practices](#) have shown. There is a growing consensus that human rights due diligence by businesses is a sure way of reducing legal, operational and reputational risk – and respect for human rights is just one aspect of the rule of law that companies everywhere recognise as vital for economic growth. This is the integrity in our conduct, I suppose, that Nelson Mandela spoke about. Whereas the Forum primarily focuses on spurring economic growth for the continent, human rights due diligence is a key component of assuring the “integrity” of businesses, as the continent aspires to reach the economic stars.