

Item 17

Transnational Corporations

April 20, 2005

The United States has the strongest business regulatory environment in the world. U.S. corporations, whether working at home or abroad, are held to the highest standards of ethical behavior and respect for human rights. Corporations have an absolute and unambiguous responsibility to obey the law, and in so doing to honor the human rights of all individuals with whom they have contact.

Throughout the world, businesses are creating an environment to help ensure the strongest possible promotion of human rights. By the very nature of their core activities, they provide employment and income for individuals. They provide essential goods and services. They often contribute to education, training, and healthcare. They provide venues for the organization of civil society and labor movements that promote democratization. They contribute to the empowerment of individuals that is at the heart of ensuring protection of human rights. And they are the backbone for billions of dollars in charitable activity and support that benefits many throughout the world.

The value of the private sector to development has been strongly recognized in the Monterrey Consensus, and was most recently expounded on in the Report of the Commission on the Private Sector and Development. By contrast, the resolution before us takes a negative tone towards international and national businesses, treating them as potential problems rather than the overwhelmingly positive forces for economic development and human rights that they are.

We have been down this path many times in the UN, and it is both sad and undeniable that the anti-business agenda pursued by many in this organization over the years has held back the economic and social advancement of developing countries.

The United States acknowledges the hard work and efforts of the sponsors in trying to forge a consensus resolution. In that spirit, we asked the co-sponsors of this resolution to make only two small changes to this resolution that would have clarified the text. The first was to remove any negative implications about the nature of the normal business impact on human rights. The second was to make clear that the exercise was not intended to further the cause of norms or a code of conduct for TNCs: human rights obligations apply to states, not non-state actors, and it is incumbent upon states when they deem necessary to adopt national laws that address the obligations of private actors. Though professing their agreement with these points, the co-sponsors declined to make the simple textual amendments that would have given us confidence as to the intentions of the exercise. The United States is unwilling to support a resolution that is thus both unclear and potentially so damaging to the cause of development. Therefore, with regret, we must call for the vote and the US will vote no.