

## **ENTERPRISE DEVELOPMENT AND HUMAN RIGHTS**

The UK Government's 1997 White Paper on International Development <http://www.dfid.gov.uk><sup>1</sup> (then search site for White Paper) commits DFID to supporting the promotion of human rights and fundamental freedoms as a central feature in its work to achieve the International Development Targets.

This paper presents a broad overview of the Human Rights Approach and its implications for impact assessment (IA) in the context of Enterprise Development (ED). Much of its content is taken directly from DFID documents, in particular the Target Strategy Paper "Realising Human Rights for Poor People."

[http://www.dfid.gov.uk/public/what/strategy/papers/target\\_strategy.html](http://www.dfid.gov.uk/public/what/strategy/papers/target_strategy.html)

<sup>2</sup> There are a number of websites dealing with human rights issues more broadly, and the DFID website lists documents dealing with specific issues.

[http://www.dfid.gov.uk/public/what/pub\\_content.html](http://www.dfid.gov.uk/public/what/pub_content.html)

Section 1 of this paper discusses **WHAT** is meant by the rights-based approach and how enterprise development can contribute to human rights.

- Section 2 discusses **WHO** the different stakeholders are likely to be in a rights based strategy.
- Section 3 discusses **HOW** the contribution of Enterprise Development to human rights can be increased, and provides a checklist of key questions to be asked in assessing the impact of programmes.
- Section 4 discusses the **IMPLICATIONS** of the approach for impact assessment.

### **SECTION 1: WHAT IS THE HUMAN RIGHTS APPROACH?**

The term "human rights" is used in connection with those rights that have been recognised by the global community and protected by international legal instruments. Human rights include all those rights essential for human survival, physical security, liberty and development in dignity. They stem from the recognition of the inherent equality and dignity of all human beings. Every man, woman and child is entitled to enjoy their human rights, merely on the basis of their humanity and regardless of any distinguishing characteristics, such as race, gender, creed, opinion and class. All States have committed themselves to respect, protect and realise human rights, both in a number of international treaties, and through a series of recent UN Conferences.

<http://www.dfid.gov.uk><sup>3</sup>

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<sup>1</sup> White paper link & reference

<sup>2</sup> TSP link & reference

<sup>3</sup> DFID, 1997, White Paper on International Development

The human rights approach to development means empowering people to take their own decisions rather than being the passive objects of choices made on their behalf. The objective of DFID's Human Rights' Strategy is to enable all people to be active citizens with rights, expectations and responsibilities.

Adopting a rights perspective means:

- incorporating the empowerment of poor people into programmes aimed at tackling poverty
- ensuring that poor people's voices are heard when decisions which affect their lives are made
- recognising that equality matters
- making sure citizens can hold governments to account for their human rights obligations

DFID's Human Rights Approach to development is based on three cross-cutting principles:

- **Participation:** enabling people to realise their rights to participate in, and access information relating to, the decision-making processes which affect their lives
- **Inclusion:** building socially inclusive societies, based on the values of equality and non-discrimination, through development which promotes all human rights for all people
- **Fulfilling obligation:** strengthening institutions and policies which ensure that obligations to protect and promote the realisation of all human rights are fulfilled by states and other duty bearers

The framework underlying DFID's rights based approach is shown in Box 1.

**Box 1:**

**OVERVIEW OF DFID'S HUMAN RIGHTS APPROACH TO DEVELOPMENT**

**Human rights necessary for survival and dignified living include:**

- the rights to life and liberty
- the right to a standard of living adequate for health and well-being of the individual and his/her family, including food, water and housing, and the right to continuous improvements of living conditions
- the right to social protection in times of need
- the right to the highest attainable standard of physical and mental health
- the right to work and to just and favourable conditions of work
- the rights to privacy and family life

***Human rights also cover those rights and freedoms necessary for human dignity, creativity and intellectual and spiritual development, e.g.:***

- the right to education and access to information
- freedoms of religion, opinion, speech, expression
- freedom of association
- the right to participate in the political process
- the right to participate in cultural life

***Human rights and freedoms necessary for liberty and physical security, e.g.:***

- freedom from slavery and servitude
- the rights to be free from arbitrary arrest or imprisonment, and to a fair trial
- freedom from torture and from cruel, inhuman or degrading treatment or punishment

Cross-cutting are the twin principles of equal rights of women and men, and the prohibition of discrimination of any kind on the grounds of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

Source: DFID's White Paper "Eliminating World Poverty" (1997)

**SECTION 2: WHO ARE THE MAIN STAKEHOLDERS?**

The rights based approach will involve broadening the types of stakeholders generally involved in enterprise development. A rights based approach, based on principles of equality and inclusion, will require an acknowledgement of the needs of:

- **poor entrepreneurs**, including women, the poorest and most disadvantaged and particularly those involved in micro-enterprise

- **workers** in enterprises of all sizes
- **other affected poor and disadvantaged people** in the households, communities and markets where enterprises of being promoted.

It also points to the need for enterprise development agencies to work more closely with **multi-national companies, informal sector associations, international trade and aid agencies, and wider movements for human rights, democratisation and change**. This more inclusive approach will contribute not only to poverty elimination but also sustainable growth.

Micro enterprises and micro entrepreneurs are crucial links in the market chain as both **producers and consumers**. The well-being and job satisfaction of workers are crucial elements in increasing enterprise productivity. They are also the main source of future entrepreneurs.

Concern with needs in **households and communities** provides important information about ways in which enterprises or the local economy can diversify. Human rights and democratisation at the **national and international levels** are crucial for establishing an enabling environment for enterprise.

A **Stakeholder Analysis** should be undertaken at an early stage in the project design. Particular issues to consider that will reflect the rights based approach are:

- who is involved? Are marginalised groups included? Does achievement of their needs require differentiation, and if so how will that be implemented? How will they be represented and heard?
- are there any covert forms of discrimination? For example, do all households in the village have equal opportunity to participate in the programme? (e.g. minority ethnic or religious groups) Do all members of the household have equal access to the benefits? (e.g. widows, disabled people)
- does the process of undertaking the analysis give all stakeholders a realistic chance to express themselves? (e.g. poor women are often more able to express themselves better in small groups rather than at large formal mixed meetings; disabled people may not be able to attend without transport or other assistance; some people's religion may not permit them to attend meetings on certain days)

Stakeholder analysis can help to reveal, for example:

- the capacities of different stakeholders to participate in (and benefit from) development activity, and their perspectives on that activity;

- the relative political power, access to information and institutional means to command attention (including blocking change) of different groups;
- the complexity of organisational relationships;
- the area and sources of power and patronage;
- who depends upon which environmental resources and services and how they are affected by change;
- gaps and overlaps in the roles and functions of different stakeholder groups.

If carried out properly, stakeholder analysis also helps bring the poor into the development process and ensure that their views are incorporated in decision-making.

#### **Examples of projects targeted towards marginalised people:**

In Andhra Pradesh, India, the DFID is funding ILO's work with government institutions, the private sector and civil society to develop a state-based approach to tackle child labour which is linked to support for getting more children from marginalised communities into school;

In Pakistan, DFID supports micro-finance project Proshika, whose members are drawn from the ranks of marginal peasant households and urban slum dwellers, as well as from landless households. In all these categories, women's poverty is greater. Proshika addresses this heterogeneity (and therefore possible conflicts of interest) by establishing separate groups, based on gender, occupation and economic status.

### **SECTION 3: IMPLICATIONS FOR ENTERPRISE DEVELOPMENT**

Enterprise development policy can make a significant contribution to human rights and social inclusion. The elimination of poverty through promotion of sustainable growth can only be achieved through the engagement of poor people in the development processes which affect their lives. Poverty elimination involves more than increases in income. Poor people are concerned about the lack of control they have over their lives. Many people are unable to access the resources made available by growth because of discrimination on the basis of gender, ethnicity, age and other social distinctions. This means that human rights and social inclusion must be at the heart of all policies for enterprise development and sustainable growth.

The contributions Enterprise Development can make to achieving human rights include:

- increased incomes and standard of living

- employment creation
- economic independence of poor people
- health and well-being
- security and social protection
- skills acquisition and access to information
- political and cultural participation

This contribution, however, depends crucially on:

- who is included in enterprise development as acknowledged stakeholders
- the degree to which the enterprises promoted address gender equality, recognise workers rights and the potential impacts of enterprises on health and the environment
- the ways in which enterprise development is promoted including structures for participation, inclusion and accountability.

A rights based approach needs to address a number of key questions as indicated in Box 2.

**Box 2:**

**KEY QUESTIONS FOR A RIGHTS BASED APPROACH TO ENTERPRISE DEVELOPMENT:**

**How far do the programmes, enterprises and types of employment generated:**

- aim to contribute to the rights necessary for survival and dignified living? (not just incomes but also well-being, food, housing and continuous improvements of living conditions)
- aim to contribute to social protection and security in the longer term?
- aim to contribute to physical and mental health?
- promote just and favourable conditions of work?
- promote work compatible with privacy and family life for both men and women?
- promote education and access to information?
- recognise freedom of association, religion, speech and expression?
- promote participation in political and cultural life?
- contribute to freedom and security of the individual?

### How far do the institutions involved:

- promote participation in decision-making?
- recognise the needs of the different stakeholders, particularly women, the poorest and most disadvantaged?
- what structures of accountability exist for those affected by their policies?

Important steps have been made recently to include this type of analysis in management of development programmes. For example:

- the emphasis on **micro-enterprise** has contributed towards inclusion of the very poor and women in enterprise development. However these groups are generally ignored in other areas of enterprise development, for example business regulatory frameworks and business development services.
- recent initiatives on **fair trade** have led to development of new and more participative forms of enterprise development. However these organisations do not necessarily reach the poorest and may replicate rather than challenge inequalities.
- recent initiatives on **Corporate Codes of Conduct** have made a positive contribution to the rights based approach by acknowledging the needs of workers as well as entrepreneurs. There is however need to address more fully the broader needs of households, communities and the poor and disadvantaged competing in the same markets, as well as those directly involved in the enterprises which are being supported.
- the recent initiatives on advocacy and lobbying and linking with **business associations** are important steps towards strengthening civil society. However these also need to link with multi-national corporations, international trade associations, informal sector organisations and broader movements for human rights, democratisation and change.
- recent initiatives to reduce **child labour**

There is also need for greater attention to the role of enterprise development in areas such as:

- broadening ownership of productive assets like land, in particular amongst women
- implementation of health policy (e.g. social marketing of items such as condoms), household and community services (e.g. creches, laundry and waste disposal) and social security (e.g. insurance and pensions)

- employment of disadvantaged groups such as the disabled and the elderly
- mainstreaming enterprise and workers' rights to education for both girls and boys
- delivery of essential services such as water, electricity

#### **SECTION 4: IMPLICATIONS OF THE HUMAN RIGHTS APPROACH FOR IMPACT ASSESSMENT**

The rights based approach also has implications for impact assessment and programme learning.

Firstly it means that the **criteria for impact assessment** need to go beyond increases in income and assets to include:

- control over income and assets to enable continuous improvements
- broader aspects of well-being including health and housing
- long-term security
- working conditions
- impacts on family life
- contribution to access to skills and information
- freedom of expression and association
- participation in political and cultural life
- dignity and self-esteem.

Secondly it means that the **stakeholders for impact assessment** need to include not only entrepreneurs directly affected but:

- poor entrepreneurs, including women, the poorest and most disadvantaged and particularly those involved in micro-enterprise.
- workers in enterprises of all sizes.
- other affected poor and disadvantaged people in the households, communities and markets where enterprises of being promoted.

Thirdly it means that the **methodologies for impact assessment** should conform to the operational principles underlying the approach:

- participation
- inclusion of stakeholders, not only as objects of investigation but also in analysis of the policy implications
- accountability to stakeholders in the ways in which the findings are used

The impact assessment and policy learning process can also be an important contribution to the skills acquisition and access to information of the participants in the assessment.