

Opportunities of business in Iran and Human Rights: a heightened duty of diligence

France is going to define its National Action Plan on Business and Human Rights. The raise of Iran's economic sanctions and the respect of the demilitarization nuclear agreement are leading the future investors to a hazardous Iran Rush. After ten years of embargo, Iranian growth is going to reach almost 5% each year to 2020. The country will need infrastructures, technology, financing and services. Many opportunities, but a lot of risks as well.

Iran, 136th in the Transparency International corruption ranking, infringes labour rights as it is shown in the Amnesty International 2015 report, including discrimination at work, lack of unionization, non-access to professions for women, child labour. Before putting money into a country with perfectible governance regarding in Human Rights, companies and investors have to take measures and diligences about Human Rights. If they don't do so, exposition to risks is going to increase: stakeholders know how to put the responsibility upon them. Misleading commercial practices for Auchan in China, modern slavery for Vinci in Qatar are part of the risks with which the companies are exposed to. They really have to go beyond the regulatory setting to establish a commercial relation with this country. Foreign investors have to express their requirements to their commercial partners and public authorities in order to establish a sustainable commercial relationship. NGOs are very watchful and cautious about the topic of Human Rights in Iran - petitions, legal defense of journalists, militants, child labour... If they fail to incur a performant and rational vigilance, NGOs won't hesitate to attack them.

In front of the materiality of those risks and those mutations, actors have to opt for the most important prudence. Companies and investors have to take the right measures to overcome defects in labour rights and generally speaking Human Rights to safe guard against legal and reputational risks.

27 January 2016

*Affectio Mutandi | Think Hybrid
CSR, Legal, Corporate & Public Affairs*