

PRESS RELEASE

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Human rights sidelined as economic integration sweeps Southeast Asia

Companies in the region risk complicity in government abuses

17 April, 2015 – Rapid economic integration in Southeast Asia is accompanied by widespread human rights abuses by both governments and business, says Business & Human Rights Resource Centre in a new briefing launched today. The message comes as governments and corporate executives gather in Indonesia for the World Economic Forum on East Asia, with the theme “*Anchoring Trust in East Asia’s New Regionalism.*”

ASEAN member states aim to turn the region of 630 million people into a competitive single economic market by the end of 2015. This could be a huge opportunity for the region’s people, helping to generate work and reduce poverty. But integration is currently coming at a high price for workers and local communities.

Business & Human Rights Resource Centre reviewed 280 allegations of human rights abuse by companies operating in Southeast Asia; in each case it has sought a public response from the company involved. The cases highlight widespread intimidation of human rights defenders, poor working conditions including forced and unsafe labour, and land-grabs and displacement for extractive and agricultural projects.

Seventy percent of the allegations of misconduct by companies in the region involved some form of direct abuse by government forces, for example in the form of forced evictions or in clamp-downs on workers protesting their conditions. This points to a worrying trend whereby rapid investment by business is often coinciding with repression by governments.

Irene Pietropaoli, Researcher and co-author of the report, said: “*ASEAN governments are falling far short of their duty to protect citizens from rights abuses. And few companies are taking serious steps to ensure that they respect human rights in their operations and supply chains, and avoid complicity in government abuses. This needs to change soon, to ensure that development really is ‘for all’ in Southeast Asia.*”

Over half (53%) of the cases to which the Resource Centre has invited a company response, have been to companies headquartered in Asia, reflecting high levels of intra-regional investment. And these approaches more than doubled between the four year periods 2007-10 and 2011-14, demonstrating that Asian firms are coming under increasing scrutiny for their human rights impacts.

Overall, the most frequent number of approaches were to companies headquartered in the USA (42 approaches, with a 62% response rate), United Kingdom (27 – 78%), China (24 – 30%), South Korea (16 – 50%), Thailand (15 – 50%) and the Philippines (14 – 72%).

There are examples of positive action by companies in the region – including garment brands such as H&M, Puma and Gap that urged the Cambodian government to cease violence against striking garment workers, and companies such as Telenor, BG Group and Coca-Cola that are putting in place safeguards to avoid human rights abuses as they expand their presence in Myanmar.

There are also opportunities to encourage greater respect of human rights from companies. One is through the role of investors and financial institutions. The Asian Development Bank is reportedly reviewing a new loan to Sarawak Energy, following concerns submitted by civil society groups that the company did not adequately consult with indigenous communities for the Malaysia section of the trans-Borneo Power Grid (the company says it took a thorough approach to consultation).

Another is the strong cross-regional and international links between labour rights and human rights organizations. These were demonstrated in the case of the human rights researcher and activist Andy Hall. Thai pineapple processing company Natural Fruit brought six legal charges against him, following his involvement in a report alleging the use of forced overtime, underage workers and the confiscation of passports at one of its factories. This was just one example of the pervasive intimidation of human rights activists in Thailand and beyond. A wide coalition of civil society groups campaigned against the charges, and so far one has been dropped.

The briefing recommends that companies consult thoroughly and openly with local communities and workers where they operate, at all stages of a project; ensure that effective mechanisms are in place to hear and address grievances; and avoid complicity in human rights violations by governments.

It recommends that governments enforce laws that protect workers, indigenous people, small landholders and the environment; foster the development of civil society as a constructive and independent monitor; and adopt a "National Action Plan" on business and human rights (to date the governments of Malaysia and Myanmar have plans underway to do so).

Bobbie Sta Maria, South East Asia Researcher with Business & Human Rights Resource Centre and co-author of the report, said: *"Companies and governments should devote as much attention to addressing adverse impacts as they are to encouraging investment and improving the economy. This will ensure that economic development really does improve the lives of all in the region."*

Notes to editors

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[Business and Human Rights Resource Centre](#) is an international NGO that tracks the human rights impacts (positive & negative) of over 6000 companies in over 180 countries making information available on its eight-language website. We seek responses from companies when concerns are raised by civil society. The response rate is over 70% globally.