

## **Towards a legal standard? Human rights in Norwegian businesses**

A case study on how cooperation between non-governmental organizations and business can push the government to implement a legal standard on business and human rights

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## Abstract

In 2011, the United Nations endorsed the UNGP principles developed by Harvard professor John Ruggie. The “protect, respect and remedy” framework has become an international standard for business conduct considering human rights. Unfortunately, it is not uncommon for human rights violations to happen in relation to global production. For many years, civil society organizations in Norway have campaigned for legislation to be implemented, where the Norwegian government has responded that voluntary business practice is more effective. Since 2018, Etikkinformasjonsutvalget has investigated if there is a need for a human rights law in Norwegian businesses. This has resulted in a law (åpenhetsloven) currently being under evaluation. The Coalition for Responsible Business (KAN) is a coalition consisting of actors representing Civil Society organizations and businesses, standing together to signalize the need for a legal standard. They want a legal standard based on the UNGP principles. Whereas KAN is used as a case study, this thesis aims to understand if respect for human rights on a voluntary basis in Norwegian businesses is sufficient in avoiding human rights violations, or if there is a need for legislation. I will look at the synergy between business and civil society, where I argue that cooperation between different actors can result in sustainable change. Further, I will look at how business members of the coalition work on sustainability and human rights and why they want others to follow the same path. I will argue that the businesses already working on this identify sustainability and human rights as essential and want the same competition terms. I will then look at perceptions on the post-implementation phase of the law, where I argue that the role of the state and the use of a polycentric governance approach will be important in the success of the law. I will argue that voluntary business practice on business and human rights is insufficient throughout the discussion.

## Preface and acknowledgments

My interest in ethical and responsible business started in 2013 during a study trip to Palestine. Learning that several businesses produced goods in Israel on occupied Palestinian territory is one of the reasons I later chose to study Global Development and Planning. Fast forward to the summer of 2020, I read about the new transparency/ due diligence law the Norwegian authorities had started working on and learned about the Coalition for Responsible Business (KAN). I saw this as a perfect way of combining my personal interests and my field of study. The process of writing this thesis has been interesting and challenging. There are several people I would like to thank, that have guided, helped, and supported me throughout the writing of this thesis. I would like to express my deepest gratitude to my supervisor Hege Bergljot Wallevik. She has been a great discussion partner and showed interest and enthusiasm for the thesis. She has provided me with detailed guidance and support. Further, a big thank you to KAN and its members for being cooperative and supportive through the early phases of the thesis. I would also like to thank Frode Elgesem for making time for discussion and reflection on the topic. Lastly, I would like to thank my family, friends, and co-peers for discussions and mental support throughout the writing of this thesis.

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# 1. Introduction

In the Norwegian society, the consciousness about sustainability, human rights, and corporate responsibility is growing. One might choose to invest in sustainable green projects, buy Fairtrade products, and buy clothes from brands focusing on human rights. The focus on the circular economy has grown. The ongoing discussion about responsible business practice has given life to the Organisation for Economic Co-operation and Development (OECD) guidelines, the United Nations Guiding Principles (UNGP), and trends such as Corporate Social Responsibility (CSR). Further, non-governmental organizations have played an essential role in uncovering human rights violations done by states and businesses in several countries. To this day, running a responsible business has to a certain degree been on a voluntary basis in Norway. While the Norwegian state expects businesses to follow principles and guidelines such as the UNGP and the OECD, it is not mandatory. Due to the lack of direct national policy towards human rights in Norwegian businesses, human rights violations can be hard to catch. The lack of transparency from production chains creates challenges for investors and consumers, making it hard to know under which conditions goods are produced. Both the Norwegian state and businesses are under pressure from consumers and investors, and from international agencies, to be sustainable and responsible. Several countries have the last years used the United Nations UNGP to develop a national policy on human rights and businesses (Koalisjonen Kan, 2020), whereas Norway has not.

The 17 United Nations Sustainable Development Goals (SDGs) intends to “end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity” (UNDP, n.d). The goals can be seen as a way of gradually changing the world into a more sustainable planet. To achieve the SDGs, I believe businesses can have a remarkable effect. Today’s structure on international trade is to a big degree ruled by capitalistic forces, where some make millions while others don’t make a living wage. By making national policy on business and human rights, where businesses legally must follow the UNGP framework, I believe the structure gradually can be changed. There are also ethical and humanitarian considerations as to why a policy on responsible businesses concerning human rights in Norway should exist. Businesses in Norway also affect other countries and societies due to production overseas. Sustainable development goal 8 (decent work and economic growth) is one of the two

sustainable development goals (together with 13) businesses in Norway are most focused on. Though, only 32% of the 100 biggest companies in Norway report numbered results on decent work, and 4% have numbered goals to achieve the goal (PwC, 2020). PwC's sustainability report from 2020 shows that just a few businesses work with sustainability on a strategic level.

Tuesday the 2<sup>nd</sup> of September 2020, the 'coalition for responsible businesses' (KAN) launched. KAN describes itself as an association of businesses, unions, civil society, and other movements working for a legal human rights law for Norwegian businesses (KAN, 2020). Similar coalitions have been formed in Denmark, Sweden, Netherlands, Finland, and Switzerland, where hundreds of companies and non-governmental organizations push governments to implement a national legal standard for human rights and business. The coalition's goal is to get a human rights law in relation to business implemented. The coalition has members from the biggest companies and NGOs in Norway. The coalition has members from both businesses and NGOs, where companies and organizations stand together working for the same cause.

This thesis will explore the relationship between business and civil society organizations in the process of the implementation of a legal standard in the field of business and human rights. I am interested in understanding the complexity of human rights and business, where I will focus on the need for businesses to adhere to human rights standards. This will be explored from the perception of civil society organizations and businesses, where members from KAN have been interviewed for the thesis. This thesis aims to find out if a voluntary practice on business and human rights in Norwegian businesses upholds the requested standard. Based on the literature, theory, and data presented in the thesis, I will argue that voluntary practice is insufficient, and that legislation is needed.

## **1.1 Background for the thesis**

As a consequence of globalization, transnational companies produce goods in countries where the production and labor cost are low. Companies in the industrialized Global North have partners, production, or daughter companies based in the Global South. As of today, it is the state's responsibility to protect human rights. States that lack instruments, has weak governmental laws, or lack resources can have challenges protecting human rights within

their jurisdiction. In other words, transnational companies could potentially get away with human rights violations in countries where human rights are not protected. In Norway, mechanisms such as the UNGP and OECD are not legally binding for companies, even though Norway is a member of the OECD and has been active in promoting the UNGP. Norwegian corporations and their international business conduct are therefore not under international law obligated to respect human rights. This means that Norwegian companies can get away with human rights breaches overseas. Corporate responsibility and respecting human rights are voluntary, though expected and encouraged by the government and society. The international debate about business, sustainability, and human rights has recently changed from discussing corporate responsibility to legally implementing human rights policies.

The United Nations defines human rights as “human rights norms are the legal expression of the essential rights that every person is entitled to as a human being” (HRC General Comment No 24, 1994, Para 4). Norwegian supreme court judge Erik Møse defines human rights as the relationship between individual and state, where a human being has the same rights no matter which legal system or state they are under (Erik Møse, 2002, Høstmælingen, 2003, p. 28). Human rights are built on the idea that every human being has value and deserves to be treated with respect. At the end of the second world war, it was observed how wrong humans could be treated based on differences and without international standards. Previously based on norms, human rights got legally binding through treaties (Elgesem & Høstmælingen, 2019, p. 54). Treaties inspired by the Universal Declaration of Human Rights, which represents

It represents the universal recognition that basic rights and fundamental freedoms are inherent to all human beings, inalienable and equally applicable to everyone, and that every one of us is born free and equal in dignity and rights. Whatever our nationality, place of residence, gender, national or ethnic origin, colour, religion, language, or any other status. (UN, n.d)

Human beings have an individual right to be protected through the United Nations system. Here, it is the state’s responsibility to protect individuals, both nationally and internationally. Though, human rights are not always protected or respected.

Human rights violations happen across various business sectors and can be seen in various forms. In 2013, a textile fabric in Bangladesh collapsed, killing 1127 people (Garberg, 2013), where companies such as Mango and Benetton produced textile. The International Labor

Organization (ILO) estimates that around 25 million people work under modern slavery. Further, it is estimated that around 8000 people die every day due to work-related accidents (Etikkinformasjonsutvalget, 2019, p. 26). As a supply/production chain has several levels, there are risks of human rights violations all the way down to raw material. This means that thousands of companies might be involved in human rights violations, even without the knowledge about it. In 2018, one of the daughter companies of Norwegian Hydro polluted water sources to a local population in Brazil (Fuglesang & Bjørgum, 2018). This is described as one of Norway's biggest environmental scandals abroad. Due to the huge media attention and the fact that the scandal cost the company 800 million NOK (billions if we include lost production) (Nerdal, 2020), most will agree that the company has been held responsible for its violations. Both these examples of human rights and environmental violations have been blown up in media and are used as examples. This shows the impact multi-national companies can have on local communities and countries where resources are exploited.

The issues I am interested in are the ones that do not get media coverage and where companies are not held responsible. I am interested in the potential violations that happen every day and unfortunately goes under the radar. A study done in 2019 by Amnesty International Norway shows that a high percentage of companies believes they have a shallow risk of possible violations of human rights in their international business<sup>1</sup>. At the same time, the study shows that 50% of the companies in the study has problems controlling their value chains, 30% have problems getting the correct information, and 35% have problems mapping issues and violations in their value chain (Prospera, Amnesty Business Rating, 2019). Amnesty International questions the high confidence in a low risk of human rights violations when there is a considerable risk of violations (Amnesty, 2020). A similar study done by the Norwegian OECD Contact Point in 2020 shows that only 30% have heard of the OECD guidelines, 7% have made themselves familiar with it, and 2% know them well (Norges kontaktpunkt for ansvarlig næringsliv, 2020). The same study proves that only 50% of Norwegian companies conduct due diligence, whereas 47% conducts due diligence in their delivery chain. I will come back to why information and due diligence is vital in avoiding human rights violations.

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<sup>1</sup> 91% of the companies within the sector industry, building, and property. 73% of the companies within the sector of shipping, offshore, and fishing. 38% within the sector of energy, oil, and gas.

## 1.2 Where does Norway stand?

The Norwegian government expects Norwegian businesses to follow national and international guidelines and principles such as OECD guidelines and the UNGP principles (Regjeringen, 2019). These two elements make the international standard on corporate responsibility within business and human rights, and the government highlights the expectation to know of and follow it (Amnesty, 2020). The Norwegian government underlines the importance of using due diligence as a tool to avoid and map the risk of human rights violations. Due diligence is an essential element in both the OECD guidelines and UNGP principles. As mentioned before, Norway is a member of the OECD and has been active in promoting the UNGP. In 2015, the government presented a national action plan to follow up the UN guiding principles in Norway. In this plan, the government states that “A well-functioning, sustainable business environment is the key to create the 600 million new jobs the World Bank in 2013 estimates is necessary over the next 15 years” (The Ministry of Foreign Affairs, 2015). The action plan is anchored in The Ministry of Foreign Affairs message to the Government released in 2014, where human rights are desired as a means to an end in foreign and development politics (Meld. St. 10 2014-2015). The national action plan is built on the three pillars of the UN guiding principles. It accounts for how the government will take action to respect human rights, how businesses are expected to protect human rights, and how the government will make sure there is access to remedy (The Ministry of Foreign Affairs, 2015). The action plan’s goal was to provide a framework for businesses to follow human rights due diligence, be more sustainable, and take social responsibility. It is now six years since the action plan was released. Based on Amnesty’s business rating in 2019 and the Norwegian OECD Contact Point’s research, the action plan based on businesses and private corporations to respect human rights were not enough.

In 2018 the government launched Etikkinformasjonsutvalget (ethical information workgroup) on the background of a request by the Norwegian parliament to the Norwegian government to investigate a law based on a duty to provide information (Etikkinformasjonsutvalget, n.d). The group’s intentions were to investigate if businesses should be legally bonded to give information regarding supply chains and enlighten how a business works on the topic of corporate responsibility (Etikkinformasjonsutvalget, n.d). The group has reported to the department of children and equality, where the group in 2019 delivered a suggestion to a legal standard also including:

- Duty to inform: Transparency on supply chains and a duty to inform consumers about human rights in supply chains and how the business is working with human rights and labor.
- Duty to have knowledge: Businesses are obligated to have knowledge about risks for negative consequences related to human rights.
- Due diligence: Large corporations will have a duty to follow human rights due diligence. (Regjeringen, utvalg foreslår etikkinformasjonsplikt).

### **1.3 Problem Statement: The aim and scope for the thesis**

The discussion of human rights in relation to businesses and corporations has been a topic discussed in the last decades. The combination of globalization, capitalism, and neoliberalism, where economic growth and privatization have searched for cheap labor force, and cheap production, has created an even bigger gap between the Global North and Global South. The importance of the corporate role has been highlighted as critical in relation to human rights. Till now, social responsibility through approaches like corporate social responsibility (CSR) has, in a sense, become an obligation for companies to show that they are in one way or another contributing to society. Though, this is something that is easy to signalize without taking responsibility.

Where it through the UN is the state's responsibility to protect human rights within their own territory, and businesses responsibility to respect human rights, there is a lack of international policy to protect human rights from businesses. There is also a lack of national law concerning human rights and business conducted overseas in the Norwegian case.

As KAN is working towards a legal standard of human rights and businesses in Norway, this study aims to find out

*Is respect for human rights on a voluntary basis in Norwegian businesses sufficient in terms of avoiding human rights violations, or is there a need for legislation?*

The thesis will look at how a legal standard will affect Norwegian businesses and how a social movement like KAN can influence policy/law changes. The study will find out how businesses that are a part of the coalition are working on avoiding human rights violations

while exploring if a legal standard is necessary. The reason for choosing to write about responsible business and human rights in light of KAN is a wish to contribute to the field in looking at the complexity of human rights in business conducted overseas. As a law concerning business and human rights is under evaluation, I see the topic as relevant. My hope for this thesis is to contribute to the discussion, showing why a legal standard is necessary.

With this in mind, the study aims to answer the following research questions:

- Why is the synergy between governance, business, and civil society important in the process of policy change?
  - What role does a civil movement like KAN play in policy change?
- How are KAN's members working on sustainability and human rights, and why is there a demand on others to follow the same path?
  - Are the members representing businesses members because it looks good on paper or because they want a legal standard?
- Is respect for human rights in Norwegian business conduct on a voluntary basis sufficient?
- What will a legal standard on business and human rights mean for Norwegian businesses?
  - How is the movement contributing to achieving SDG 8?

#### **1.4 Structure of the thesis**

This thesis has seven chapters. In the next chapter, I will present relevant literature on the field of business and human rights. This will give an overview of the area of research. To narrow down the literature, I have chosen concepts and theories for the theoretical framework. Chapter three will present the concepts and theories that was identified as important for the theoretical framework. The research method used in the thesis is described in chapter 4.

Further, selection of participants, description of thematic analysis, limitations and ethical considerations will be described and reflected on. The empirical findings done through qualitative interviewing are presented in chapter 5 of the thesis. The findings are presented in a thematic order. The results will be discussed in relation to the theoretical framework and relevant literature in chapter six. The research questions will be discussed, analyzed, and answered during the discussion. Chapter 7 will answer the research statement and reflect on the main arguments of the thesis. Lastly, the chapter will reflect on the limitations of the research and give further recommendations.

## 2. Literature review

### 2.1 Structure, validity, and selection of sources

The selection of literature has been made through careful research and reading of relevant literature for the thesis. The previous research chosen is based on concepts, research and approaches applied to the field from 2008 when John G. Ruggie formed the UN's business and human rights framework. The literature review aims to give insight into previous research done on the field of business and human rights. Further, to show which approaches and theoretical frameworks have been applied to the field and how business and human rights are connected to the SDGs. As the thesis is centered around implementing legal standards on business and human rights in Norway, arguments for legal standards and studies on governance are included. John Ruggie is given a lot of credit and space in the review as he is a Harvard professor in human rights and international affairs. Ruggie is also the developer of the UNGP principles for the UN. I would argue that his research to the field is why we today can discuss the implementation of legal frameworks, which is why his research has a significant part of the review. I have also chosen to give Karin Buhmann, professor at Copenhagen Business School, a central role in the review. She has core expertise in business responsibilities for human rights (CBS, n.d). I identify her research and contributions to the field of business and human rights as important.

### 2.2 Human rights and business

A consequence of globalization and neoliberalism has been a focus on economic growth and free markets. This has led us to an unsustainable culture of exploitation of resources and workforce. Violations of basic human rights are not uncommon, whereas the protection of companies has been more important than protecting human rights (Schartum, 2016, p. 62). Even though states and governments are legally bonded to protect human rights within their own borders (Schartum, 2016, p. 62), countries in the Global South are vulnerable to powerful companies. Due to corruption, temptation on economic growth, or the lack of "institutional capacity to enforce national laws and regulations against transnational firms..." (Ruggie,

2008, p. 192) has resulted in weaker states allowing companies to exploit their resources, often without consequences.

Buhmann, Taylor, and Giuliani (2019) empathize two problems regarding business and human rights in relation to production and consumption. One of the problems is cost competition, where multi-national firms pressure production prices down. This has resulted in suppliers lowering their prices in order to stay on the market (Buhmann et al., 2019, p. 338). As a result, governments fall short on protecting human rights as a growing economy goes at the expense of wages and labor rights (Buhmann et al., 2019, p. 338). The second problem is the structure of the global value chains. Different regulations allow firms to take advantage of low production prices while being under the impression that they follow national regulations in the country of production. Firms could assume that state enforcement is weak (Bernaz, 2017, Buhmann et al., 2019, p. 338). Buhmann et al. refers to Ruggie (2018) and human rights law, where he states that “while production and the law which facilitate it are transnational, the regulations necessary to protect people and the planet remains national” (Ruggie, 2018, Buhmann et al., 2019, p. 338).

In her article on ‘Human Rights as a Dimension of CSR’ (2009), Mayer argues that there have been blurred lines between legal and moral obligations in the relationship between transnational companies (TNCs) and human rights. She presents a historical view on the human rights and business discussion. Scholars in the 1980s, such as Burns Weston (1984), argued that even though human rights were accepted, the definition was unclear. Weston argued that it was unclear if human rights should be seen as moral or legal obligations and argued that a theoretical foundation was missing (Mayer, 2009, p. 564). Elgesem and Høstmælingen (2019) argue that human rights are dynamic and has changed over time (Elgesem & Høstmælingen, 2019, p. 58). Through a historical view on the UN and human rights in relations to TNC’s provided by Mayer, one can see that since the 1970s and 1980s, human rights in relations to morality and standards has become an international standard which over the years has become more and more critical (Mayer, 2009, p. 565).

### **2.3 Human Rights responsibilities**

Until the 2000s, there were no clear international laws or standards on obligations from companies (Meintjes, 2000, Mayer, 2009, p. 568). The 2000s marked a shift in responsibility

from human rights as a responsibility only of the state to include other actors. Companies were given an independent responsibility to respect human rights. This was stated through official UN documents where “... transnational corporations and other business enterprises, as organs of society, are also responsible for promoting and securing the human rights ...” (UN Commission on Human Rights, 2003, Mayer, 2009, p. 568). With the UN Global Compact being an important factor in responsible business, the development of UNGP can be argued to have provided the theoretical foundation scholars have been missing.

In 2005, the UN Human Rights Committee (OHCHR) gave John Ruggie from Harvard University the task of developing a set of guiding principles for human rights and businesses (Schartum, 2016). Ruggie developed “United Nations Guiding Principles on Business and Human Rights” (UNGP). He developed a framework with the three principles; Protect, Respect and Remedy (Ruggie, 2008, p. 191). The protect, respect and remedy framework is a “theory-based normative and policy framework” (Buhmann et al., 2019, p. 391). In the framework, Ruggie describes the principles as essential for a framework within human rights and business. The framework declares that the state has a responsibility to protect human rights, corporations have a responsibility to respect human rights and access to remedy (Ruggie, 2008, p. 191). The UNGP (second report) provides guidance for implementing the framework (Buhmann et al., 2019, p. 391). Through the UNGP and other soft law instruments, companies are obligated to respect human rights, even where there is a lack of national law (Ruggie, 2008, p. 194). UN Global Compact was created for companies to join as a legally binding commitment, where due diligence is required (Ruggie, 2008, p. 194). As a way to reduce gaps in governments, businesses, and human rights violations, Ruggie’s ‘protect, respect and remedy’ has since its origin been seen as guiding principles for governments, companies, and civil society to reduce these gaps (Ruggie, 2008, p. 192).

## **2.4 Due diligence**

In order to identify human rights, human rights due diligence as presented through the UNGP has the recent years been a helpful mechanism/approach. It is helpful in identifying human rights violations in supply chains. It is based on companies avoiding direct human rights violations and avoiding them in the supply chain through suppliers and business relationships (Smit et al., 2020, p. 2). Buhmann, Taylor, and Giuliani (2019) argue that human rights due

diligence has established a global social norm on what characterizes good and responsible business practice (Buhmann et al., 2019, p. 40). Smit et al. (2020) and Nolan (2017) argue that implementing due diligence helps to understand which actions should be taken to avoid human rights violations (Nolan, 2017, p. 44). Nolan also recommends making human rights due diligence and transparency a requirement in business and transnational corporations (Nolan, Cassel, 2019, p. 503). D. Cassel presents a counter-argument from R. Mares, who argues that requiring human rights due diligence in business might have a negative effect on human rights. Firms could change suppliers, leaving vulnerable workers without employment (Mares, Cassel, 2019, p. 504). Further, J. Bonnitcha and R. McCorquodale (2017) argue that the concept of due diligence is problematic because it presents itself in two different understandings without relation, which results in confusion of responsibility for businesses concerning human rights (Bonnitcha & McCorquodale, 2017, p. 901). They argue that the principles create a ‘tick box’ practice for companies, so it *looks* like they are following the principles (Bonnitcha & McCorquodale, 2017, p. 910). Ruggie and Sherman (2017) answer this, arguing that the concept is based on a social norm and is irrelevant in relation to state-based law, which they argue Bonnitcha and McCorquodale based their critique on (Ruggie & Sherman, 2017, p. 924). Ruggie and Sherman also states that companies cannot claim they respect human rights without using human rights due diligence because they can’t show results for it (Ruggie & Sherman, 2017, p. 924).

## **2.5 Approaches applied**

While CSR (corporate social responsibility) has grown to be a useful mechanism for the last decades, it is a self-regulating way for companies to show they take social responsibility. CSR came to life while neoliberalism developed to be “the dominant ideological basis of economic policy-making” (Buhmann et al., 2019, p. 339), while the human rights movement simultaneously grew. CSR became a concept of corporate self-regulation in the field (Buhmann et al., 2019, p. 339) with no standard guidelines. Political CSR builds on the same concepts while complementing governments (Scherer, 2007, Buhmann et al., 2019, p. 390). Though, the theory lacks guidance on how to identify social needs (Baur and Arenas, 2014, Buhmann et al., 2019, p. 390). The field of responsible business has developed in the last years and expanded into approaches and theories such as Business and Human Rights theory. The approach and theory of Business and Human Rights (BHR) builds on the concept of due

diligence and focuses on respecting human rights, and avoiding human rights risks (Ruggie, 2016, Buhmann et al., 2019, p. 390). Buhmann, Taylor, and Giuliani (2019) argue that the theory is redefining the concept of CSR, where one can identify a paradigm shift in business responsibility. Further, the field of BHR has provided theory and frameworks for those companies who wish to be responsible and sustainable while respecting human rights (Taylor, 2013, Buhmann et al., 2019, p. 340).

Businesses are likely to approach the field of business and human rights from a market-centered approach. For the SDGs (especially SDG 8) to be achieved, it is recommended from a market-centered approach that business roles are strengthened and puts companies as a key role for economic development and decent work. Here, the state's role will be to provide supporting policies, whereas companies should strengthen their partnerships with governments, social actors, and civil society. However, D. Frey argues that there is a lack of a human rights perspective in the market-centered approach (Frey, 2017, p. 1172). From a human rights-centered approach, the key role in sustainable development is human rights and government's obligations to upholding them (Frey, 2017, p. 1173). As one can understand, there are tensions between approaches mostly used by companies that would allow companies to thrive, while human rights-centered approaches emphasize holding companies accountable for violations (Frey, 2017, p. 1174). To combine these, companies are recommended to implement human rights policies (Frey, 2017, p. 1174).

Other theoretical frameworks and theories applied to the field have to a big degree, been built on Ruggie's ideas as well as the UN human rights. Buhmann, Taylor & Giuliani (2019) highlights the fact that the most well-established responses to the field of business and human rights have their roots in responses from workers and labor force. They emphasize the fact that it is important to remember that "labor rights are, in fact, human rights" (Buhmann et al., 2019, p. 339). Labor rights are regulated through the International Labor Organization (ILO). While ILO was established in 1919, newer standards such as the UNGP, OECD guidelines, and ISO Social Responsibility Standard has been presented to the field (Kirkebø and Langford, 2018, Buhmann et al., 2019, p. 339).

## **2.6 The sustainable development goals**

The sustainable development goals (SDGs) marked a change in businesses' role and expectations to contribute to the field of sustainable development (Buhmann et al., 2019, p. 389). Sustainable Development Goal 17 (Partnerships for the goals) highlights the business world's part in achieving the SDGs. The targets related to the goal specify the importance of multi-stakeholder partnerships to achieve the SDGs in all countries, *especially* under-developed countries (UN SDG 17). Even though SDG 8 (decent work and economic growth) is seen as 'the business world's SDG', scholars like D. Frey questions the goal as there seems to be an internal conflict (Frey, 2017, p. 1165). There has for a long time been tension and conflict between human rights and corporations. Here, Frey argues that combining economic growth where corporations are most likely to use a market-centered business approach (IOE, 2015, Frey, 2017) raises issues when it is combined with decent work (human rights). She also argues there is confusion about the relationship between economic growth and sustainable development. She questions if economic growth is a means or a goal for sustainable development. As economic growth and decent work share SDG 8, she questions the relationship and argues that economic growth should have had its own SDG (Frey, 2017, p. 1170).

## **2.7 Arguments for policy change and legal standards**

Due to legally binding human rights treaties, states are obligated to protect human rights against abuse. This means that states are obligated to protect humans from business abuse (OHCHR, n.d). Previously described gaps where transnational companies can get away with the exploitation of resources such as labor force do unfortunately happen. Ruggie (2008) argues that further legal understandings at national and international levels are desired, whereas national law and policy changes need more attention from states (Ruggie, 2008, p. 193). As UNGP is a set of guiding principles, there has been criticism regarding the lack of a legal standard. The critics believe the principles have become symbolic and do not contribute to development (Schartum, 2016, p. 63). Norway, on the other hand believes that voluntary practice in the field is positive and creates enthusiasm. Further, Norway was one of the countries that were critical to develop an international treaty building on the UNGP principles in 2014 (Schartum, 2016, p. 63). In 2014, it was clear that the world was not ready for a legally

binding treaty, where a coalition led by Ecuador and South Africa, civil organizations from all around the world, and the UN Human Rights Council was down-voted (Cassel, 2019, p. 497). Scholars like D. Bilchitz argue that there is a need for a treaty and believes that as the economic power structure is changing to the south. Here, he argues that if the BRICS countries supported an international treaty, countries in the Global North would have to follow (Bilchitz, 2017, Cassel, 2019, p. 498).

A recent trend has shown that implementing due diligence and UNGP's principles as a legal standard are rising. Related to this, Smit, Holly, McCorquodale, and Neely (2020) argue that in order for a legal standard domestically to succeed, one must understand how companies operate today. Further, one must acknowledge the challenges before implementing a policy change (Smit et al., 2020, p. 4). NGOs, civil society, and other non-state actors have been an important factor in trying to change the political picture of sustainability, human rights, and ecology. Recent research done by Smit et al. on human rights and businesses shows that human rights breaches are 'not just a business problem' (Smit et al., 2020, p. 21) and highlights the importance of cooperation between state, business, and NGOs.

## **2.8 Closing the governance gap**

As presented in the first section of the literature review, globalization and neoliberalism have had negative consequences on exploiting resources and labor. During this time, power relations between different actors have changed. Further, scholars have observed that the power of transnational companies has increased while governments capacities have declined, creating a governance gap (Hampton, 2019, p. 240). Ruggie (2008) argues that the governance gaps are created by globalization and lie "between the scope and impact of economic forces and actors" (Ruggie, 2008, p. 189). These gaps allow human rights violations related to business to happen without sanctioning (Ruggie, 2008, p. 189). New forms of global governance where actors such as civil society organizations and initiatives are working on holding businesses accountable for human rights violations and businesses introducing various CSR forms has emerged (Hampton, 2019, p. 240). John G. Ruggie defines global governance as "governance in the absence of government" (Ruggie, 2014, p. 5). He describes the issues of human rights and business as a "microcosm of a larger crisis in contemporary governance" where governance gaps on the issues described by Hampton are

widening (Ruggie, 2014, p. 5). Whereas Ruggie calls polycentric governance the ‘new governance theory’, it is based on the concept of the state not being able to handle challenges alone and relies on a variety of actors to find solutions to societal and global challenges (Ruggie, 2014, p. 9). One can see that the UNGP framework has inspiration in this theory, where three different governance systems affect corporate conduct: public law governance, civil governance, and corporate governance (Ruggie, 2014, p. 9).

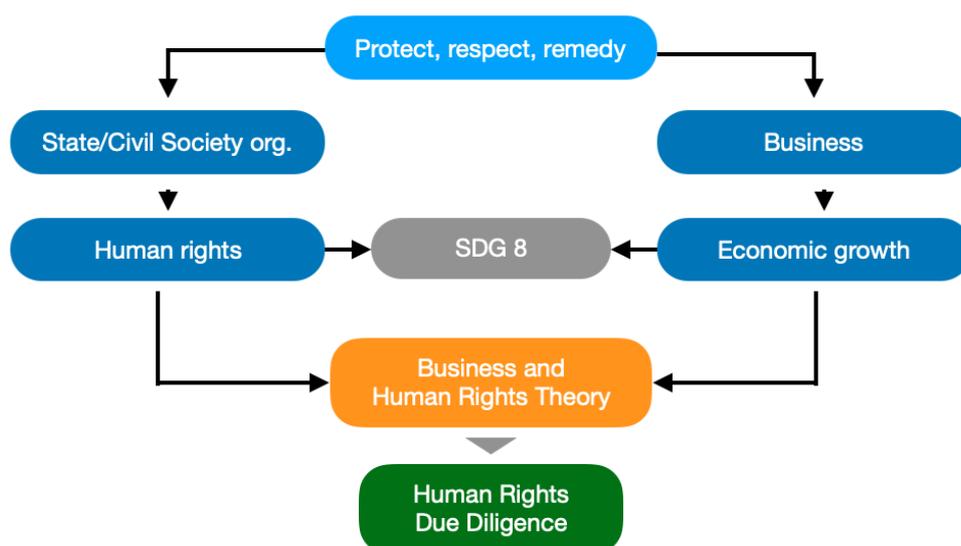
In her article on action plans on business and human rights, D. Hampton (2019) studies the use of polycentric governance. This form of governance relies on stakeholder’s cooperation and interdependence between them (Hampton, 2019, p. 241). Ruggie (2014) emphasizes Abbott and Snidal’s arguments on facilitating stakeholders, where they recommend engaging civil society organizations as partners to fill the gap between economic forces/companies and the state (Ruggie, 2014, p. 10). Studying national action plans in relation to the UNGP and polycentric governance, which the principles are based on, Hampton highlights the importance of participation from all stakeholders such as transnational companies, authorities, and civil society organizations (Hampton, 2019, p. 249). Cooperation to address human rights issues and implement measures to close the governance gap through action plans is central to a polycentric UNGP approach (Hampton, 2019, p. 250). As a case study, Hampton used the United Kingdom and the United States implementation of national action plans, whereas she argues that strengthening legal frameworks, using a multi-stakeholder approach, and cooperating with non-state actors made the measures of the Modern Slavery Act in the UK more effective (Hampton, 2019, p. 262). Looking at the UK case, one can see that “voluntary norms can lead to mandatory standards implemented at the state level...” (Hampton, 2019, p. 263). Hampton argues that states should also involve several stakeholders in updating measures and improving policy to create meaningful “change in improving the everyday lives of individuals and communities affected by business activity” (Hampton, 2019, p. 263).

Relevant literature for the field of business and human rights has been presented. In the next chapter, I have chosen relevant concepts and theories that will help analyze and discuss the empirical findings.

### 3. Theoretical framework

The framework is based on the literature review, where concepts, theories, and the already established UNGP framework has been identified as central to the thesis and will help analyze the data. The theoretical framework will explain the chosen concepts and theories in light of the research questions. Polycentric governance has been identified as an important support to the theoretical framework. As KAN is based on the UNGP principles, I have chosen to use the three pillars; protect, respect and remedy as a basis for the theoretical framework. On the one hand, we have the state who has a duty to protect human rights. The duty to protect human rights builds on a human right centered approach. On the other hand, according to pillar two, we have businesses that should have respect for human rights. Due to the nature of business, trade, and production, an assumption is that business approaches the situation with economic growth in mind, consequently with a market-centered approach. Linking human rights and economic growth is the basis of SDG 8 (economic growth and decent work). As this thesis evolves around business and human rights, Business and Human Rights theory inspired by UNGP and John Ruggie's work in the UN, is a theory that links the two different directions well together. Human rights due diligence is identified through literature as necessary in businesses mapping human rights and the influence of supply chains.

**Figure 1. The logic behind the theoretical framework**



### **3.1 Norms, social relations, and power structures as theoretical support**

As presented in the literature review, polycentric governance has been an important concept and theory in the making of the UNGP principles. The idea of cooperation between multiple stakeholders is relevant to the thesis as a whole. Governance refers to social organizations, networks, and a system of norms, rules on a global and local level (Ruggie, 2014, p. 5).

Polycentric governance relies on the assumption and the potential to “harness the power of norms and the power of networks” (Hampton, 2019, p. 244). The ‘networks’ governance is built upon are actors with different power and authority, whereas the polycentric approach the UNGP principles are based on to a certain degree depends on the influence actors have on each other. As the principles are soft law builds on a set of international social norms, actors such as civil society organizations can use these norms as a power to create change both socially and politically (Hampton, 2019, p. 245). Working together through social engagement and cooperation, multiple stakeholders such as authorities, businesses, and civil society can create rules addressing a common social issue. Hampton (2019) summarized the key characteristics of polycentric governance, which will be presented in light of the problem statement of the thesis, and show how the theory can help to analyze the collected data:

1. Multi-stakeholder: E. Ostrom (2010) argue the polycentric system brings stakeholders with a variety of interests, expertise, and background together (Ostrom, 2010, Hampton, 2019, p. 245). The stakeholders have different types of power, as well as different strengths, where the stakeholders work together on a common problem (Hampton, 2019, p. 246). In the case of the thesis, the coalition has brought together actors from civil society, investment, and business working together to cooperate towards a common goal with the state.
2. Multi-level: Stakeholders are from multiple levels ranging from global to local, representing different problems. Involving various levels may result in various levels benefiting from cooperation (Hampton, 2019, p. 246).
3. Interdependent: State and non-state actors are independent but could be dependent on each other. Whereas the state has authority, businesses have power internationally, and NGOs has a civil power, they can rely on support from each other. Whereas “for example, civil society’s role in documenting human rights abuses may promote changes in corporate behavior or influence state actors to enact legislation” (Prekert and Shackelford, 2014, Hampton, 2019, p. 246).

4. Adaptive: Polycentric governance can contribute to mutual monitoring, learning, and adaption (Ostrom, 2010, Hampton, 2019, p. 246) as well as adapting to norms.
5. Innovative: Innovative cooperation between stakeholders can contribute to problem-solving on multiple levels (Hampton, 2019, p. 247). In the case of this thesis, the negative consequences of business and human rights.

### **3.2 Protect, respect and remedy as a theoretical framework**

The coalition for responsible business (KAN) is working towards the Norwegian state implementing a national law concerning business and human rights based on the UNGP principles. The coalition wants a law that commits Norwegian business to legally

- Have a public policy describing how the company handles the responsibility to respect human rights.
- Conduct human rights due diligence regarding human rights violations and environmental destruction.
- Have measures to control the points above.
- Have prosedyres for remedy (KAN, 2020).

The United Nations Guiding Principles is a set of three pillars of 31 principles, described as a roadmap to a better future (Elgesem et al., 2019, p. 30). The three pillars are

1. The State duty to protect (Protect)
2. Corporate responsibility to respect (Respect)
3. Victims access to effective remedy (Remedy)

(Elgesem & Høstmælingen, 2019, 30)

The two first pillars are tied close together as the first pillar is the state's duty to "protect against human rights abuses from third parties" (Ruggie, 2008, p. 191), whereas business in most cases (unless it is state-owned) is a third party. Whereas the first pillar builds on the state's obligation in The Universal Declaration of Human Rights, the second pillar builds on social norms (Elgesem & Høstmælingen, 2019, p. 31). The second pillar explains how corporations should respect human rights, which according to Ruggie, is a factor the society expects from corporations (Ruggie, 2008, p. 191). The third pillar is important since human

rights violations do happen and most likely will happen even with a legal standard. The focus in this thesis will mainly include the two first pillars, as the third pillar will get more important if, and when the Norwegian state implements a legal standard for human rights and business.

### **3.3 Human rights centered approach**

The state's role is highlighted in pillar 1 of the UNGP framework, where the state is under international law obligated to protect human rights within their own territory (Smit et al., 2020, p. 20). The United Nations Committee on economic, social, and cultural rights stated in 2011 that the state is responsible for protecting humans from violations involving enterprises on economic, social, and cultural rights (Elgesem & Høstmælingen, 2019, p. 134). Whereas this duty includes making sure policy and legal standards concerning businesses and human rights are implemented. Further, it was recommended to implement policy and legal standards regulating business in business conducted by transnational companies in other countries and mechanisms for reporting and complaints so human rights violations can be held accountable (Elgesem & Høstmælingen, 2019, p. 134). The UN convention has also stated similar statements and recommendations on civil and political rights and the UN children's committee, as well as it is recommended in the UNGP (Elgesem & Høstmælingen, 2019, p. 136). The UNGP and John Ruggie argue that "... States may fulfill this duty with respect to business activities, including how to foster a corporate culture respectful of human rights at home and abroad" (Ruggie, 2008, p. 194), which means that the state does have a moral responsibility of transnational corporations and their business in other countries. With the state's duty to protect human rights, governments should approach business and human rights as well as sustainable development from a human right centered approach. From this perspective, Frey (2017) argues that governments should emphasize transparency, where stakeholders should be held accountable for human rights violations (Frey, 2017, p. 1173). Studies from the early 2000s show that governments have a narrow approach to handling the issue of business and human rights, whereas Ruggie argues that the lack of guidance and regulations does not help businesses in tackling human rights challenges. In fact, Ruggie argues that "the less governments do, the more they increase reputational and other risks to business" (Ruggie, 2008, p. 193).

Another important actor in protecting human rights is civil society organizations. In the case of this thesis, civil society has an important role as promoters and protectors of human rights. In the literature review, we got a sense of the importance of civil society and how participation from NGOs is encouraged and needed. Scholars like Ruggie (2014), Hampton (2019), and Smit (2020) argue that involving civil society organizations as a stakeholder will create sustainable change. The United Nations Human Rights Office of the High Commissioner (OHCHR) strategically works with civil society actors to promote participation in decision making, as they contribute with knowledge about human rights and share a common goal; protecting human rights (OHCHR, n.d). The initiative to the coalition came from six non-state actors, and in the case of this thesis, they do play an extremely important role in not only creating an arena for cooperation but also pressuring the state to implement legislation.

### **3.4 Market-centered approach**

In pillar two of the UNGP framework, businesses have a responsibility to respect human rights. As we saw in the literature review, businesses do have a moral obligation to society to do this. Many businesses work towards being sustainable. Unfortunately, violations do happen. Though, new technology can make it hard to cover up environmental or human rights violations (Etikkinformasjonsutvalget, 2019, p. 115). More and more businesses are looking for new business models, including circular economy to be sustainable (Etikkinformasjonsutvalget, 2019, p 115). While business creates jobs worldwide while contributing to economic growth and reducing poverty, Ruggie (2008) argues markets need rules to work optimally (Ruggie, 2008, p. 189). Considering the natural environment of transnational corporations and business in general, businesses will most likely look at human rights and economic growth from a market-centered perspective. The approach recognizes the market as central to achieve economic growth and employment and is based on the International Organization of Employers (ILO) (Frey, 2017, p. 1172). Through this approach, businesses are the key to secure decent work. ILO has done great work where several countries have ratified treaties such as the abolition of forced work, child labor, discrimination, and the right for protection related to work have been ratified by several countries (Etikkinformasjonsutvalget, 2019, p. 119). Whereas Frey argues that a human right centered approach and a market-centered approach look at the problem from different points,

it can be argued to be two different means to an end. Considering SDG 8 combines human rights and economic growth, and the importance of businesses related to human rights in my thesis, it will be natural to look at the differences between state, business, human right centered approach and a market-centered approach, before moving over to a combination of both, and how they can strengthen one another.

### **3.5 Connecting economic growth and human rights**

SDG 8 is seen as business's sustainable development goal, mainly due to production in other countries and the opportunity to influence economic growth, employment, and decent work. The goal itself is formed like:

Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all

(United Nations, n.d)

The goal has eight targets that specify goals within economic growth and decent work. Target 8.1 (sustainable economic growth) has to do with economic growth where a goal is to “Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 percent gross domestic product growth per annum in the least developed countries.” (UN, n.d). Targets such as 8.7 aim to end modern slavery, trafficking, and child labor, and target 8.8 aims to protect labor rights and promote safe working environments. The goal connects human rights and economic growth, whereas the arguments presented in the chosen literature question the connection.

As seen in the literature review, there are several theories and concepts in the field. Business and human rights theory is built up by business and human rights literature, which mainly focuses on the corporate responsibility on human rights and is complemented by the UNGP (Buhmann et al., 2019, p. 390). The idea of the theory is to avoid human rights violations, and in this way, respect them. The theory relies on business ethics, where they follow the “do no harm” principle. Further, scholars within the field argue that not only should businesses do their part in respecting human rights, but they should also put pressure on the state where there is a lack of responsibility (Buhmann et al., 2019, p. 392). Here, human rights due diligence is identified as a key concept. It is used as an approach and tool for identifying

violations in supply chains and their impact on communities (Buhmann, 2017, Buhmann et al., 2019, p. 390). The theory connects the first two pillars of the UNGP framework and the aspects of both state and business. Human Rights Due Diligence has been identified as an important concept and a tool for all companies and transnational corporations to map possible human rights violations to avoid them. Human rights due diligence as a concept was introduced through UNGP as a mechanism to identify human rights impacts in companies, partners, and supply chains (Smit et al., 2020, p. 1). Focusing on the second pillar of ‘protect, respect and remedy’ and the corporate responsibility to respect human rights, human rights due diligence is finding its way into legal standards at national levels and in trade and financial organizations (Smit et al., 2020, p. 4). There are four components:

- (1) Identification of actual or potential human rights impacts; (2) taking actions to address impacts; (3) tracking and monitoring the effectiveness of actions taken; and (4) communicating on actions taken (Smit et al., 2020, p. 4).

Scholars like Buhmann argue that using human rights due diligence lifts business and human rights theory from not only doing no harm but doing good as well. Further, implementing human rights due diligence as an approach will help achieve the SDG’s (Buhmann et al., 2019, p. 394).

In this chapter, I have presented the theoretical framework. A polycentric governance approach has been presented as theoretical support. Further, the UNGP framework has been used as a basis for my theoretical framework. Business and human rights theory is connecting a market-centered approach and a human rights-centered approach. The concepts and theories chosen will help analyze and discuss the empirical findings in chapter 6. In the next chapter, the methods for this thesis will be presented.

## 4. Methodology

### 4.1 Research design

The thesis aims to understand the motivation from civil society and businesses for a legal standard on human rights concerning business. Further, I am interested in understanding if respect for human rights voluntarily is sufficient or not. In chapter one, I presented the research objective and a set of research questions. The research questions will be answered through qualitative data collection in light of the framework with analysis and discussion. KAN is used as a case study, and the thesis aims to shed light on different aspects of the complexity of human rights in business and the human rights due diligence law that's under evaluation. Using a case study "associates the case study with location, such as a community or organization" (Bryman, 2016, 60), which in my case is focused on KAN's ideology and goals. Further, the cooperation between civil society and business to implement a legal standard in Norway.

Whereas a qualitative research method in this case has been used, the research design can be confused with a cross-sectional design, which is why I have been clear on the analysis (Bryman, 2016, p. 61). With a case study research designs combined with qualitative research methods I have looked at the relationship between theory and research with an inductive approach (Bryman, 2016, p. 62). I originally thought there would be some difficulties separating the different approaches. An ideographic approach in most cases is used in case studies and aims to 'reveal the unique features of the case' (Bryman, 2016, p. 61), whereas approaches such as nomothetic are used in cross-sectional designs and are concerned with 'generating statements that apply regardless of time and space' (Bryman, 2016, p. 61). As human rights are essential regardless of space and time, the study focuses on the social movement and the importance of human rights and business here and now.

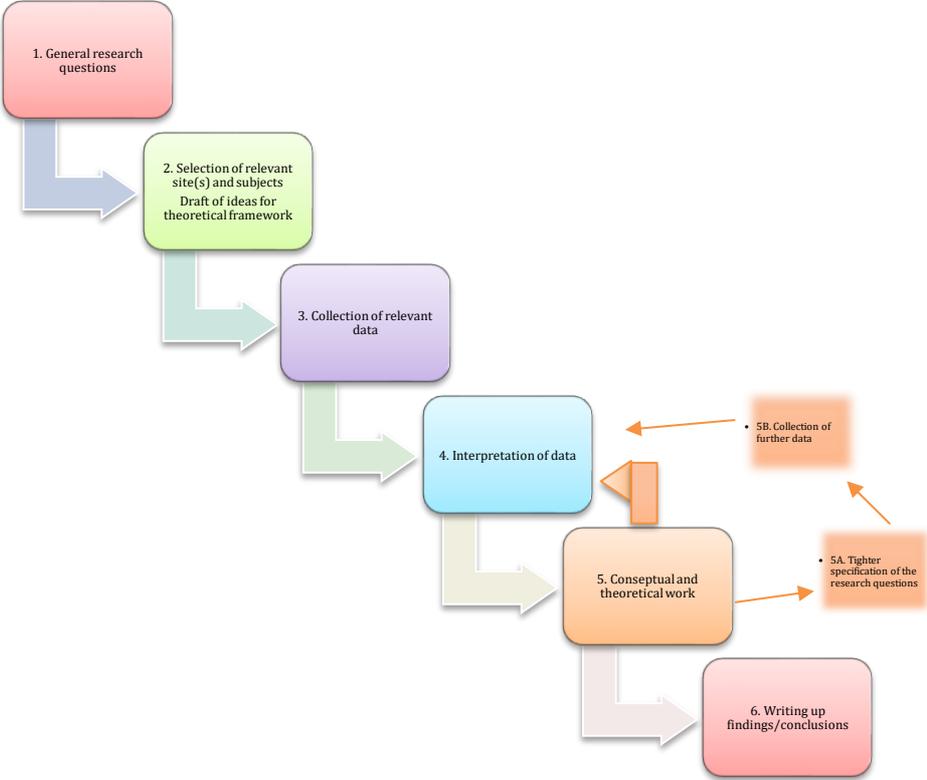
### 4.2 Research method

To answer the research questions, the selection of a research strategy had to be able to emphasize the interview object's interpretation of the social challenges of business and human

rights. As I am interested in reflections and views on subjects such as synergy and cooperation between civil society and business in relation to implementing a legal standard, the qualitative research method has been favored over the quantitative method. The reason for this is that the qualitative research strategy “usually empathizes words rather than quantification in the collection and analysis of data” (Bryman, 2016, p. 33). Bryman (2016) explains the logic used in this thesis where the relationship between theory and research has had an inductive approach. The progress of the thesis has been dynamic, as the relationship between theory and research has been formed in relation to each other.

In the progress of working on the thesis, an inductive approach to the relationship between theory and research has resulted in a limited selection of a solid theoretical framework, where I have learned which elements were more important to emphasize. Figure 2 demonstrates the qualitative research method used, where the research questions were formed early in the process. I drafted an early idea of a theoretical framework and selection of relevant sites and subjects. After collecting the relevant data, the figure illustrates the process and relations between steps 4 and 5 where interpretation of data, conceptual and theoretical framework, research questions, and collection of further data has been done in relation to each other. Using qualitative research method has allowed me to collect and analyze the data where the focus has been to get an insight in how participants from businesses and civil society view the social reality on the human rights and business debate.

**Figure 2. Process of research method with inspiration in Bryman (4<sup>th</sup> edition, 2012, 384)**



**4.3 Selection of participants**

As this thesis is centered around the coalition for responsible business (KAN) and their vision of a human rights law in relation to business, it was natural to reach out to the community and select participants based on members of the coalition. Early in the process, I reached out to the contact person for the coalition to hear if there was an interest of the thesis being based on the coalition. As they were positive, I was put in contact with two organizations that wanted to participate in the thesis. Emails and contact to humanitarian and civil society organizations was sent out, where the selection were done based on their work on politics and human rights in relation to business, trade, and organizational size. Due to the lack of respondents, three organizations representing civil society participated in the interviews.

Recruiting participants representing the business side of the coalition’s members proved to be more accessible, where all the businesses contacted wanted to participate and were interviewed. The recruitment process was based on different sectors, such as investment,

energy, consulting firms, and the clothing industry. The choice to contact such a variety of sectors was based on the idea of the coalition, where actors within different sectors stand together with a common goal. This resulted in six actors representing businesses being interviewed for the thesis. The participants representing businesses all work for big companies in Norway. In chapter 5, the findings and analysis from the interviews will be presented. To get to know the interviewees better and try to understand their perception of things, I have written a short summary of their backgrounds. They have been given fictional names, and I have been careful with personal information.

## **4.4 Data selection tools**

### **4.4.1 Interviews**

A semi-structured interview method has been used to be flexible while conducting the interviews. The key is to be flexible and let the interview function as a conversation where the person being interviewed talks about his/her views and opinions on the topics. An interview guide with 25 guiding questions was used, with the questions slightly modified for three different selections. The main topics listed were the coalition (KAN), cooperation, sustainability, human rights, social responsibility, human rights, and business in Norway and SDG 8. Using a semi-structured interview guide gave me the opportunity to ask questions not included in the interview guide and gives the interviewee “a great deal of leeway in how to reply” (Bryman, 2016, p. 468). Further, a semi-structured interview guide allowed me to depart from the interview guide asking follow-up questions or ask for clarification (Bryman, 2016, p. 467). A weakness in a semi-structured interview vs. a structured interview is the process of coding, where a structured interview provides specific answers ‘that can be coded and processed quickly’ (Bryman, 2016, p. 467). As I learned, the coding process of semi-structured interviews was challenging and time-consuming. Two of the businesses interviewed wished to have group interviews, whereas at one of the interviews, there were three participants and two at the other. The interviews started with introducing questions of how the participants business or organizations got to know the coalition and why they decided to become a member. Follow-up questions for the importance of cooperation were asked before moving on with structured questions and change of topics. Questions were based on

Kvale's (1996) nine types of questions cited in Bryman (2016, 473) and Charmaz's (2002) three types of questions such as open-ended questions (Bryman, 2016, p. 475).

Due to the COVID-19 situation, the interviews were carried out over Zoom. According to Bryman (2016) there is little evidence that the quality of interviewing is reduced over online platforms such as Zoom (Bryman, 2016, p. 492). Further, Zoom interviews have been an advantage in the form of flexibility where one can easily reschedule. Limitations to the Zoom interviews has been a loss of the opportunity to read body language as well as the interviews feeling slightly unpersonal. Further, there have occurred some technical issues such as bad sound, unstable internet connections, and participant's devices getting out of power while interviewing.

#### 4.4.2 Documents as secondary data

Documents and existing surveys relevant to the topic have been used as secondary data. The documents are important for the thesis and shed light on the process of implementing a human rights law related to business. The documents are used to support my arguments in chapter 6. The surveys and documents have been referred to by the participants in the interviews and referred to in chapter one as context. The documents have not been analyzed and will not be presented in chapter five where my findings are presented. Following surveys and documents used as a support are:

- Law draft from the ethical informational selection (etikkinformasjonsutvalget).
- Amnesty business rating 2019.
- OECDs guidelines for responsible business – an examination of knowledge and working methods among Norwegian business leaders.

#### 4.4.3 Data analysis: Thematic analysis of the collected data

Thematic analysis has been used in analyzing the collected data, where several themes have been identified and coded. Thematic analysis is used since it provides a "rich and detailed, yet complex account of data" (Braun and Clark, 2006, Nowell et al., 2017, p. 2). It is also easy for a young and inexperienced researcher to use and is helpful in analyzing similarities and differences. As pointed out by several scholars and researchers, the researcher should be clear on how and what they are doing while analyzing collected data for the reader to properly understand the process and trust the findings (Nowell et al., 2017, p. 2). For other researchers

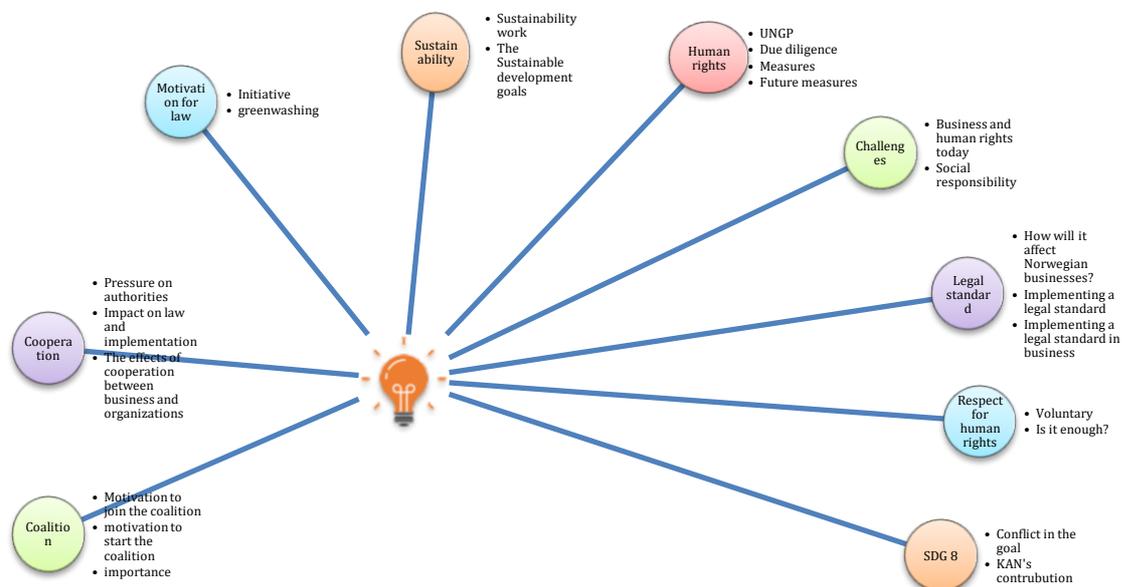
and readers to identify the research and analysis as trustworthy, the process of the data analysis has been described in a clear way.

The thematic analysis was based on a mix of a deductive and inductive approach, where I had a deductive idea of which themes were essential to be able to answer the research questions. The theoretical framework was to a certain degree planned before I went through with the interviews, which gave me an idea of which themes to talk about to get the desired data. Further, there has also been an inductive approach to the analysis, whereas the theoretical framework had modifications post interviewing and identification of new themes were made during the data analysis. The collected data was transcribed, carefully read through, and coded, before themes and sub-themes were identified. Identified themes such as motivation and impact, human rights work, challenges, and greenwashing was identified and sorted. In searching for themes, Ryan and Bernard (2003) advice of looking for repetitions, similarities and differences, missing data, and theory-related material has been used (Bryman, 2016, p. 586). Further, Braun and Clark's (2006) article on 'using thematic analysis in psychology' has been helpful, providing a step-by-step guide to analyze the collected data. I have used this guide as an inspiration and guidance, which is described below.

1. Familiarizing yourself with your data: The recordings from the interviews were transcribed, carefully read, and notes, reflections and ideas for codes and themes were noted down.
2. Generating initial codes: Identifying ideas and interesting data relevant to answering the research questions. The coding was performed manually as I had an idea of which themes and codes existed, where the transcribed data material was color-coded before identifying themes in the next step.
3. Searching for themes: The codes were sorted into themes, where codes were analyzed to 'consider how different codes may combine to form an overarching theme' (Braun & Clark, 2006, p. 89).
4. Reviewing themes: Themes and sub-themes have been reviewed, and coherent patterns in the coded data have been sorted into the themes. In this step of the process, it was important to be "satisfied that your candidate themes adequately capture the contours of the coded data" (Braun & Clark, 2006, p. 91). Figure 3 demonstrates the final mind map of themes and sub-themes.

5. Defining and naming themes: Themes are named and analyzed ‘as well as identifying the ‘story’ that each theme tells’ (Braun & Clark, 2006, p. 92) while also being careful of the fact that the story and analyze is connected to each theme. The themes were therefore placed in a certain order where the storyline is meaningful and in relation to each other.
6. Producing the report: the report (chapter five) was written in a way where the data tells a story where the participant’s views are analyzed in “relation to the broader social context” (Frith & Gleeson, 2004, Braun & Clark, 2006, p. 93).

**Figure 3. Mind map of themes and sub-themes.**



## 4.5 Ethical considerations

As a part of university guidelines, an ethical self-assessment was handed in and approved by the university before continuing the work with the thesis. To pursue the truth and integrity of documentation (Etikkom, 2019), interviewing corporations and organizations about human rights practice there is a risk of the answers being glorified where the company puts itself in a

good light. To tackle this, it was important to be clear on the protection of personal data and anonymity so the answers can be honest without the risk of bad publicity. I also reflected on my own values and the effect it can have on processing data. Responsibility of research (Etikkom, 2019) and justification of the research, where I have been careful with data, follow the ethical guidelines of data protection, and make sure of not doing harm with the information collected.

Respect for human dignity and respect privacy of the research objectives and informants (Etikkom, 2019) has been done through respectful communication. The choice of topic is not in danger of being a threat to human dignity. Writing about human rights would rather promote it. Both legal and ethical standards have been followed. The participants have been informed of the standard and made sure they understand that it is followed, and that their personal information is handled correctly and that they can at any time choose to withdraw. Information provided for participants has included information about the research, why it is researched, what will happen with the research, and inform participants what will happen to their data when being recorded. There have been collected consent from participants.

Anonymity/confidentiality is important, and the data has been analyzed in a way where no one can know who has given the information. Fictional names have been given to the participants. The data will not be re-used for future research. The data has been stored through proper channels (cloud provided by the university) and not been saved on mobile phone or computer, following the Personal Data Act. Physical harm has been avoided through conducting meetings on Zoom to avoid spreading the corona virus. Mental harm has been avoided by trying to read the participants and know if/when to step down, also respect if they want to step down. I've had the same respect for third parties, in this case communities or the company represented, and anonymize them the same way.

The interviews conducted were recorded and stored safely with permission from the participants and within the guidelines of NSD (Norsk senter for forskningsdata) and UiA (University of Agder) guidelines.

#### **4.6 Research limitations**

In the original thesis template, one of the research questions was 'How are KAN's members working on human rights and business in contrast to non-members?'. One of the original

ideas was to interview businesses of the same size as the member businesses I had interviews with, to compare their work on sustainability and human rights. The limitation here proved to be the fact that non-members did not want to be interviewed. Further, there were difficulties recruiting civil society organizations to participate in interviews, where I wanted a 50/50 percent representation of businesses and organizations but ended up with three organizations and six business participants.

COVID-19 was originally identified as a big limitation, as Oslo has been going through several social lockdowns where regional rules have not let people be able to go to the office to work, not being allowed to have visitors and cafes and restaurants being closed for periods of time. Planning for the fieldwork and research, I had to prepare for the possibility of not being able to meet in person for the interviews, due to the possibility of being a danger to others. The fieldwork was planned and conducted through online research, and interviews were conducted through Zoom.

I have now presented and described how I did my qualitative research on the case study. Further, I described how I analyzed the collected data done through interviews. In the next chapter the results from the collected data will be presented. As I used thematic analysis when working with the empirical findings, the data is presented in a thematic order.

## 5. Results

The members of the coalition that has been interviewed has been given fictional names. Helena, Lisa, and Ingrid work for three different civil society organizations. Ingrid and Lisa have had important roles in initiating the coalition. Helena and the organization represented works on changing power structures towards a more sustainable world. Lisa works for a human rights organization, and work with economic and political structures. Ingrid also works for a human right organization and works towards equality for all human beings. Ida has a background in solidarity work and does now work within sustainable banking. Tom, Nina, and Silje are advisors within the field of responsible business. Camilla works within investment. Ole works within the sector of energy, where he does a lot of fieldwork within local communities. Rune and Marianne work at two different companies within the textile industry.

### **5.1 Motivation for starting and becoming a member of the coalition**

#### 5.1.1 Civil Society organizations motivation for the coalition

With inspiration from other countries, the French and British law as well as the realization of where the European Union is headed with business and human rights laws, civil society organizations started working on a Norwegian coalition. Two of the non-governmental organizations interviewed has worked on the topic of business and human rights for many years. One of the organizations worked originally on the possible United Nations treaty, led by Ecuador and South-Africa with the open-ended intergovernmental working group (IGWG). Norway was a part of the group at one point and chose to pull out, at this point the organization started working on the possibility of a national law on business and human rights where the Norwegian government was quite negative. The message they then received was that respect for human rights should be on a voluntary basis, since voluntary practice on the topic would show the best results. The state would not demand businesses to legally respect human rights. Lisa believes the government at that time believed it was important for businesses to initiate development on their own – which she found abnormal as the civil society does not see a necessary link between development and profit. When dialogue with the government did not seem to work, they started talking about a coalition.

The participants from civil society saw the effect similar coalitions had in countries like France and collected five organizations to establish a coalition in Norway, where goals and an action plan were set. The organizations main motivation for the coalition is to get a law on the subject and sees the coalition as important in achieving this. The main goal of the coalition is to establish a national legal standard on business and human rights, to make sure respecting human rights is not voluntary. Though, the main motivation for Lisa is the people and groups affected by the law, the people on the ground whom the organizations have contact with. The participant says that “I am not going to say the Norwegian Government does not have an interest in them, but they don’t have a voice in Norway” referring to local communities in the delivery chain.

#### 5.1.2 Businesses motivation for the coalition

The motivation for joining the coalition is similar for all the business members interviewed. They all support a law concerning business and human rights. Though, the law will not affect all of them in the same way. Ida claims the business she represents is level above the production chain, as they do not have any production abroad. Ida simply wanted to join since this is a personal and an important initiative. The topic of business and the effect it has on human rights does not get enough attention, and “even though it does not affect us, it is a topic that should be lifted all over the world”. Ida believes businesses and investors on a general level should learn more about how a business affects human rights and wants to contribute to this. Ida also says that “we get to profile that we take responsibility... others sees that we do it, and then they can do it too. So, this results in other businesses reads up on what UNGP is, and then you spread the happy message”, and “it is also a recognition that no one is perfect, and that no one can guarantee that they are perfect but that you are working on it”. Similar to Ida, group interviewees Tom, Nina, and Silje do not get directly affected by the law. They support the vision of the coalition and believes the arena the coalition has created for like-minded businesses, organization, and investors is important.

For some of the businesses, it was a casual conversation with organizations during the coalitions start phase that sparked an interest. As an investor, Camilla is interested in clear guidelines for businesses to legally follow the UNGP principles and believes that “if businesses get clear regulations, they have to pull themselves together” while referring to corruption, human trafficking, and modern slavery. Similar statements have been expressed

from the other businesses interviewed. All the businesses already have clear policies and guidelines on social responsibility and human rights. Guidelines such as the OECD, the UNGP principles, and due diligence are already essential elements in how they do business. Ole and Marianne states that “it was natural for us to join”, and Rune state that “it made sense for us to join”. Several of the coalitions members has also been a part of forming the law draft, either as an informant or in the working group.

## **5.2 The importance of cooperation and impact**

### **5.2.1 Civil society organizations on cooperation and impact**

Lisa believes collaboration between business and civil society is crucial and says that “for the law to result in real change, businesses have to be in on it”. With the mindset of a long-time perspective on the coalition and achieving a legal standard, the process has sped up as the state has ‘changed their minds’. Lisa believes the reason this is the case, is because businesses themselves is surprisingly supportive of a national standard on business and human rights. This results in the government’s argument on how difficult a legal standard on the subject will be for businesses to fall short. Ingrid believes there is no doubt the coalition has succeeded, whereas the six biggest companies, as well as several other businesses and non-governmental organizations in Norway now is a part of the coalition. This is seen as important in communication with the Norwegian state and other business actors, where it will be hard for state actors to say that 1. There is no need for a human right due diligence law in Norway, and 2. A law will be too much to handle for Norwegian businesses.

The importance of standing together putting pressure on the state is important for all the members that have been interviewed. Especially for the non-governmental organizations as they have worked on making businesses responsible for human rights violations for many years. They have come to the realization that cooperating with businesses is necessary as the state’s argument for not implementing a legal standard has for a long time been the influence it will have on businesses. Based on this, one important factor in forming the coalition has been to get businesses on board. For this many actors representing both businesses, banks, investors, and civil society to stand together in supporting a law is a game-changer. Ingrid believes the coalition influences the Norwegian government to prioritize working on

implementing a legal standard. All the participants representing non-governmental organizations agree on the fact that the coalition is a good tool for pressure, but there is uncertainty on which influence the coalition will have on the law itself. Helena state that “right now we are just waiting, and does not have any influence”, but hopes that the basic and common demands on following the UNGP principles will be held, and if not, the actors in the coalition can put pressure on it when the draft of the law is presented.

### 5.2.2 Business on cooperation and impact

Interviewing members representing businesses shows that businesses have the same thoughts and views on working together to put pressure on the state to implement a law. Ida states that:

“The government has a tendency to use different interests up against each other, civil society wants a law, and the state says that it will be too difficult for business, and that it’s more efficient to work in other ways”.

To get businesses working on this and understand that it is both good business and important in a global context to follow the UNGP principles to join the initiative results in the government losing its argument. Camilla has, on a general level dialogue with government agencies, whereas they are concerned about a law where they believe civil society goes too far and is concerned a legal standard isn’t realistic. Therefore, member businesses believe it is important for the state to understand that a law is in everyone’s interest and that businesses want it too. Camilla also emphasizes the cooperation between civil society and businesses as “we have different roles in society, we are investors and not activists, we can’t behave the same way”. She means that businesses that support a legal standard also have a more significant collected voice standing together with civil society. All the businesses interviewed emphasize the cooperation between civil society and business and believe the coalition can be the tip of the scale. Related to this, Tom says that “the demand is old news, the cooperation adds a whole different weight”, and Camilla says, “they can’t say no, if we work together”. Rune does not think the coalition itself is that important, but the fact that it has members from a variety of businesses and organizations shows the authorities that the law has support from both sides. Rune says that cooperation through the coalition most likely will affect a decision to implement the law as “It’s not very likely the authorities will vote on something they were unsure about the consequences for businesses, when we stand together and say this is important in 2021”. The same concept of cooperation applies to the effect the coalition might

have on the law, where businesses on a general level say that the different actors in the coalition empathize different aspects of the law but putting pressure on authorities can result in a better law.

### **5.3 Motivation for a legal standard on business and human rights**

As we saw at the end of last section, different actors empathize different aspects of the law, which is why I am interested in looking into what the motivation for the law is. When the coalition started, there were more members from civil society organizations than business members. Based on this, the participants have answered questions regarding where the initiative for the coalition came from, and if businesses have a genuine wish to implement a law, or if the motivation to join the coalition is based on it ‘looking good on paper’.

#### **5.3.1 Civil society organizations perception of businesses motivation**

Lisa believes the reason there was an overweight of members representing civil society is that civil society is in closer contact with each other than businesses are. The participant states that “in civil society there is a lot more trust, if I call another organization, they will trust me because it complies with their priorities”. Therefore, it was easier to recruit other organizations, and it took longer for businesses to join. The participant also believes that there is a longer process deciding which initiatives to support, especially in the large companies. Looking ahead there is an assumption that more businesses will join, as most organizations already have been asked. The participant does not want to demonize companies and hopes most of the companies has joined because there is a genuine wish for a law, but

“I believe and hope there is a genuine interest, but I think priorities have changed because there is more pressure, more pressure to appear more ethical and sustainable, but that does not mean the idea isn’t good”.

Helena says that several actors from civil society have worked on business and human rights in different ways, whereas they work on changing the structure in businesses, while Amnesty is working on the human rights perspective. The organization was not sure if they wanted to join a coalition with businesses but ended up joining as the goal is good. She has wondered if

businesses have joined the coalition because they want to do good, or if it looks good on paper and says:

“I think some of them are in it because they sincerely want to make things better and if everyone has to follow the same guidelines the premises will be the same and fair to be sustainable, which is how it should be. I think some might join because it looks nice or so they can use it as an argument in other settings.”

Helena is worried that they will use the membership of the coalition as an argument in all discussions, and she means a membership does not mean they get a stamp of being ‘good’. Talking about the same topic with Ingrid, she has the understanding that the businesses who has joined the coalition do have a genuine wish to be better and get a business and human rights law. By joining this coalition, businesses make themselves visible, and they know that different actors are watching them, they also know that even though they have good policy and good analysis, things can happen. In contrast, Ingrid focuses on the businesses that chose not to join where “my experience is that those who decline do not have a wish to become as good as possible, or they are afraid that they won’t be able to live up to the expectations”.

### 5.3.2 Businesses motivation for a legal standard

Ida believes it was necessary that the initiative for a coalition to come from civil society because they can reach out to different actors and industries. She says it would be unnatural for them to make a coalition with an industry they’re not a part of themselves. As the initiative came from civil society, it is also natural for them to first reach out to other actors of civil society. Tom, Nina, and Silje do not believe the goal is to get many businesses to join, but that it is about the size of the businesses joining and that it is a fact that it is easier to get civil society to join. Rune says it makes sense that there was an overweight of civil society members at one point and that it makes sense that the initiative came from ‘that side of the table’. As civil society is vital in pushing businesses to better their work on human rights, and that “they are in a different position where they can be clear with the authorities in another way than we can”.

When it comes to businesses’ motivation to join the coalition, Ida does not believe anyone without focus on human rights would dare to be in the coalition as you would get “caught with your pants down”. Tom believes there is a genuine wish among the members to

implement a law, whereas Nina thinks it is a bit mixed. They agree that this is important for the big companies, and that there are many small companies that go under the radar as it is beneficial to not take responsibility. When asked about businesses motivation for a legal standard, Silje answers

“that it looks good on paper is naïve thinking, the businesses that have joined want the same terms, as they observe that there are not the same competition terms because some does not care”.

Camilla says that it is civil society’s role to mobilize and that she believes most of the coalition’s members have good intentions. She says becoming a member without having policies on human rights would be a cynical PR stunt. She says most of the members have good policy and have worked on this field for a while but is unsure to which degree they implement it. Though, she thinks there is a genuine interest as they are willing to go public. Similar to this, Ole states that the big companies take human rights seriously as they know it is beneficial to have a good reputation. He says that “they operate internationally and if they do something wrong, they get a bad reputation. They don’t want first page with something they’ve done”. The participant believes that it is probably not easy for smaller companies as it demands money and resources, and it is easier for a big company to have resources to work with human rights. Rune seems to be a bit more skeptical of other businesses motivation to go public. He states that

“I think there are many agendas, I don’t dare to speculate. Many say they work a lot on this, but we observe that our competition doesn’t care”.

A motivation for them is to get a legal standard and rules for everyone and “that the framework provides something to relate to”. Marianne believes many businesses are positive, but silent as

“a delivery chain is complex, and it is hard to have full control... It might make people afraid to talk about it. I thought more would be critical, but most businesses think it’s good”.

Marianne hopes the other businesses have a genuine wish for a law, because it is easy not to become a member. She also believes that businesses who choose not to join the coalition

might be afraid because they are worried about being public and making mistakes, which is why she says it is important to have the same conditions of competition for all businesses.

An interesting observation done in the analysis of the interviews, is that the businesses interviewed have in many ways been clear on their own intentions while discussing others. I get the understanding they individually have a genuine wish for legislation.

## **5.4 Sustainability work**

### **5.4.1 Civil society organizations on sustainability**

Lisa and the organization represented works with human rights and politics. They focus on sustainable development goal 8 (decent work and economic growth), SDG 12 (responsible consumption and production), SDG 5 (gender equality), SDG 16 (Peace, justice, and strong institutions), and SDG 17 (partnerships for the goals). Helena and the organization work with sustainability and fair distribution on a structural level where they try to change the structure in states with environment and unfair distribution, power, and wealth. The organization works with having an influence on politics where they go to lobby meetings, attends debates, write chronicles, contributes with informational work, and work with alternative economics. On top of this, the organization also tries to influence businesses and international cooperation by working on trade politics and trade culture.

### **5.4.2 Businesses on sustainability**

I am interested in looking at how businesses work at a sustainable level as I see a connection between sustainability and human rights work. Ida tells me that the bank she works for tries to look at where they have the most impact through narrow analysis. They have found out that they have the most impact on consumption, waste, and climate, which are the areas they focus most on. She tells me that “where we have a positive and negative influence, we try to enforce positive impact and limit the negative influence, through different measures”. When they cooperate with other businesses, they demand a sustainability report and informs them about where they have risks. Tom, Nina, and Silje who sells services, try to push clients to work strategically with sustainability and focus mainly on SDG 8 and 5 as well as 10 (reduces inequality). They also mention that they focus on the sustainable development goals, and the

UNGP and OECD guidelines. They observe that their clients want to work strategically with the SDG's, but states that

“there is a lot of talk, but not so much actual work on it”,

whereas another participant from the group interview comments

“we are worried about cherry picking amongst the goals, everyone can't do everything... there are different motivations for working with the goals”.

As an investor, Camilla tells me that they look at companies that contribute to the goals and focus on the companies focusing on the SDGs, making it easy for them to promote themselves. They focus and have analysis on climate, renewable energy, equality, decent work, economic growth, and cooperation. The company also uses the SDGs in communication, making it easier for others to understand how they work on sustainability. Ole believes it is important to see how everything is connected and says that sustainability is comprehensive. In other words, there are many elements and aspects of working in a sustainable way. The participant tells me

“We affect the environment, and then we have to compensate, if we have to cut down forest we build a new one, if animals are red-listed we have to make sure they can live in other areas, if we have to move a group of people we have to make sure they get a better life and sort it out in a sustainable way, make sure these things does not have long lasting damage”.

Ole and the company are working on lessening their negative impact, which also includes the social dimension and environment. Ole also tells me they work on the SDGs and look at every project and where they can have a positive impact. If they must move schools, they build a new and better one where they educate teachers and contribute with equipment. Further, they build health care centers and start gendered projects where they make sure women have rights and an income.

Rune and the company he represent started working on sustainability many years ago and included the climate and environment part in 2013. They use the SDGs to organize their work and focus mainly on SDG 8, 12, and 17. The participant states that they will work more on climate and sustainability, where they will “work more on the climate part of it all, with emission accounting and climate measurement in cooperation with partners”. Marianne has

not chosen any specific SDGs to work with and says they are all goals for them. They look at the process from raw material to finished product and the waste dimension of the product, where they have risk assessments in the process. Marianne says that

“there’s many and different challenges... in our industry it is a challenge with mass production and circular economy’ and ‘it’s continuous work, there is always new options and technology, new materials... we will never get to a place where we think we are at the finish line”.

In my interpretation, the businesses interviewed understand that mistakes can happen. In my understanding, they focus on working in a sustainable way and realize that there will always be new challenges.

## **5.5 Human rights work**

### **5.5.1 Civil society organizations on human rights work**

I was interested in looking at how civil society organizations work on human rights in relation to business, and how their perception of how businesses work on human rights is. When being questioned about if the members believe business members already follow the UNGP principles, Lisa says that

“I think businesses that are members of the coalition are companies that are either very interested in or have been forced to be interested in reporting the correct way... and take a social responsibility... and one of the reasons is that the biggest companies are obligated to follow French and British law”,

and

“I doubt that anyone that does not have relations to this would have become a member”.

Talking about due diligence, Lisa believes that businesses already working on human rights due diligence is a precondition and that ‘I am sure this is a term most of them is well aware of and is already practicing’. When being questioned about which future measures businesses should take, Lisa believes it is important with thorough due diligence as the participant works with human rights. She also believes that it is important to

“make sure there are resources to understand the cultural context, especially when it comes to property rights which is a challenge. Use the local community to get contact with everyone to get a correct representation, it’s not enough to talk to one representant when other groups get effected”.

Ingrid and the organization she represents base their work on being in the field doing documentation and investigate violations done by businesses directly or indirectly through international business and production. This documentation is used in campaigns and lobby meetings where they hold businesses responsible, meetings and dialogue with authorities and agencies like the UN and EU nationally and internationally. They help and support exposed individuals or groups that have been violated with funds for court,

“it’s David against Goliath... companies have resources from here to the moon with resources and lawyers, a primitive woman does not, and then we can be there to help... we use the whole toolbox we have available”.

They also have cooperation’s with companies for good impact. Going over to the topic of the businesses that are members of the coalition and how the participant views the way they are working on business and human rights, Ingrid states

“the characteristics of the biggest companies and why they are positive to this is because they for many years have been a member of the global compact and publicly follows the guidelines and international standard within their own sector”.

Based on this, Ingrid believes there will be no big differences for the companies that are already working on this, whereas the only difference when the law is in place will be the possibility of sanctions because there will be a legal standard.

### 5.5.2 Businesses on human rights work

Interviewing businesses, I have been interested in getting insight into how they work on human rights. An assumption prior to the interviews was that the businesses that chose to become a member of the coalition are already working on the topic. Ida tells me that they try to follow the UNGP principles and demand partners to conduct due diligence in their delivery and production chain. They work on risk assessments and follow up where they identify violations. At the same time, Ida states that “you can’t claim to follow the UNGP principles fully... and the UNGP says you should lay your effort considering where you are in the value chain”. Ida tells me they use due diligence and a sustainability report in every cooperation case. Tom, Nina, and Silje work with risk assessment and sends support teams to ensure everything is in order – if it is not, they demand action and contribute with competence and guidance. They believe their approach it’s a bit different as

“instead of excluding companies where things are not perfect, we recommend assistance instead of exclusion... we believe that the time one can use to assist and help them get gradually better, the world will also become better”.

Camilla and the business she works for is a member of Global Compact, where they already follow the UNGP principles, and conduct due diligence. They try to look at where there are potential risks and which sectors are most exposed. Further, they have dialogues with partner companies and look at if they are members of initiatives, how they handle sustainability, and human rights and if they are cooperating with civil society and labor organizations. Further, they exclude companies that are not willing to work properly on these issues and cooperate with different organizations in mapping for example equality, but “there is still a lot we can do, we can always be better”. Ole states that the UNGP principles are included in the company’s policy, where the whole decision process is equant to a due diligence process where they have several demands. The company is producing in several countries outside of Europe, so they separate between Europe where there is a lot of legal standards and outside of Europe. Ole says that every country and every project is unique and that there is many challenges, resulting in it being hard to generalize the challenges. He says that there are

“different standards on health and environment, frequently we must have higher standards and better solutions than what is expected. We experience resistance from politicians because we introduce high standards, and they are afraid it will be impossible to have other projects. We have a lot of money, and we are not afraid to spend money on this, if they internally would follow our standards, they would not have made it... that’s the problem, different standards, and a lot of differences”.

Working on due diligence, they try their best to go through all the links in the delivery chains, but it is challenging as “in the contracts, it might say that everything is in place, but in practice... we have to visit the factories to see that everything is how it is supposed to be” and says that corruption and child labor is a big problem. Other than this, they pay their workers more than minimum wage as it guarantees better standards and works on rights to labor organizations. Another challenge is indigenous people and the countries where the state does not recognize them, where they must respect land properties also not recognized by the state. Culture and rituals are also important factors. Human rights are a continuous work, and they are now working on setting in place proper complaint mechanisms. One of the biggest challenges is for everything to work in practice as they have good policy, but they have to make them work on the ground level.

Rune and the business he works at are not a member of the Global Compact, but has adopted the UNGP framework into their policy. They are a member of other initiatives and coalitions that’s more specific for their industry. Due diligence is basic work for them, where they in every case work with the first chain in the delivery chain. In areas they identify risks, the work goes down to the second and third, and in some cases all the way down to raw material in cooperation with bigger initiatives like fair trade. Like Tom, Nina, and Silje, Rune does not exclude already existing partners, but looks at it as an opportunity to help where “we do not pull out, but we give them an opportunity to tidy up and provide the resources to do it”. In some cases, they do exclude production and delivery partners, as

“sometimes they do not meet our demands, and in some cases, we do end the cooperation. The focus is on the people and groups affected, and we try to help them. We go a long way before we exclude”.

Marianne and the business she represents has strict demands in their code of conduct. Elements included are anti-corruption, rights for pregnant women, facilities, training, and chemicals. They have follow-ups, visits, and inspections in fabrics, where “we have used a person who knows the language and culture, so we can talk to the people on the floor in a better way when we visit”. In their delivery chain, they always work to the second chain, and in some cases, further. Similar to Rune, they do have projects in cooperation with other initiatives where they work with due diligence all the way to raw material. Typical challenges, as we also have seen before is the challenge with labor organizations where workers are not allowed to get organized. Other than this, there are challenges connected to climate change. Most of their production is in China, and the participant is impressed how much the production and demands have improved. They have never had any challenges with child labor, in contrast – a challenge is that the Chinese economy has grown, and they struggle recruiting workers for the factories.

## **5.6 Challenges connected to business and human rights today**

Discussing challenges related to business and human rights today, I have tried to establish a link between challenges and the wish of a legal standard. Understanding which challenges these actors see as important will help analyze and discuss the need for legislation in relation to business and human rights.

### **5.6.1 Civil society organizations perception of challenges related to business and human rights**

Talking about the biggest challenges regarding business and human rights today, Lisa says a challenge is the relationship between profit and human rights whereas it is stated that

“profit is often put up against human rights, but in a sustainable perspective where a business is supposed to be sustainable, you also need people to work for them... if you want the best people, you also have to treat them well, make sure they have a good work environment, so there is something with the long-time perspective vs. short time perspective that is the biggest challenge”.

When she talks about workers and employees, it is the ones in the factories and on ground level referred to. Quick money-making goes at the expense of the long-term investments in humans, where there is no or little contact with local communities and little understanding of the cultural context. Similar to this, Helena believes the need for economic growth goes on the expense of human rights. Further, a big challenge according to both Helena and Ingrid is the lack of transparency from businesses and their production chains.

#### 5.6.2 Businesses perception of challenges related to business and human rights

Ida empathizes the fact that the ‘system’ internationally is unfair and that citizens in the Global North are not willing to pay what the goods are worth and “when we don’t get it cheap enough in the local shop, we buy online”. Tom, Nina, and Silje are also concerned about the relations between the price of the goods and decent conditions. They observe factories are worried if they pay their workers more, they will lose their market. This results in the workers losing their jobs, and they ask, “is it better to have a bad job than no job?”. Further, they emphasize coalitions and initiatives like KAN where the threshold on a general level is lifted as important. Camilla says the top challenge is the lack of information, as they are completely dependent on correct information from partner businesses, and in certain countries, it is challenging to get access to information. Similarly, Marianne believes the biggest challenge is the lack of transparency, making it ‘easy to hide and cover up things’ as well as the lack of follow-up from authorities. As the conditions ‘on the ground’ are important for Ole, he sees the biggest challenge as subcontractor chains and behavior. For Rune, a challenge is different standards and unclear frameworks. They also observe Norwegian companies practicing bad business practice abroad where they do not invest locally and identifies that Norwegian authorities not taking this seriously as a big challenge stating

“they don’t necessarily do it knowingly, but there’s a tendency that Norwegian companies and authorities are naïve in all this and lack the knowledge of implementation in practice of responsible business conduct”.

In my understanding, both civil society organizations and businesses see the lack of transparency and information as a big challenge. Further, an unfair international system where profit goes at the expense of human rights is seen as a main challenge.

## 5.7 Implementation of a legal standard

As the coalition's common goal is to put pressure on authorities to implement a law regarding business and human rights, an important question is 'how will a legal standard affect Norwegian businesses?' and 'what kind of challenges will there be while implementing the law?'.

### 5.7.1 Civil society organizations assumptions on challenges

Lisa believes a legal standard will push the businesses who are not working on the topic to start working on it, and for the businesses who are working on it to become even better. She states that

“and how it is today, it's just the state that can violate human rights because a company can't violate human rights, but the state can by not taking responsibility for those humans... It will be a shift from the thought about it just being the states responsibility to businesses independently taking responsibility”.

Furthermore, Lisa believes more and more people realize this is the case, but the law will contribute to it and “contribute to the Norwegian authorities hopefully following up Norwegian businesses more”. Asked about challenges, Lisa believes one of the biggest challenges will be that there is no organ with the competence and knowledge that assists businesses regarding due diligence and other methods to respect human rights. Further, she is worried that there is not any mechanism to sanction those businesses who violate the demand of reporting as well as the lack of compensation standards. To be able to have the opportunity to make businesses responsible for human rights violations abroad, it is important for Lisa to include sanctions in the law due to

“without it, the law will not be effective. It has to happen something with those who don't report thorough enough. It is important, and the basis of all legislation is punishment, but I bet if it includes the opportunity to sanction, there will be some discussion around it”.

Helena hopes the law will make businesses more aware and follow the delivery chain more thoroughly. She also hopes it will be a competitive advantage to have high standards resulting in businesses pushing each other. Helena's assumption is that it will create awareness and do some changes, but "I don't think everything will become better overnight, but that there will be more consideration to environment and humans, and the topic overall". She is worried about the law being weak, resulting in it not being very useful, "if there are many loopholes, it will become a greenwashing project, and without any real changes". Helena is critical, and worried about questions like 'how will the law be followed up? If the due diligence law will apply to the first chain, do the problems get moved to the second chain?' and states that the organization will follow the process critically.

Ingrid tells me that there isn't anyone as far as she knows that's against the law. However, smaller businesses are worried about certain elements in it, what it will mean in practice and how much resources a smaller company must spend. Ingrid tells me that they are critical to the fact that the draft of the law suggests the duty to do due diligence only applies to the big companies. She says

"to do good due diligence should apply for all businesses, the risk to do something wrong is not about the size, but about where in the world you are".

Ingrid makes me aware of NHO (Norwegian trade organization) is skeptical of the due diligence demand for smaller companies, as sanctions against a small company could mean big economic consequences possibly resulting in them going bankrupt. The organization represented states that the duty to conduct due diligence should apply for all companies, small or big. Of all the participants, Ingrid seems to be the one who has the most knowledge about the draft of the law, where it is suggested that a company can be fined if they do not follow the informational duty, and no one will be held accountable. She says

"it's a paradox that one can only be sanctioned for breach of the informational duty, but not something as serious as not following due diligence. If one should have a law like this, everyone should follow due diligence and if you don't do it, it should be possible with punishment, but we suggest other forms for punishment than fines... A fundament should be that the law is based on the UNGP and OECD guidelines".

The concern of how the law will be followed up is similar to the concerns of the other participants representing organizations. Ingrid believes it is important to also implement an

organ for reporting and guidance as “90% of Norwegian businesses are small actors, but they can still have big projects abroad. They are small and goes under the radar, don’t have a lot of resources and no social responsibility department”, and that it will be the state’s responsibility to follow up the law.

### 5.7.2 Businesses assumptions on challenges

Ida does not believe a law alone will change anything but hopes the law will contribute with resources and attention to the topic. She says

“what I think has something to say, is that civil society will have the law as a tool to ask where goods are produced... by asking where it is produced, the company has to figure it out and there will be more attention on it, but it’s not like you can do anything about it. You will have a duty to say where it is produced, but you won’t have a duty to follow human rights, it will not be any less illegal with a bad production chain with the law, but it depends on how they shape the law”.

Ida does not see laws as a problem, but the problem is that the laws is not followed up and hopes there will be resources to follow up and make sure businesses follow the legal standards. Further, it is stated that the big and serious businesses have a focus on human rights today whereas the hope and expectation are that it will influence the smaller unserious businesses to focus on human rights. Similar to Ida, Tom, Nina, and Silje also believe the law will create more attention towards human rights and business. They are most interested in the due diligence dimension of the law, where one Tom says, “it will be expensive... information and effort, labor one does not have today... they (the authorities) have to put up systems to succeed”. Nina is worried that the verification of the law will be challenging and that the measures of verification will become a quantitative measure of ‘tick-box’ practice, which according to her, is not good enough.

Camilla has more positive expectations of the law and believes the law will contribute to businesses not only having to report but also prove that everything is according to the standard. She works for a big company and does not believe there will be major changes for them. An assumption is that they already have about 90% in place as they follow EU regulations, but the biggest change will be that ‘it used to be okay to say that we respected human rights and not to follow it up, now we have to show that everything is correct’. Like

Camilla, Rune and the business represented do not believe the law will have a meaningful change for them, as they already have due diligence, transparency, and human rights on the agenda. However, there is an assumption that the way the law will affect Norwegian businesses is in two parts: companies who work on this already have to systemize the work towards a framework. Those who are not already working on it have to get it on the agenda and have a big job ahead of them with implementation in practice. When it comes to challenges with implementing the law, the concerns regarding guidance and knowledge are similar to previous answers with

“the need for knowledge about how you carry out a due diligence process in practice, there will be a huge demand. Authorities and consult firms will have to work up the competence. And supervision, I am excited and unsure about how it will be solved. It has to be supervision for it to actually be implemented”.

Marianne believes the law will not affect many businesses as many already have good policy, and that it will be a lot of work for others. The business represented has used ‘ethical trading’ (etisk handel) as a resource and says that initiatives like this are important. Through these initiatives, Marianne has met several small businesses that is working on the topic, and therefore believes everyone can be able to get the elements in the law in place. Further, Marianne says “maybe the law should be even stricter, but initially it is important to get the basics in place”.

## **5.8 Voluntary practice on business and human rights**

### **5.8.1 Civil society organizations on voluntary practice**

Getting questioned about the fact that as of today, respecting and following human rights in Norwegian businesses is voluntary, Lisa answer

“I am thinking that it’s not working, as long as it is voluntary there will be other priorities as you always prioritize what you have to do over what you can do, and there are few who voluntarily take such a huge responsibility unless they are legally obligated to do so”.

She states that everyone should understand how important this is, and it does not seem as serious if it's voluntary. Helena believes trust is a good value and that it should not be necessary with a law, but the fact is that it is not enough as

“when you look at the reality where there is child labor and bad pay, that someone gets billions and others get 10KR an hour, and factories falling apart... then voluntary practice is not enough, and there is a need for stronger guidelines”.

Ingrid highlights good guidelines in OECD and UNGP but identifies the problem as these not being legal standards and mentions “reports prove that it is insufficient with voluntarism in this field, it has to be legalized”.

#### 5.8.2 Businesses on voluntary practice

Business members of the coalition that have been interviewed mostly have the same opinions on the topic of respect for human rights being voluntary. Camilla states early on in the interview that there is an issue with UNGP and OECD guidelines being voluntary and that it's not enough. She says, “there is no clear demand for due diligence, and because it's voluntary only those who wants and has the resources do it”. They observe greenwashing and lies from companies, where “they sign here and there, and it looks good, but they're not doing the work, everyone has to work with the same rules”. Camilla feels strongly about the fact that respecting human rights should not be voluntary and that we need this law, stating

“UNGP came in 2011, and we are in 2021, clearly it is not enough. We need regulations for companies, and it's not coming... the national human rights plan, no progress. Many countries have decided that enough is enough, we need regulations, it's due”.

Like Ingrid (from a civil society organization), Ole also remark that voluntary work is the first thing to be cut during crisis and believes that a minimum requirement should be implemented in legislation. Further, this will result in a level playing field where everyone has the same conditions of competition. Rune believes the society can get far with voluntarism but that the time is mature enough to get legal frameworks and legislation. Further, he does not believe

respecting human rights on a voluntary level is enough, as they observe companies that appear responsible even though they haven't implemented responsibility properly. As businesses have a social responsibility, Marianne believes it should be legalized and does not think having this responsibility should be voluntary.

Ida stands out by stating that things will not necessarily be better with a law, saying

“I mean, what do they think will happen? That it suddenly will be like okay but then we stop buying cheap goods from Kina? That won't happen, and in a way it won't with this law either”.

Ida points out there are not any problems with the laws, as there's plenty of them. Similar to this, Tom, Nina, and Silje also points out that there are several laws internationally and nationally within the field of human rights and business. This is based on Norway being an OECD country, but they believe making sure the law is followed by businesses is the key to success.

## **5.9 Sustainable Development Goal 8**

As Sustainable Development Goal 8 is referred to as 'businesses SDG', I have been interested in looking at the members perception of the goal. As the SDG combines decent work and economic growth, the goal has been under discussion (referring to the literature review). I have asked questions regarding thoughts about the goal, if the members believe there is any conflicts in the goal. Further, I have asked questions about the members perception on KAN's contribution to it.

Lisa believes there are challenges with many of the goals, but says this goal is extra ambiguous. She states, “you have to interpret after the laws intention, and the laws intention is not that companies is supposed to get rich, so if it is interpreted that way it's not in line with the goal”. The coalition wants economic growth for those who have little. Helena believes the goal is a symbol of our capitalistic era, where the idea of economic growth is a dead end. It is admitted that she has a tense relationship with SDG 8, where she believes that economic

growth has contributed to differences and environmental destruction. Helena and her organization are skeptical of the state's development politics, where economic growth is the goal. Helena says,

“Norway gives with one hand and take with another, as long as it serves the economy”.

And

“The goal is conflicting. Decent work is important, but economic growth and decent work has nothing to do with each other. The need for economic growth is the reason for the lack of decent work it should be removed (from the goal)”.

Ida believes it depends on how you define economic growth. If it is at the exploitation of others, the goal has internal conflicts. If you base economic growth on circular economy where everyone has the same terms it does not have a conflict. Ole and the business represented states that they do not have a mindset where they think of economic growth as just being to their advantage and that they think long term. For Rune, the goal is easy and clear whereas

“these two things follow each other when you work globally... Testament to international trade is important to lift people out of poverty, but you can't exploit people. There's not necessarily an internal conflict, but decent work and economy can be conflicting”.

Marianne does not think there is any conflict between decent work and economic growth if you do things in a sustainable way and makes money, “it can go hand in hand if you have the correct focus”.

If the coalition can contribute to achieving SDG 8, the members have a general agreement that they can. With comments like “I think we have surprisingly much influence”, “yes, to a small degree”, “hope so” and “Goal 8 is the most important KAN can contribute to”. Helena stands out saying

“Yes, it can be one of many factors to achieve it. The question is if it’s good or bad, if the law will emphasize decent work and human rights or be a contributor to greenwashing and contribute to economic growth based on the exploitation of others. The focus has to be on decent work and human rights”.

As we can see, the members representing civil society organizations have a different view on SDG 8 in contrary to members representing businesses. My interpretation of this is that civil society organizations often work against the capitalistic system, as many view capitalism as the root of inequality. Capitalism is tied to economic growth. Businesses on the hand, are dependent on the economy. The data shows that businesses do not necessarily think of economic growth only for themselves.

This chapter has presented the empirical findings from the qualitative interviews. I have gone thematically through the findings. In the next chapter, the empirical findings will be discussed in light of the theoretical framework and the literature review. My main- and support arguments will be presented, and I will answer the research questions. The structure of chapter 6 will not be the same structure as in this chapter. The sections of chapter 6 are divided into sections where specific research questions will be answered. In the first section, the synergy between business and civil society will be discussed, and the research questions “why is the synergy between state, business and civil society important in the process of policy change” and “what role does a civil movement like KAN play in policy change?” be answered. In the second section, the support business express to the law will be discussed, whereas the research questions “how is KAN’s members working on sustainability and human rights, and why is there a demand on others following the same path?” and “are the members representing businesses members because it looks good on paper or because they want a legal standard?” will be answered. In the third section, I will discuss voluntary business practice on human rights, and answer ‘is respect for human rights in Norwegian business conduct on a voluntary basis sufficient?’. In the final two sections I will discuss and answer the research questions ‘what will a legal standard on business and human rights mean for Norwegian businesses?’ and ‘how is the movement contributing to achieving SDG 8?’.

## 6. Discussion

### **6.1 The synergy between business and civil society**

As one of the research questions for this thesis is about the synergy between business and civil society in the process of policy change, it is important to look at the participant's motivation to join the coalition. Further, I will look at their view on cooperation and participation in putting pressure on the state in relation to the theory and literature. The motivation for starting the coalition for responsible business came from civil society organizations, as they observed a governance gap in the relation between human rights and business. The motivation for Lisa (representing a civil-society organization) was to make life better for the people and groups who get affected by human rights violations. As for the motivation of businesses to join, the data suggests that they observe the same governance gap. Related to this, they believe legislation is necessary for business to 'pull themselves together'. The data relates to the governance gap described by Ruggie (2018) and Buhmann, Taylor, and Giuliani (2019), where cost competition and the structure of global value chains go on the expense of human rights such as labor rights (Buhmann et al., 2019, p. 338). The data proves that motivation for starting the coalition and becoming a member shows the Norwegian state that both business and civil society organizations stand behind a legal standard regarding business and human rights. The reason why they identify the need for legislation will be discussed later. Further in this section of chapter 6, the research questions "why is the synergy between state, business and civil society important in the process of policy change" and "what role does a civil movement like KAN play in policy change?" be answered.

As seen in chapter five (5.1 and 5.2), civil society organizations have pushed for legislation within the field of business and human rights for years. Here, the state has sent a clear message that respect for human rights is more effective on a voluntary basis. The arguments presented through the interviews are that a legal standard on business and human rights will be too difficult for businesses to follow. The coalition and the cooperation between business and civil society attempt to prove that a legal framework on respecting and protecting human rights is not too difficult for businesses. As seen in the theoretical framework, Ruggie (2008)

argues that when states protect businesses in this way, they might do more harm than good (Ruggie, 2008, p. 193). This has been a realization for civil society organizations for years. Civil society has been fighting for a law because of the people affected on the ground by violations done by business, fighting for those who do not have a voice. In achieving a legal standard, the data proves that civil society organizations have realized that to put the right amount of pressure on the authorities, they must get businesses on the same side. The data shows that the participants representing businesses of different sizes have the same view on cooperating with each other to create change. The fact that business sees cooperation as an advantage is important, which I will look at in light of polycentric governance.

Using social relations and power structures in form of a polycentric governance approach in answering why the synergy between these actors is important can help analyze different elements and potential outcomes. As stated in the theoretical framework, the governance system is built up by actors with different roles and power. In this situation, there is a relationship between state, business, and civil society organizations, where a network of different actors connects to harness their collected power in affecting the authorities. In the case of KAN, the data shows that both civil society and business have identified an advantage in working together. The members from both sides talked about the advantage of creating a collective voice where several participants brought up the fact that authorities have used the argument of a law being too difficult for business as a reason not to implement a legal standard. As seen in chapter 5, several members argue that working together showing that the legislation is wanted from both sides results in the authorities' arguments falls short.

Using Hampton's (2019) key characteristics of polycentric governance one can argue that the coalition has brought together multiple stakeholders with different expertise, power, and authority. Analyzing the data, my interpretation is that business has the advantage of having a lot of power, as protection of business itself has been the reason why of today there is no legal standard on the subject. Having this strength, businesses are an important stakeholder in the coalition and provides the opportunity to create a meaningful change. As stated by one of the participants, the stakeholders have different roles and cannot behave in the same way. Civil society as a stakeholder has the advantage of being able to go to a different length in protecting human rights and has the expertise and knowledge of what actually happens on the ground. The data shows that authorities are under the impression that civil society are unrealistic in their wish for a due diligence law. Encouraging participation from both business

and civil society organizations, results in multiple levels having a possible advantage. Scholars such as Abbott, Snidal, and Ruggie (2014) argue that including civil society as a stakeholder can contribute to closing governance gaps (Ruggie, 2014, p. 10). Which in this case, is transnational companies power increasing while the state power in protecting human rights have declined (Hampton, 2019, p. 240), and the human rights violations that happens because of it.

Looking at the stakeholders as both independent and interdependent (Hampton, 2019), the coalition proves that business and civil society can rely on each other. As civil society organizations describe cooperation with business as a gamechanger, and business describes cooperation as the tip of the weight scale, one can interpret the cooperation as stakeholders being dependent on each other. Here we can see that the data is in line with Hampton (2019) and Ruggie's (2017) argument that "each stakeholder contributes unique value, counterbalances each other's limitations, and functions in ways that complement and support one another" (Ruggie, 2017, Hampton, 2019, p. 246). The polycentric governance approach relies on cooperation between multiple stakeholders as the state "cannot do all the heavy lifting required" (Hampton, 2019, p. 244). As mentioned before, the coalition creates an arena for learning and adaptation, which is an effective way of implementing international norms to multiple stakeholders. It also creates an environment where businesses can learn from civil society organizations and vice versa.

As civil society has been accused of going too far, and on the other hand, business is accused of not doing enough, the arena is important in terms of learning from each other. The importance of this is underlined in Smit et al. argument on understanding how company's work and their challenges before implementing policy change (Smit et al., 2020, p. 4). Further, as well as their argument on the importance of cooperation between state, business, and civil society (Smit et al., 2020, p. 21). This way, civil society learns about corporate challenges in their work on human rights, while civil society itself contributes with knowledge that can change corporate behavior. This argument relates to Prenkert and Shackelford (2014) and their statement that civil societies documentation of human rights violations can promote corporate change and even enact legislation (Prenkert and Shackelford, 2014, Hampton, 2019, p. 246). Maximizing the potential of the polycentric governance model, using the network and knowledge of multiple stakeholders representing business, investors, consults, banks, religious organizations, environmental organizations and

human rights organizations among others, innovative and creative solutions can be worked on together.

Based on literature and the theoretical framework, the polycentric governance model proves that this cooperation can result in change. The data shows that the participants believe working together sends a message to authorities that Norway is ready for legislation on the topic of business and human rights. The data also provides the information that the Norwegian state's argument on not implementing a legal standard due to it being too difficult for businesses to follow the rules is not valid. This is backed up by the fact that some of the biggest companies in Norway are partnering up with civil society organizations that have worked for legislation for several years to put pressure on authorities to implement a legal standard. Answering the research question of why the synergy between business, civil society, and state is important in the process of policy change, I argue that involving participation from different stakeholders will result in innovative problem solving on several levels.

As etikkinformasjonsutvalget already presented their draft of the law, the road to implementing it is well on its way. As it is not sent a consultation letter on behalf of the coalition, members have sent consultation letters stating their concerns and meanings on which aspects of the law should be reinforced. This proves that the members are both independent and interdependent. As there are different opinions on which role the coalition itself plays in this process, I would argue that it's not the coalition itself that is important, it is the united force standing together demanding change that matters. The arena created could possibly not only result in change in the matter of legislation, but also sustainable partnerships between stakeholders working towards the same goal. While it is the state duty to protect human rights, and businesses responsibility to respect human rights, the protect, respect and remedy framework was built on the 'new governance theory' with the assumption that networks of stakeholders will work together in turning norms into laws (Hampton, 2019, p. 245). As seen in the literature review, several scholars argue that including stakeholders such as civil society, business, and state actors in processes such as implementing policy will result in a best possible result. In the next section of this chapter, I will look at how business members are working on sustainability and human rights. Further, I will discuss if they genuinely want a law and why they want others to follow the same path.

## 6.2 Businesses supporting the law

Earlier in the thesis, I have described the connection between sustainability and human rights as respecting and protecting human rights is sustainable. As we saw in chapter 5, civil society has implemented the SDGs in their work while working on affecting politics and power distribution. The polycentric governance model emphasizes civil society's role in reducing governance gaps and cooperation (Ruggie, 2014, p. 9). Looking at how civil society and business work on the topics of sustainability and human rights independently can help understand the motivation and demand for a legal standard. One of the participants representing a non-governmental organization stated that they use the 'whole toolbox' while working on human rights. They are reporting human rights violations which they then use in lobby meetings and campaigns, informing and engaging civil society. Civil society approaches the situation on business and human rights from a human-rights centered approach, where the main goal is for human rights to be respected and protected. As Frey (2017) argues, the human-rights centered approach emphasizes authority's role in upholding human rights and provide politics supporting them (Frey, 2017, p. 1173). As human right protectors, the motivation for pressuring the state to implement legislation is obvious. While the civil society organizations that participated in the thesis work on sustainability and human rights at a structural level in ways such as reporting and doing field work on what happens 'on the ground', I was interested in understanding how businesses work on the same subject. During this part of the interviews, I aimed to understand why so many businesses support a law on transparency and due diligence.

As a social scientist and looking at this from a human right centered view myself, an important question to ask was if the wish for a law is genuine from the business perspective, or if it is another way of showing costumers and investors that they are sustainable and take social responsibility. As CSR has become a mechanism for companies to show others they take social responsibility, there is no regulation and no common guidelines (Buhmann et al., 2019, p. 339). This could potentially result in companies not doing what they express they do, so it is important for this thesis to understand how the members work on human rights, and their motivation for legislation. This section of chapter 6 aims to answer the research questions "How is KAN's members working on sustainability and human rights, and why is

there a demand on others following the same path?” and “Are the members representing businesses members because it looks good on paper or because they want a legal standard?”.

When it comes to working on sustainability, the members representing businesses from the coalition believe working on a sustainable level is essential. One of the members stated that they identify where they have an impact, where they are working on doing more good than harm. The same member stated that a legal standard will not affect them, as they are a level over the delivery chain. It proves that certain businesses work on the topic because they identify sustainability and human rights as important, not because they are legally obligated to do so. Identifying positive and negative impact and working on changing habits where one has a negative impact is an important concept in the UNGP framework, where it is a basic step in the process of due diligence. Connecting this to Buhman, Jonsson and Fisker's (2019) arguments on 'do no harm and do more good too', working on identifying risk and make a better impact lifts both sustainability and human rights. As seen in chapter 5 (5.4.2), several other businesses are working on making an impact on partner companies, where they demand reports or working on strengthening partner's sustainability work. Based on Ole and the description of how they work on impacting communities, wildlife, and nature in the countries they have production and business conduct, I would argue they fulfill their duty to protect the environment and human rights.

The data shows that the SDG' has proven to be helpful in terms of identifying where they can have a positive impact, including the goals in their work and in communication. Linking their work to different SDGs help them communicate to others how they work. As argued by Buhman, Jonsson and Fisker (2019), the SDGs has to a big degree changed the way business work on sustainability, corporate responsibility, and human rights. It has also had an impact on the expectation's society has for business and their responsibility (Buhmann et al., 2019, p. 389). The data shows that the members and the businesses they represent are in fact using the SDGs in their work, such as SDG 17 (partnerships for the goals) through strengthening partner's sustainability work through cooperation. The data also shows that there are some worries in relation to the SDGs, as they question companies' motivation to work with the SDGs and are worried about 'cherry picking' amongst them. This can be connected to the classic CSR and self-regulation as the participants observe 'a lot of talk, but not so much work'. The SDGs, the UNGP framework and due diligence can complement each other as combining different elements can help achieve the SDGs and protect human rights. Bonnitca & McCorquodale (2017) are also worried about a 'tick-box' practice, where companies

communicate good practice without doing it (Bonnitcha & McCorquodale, 2017, p. 910). Connecting this to the data, one can argue that a legal standard could potentially make sure measures and goals are taken more seriously and followed through and not being used as an empty promotion of a company.

In the matter of human rights, the corporate duty to respect human rights is stated in pillar two of the UNGP framework. Ruggie (2008) argues that based on international norms and ethics, society expects corporations to respect human rights (Ruggie, 2008, p. 191). Civil society organizations and business have been portrayed as opposites and still are in many settings such as in Ingrid's description of 'David against Goliath' in chapter 5.5.1. I was interested in how civil society believe corporate members work on human rights as well as how business members work on the topic. Further, an assumption was that as civil society sees these businesses as an ally in pressuring authorities to implement a law, the business members must do something right. The data shows that civil society organizations assume one of the reasons the businesses in question became a member was because they already have well established policies and measures within the field of human rights. The data proves the assumption correct, whereas all the participants state that the company they represent does risk assessments, follows the UNGP principles and uses human rights due diligence. Several of the members of the coalition are also Global Compact members, where due diligence is a requirement as a way of reducing governance gaps (Ruggie, 2008, p. 194). Further, as seen in the literature review, corporations are under soft law obligated to respect human rights, even in countries where there is a lack of national law (Ruggie, 2008, p. 194).

The data shows that the members interviewed do their best to respect human rights, as well as avoiding harm. The members admit that no one is perfect, and mistakes are made. They are aware of the fact that this is continuous work, and the more they work on it, the more challenges appear. Due diligence is well implemented in several of the members code of conduct and is described as a basic tool when doing business. They are already following the 'do no harm' concept described by Buhman, Jonsson and Fisker (2019). The theoretical framework of this thesis argues that a Business and Human Rights theory combines business and human rights. In order to combine a human-right centered approach and a market-centered approach, companies must not only respect human rights, but put pressure on states where there is a lack of responsibility (Buhmann et al., 2019, p. 392). I would argue that most of the participants have taken a big social responsibility in taking the lead in the field of business and human rights in Norway. In other words, I mean they are fulfilling their

responsibility by pressuring the state to implement a legal standard. Several of the participants have also used human rights organizations as partners in specific projects where they follow the delivery chain all the way down to raw material. This way, they are using the polycentric governance model (Ruggie, Hampton), cooperating with civil society organizations in order to close governance gaps. The data suggests that the businesses interviewed follow the UNGP guidelines as well as other standards relevant to their industry. This presents a good picture of Norwegian businesses but does not necessarily mean that all companies are prioritizing working on this.

The data shows that both civil society and business means that the reason why the coalition had an overweight of civil society organizations as members when they first launched was due to the fact that as the initiative for the coalition came from civil society, it is natural for them to recruit organizations first. The data proves that there is some worry about businesses' motivation to join the coalition from the civil society organizations. As one of the civil society organizations tasks is to protect human rights, I would say it is natural to worry about this when transnational companies often are seen as their enemy. As seen in the literature review, Buhmann, Taylor, and Giuliani (2019) argue one of the main problems with human rights in relation to business is the structure where transnational company's pressure down production prices creating these governance gaps, where human rights violations happen (Buhmann et al., 2019, p. 338). Realistically seen, this is a part of the system human rights defenders are fighting against. One of the members believe it takes longer for large corporations to decide if they should join an initiative like this, due to the number of people with different interests. Still, they do hope the wish for a law is genuine, and choses to work with them because they have a common goal. As seen in 5.1.2, the motivation for one of the businesses to join was a personal initiative for the cause. It can be argued that even though the system itself is causing human rights violations, there are people in transnational companies with a human right centered approach trying to make business more sustainable. In contrary, one of the members from a civil society organization believe the businesses who have joined the coalition do want a law, as they already follow these guidelines.

The data shows that most of the businesses believe the motivation for legislation is genuine, where they want other companies to follow the same guidelines as they do. Two members from businesses were unsure about other businesses' motivation, but on a general level to initiatives like this. Whereas it was stated that a good reputation is good business, we also saw that one of the members believed these companies priorities for example Human Rights Due

Diligence because there has been pressure from society in general to take social and environmental responsibility. Regardless of *why* companies have chosen to take the lead in the field of business and human rights, the fact is that they are doing it. If anything, it shows that the power of civil society is strong, as argued by Ruggie (2008) and Hampton (2019) amongst other scholars. As there is a general opinion on the member businesses doing good work within the field of business and human rights, the concern is more on middle-sized and small companies. In chapter 5.3 the data showed that one of the participants observe foul play from their competition overseas, where the policy and measures communicated through the company are not fulfilled. Further, 100% of the members representing businesses do want a legal standard for everyone. It is also important to highlight that they want everyone to have the same competition terms, as several companies go under the radar when it comes to human rights violations. Mayer (2009) argues that there are no clear guidelines between transnational corporations and human rights, and the obligations in place have been built up by morality and ethics (Mayer, 2009, p. 565). Even though morals are a good value, and one can argue that Ruggie's UNGP framework provided the guidelines necessary, Ruggie also argues that markets need rules to function optimally (Ruggie, 2008, p. 189).

Based on the data, businesses who have joined the coalition for responsible business do have a genuine wish for the authorities to implement a legal standard. The data suggests that the companies do work on the field of business and human rights and that this is a priority for them. They have realized that being sustainable and respecting human rights is not only sustainable in the long run, but as mentioned above, it is good business. Not respecting human rights could hurt the company with a bad reputation as well as local communities and the environment. They use the UNGP principles, human rights due diligence, pressure partners to follow guidelines, and cooperate with a variety of initiatives and organizations to become better. They acknowledge the fact that mistakes are made, and the challenges will never end. The data suggest that they want a legal standard to have a framework to relate to, and more importantly, they want other businesses to follow the same guidelines as they do, as they want the same competition terms. In the next section of this chapter, I will discuss if respect for human rights on a voluntary basis in Norwegian businesses is good enough in terms of avoiding human rights violations, or if there is a need for legislation. I will argue that legislation is necessary to close governance gaps based on the data, theory, literature, and surveys done by Amnesty International and OECD Contact Point.

### **6.3 Voluntary business practice on respecting human rights**

In the previous section, we learned that members of the coalition want a legal standard since they want the same competition terms. One of the members stated that as of today, it is profitable not to respect human rights. Etikkinformasjonsutvalget stated in their draft of the law (2019) that it is easy to cover up human rights violations (Etikkinformasjonsutvalget, 2019, p. 115). This proves that transparency and due diligence can be important elements in closing the governance gaps. In answering the research question ‘Is respect for human rights in Norwegian business conduct on a voluntary basis sufficient?’, I think it is important to first look at the member’s perception on challenges on human rights and business today.

Thereafter, I will discuss the research question, where I argue that legislation is necessary. Looking at today’s challenges in relation to business and human rights, both civil society and business members highlight the ‘system’ of exploitation as a challenge. In the literature review we saw Buhmann et al. (2019) explain the system’s problems, where transnational companies pressure prizes as well as weak regulations (Buhmann et al., 2019, p. 338). One can argue that the members of the coalition is in fact fighting the system by fulfilling their duty to respect human rights, which leaves the state responsibility to protect human rights. Whereas the Norwegian state, until recently has argued that businesses respecting human rights have the best results on a voluntary basis, I will argue that it is not.

Lisa argued that profit goes at the expense of human rights, and a problem with today’s system is that TNC’s does not have a sustainable perspective on humans and resources. She also mentioned in chapter 5.5.1 that the authorities emphasized business ability to do development work on their own. Looking at this from a market-centered approach, business do create jobs worldwide and strengthen the economy. Further, the approach encourages polycentric cooperation’s with actors such as civil-society organizations. Though, I agree with Frey’s (2017) argument on the approach lacking consideration for human rights (Frey, 2017, p. 1172). While economic growth is central in achieving the SDGs and lifting people out of poverty, we saw in chapter 5 that a challenge is doing this without economic growth at the expense of human rights. The lack of transparency in supply chains is a common concern amongst civil society and businesses. Whereas Marianne states that the lack of transparency makes it easy to cover up violations, Camilla says she is dependent on information from

partners. Further, the lack of a legal framework and follow-up from the authorities is portrayed as a challenge. One can argue that the framework is already in place, as the UNGP framework created by John Ruggie has provided guidelines for business and state in relation to human rights. An issue identified here is the fact that the Norwegian state has in some ways not fulfilled its responsibility to protect human rights by not implementing a legal standard. The data shows that the members of the coalition do not believe voluntary practice on human rights and business is sufficient. Rune believes both companies and the authorities are naïve when it comes to how big the problems and challenges are when it comes to responsible business practice. My empirical data build up arguments on why voluntary practice is not enough. Firstly, responsible business practice is not taken as seriously as it should while being voluntary. Further, only those who have the resources to prioritize processes such as human rights due diligence will do it. Secondly, weak, soft laws such as the UNGP framework and the lack of follow-up from the state can result in greenwashing. The findings show that the members observe companies communicating a sustainable and responsible business practice while not doing the actual work. Thirdly, during a crisis (such as an economic crisis), there is an assumption that voluntary practice is the first to fall away. While voluntarism is a good value, the members believe the time has come to implement a legal standard on the field.

Ingrid refers to two reports done on the field, which I believe is important to include in this thesis to back up my argument on voluntarism not being sufficient. Reports done by Amnesty International in 2019 and OECD contact point in 2020 proves that volunteering is insufficient. Amnesty Business Rating 2019 interviewed 69 of the biggest businesses within 4 sectors. Mapping businesses risk assessments on business and human rights. While Amnesty states that Norwegian businesses have big risk of exposure to human rights violations overseas, the report shows that companies themselves believe they do not. While being questioned about challenges on the duty to respect human rights, the report shows that in the sector of Energy, 38% say there is no risk of violating human rights. Further, 50% in the sector say they have problems controlling the delivery chain, get correct information, and problems catching violations (Prospera, Amnesty Business Rating, 2019). While I have used the sector of Energy as an example, similar numbers represent the other sectors with general numbers presented in chapter 1 of the thesis. Amnesty International questions the confidence of companies not having a risk of violating human rights while not having control in their own business practice (Kontaktpunkt for Ansvarliv Næringsliv, 2020, 36:08). As Amnesty International interviewed 69 of the biggest companies in Norway, this suggests that the members I interviewed for this

thesis are not necessarily the standard. While Amnesty International did a qualitative study, OECD Contact Point did a quantitative study on Norwegian business leaders. The results show that ‘businesses have little knowledge to the OECD guidelines; few conducts due diligence in their delivery chain; there is a need for more knowledge and guidance’ (Kontaktpunkt for Ansvarliv Næringsliv, 2020, 17:54). The report also shows that knowledge of the ILO convention is low (Kontaktpunkt for Ansvarliv Næringsliv, 2020, 19:03). Only 38% reports systematically on responsible business and sustainability (Kontaktpunkt for Ansvarliv Næringsliv, 2020, 20:26). These reports show that Norwegian businesses, on a general level have low expertise and control within their own delivery chain, as well as low knowledge of established frameworks. The fact that a low number conduct due diligence proves that human rights violations can occur without the business catching it. Based on my data and the surveys, together with my theoretical framework and the literature review, I argue that voluntary business practice on respecting human rights is not sufficient and that legislation is necessary.

Having said this, as seen in chapter 5.7.2, Ida, Tom, Nina, and Silje are skeptical to legislation, as they state that there are several laws already established on the field. In Ida’s opinion, the problem is that laws are not followed. Tom, Nina, and Silje believe making sure the law is followed is the key to success. This raises the question of how a legal standard will affect Norwegian businesses. This will be discussed in the next section of this chapter. The role of the state will be highlighted in the next section, as they play a big role in the success of the law being followed.

#### **6.4 Perceptions and assumptions on the post-implementation phase**

While I have argued that voluntary business practice on human rights is not sufficient, I believe the authorities have realized this as well. This is based on the fact that there is a law under evaluation. As seen earlier, the members I interviewed believed this had something to do with pressure from bigger companies. Further, countries such as France and the UK have already established similar laws. While Etikkinformasjonsutvalget has presented the suggestion of the law, the first date of evaluation is set to the 9<sup>th</sup> of June 2021. The ministry of

children and families has been working on this since 2018, when ‘etikkinformasjonsutvalget’ was selected (Regjeringen, n.d). While certain elements such as mandatory due diligence for companies of all sizes have not been included (only mandatory for big companies) as wanted by the coalition, the law is on its way. Whereas Ida argued that there are several hard and soft laws in place in relation to business and human rights, she does not believe a law will change that much. She does have a point, but as Tom, Nina, and Silje argued: the key to success is making sure the law has mechanisms making sure companies follow the law. In Hampton’s study (2019) on the Modern Slavery Act in the UK, she argues that the law did not originally achieve its full potential as the UK government failed to “establish any mechanism to monitor or report on company compliance with the MSA” (Modern Slavery Act). The role of the state will therefore be important in the success of the law. In answering what the law will mean for Norwegian businesses, I believe it is also important to discuss the potential roles of different actors in line with section 6.1. In this section, I will look at how a legal standard will affect Norwegian businesses and which assumptions the members have on challenges implementing the law. The research question ‘What will a legal standard on business and human rights mean for Norwegian businesses?’ be answered.

Lisa makes a good point in chapter 5.6.1 that as of today, only the state can violate human rights as it is their responsibility to protect human rights. As mentioned earlier, the state has a responsibility to protect human rights within its own jurisdiction. This results in TNC’s to some degree, getting away with violations due to power relations between the market force and ‘weaker’ states in the Global South (Ruggie, 2008, p. 192). Ida believes the law will mark a shift in human rights responsibilities, making businesses more responsible for their business actions. One can argue that the UNGP framework itself marked a shift where business does have responsibilities. As we have seen, this is clearly not enough. The state responsibility is highlighted in pillar one of the UNGP principles where it is also recommended to implement a national policy on business conduct in other countries (Elgesem & Høstmælingen, 2019, p. 134). To close the governance gaps on business and human rights, I argue that this is necessary. There seems to be a common agreement between the members of KAN that the companies that are already taking human rights issues connected to their business seriously will not be very affected by the law. The companies that do not have this on the agenda, on the other hand, will have a big job ahead of them. As seen in chapter 5.6, there is a common concern about what will happen after the law is implemented. Several members mentioned

that there is a lack of knowledge and expertise in the field. Further, there are worries about the implementation of sanctions, whereas Ida argued that the law would not be effective without proper mechanisms. Ingrid believes there should be put in place proper organs for guidance, as a big percentage of Norwegian businesses are smaller and does not focus on business and human rights. We have seen before that members from businesses stated that companies go under the radar, and it will be important to make sure this does not happen. The role of the state will therefore be critical in the post-implementation phase.

In the theoretical framework, we saw John Ruggie's arguments on the state's duty to protect human rights. He argues that authorities should implement policy and mechanisms for guidance on these issues, and not doing so could result in increased risk on the topic. Studies also show that governments have a narrow approach in handling these issues (Ruggie, 2008, p. 193). Even though the studies are from the early 2000s and a lot have changed since then, Camilla is one of those who believe they are not moving fast enough. She argued in chapter 6.7.2 that little has happened since the UNGP framework was endorsed in 2011. As we are now in 2021, one can argue that there is a tendency for a narrow approach from the Norwegian state. Even though the state highlights the expectation for Norwegian companies to follow the UNGP principles, the ILO conventions, and the OECD guidelines, I would argue that expectations do not really matter when only 39% of Norwegian business leaders with foreign activities knows of the OECD guidelines (Norges Kontaktpunkt for Ansvarlig Næringsliv, 2020). Rune stated that the authorities tend to be naïve when it comes to how serious the challenges are. Based on this, there are worries about how well the law is going to work if it is not followed up properly.

When Ruggie's framework came to life, it was with the intention that states would eventually implement national legal standards. As the state is the main protector of human rights, it should approach the topic with a human right centered approach. Through this approach, Frey (2017) argues that governments should implement policy on transparency (Frey, 2017, p. 1173). One of the elements in the law that is under evaluation is the duty to inform. This means that if anyone asks a company where they produce their goods, they are obligated to find out. Ida's reaction to this is that even though businesses must inform of where they produce goods, 'you won't have a duty to follow human rights, it will not be any less illegal with a bad production chain with the law'. This is not entirely true, as the law requires due diligence from bigger companies. The law draft suggests that small and middle-sized

businesses are not expected to use a lot of resources to follow the production chain (prop 150 L (2020-2021), p. 72). As is it suggested by the department that the law “includes bigger Norwegian businesses who offers goods and services in Norway and abroad, and bigger foreign businesses that offers goods and services in Norway...” (prop 150 L (2020-2021), p. 6), there could potentially be loopholes for small and middle-sized companies. Further, the Norwegian state expects small and middle-sized businesses to follow UNGP and OECD guidelines including due diligence, but it is not a demand. As I conducted the interviews before the final draft of the law was presented, I can see that some of the demands and hopes for the law have not been fulfilled. There were hopes that due diligence would be a demand for companies of all sizes. Ingrid made a point out of the fact that the risk does not get any smaller if the company is small; it is about where you operate. One of the reasons for only including large companies is worries about the economic consequences for small and middle-sized companies. Though, the law will be beneficial for actors such as civil society organizations in collecting information that can benefit society in general.

To answer how a legal standard will affect Norwegian businesses, we have seen that in the first round, it will probably only be big companies affected. They have a mandatory duty of information, duty of knowledge, and mandatory due diligence. The draft of the law states that the law will have an evaluation after a period of time, where it will be considered if companies of smaller sizes will be included to legally follow these principles. The attention the law has gotten may result in middle-sized and small companies following the law out of moral obligations. I argue that it will be important for the state to use a polycentric governance approach in evaluating the law. As the members I interviewed have been worried about the follow-up on the law and mechanisms for reporting, I think it is important to get in place proper mechanisms for guidance before including smaller businesses. This way, I argue the law will have a higher success rate. In the next section I will look at the connection between economic growth and human rights.

## 6.5 Sustainable development goal 8

As seen in chapter 1, Sustainable Development Goal 8 is included as an element in this thesis as it is seen as businesses' development goal. The goal connects economic growth and decent work, which is a human right. The connection is identified as important to this thesis as a law on business and human rights in fact is a connection of economics and human rights. As Frey (2017) in her article on 'Economic growth, full employment and decent work: the means and ends in SDG 8' argues that the goal itself could be seen as conflicting. I was interested in understanding the members perception of the goal, and if the coalition can contribute to achieving it. Further, the goal is an opportunity to investigate how a market-centered approach and a human right-centered approach can strengthen one another. Connecting these two approaches leads us to business and human rights theory. I have already discussed how the state should approach the implementation with a human right centered view, while it is natural for business to approach it with a market-centered view. When answering the research question 'how is the coalition contributing to achieving SDG 8?', I will also look at how the merge of these approaches can create a sustainable way of doing business, while respecting and protecting human rights.

Answering how the coalition contributes to achieving SDG 8, I would argue that standing together and pressuring the state to implement legislation is a step on the way. The members believe the coalition can have a positive influence on achieving SDG 8. As we learned, Helena believes the coalition can contribute to achieving the goal but questions if that is a good or bad thing. I got an understanding that she is rather negative about the concept of economic growth. I believe that standing together with a common goal sends a clear message that a law is wanted from both civil society and businesses. In order to achieve SDG 8, I argue it is important to emphasize a polycentric governance model in the evaluation of the law. I also believe the law would have a better affect if it included businesses of all sizes. The coalition could have an important role in strengthening the law in the future. Whereas civil society can use their network of organizations to run campaigns and pressuring both authorities and businesses. As several of the biggest companies in Norway is members of the coalition, they could use their influence and power to pressure the state to make the law better.

The data shows that the members have different perceptions of SDG 8. Businesses seem to have a mutual understanding of a goal, where they do not necessarily think of economic growth only for themselves. An interesting point made by several members is that if things are done correctly, there is not a conflict. If economic growth goes at the expense of others, there is a conflict. While today's global system and supply chains has resulted in exploitation of resources and humans, one can ask whether things are done correctly. In Helena's perception, economic growth has contributed to increased differences and destruction. She stated that the need for economic growth is the reason why there is a challenge with decent work. Contrary to this, members like Tom, Nina, Silje and Rune argue that without international trade and economic growth, a lot of people would not have a job. Further, they identify international trade as an important factor in lifting people out of poverty. The market-centered approach does recognize the markets as central for both economic growth and increased employment (Frey, 2017, p. 1172). I do agree with the members stating that it does not have to be a conflict in the goal if business conduct is done in a good way. Though, we know that economic growth does not always lead to decent work. Frey (2017) argues that economic growth and employment does not have a linear relationship (Frey, 2017, p. 1169). We have also seen that Lisa is questioning the state's decision to let businesses independently do development work and do not see a link between development and profit. Further, Frey argues that policy choice by states is a key in strengthening the relationship between these elements (Frey, 2017, p. 1169). Based on this, I argue that in order for economic growth and decent work to work both dependent and independently, it is necessary for the Norwegian state to implement policy that combines the human-right centered and market-centered approach. I assume that implementing a law on business and human rights would result in businesses having clearer demands on decent work in their production chain. This could result in both economic growth and decent work, being a factor in achieving SDG 8. As the members of the coalition have argued that there is no conflict if production does not go on the expense of humans and resources, I believe that the state's role as human right protectors will be to foster a responsible business environment and make sure business conduct are done 'correct'.

## 7. Conclusion

This thesis aimed to find out if respect for human rights on a voluntary basis in Norwegian businesses is sufficient to avoid human rights violations or if there is a need for legislation. Based on the qualitative research I have done; I argue that voluntary business practice in the field is insufficient. KAN members have all joined the coalition because they believe there is a need for a law in the field of business and human rights. Based on this, I had an assumption that the interviews with the members would show that voluntary practice in the field is not good enough. During my research, it was therefore essential to explore the reasons it's not sufficient. The literature review presented challenges on business and human rights, where the power balance between transnational companies and weak states is uneven. The pressure on production prices is high, while the focus on human rights is low. My research shows that the lack of a legal standard results in an unsustainable production culture, where economic growth goes at the expense of human rights. The research also shows that the lack of follow-up from the Norwegian state on business conduct abroad creates an opportunity for greenwashing. Further, voluntary business practice will most likely not be prioritized during a crisis. Using Amnesty International and Contact Point reports backs up my argument on voluntary practice not being sufficient. The reports reveal that businesses have low knowledge of their production chains and low knowledge on frameworks, and I believe a legal standard can change this. The arguments I have presented throughout the thesis support why voluntary business practice on the field is not good enough.

Business practice on human rights is expected by the Norwegian state. However, still voluntary. It was therefore important to explore how KAN members are working in the field of business and human rights and why they want others to follow the same path. The research shows that the members are already working on human rights and sustainability, and that they do not believe they will be affected by the law. My interpretation of the data is that the members do have a genuine wish for the implementation of legislation. The research shows that the members want others to follow the same guidelines as they do because they observe foul play by the competition. I believe this is an important finding and show even more why there is a need for legislation. The members want the same competition terms since it today is a benefit not respecting human rights. The businesses that have joined the coalition have

realized how important it is to work sustainably, and they believe it is good business. These businesses are brave, taking the lead and publicly standing together with civil society to pressure the state to implement a law.

As KAN is a coalition between business and civil society organizations, an essential element in the thesis has been exploring the relationship between different stakeholders and the possible impact they have. The motivation for creating and joining the coalition is important. Whereas the state has been arguing against the legislation, saying that it will be too hard for businesses, the coalition stands together saying the opposite. Together, businesses and civil society have connected their power, and I argue that this power can help close the governance gaps. Based on the research, I believe KAN and coalitions like it can have remarkable influence. As we have seen in this thesis, a polycentric governance approach can result in real change. Having said this, I believe their influence to a certain degree depends on the authorities and their willingness to include more stakeholders in the evaluations.

Lastly, Sustainable Development Goal 8 has been discussed. I see the goal as a link between human rights and economic growth, and therefore important when discussing the topic. I argue that the coalition and the law itself can be a factor in achieving SDG 8. Further, the goal and law create an arena where human rights approaches and market approaches can strengthen one another. When connecting economic growth and human rights in theory, the concept of avoiding harm is central. According to business and human rights theory, respecting human rights is done by avoiding human rights violations (Buhmann et al., 2019, p. 390). One can argue that the law is inspired by this theory, as human rights due diligence is central. The theory is based on the UNGP principles. The theoretical approach is very much what the coalition is trying to achieve. The law's intention is in line with the approach, where transparency, knowledge of conditions in supply chains and due diligence are central.

The research has focused on why there is need for a human rights and business law in Norway and raises awareness of the global context at the same time. I argue an important point is to understand that the reason why there is a need for legislation is the people on the ground. As the research has shown, there are challenges getting correct information from production chains. This means that Norwegian companies unknowingly can be a part of human rights violations, human trafficking, corruption, and modern slavery. Human rights due diligence is therefore vital and should be mandatory. The thesis has therefore contributed with

information on why legislation is essential. Avoiding harm will also contribute to changing global structures where the exploitation of resources and human's benefits other's economies. Further, the research has contributed to invalidating the Norwegian government's argument on not implementing a legal standard due to businesses' capacity to follow them. The thesis has also contributed with theories and approaches such as Business and Human rights theory and polycentric governance approach that can be used in further work. I have discussed and argued for possible outcomes using these, where they can be factors in the law's success. Businesses can also use these approaches to take more social responsibility, where cooperation with civil society organizations can lift their work remarkably.

The thesis and the research I have done on business and human rights do have some limitations. The discussion and my arguments have been based on my collected data, secondary data such as surveys from Contact point and Amnesty International, and scholar's work in the field on the thematic. As described in chapter 4, I was not able to recruit participants outside of the coalition. This means that the data can be seen as one-sided, as the voices of companies who are not publicly standing behind a law have not been included in the research. Though, my entry point in the thesis is KAN and its members, which has been clear throughout the thesis. Instead of portraying the companies I interviewed as the standard, I have been clear on the possibility that big companies have the resources to conduct human rights due diligence. I have also been clear on the way they work on human rights is not necessarily the standard. Through my findings, we learned that actors such as the NHO are worried about economic limitations for small and middle-sized companies when it comes to whom the law should apply. As the current law under evaluation applies to bigger companies, this is a concern that has been taken seriously. I have argued that the law should apply for companies of all sizes, based on my data that shows that the risk for human rights violations is about where in the world you operate, not based on size. Further, I have argued that proper mechanisms for guidance in the field should be put in place before a re-evaluation of the law, where smaller companies could be included. This is based on the data that shows that the members are worried about the post-implementation phase. An important finding in my research is that the members believe that there is a lack of competence in the field.

Based on this, my recommendations for further research and work in the field is to research how middle-sized and small companies can be included in the law. As it often is the biggest companies that get media coverage if human rights violations happen, smaller companies can

go under the radar. As I mentioned above, relevant competence and mechanisms for guidance should be prioritized. Further, I recommend the Norwegian state to emphasize a polycentric governance approach in evaluations of the law. I argue that including a variety of stakeholders contributes to a wider perspective while making sure the intention of the law is not forgotten. While civil society will play an important role in documenting the effect of the law on the ground, the Norwegian state must not forget its responsibility to protect human rights.

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