International Women's Day Breakfast

Friday, 8 March 2019

Jones Day, Sydney

Making the link: Gender equality as a means to promote children's rights in business – Alison Elliott, Senior Policy Adviser, UNICEF Australia

Acknowledgements

I would like to begin today by acknowledging the Traditional Owners of the land on which we meet today – the Gadigal People of the Eora Nation, and pay my respects to Elders Past, Present and Emerging.

I would also like to acknowledge the incredible and tireless work of Professor Jennifer Burn. Thank you for your wise insights as always.

Thank you also to Katie Higgins, Matthew Latham and colleagues at Jones Day – for kindly hosting us this morning.

***

At the United Nations, we mark many days for international observance. They are important to celebrate achievements, reflect on progress still to be made, and renew our resolve to continue the struggle for a fairer and peaceful society.

I want to take you back over 100 years – to the streets of New York, to one of several pivotal moments around the globe that contributed to the genesis of International Women's Day – why we are all here this morning.

In 1907, some 15,000 women garment workers, marched through New York City's Lower East Side to rally at Union Square. In response to unsafe and exploitative working conditions, they were demanding shorter work hours, better pay and voting rights.[1]

Sadly, several years later, in 1911, a fire broke out in the Triangle Shirtwaist Company in which 146 employees died. These employees – mainly Jewish and Italian migrant women – either jumped to their deaths or perished in the flames due the doors being locked and woefully inadequate access to fire escapes.[2]

This event is recorded by the National Museum of American History as "…a national symbol of business neglect and abuse."[3]

***

Part of my role is to lead UNICEF Australia's policy work on Children's Rights and Business. This is a concept that can be difficult to explain, but I'm going to try to do that today. In short, it's concerned with business impacts on children; through their supply chains; marketing practices; workplace policies and more. These impacts can be both direct and indirect; intentional and unintentional. If not proactively considered, some of these can have lifelong detrimental impacts on children.

So, with the origins of International Women's Day involving women's demands for better business practices, today I wanted to pause to consider the role of gender equality in business – as both an important end in itself, but also a means of more socially sensitive businesses for children.

***

But first, a bit about UNICEF.

As many of you will know, UNICEF is the United Nations children's agency. Established following World War II, UNICEF was set up to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential.

We have been doing that now for over 70 years.

UNICEF is perhaps most famous for our life-saving interventions for children through development programs and in the aftermath of emergencies.

But we also do so much more.

UNICEF has worked directly on children's rights and business issues since 2010 with the aim of promoting the corporate responsibility to respect, and support, children's rights in the workplace, marketplace and community. As part of this work, we developed the *Children's Rights and Business Principles*[4] and other related tools for business.[5]

We also support government action to protect, promote and realise children's rights in the context of business activity.

***

So, what has UNICEF learned about how business decisions can impact on children and their carers?

To begin to answer this big question, I'm going to read you an observation by the Special Representative of the United Nations Secretary-General on Business and Human Rights, Professor John Ruggie.

> *Children are among the most marginalized and vulnerable members of society and can be disproportionately, severely, and permanently impacted by business activities, operations, and relationships.*[6]

Professor Ruggie developed the *United Nations Guiding Principles on Business and Human Rights*; the global authoritative standard for understanding the responsibilities of businesses to respect human rights.

Through UNICEF's work we know that children are affected by practices prevailing in businesses and global supply chains in many different ways. Child labour, slavery, forced labour and trafficking are increasingly recognised concerns in many countries, and it is very heartening to see the efforts that governments, businesses and civil society have been making to help ensure that these risks are identified and responded to.

In this regard, UNICEF Australia has been involved in discussions to inform the development of the Commonwealth *Modern Slavery Act*, and we have welcomed this – and the NSW *Modern Slavery Act* – as very positive developments. These laws will elevate the issue of slavery and trafficking to boardrooms across Australia, and provide consumers and investors with transparency to make informed decisions. With roles like that held by Professor Burn, survivors also stand to benefit from a more compassionate, coordinated and holistic government response.

However, business operations and their supply chains can have a range of additional direct and indirect impacts on children – and these extend well beyond the risk of child labour and slavery.

For example, a recent UNICEF study conducted in the ready-made garment industry in Bangladesh revealed often times children are impacted indirectly – through the treatment and conditions of their parents; frequently their mothers.

Of the estimated 4 million garment workers in Bangladesh, approximately 80 per cent are female.[7]

While labour laws in Bangladesh grant relatively comprehensive maternity rights, legal standards are not consistently observed in practice.

For example, the law requires employers to provide women with 16 weeks of paid maternity leave. However, many female garment workers take a significantly shorter amount of maternity leave. There are also reported cases of pregnant women being led to 'voluntarily' resign rather than being dismissed.[8]

Any unreasonable demand on female workers can have ripple effects on their children; it might mean that a newborn baby misses out on being breastfeed by her mother, as she is back at work; or it might mean that a young child is left at home unsupervised, because his mother is back at work yet cannot access childcare.

Appreciating of course that these conditions are shaped by a range of social and economic factors, there is a real need for businesses further up in the chain to be conscious of the impact that their procurement decisions such as production timing and price can have on the working conditions of those further down in the chain.

***

Today – on International Women's Day – I wanted to contemplate the role that gender equality might play in addressing the risks to children presented by business decisions and supply chain dynamics.

This brings me to the Women's Empowerment Principles. These Principles were launched by our sister agencies – UN Women and the UN Global Compact – in 2010.

Comprised of 7 principles, they outline strategies businesses can adopt to empower women in the workplace, marketplace and community.

UN Women has explained:

> *Ensuring the inclusion of women's talents, skills, experience and energies requires intentional actions and deliberate policies.*[9]

The Principles call on businesses to:

- Establish high-level corporate leadership for gender equality;
- Treat all women and men fairly at work through respecting and supporting human rights, including non-discrimination; and

- To implement enterprise development, supply chain and marketing practices that empower women.

I wanted to pick up on two of these points further.

The first: on the issue of supply chains that empower women.

It is well recognised that gender equality, women's empowerment and human development are inherently linked. So, too, is investing in women-owned businesses and including them in corporate supply chains good for business outcomes.[10]

However, a 2017 report by UN Women sadly observed that:

> *…the full economic potential [of women-owned businesses] remains largely untapped or underutilised. As of 2013, for example, more than one third of all firms worldwide had women owners, yet they receive a mere one per cent of corporate procurement spend.*[11]

What a missed opportunity that is - for gender equality, human development, and business benefit.

UN Women has outlined a range of strategies that businesses can adopt to ensure gender-responsive procurement. These include to pay promptly, commit to supplier development and limit the size of contracts so as to enable smaller businesses to participate.

Fundamentally though, business leaders must rethink and reform today's supply chain model, so that more women-owned businesses can have access to it.

The other Principle I want to mention is equal opportunity, inclusion and non-discrimination.

As a key aspect of this, businesses are advised to '*…proactively recruit and appoint women to managerial and executive positions and to the corporate board of directors.*'[12]

What could the benefit be to children as a result of more diverse – particularly gender diverse – boards?

This is another big question, and one which I don't purport to have all of the answers. However, it is worth reflecting on what available evidence tells us.

Yes – we know that more gender diverse boards are good for business. Research conducted by EY examining over 20,000 client teams, found that the more diverse teams had higher profitability and greater client satisfaction than non-diverse teams.[13]

But indications are that more gender diverse boards are better for society as a whole.

A study by Professors Anita Woolley and Thomas Malone published in the *Harvard Business Review* revealed that increasing the number of women on a team also increases its collective intelligence.[14] Professor Woolley went on to observe:

> *Part of that finding can be explained by differences in social sensitivity, which we found is also important to group performance. Many studies have shown that women tend to score higher on tests of social sensitivity than men do. So what is really important is to have people who are high in social sensitivity, whether they are men or women.*[15]

'Social sensitivity' is described as '…*the personal ability to perceive and understand the feelings and viewpoints of others*'.[16]

Additionally, Professor Aaron Dhir from York University has done extensive studies involving Norwegian boards. He identified a number of benefits of gender-diverse boards, including:

- Enhanced dialogue;
- Better decision making, including the value of dissent; and
- More effective risk mitigation and crisis management.[17]

He found that women tend to probe more deeply into issues, and consider the perspectives of others.

It would seem to follow, then, that more diverse and gender equal organisations stand to be more alert to risks, and more responsive to outsider perspectives and needs.

In an era where we have increasingly realised that many methods of production and consumption are unsustainable and potentially harmful, surely the emphasis on risk mitigation and social sensitivity that research says women bring to the boardroom, is to be welcomed.

***

So, as we stand here today on International Women's Day in 2019, over a century since that tragic but pivotal factory fire, communities, governments and businesses are still grappling with how best to ensure that businesses respect the human rights of workers, their families and the community – whilst enabling them to do what they do best – innovate, create efficiencies and provide goods and services that can increase standards of living.

These positive benefits are not an automatic outcome of business practices, however. Rather, deliberate and socially sensitive corporate policies and practices are needed to ensure potential harm is identified, prevented and mitigated. This is especially the case for children who can often be indirectly, inadvertently but detrimentally impacted by businesses practices if systems and cultures do not actively consider these risks.

***

Gender equality is a powerful tool to help ensure businesses respect and support human rights, including children's rights. And, as briefly touched on today, there are practical measures businesses can take to get us there – through increased women on boards and gender-responsive procurement.

In this way, gender equality is both an important end in itself, but also means to more socially sensitive business practices generally.

This was the case back in 1907, and it remains the case today.

Therefore, as an advocate for children, I would like to conclude with an appeal:

1) To women – please strive or continue to strive for leadership. As I have sought to outline today, indications are that more women in leadership will mean better business for children and better business for society.
2) To men and women alike – who are trying to champion socially sensitive perspectives within business – Find ways to be allies for each other. A critical mass of people is needed to ensure sustainable and rights-respecting businesses cultures.

And when any of you have climbed that ladder, or on your journey up it, adopt human rights standards within your business, or in your advice to your business clients. We have covered a few here today, namely:

   a. The United Nations Guiding Principles on Business and Human Rights;
   b. The Women's Empowerment Principles; and

> c. The Children's Rights and Business Principles.

As these titles demonstrate, we may not be good at coming up with creative titles in the UN system. But know this: behind these principles – and the international human rights law that underpin them – lays some of the best collective thinking of humanity, intended to help ensure that each and every person can lead a safe and dignified life; whether they be a garment factory worker in Bangladesh; that worker's newborn child; or even corporate lawyer here in Sydney.

We are yet to make this a reality. It's up to each of us to make it so.

Thank you, and happy International Women's Day.

[1] University of Chicago, *International Women's Day History* <https://iwd.uchicago.edu/page/international-womens-day-history#1909%20The%20First%20National%20Woman's%20Day%20in%20the%20US.>

[2] National Museum of American History, *History of Sweatshops 1880-1940* <http://americanhistory.si.edu/sweatshops/history-1880-1940.>

[3] Ibid.

[4] UNICEF, Save the Children and the United Nations Global Compact, *Children's Rights and Business Principles* (2012) <https://www.unicef.org/csr/12.htm> ('*Children's Rights and Business Principles*').

[5] See, for example, UNICEF, *Corporate Social Responsibility* <https://www.unicef.org/csr/>; UNICEF and International Commission of Jurists *Obligations and Actions on Children's Rights and Business* (2015) <https://www.unicef.org/csr/files/CSR_GC_OBLIGATIONS_AND_ACTIONS_FINAL_AUGUST05.pdf>; UNICEF, *Children are everyone's business – Workbook 2.0* (2013) <https://www.unicef.org/csr/css/Workbook_2.0_Second_Edition_29092014_LR.pdf> and UNICEF *Engaging Stakeholders on Children's Rights* (2014) <https://www.unicef.org/csr/css/Stakeholder_Engagement_on_Childrens_Rights_021014.pdf>.

[6] Danish Institute for Human Rights, *National Action Plans on Business and Human Rights* 'Children's Rights' <https://globalnaps.org/issue/childrens-rights/>.

[7] UNICEF, *The Ready-Made Garment Sector and Children in Bangladesh* (2015) <https://www.unicef.org/csr/files/CSR_BANGLADESH_RMG_REPORT.PDF> 3.

[8] Ibid, 4.

[9] UN Women, *Empower Women* <https://www.empowerwomen.org/en/weps/about.>

[10] UN Women, *The power of procurement: How to source from women-owned businesses* (2017) <http://www.unwomen.org/en/digital-library/publications/2017/3/the-power-of-procurement> XI.

[11] Ibid, X.

[12] UN Women (formerly UNIFEM) and United Nations Global Compact, *Women's Empowerment Principles: Equality Means Business* <http://www.un.org/en/ecosoc/newfunct/pdf/womens_empowerment_principles_ppt_for_29_mar_briefing-without_notes.pdf> 4.

[13] Laura Liswood 'Women Directors Change How Boards Work' *Harvard Business Review* (17 February 2015) <https://hbr.org/2015/02/women-directors-change-how-boards-work?autocomplete=true> 2.

[14] Anita Woolley and Thomas Malone 'What Makes a Team Smarter? More Women' *Harvard Business Review* (June 2011) <https://hbr.org/2011/06/defend-your-research-what-makes-a-team-smarter-more-women> 3.

[15] Ibid, 2

[16] Lisa Bender, Gursimran Walia, Krishna Kambhampaty, Kendall E. Nygard and Travis E. Nygard 'Social sensitivity correlations with the effectiveness of team process performance: an empirical study' ResearchGate (September 2012) DOI: 10.1145/2361276.2361285 <https://www.researchgate.net/publication/238601517_Social_sensitivity_correlations_with_the_effectiveness_of_team_process_performance_an_empirical_study> 39.

[17] Laura Liswood, above n 13, 3.