

# THE CORPORATE IMPACT

The Trade Impact<sup>SM</sup> Foundation



**FEBRUARY 2021**

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**T**he simplest questions often require the most complicated explanations. Should I purchase this product? Where does it come from? How and by whom was it made? What is it made of? Complete answers to these questions raise important lessons in the consequences of our actions.

The act of buying, whether it be consumer purchases or business sourcing and purchasing decisions, results in the direct and indirect support of a global value chain hidden far from your sight - often behind a phone call, email or online purchase. **These decisions, most often unknown to the decision-maker, have myriad direct and indirect consequences on the global marketplace and greater society.**

Over the years, supply chains have become exponentially more interconnected and complex. Products often flow through more than one country prior to importation into the country of consumption. In fact, certain raw materials or intermediary components may be available from few suppliers and/or locations. This is due to factors such as the availability of natural resources, cheap labor, and/or production capability and capacity.

As the world embraced globalization, more and more companies shifted supply chains to China in part or entirely, recognizing that China is unmatched in modern manufacturing cost efficiency and know-how in most industries. As a result, by 2020, many businesses relied in large part or entirely on Chinese manufacturers for part or all of their supply chain. This practice was generally accepted as a reasonable and effective operating model.

With the arrival of COVID-19, risks which had long been considered low became all too material. Interconnected and arguably over-dependent supply chains were unable to manage sudden changes such as the rise of protectionist trade policies, production facility closures and port congestion. The most visible examples were apparent at the height of COVID-19 in supply chains overly dependent on China. When Chinese factories were suddenly shut, and demand for certain personal protective equipment jumped, the resulting shortages in essential products led to sudden Chinese export restrictions, leaving multinational corporations<sup>1</sup> without control over their products inside Chinese borders.

COVID-19 revealed these resiliency risks within historical supply chains which were already under pressure to re-evaluate for e-commerce capabilities such as flexibility and fast delivery.

Meanwhile, in the not-so-quiet background, a powerful perspective has been sweeping over the broader corporate world. Stakeholder capitalism has replaced shareholder capitalism as the primary view of corporate governance. Stakeholder capitalism provides that corporations should seek to provide value to all stakeholders, including investors, employees, consumers, and communities, rather than maintaining a primary focus on shareholder value. The coinciding rise of consumer and employee demand for social impact considerations in all aspects of our lives is yet another factor for change. Individuals increasingly seek to purchase from and work for socially conscious corporations.

These recent emphases on social impact, combined with recent disruptions within the international trade landscape, have provided much opportunity for chaos within and without the corporate world. At the same time, these factors also provide a great opportunity for a fresh and enlightened global human rights framework. **A human rights framework rooted in the understanding of the close relationship between international trade and peace and human rights.** Our understanding of this close relationship has modern roots dating back to a WWII-era Charter between the US and the UK.

Given the intersectionality of trade and human rights, and the notion that trade is the driving factor of all business, a human rights framework emphasizing the impact of

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<sup>1</sup> Throughout this paper the term “corporation” is used to refer to all business structures.

international trade, while incorporating an interdisciplinary approach, may provide an unmatched guidepost within the promising yet chaotic world of social impact and stakeholder capitalism. This can be a human rights framework driven by **virtue, empathy, and societal conscience**. It can also be a framework entrenched in **reason and practicality**.

The Trade Impact is the positive and negative impact of international trade on global human rights. The term “human rights” includes those related to Foundational Rights (e.g., freedom of conscience; freedom from war and persecution), as well as rights related to Poverty and Standard of Living, Gender and Tolerance, Labor, and Environment.

***If we, as a community, driven by virtue, empathy and societal conscience, entrenched in reason and practicality, participate in a comprehensive review of The Trade Impact, the potential Corporate Impact and the bounds of societal progress are limitless.***

## **I. SEEKING A PEACEFUL INTERNATIONAL TRADING SYSTEM**

### **A. THE RISE OF MULTILATERALISM AND INTERNATIONAL COOPERATION**

Out of the wreckage of WWII, a hope for a better world arose within a single document, the Atlantic Charter.<sup>2</sup> US President Roosevelt and UK Prime Minister Churchill signed the Charter in 1941, in the midst of war, “somewhere in the Atlantic.” The Charter provided a powerful catalyst to the peaceful trading system, outlining the basic principles for achieving global peace and prosperity. The two leaders sought economic prosperity for all nations, “great or small, victor or vanquished,” in part through equal access to trade and raw materials of the world to all nations.

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<sup>2</sup> ‘The Atlantic Charter,’ Declaration of Principles issued by the President of the United States and the Prime Minister of the United Kingdom, (Aug. 14, 1941), available at [https://www.nato.int/cps/en/natohq/official\\_texts\\_16912.htm](https://www.nato.int/cps/en/natohq/official_texts_16912.htm) (last visited Feb. 9, 2021).

Following World War II and the creation of the United Nations (UN) in 1945, the General Agreement on Tariffs and Trade (GATT) was signed by 23 founding nations in 1947, ultimately paving the way for the international organization known by the same name.<sup>3</sup> GATT generally focused on tariff reductions and the facilitation of a global trading system. Two other international organizations created post-WWII were the International Monetary Fund and the International Bank for Reconstruction, later renamed the World Bank.

GATT underwent several rounds of negotiations over the years, with the largest being the Uruguay Round, which lasted approximately eight years and culminated in 1994 with the creation of the World Trade Organization (WTO).

The WTO was officially created on January 1, 1995, with its scope expanded from trade in goods to also cover trade in services and intellectual property. The WTO, now with approximately 164 member countries, provides a set of operating rules for international commerce and a forum for governments to negotiate trade agreements and settle trade disputes. As explained by the WTO, “Although negotiated and signed by governments, the goal [of WTO agreements] is to help producers of goods and services, exporters, and importers conduct their business, **while allowing governments to meet social and environmental objectives.**”<sup>4</sup>

The organization focuses much effort on trade liberalization, with limited exceptions, aiming to reduce trade barriers and increase transparency and reliability of international trade rules, **citing the importance of free trade for “economic development and well-being.”**<sup>5</sup> The WTO maintains particular focus on developing countries, which account for nearly two thirds of WTO members, by including special provisions regarding developing countries in the WTO agreements, emphasizing their needs within committees and providing technical assistance such as training.

A variety of other organizations support peaceful global trade on an ongoing basis such as the Organisation for Economic Co-operation and Development (OECD), originally formed

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<sup>3</sup> World Trade Organization, Press Brief, Fiftieth Anniversary of the Multilateral, Trading System, (1998) [https://www.wto.org/english/thewto\\_e/minist\\_e/min96\\_e/chrono.htm](https://www.wto.org/english/thewto_e/minist_e/min96_e/chrono.htm).

<sup>4</sup> World Trade Organization, *Who We Are*, [https://www.wto.org/english/thewto\\_e/whatis\\_e/who\\_we\\_are\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/who_we_are_e.htm) (last visited Feb 8, 2021).

<sup>5</sup> *Id.*

under a prior name as part of the American and Canadian Marshall Plan for the reconstruction of Europe following WWII.<sup>6</sup> Today, the OECD collaborates with the G7 and G20 to advance global reforms and multilateral solutions to social, economic and environmental challenges, and works to “shape policies that foster prosperity, equality, opportunity and well-being for all.”<sup>7</sup>

Multilateralism was a key driver in healing the WWII-era and Cold War-era world, and generating an environment capable of complex international cooperation and global economic growth. However, by the 21st century, the difficulty of negotiating multilateral agreements between many parties of varied interests, has, in large part, proven too difficult a challenge.

## **B. DISRUPTIONS IN THE GLOBAL LANDSCAPE**

### **1. Recent Shifts Towards Bilateral and Regional Agreements**

The 2001 Doha round of WTO negotiations is a helpful example of the difficulties in multilateral negotiation. While WTO members were able to successfully negotiate an agreement executed in 2017 aimed at the expedition of trade procedures, this single agreement took over a decade to negotiate, and was just one of the original topics pursued in the 2001 Doha agenda.<sup>8</sup> Meanwhile, bilateral and regional trade agreements have flourished all over the world in the last two decades.<sup>9</sup> The shift from multilateral international trade agreements to regional and/or bilateral agreements is just one of the changes to the global landscape which must be taken into account when seeking optimal societal impact in the coming decades.

### **2. Volatile Geopolitical and Trade Policy Landscape**

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<sup>6</sup> Organisation for Economic Co-operation and Development, *Discover the OECD*, (2020), available at <http://www.oecd.org/general/Key-information-about-the-OECD.pdf>.

<sup>7</sup> Organisation for Economic Co-operation and Development, *Who We Are*, <https://www.oecd.org/about/> (last visited Feb. 8, 2021).

<sup>8</sup> See World Trade Organization, *What is the WTO?*, [https://www.wto.org/english/thewto\\_e/whatis\\_e/whatis\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm).

<sup>9</sup> See generally Brock R. Williams, Congressional Research Service, *Bilateral and Regional Trade Agreements: Issues for Congress*, (May 17, 2018), <https://fas.org/sgp/crs/row/R45198.pdf>.

Prior to COVID 19, the geopolitical and trade policy landscape was already considered volatile. Key trade-related drivers of the unpredictable environment included “Brexit,” a popular term used for the decoupling of the United Kingdom from the European Union (EU), and frequent Trump Administration trade actions. The Trump Administration focused much effort on trade policies such as export controls, sanctions, and heightened enforcement and tariff measures imposed pursuant to safeguards, national security, and punitive trade mechanisms.<sup>10</sup>

The tense trade dispute between the US and China has been and continues to be particularly disruptive. This dispute stems from a March 2018 US Trade Representative (USTR) report summarizing the findings of its investigation, under Section 301 of the Trade Act of 1974, as amended, into “China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation.”<sup>11</sup> The USTR’s subsequent Notice of Determination,<sup>12</sup> provides:

The U.S. Trade Representative . . . has determined that the acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation covered in the investigation are unreasonable or discriminatory and burden or restrict U.S. commerce.

The ongoing trade dispute, often called a “trade war,” has disrupted much of the global trading system.<sup>13</sup> The complex dispute first resulted in robust punitive US tariffs on certain “lists” of “Chinese-origin” goods, along with novel and administratively burdensome exemption and exception processes. In response to these US-imposed tariffs, China imposed tariffs on certain “US-origin” goods and the tit-for-tat dispute went on. Further developments have only added to the volatility, and much uncertainty remains regarding US-China relations and the future trade landscape under the new US Biden Administration.

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<sup>10</sup> See generally, Chad P. Bown and Melina Kolb, Peterson Institute for International Economics, *Trump’s Trade War Timeline: An Up-to-Date Guide*, (originally published Apr. 19, 2018, last updated Dec. 18, 2020), <https://www.piie.com/sites/default/files/documents/trump-trade-war-timeline.pdf>.

<sup>11</sup> Office of the United States Trade Representative, *Findings of the Investigation into China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation Under Section 301 of the Trade Act of 1974*, (March 22, 2018), <https://ustr.gov/sites/default/files/Section%20301%20FINAL.PDF>.

<sup>12</sup> Notice of Determination and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 83 Fed. Reg. 14906 (Apr. 6, 2018), available at <https://ustr.gov/sites/default/files/enforcement/301Investigations/FRN301.pdf>.

<sup>13</sup> See generally, *Trump’s Trade War Timeline: An Up-to-Date Guide, Battle #3: Unfair Trade Practices For Technology, Intellectual Property (IP)*, (originally published Apr. 19, 2018, last updated Dec. 18, 2020), <https://www.piie.com/sites/default/files/documents/trump-trade-war-timeline.pdf>.

Of course, global uncertainty went beyond trade, including the uncertainty in the realm of international tax, the OECD and G20 led base erosion and profit shifting initiative (BEPS) and the rise of digital services taxes. The recent shift towards stakeholder capitalism, as outlined in this paper, is yet another change in the global business environment.

### **3. Globalized Supply Chains Disrupted by the Need for Resiliency and Flexibility: The COVID 19 and E-Commerce Factors**

With a background of growing e-commerce pressures for flexible and fast delivery models, the COVID-19 factor has likely accelerated long-standing restructuring plans and, depending on industry and company, created wholly new ones. While taking into account complex factors such as tax liability and global regulatory requirements, restructuring plans increasingly aim to bolster supply chain resiliency and flexibility through increased dual- or multi- sourcing capabilities, regional hubs or even on-shoring of certain production and/or inventory capacities. The renewed focus on resiliency is in large part due to the long-hidden risks which became all too apparent during the COVID pandemic.

The most visible example of consequences of such risks was apparent in supply chains dependent on China during the height of the pandemic. When Chinese factories were suddenly shut, and demand for certain commodities jumped, the resulting shortages in products and/or components led to severe export limitations and other new requirements. The consequences of these restrictive trade policies were outlined by the NY Times in March of 2020<sup>14</sup>:

As hospitals and governments hunt desperately for respirators and surgical masks to protect doctors and nurses from the coronavirus pandemic, they face a difficult reality: The world depends on China to make them, and the country is only beginning to share.

Another important case study can be found in regard to pharmaceutical medications. The active component of pharmaceutical medications, known as the active pharmaceutical ingredient (API), is a key component of the pharmaceutical supply chain. Over-reliance on a single manufacturer and/or a single country to produce the API and/or other important ingredients led to actual and potential disruptions in supply chains during the pandemic.

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<sup>14</sup> Keith Bradsher and Liz Alderman, *The World Needs Masks. China Makes Them, but has Been Hoarding Them.*, published March 13, 2020, updated Apr. 2, 2020, <https://www.nytimes.com/2020/03/13/business/masks-china-coronavirus.html>.



For example, the US Food and Drug Administration announced a China-based production shortage in an unspecified human drug in February 2020.<sup>15</sup> Following this announcement, India quickly restricted the export of 26 APIs, including certain antibiotics and a common pain reliever.<sup>16</sup> These drug-related disruptions may continue beyond the pandemic in the short-term. Looking ahead, as a result of the actual and potential disruptions in pharmaceutical drug supply chains, the industry's supply chain resiliency is under close examination.

## **II. THE RISE OF STAKEHOLDER CAPITALISM AND A RENEWED FOCUS ON SOCIAL IMPACT**

### **A. THE NEW STAKEHOLDER CAPITALISM**

In a corporate governance framework of shareholder capitalism, the primary purpose of a corporation is to generate profit for its shareholders. In contrast, stakeholder capitalism provides for a corporate governance structure where corporations seek to provide value to all stakeholders, including investors, employees, consumers, suppliers, and broader communities. This shifts the focus from maximum profit to a more balanced view of profit and responsibility.

Many have argued shareholder capitalism has led to growing inequality, growing environmental risks, and other social impact issues. With the consequences of a pandemic-filled year, society has become more conscious of this view.

In August 2019, the Business Roundtable, a group of 181 CEOs, including many leading US CEOs, outlined a commitment to stakeholder capitalism in a new Statement on the Purpose of a Corporation to guide corporate governance (Statement).<sup>17</sup> The Statement, referred to

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<sup>15</sup> US Food and Drug Administration, *Coronavirus (COVID-19) Supply Chain Update*, (Feb. 27, 2020), <https://www.fda.gov/news-events/press-announcements/coronavirus-covid-19-supply-chain-update>.

<sup>16</sup> Chris Thomas, Neha Dasgupta, *Global Supplier India Curbs Drug Exports as Coronavirus Fears Grow*, Reuters, (March 3, 2020), <https://www.reuters.com/article/us-health-coronavirus-india/global-supplier-india-curbs-drug-exports-as-coronavirus-fears-grow-idUSKBN20Q0ZZ>.

<sup>17</sup> Business Roundtable, *Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans,'* (Aug. 19, 2019), <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>.

as an outline to “a modern standard for corporate responsibility,” emphasizes the need for corporations to consider the interests of all stakeholders including investors, employees, consumers, suppliers and broader communities. The Statement provides, in part:

While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders. . . . Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country.

On December 2, 2019, the World Economic Forum published *The Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution*.<sup>18</sup> The 2020 Manifesto provides, in part:

The purpose of a company is to engage all its stakeholders in shared and sustained value creation. In creating such value, a company serves not only its shareholders, but all its stakeholders – employees, customers, suppliers, local communities and society at large. The best way to understand and harmonize the divergent interests of all stakeholders is through a shared commitment to policies and decisions that strengthen the long-term prosperity of a company.

Nevertheless, some argue stakeholder capitalism has been tried unsuccessfully before, in part pointing to a “risk of confusion” by decision-makers while seeking to optimize value for all stakeholders.<sup>19</sup>

Of course, if all stakeholders’ interests are to be considered equally it would be quite difficult to make decisions where interests are not perfectly aligned. As this scenario is inevitable, an honest and pragmatic approach is needed.

## **B. SEEKING SOCIAL IMPACT REPORTING STANDARDS**

In an effort to provide greater uniformity, transparency, accountability and guidance in the realm of social impact and stakeholder capitalism, the Big Four accounting firms, in partnership with the World Economic Forum and the International Business Council (IBC), have developed a set of environmental, sustainability and governance (ESG) reporting

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<sup>18</sup> Klaus Schwab, Founder and Executive Chairman, World Economic Forum, *Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution*, (Dec. 2, 2019), <https://www.weforum.org/agenda/2019/12/davos-manifesto-2020-the-universal-purpose-of-a-company-in-the-fourth-industrial-revolution/>.

<sup>19</sup> See e.g., Steve Denning, *Why Stakeholder Capitalism Will Fail*, (Jan. 5, 2020), <https://www.forbes.com/sites/stevedenning/2020/01/05/why-stakeholder-capitalism-will-fail/?sh=567b3a16785a>.

standards. In a September 2020 report,<sup>20</sup> *Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation* (ESG Report), the group encourages IBC members, made up of top multinational corporations, to adopt a core set of “Stakeholder Capitalism Metrics” and disclosures to align their performance reporting against ESG indicators and track their contributions towards the UN’s Sustainable Development Goals on a consistent basis.

The ESG Report argues, “To continue to thrive, companies need to build their resilience and enhance their licence to operate, through greater commitment to long-term, sustainable value creation that embraces the wider demands of people and planet.” The ESG Report acknowledges the basis for the approach is the belief that the interrelation of economic, environmental and social factors is increasingly material to long-term enterprise value creation. Pursuant to this view, emblematic of stakeholder capitalism, the ESG Report sets forth core metrics and disclosures under the following four “pillars:”

- (1) Principles of Governance: The definition of governance is evolving as organizations are increasingly expected to define and embed their purpose at the centre of their business. But the principles of agency, accountability and stewardship continue to be vital for truly “good governance”.
- (2) Planet: An ambition to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.
- (3) People: An ambition to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.
- (4) Prosperity: An ambition to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

### **C. A PRACTICAL, CLEAR AND TAILORED APPROACH IS NEEDED**

The changes in the corporate world have been mirrored in our broader society. Increased consumer and employee demand for social impact considerations in all aspects of our lives is clear, and particularly apparent in social media. Employees wish to work for corporations

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<sup>20</sup> *Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*, (Sept. 2020), [http://www3.weforum.org/docs/WEF\\_IBC\\_Measuring\\_Stakeholder\\_Capitalism\\_Report\\_2020.pdf](http://www3.weforum.org/docs/WEF_IBC_Measuring_Stakeholder_Capitalism_Report_2020.pdf).

which reflect their values, and consumers would like to purchase goods having a positive impact on society.

Stakeholder capitalism and the broader emphasis on social impact are desirable goals which have the potential to impact many lives for the better. However, to reach these goals, a multi-faceted approach is necessary. The communal initiative to install ESG standards is important, and will hopefully provide greater accountability and uniformity in the area of corporate social impact. Yet, social impact issues are wide-ranging and varying societal impacts should be expected from one corporation to the next, depending on industry and operations.

To provide greater guidance to the individual corporate decision-makers striving to do “good” day in and day out, a framework tailored to each individual corporation is necessary. The dependence of business on international trade operations coupled with the close relationship between international trade and human rights provides an opportunity for a new, enlightened framework, centered on The Trade Impact.

### **III. THE INTERSECTION OF TRADE AND HUMAN RIGHTS**

#### **A. DEFINING HUMAN RIGHTS: A SUBJECTIVE AND IMPERATIVE TASK**

Merriam Webster defines “human rights” as “rights (such as freedom from unlawful imprisonment, torture, and execution) regarded as belonging fundamentally to all persons.<sup>21</sup>” Similarly, the Oxford dictionary defines a “human right” as a right “believed to belong justifiably to every person.<sup>22</sup>” The term is not defined in a limited manner, ultimately because these concepts are innately subjective.

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<sup>21</sup> Merriam Webster, *Definition of Human Rights*, <https://www.merriam-webster.com/dictionary/human%20rights> (last visited Feb. 8, 2021).

<sup>22</sup> Oxford University Press, *Definition of Human Right in English*, (2020), [https://www.lexico.com/en/definition/human\\_right](https://www.lexico.com/en/definition/human_right) (last visited Feb. 8, 2021).

The UN describes human rights as those universally protected and inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status.<sup>23</sup> Specific rights set out in its 1948 Universal Declaration of Human Rights<sup>24</sup> (UN Universal Declaration) include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and more. The rights set out in the Declaration are summarized and categorized in *Appendix I*.

## **1. Human Rights in the US**

A modern US view on the meaning of international human rights may be derived from the US Country Reports on Human Rights Practices (US Country Reports).<sup>25</sup> These reports measure the actions or inaction of certain foreign governments against internationally recognized rights as set forth in the UN Universal Declaration and other international agreements.

The US Country Reports, submitted annually to the US Congress pursuant to US law, are broken down into seven broader sections: (1) Respect for the Integrity of the Person; (2) Respect for Civil Liberties; (3) Freedom to Participate in the Political Process; (4) Corruption and Lack of Transparency in Government; (5) Governmental Attitude Regarding International and Nongovernmental Investigation of Alleged Abuses of Human Rights; (6) Discrimination, Societal Abuses, and Trafficking in Persons; and (7) Worker Rights.

## **2. European Union - Fundamental Rights**

Under EU constitutional law, the international concept of “human rights” is termed “fundamental rights.” Recent EU fundamental rights activities focus on anti-discrimination, racism and xenophobia, as well as protecting vulnerable groups, such as children, women and minorities.<sup>26</sup>

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<sup>23</sup> United Nations, *Human Rights*, <https://www.un.org/en/sections/issues-depth/human-rights/> (last visited Feb. 8, 2021).

<sup>24</sup> United Nations, *Universal Declaration of Human Rights*, (1948), [https://www.ohchr.org/EN/UDHR/Documents/UDHR\\_Translations/eng.pdf](https://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf).

<sup>25</sup> US Department of State, Bureau of Democracy, Human Rights, and Labor, *2019 Country Reports on Human Rights Practices*, (March 11, 2020), available at <https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/> (last visited Feb. 8, 2021).

<sup>26</sup> EUR-Lex, *Glossary of Summaries, Human Rights*, [https://eur-lex.europa.eu/summary/glossary/human\\_rights.html](https://eur-lex.europa.eu/summary/glossary/human_rights.html).

The Charter of Fundamental Rights of the EU (EU Charter),<sup>27</sup> which consolidates the fundamental rights applicable at the EU level, sets out principles and rights relating to the following broader categories: dignity, liberty (freedoms), equality, solidarity, citizenship (citizen’s rights) and justice. The EU Charter moves beyond civil and political rights to issues such as workers’ social rights, data protection, bioethics and the right to good administration.

### **3. The Difficulty of Defining Human Rights**

Setting high goals in the area of human rights is to the benefit of all – world actors should have strong ideals for which to strive. However, the subjectivity of what is considered a “human right” may cloud important discussions and efforts. For example, the Stanford Philosophical Dictionary explains “human rights” by outlining the UN Universal Declaration while also noting hesitations by some at the time due to the likely differences in societal understanding of the term between world cultures.<sup>28</sup> Furthermore, the resource points out the potential issue of “human rights inflation,” or devaluation, arguing:

Not every question of social justice or wise governance is a human rights issue. For example, a country could have too many lawyers or inadequate provision for graduate-level education without violating any human rights. Deciding which norms should be counted as human rights is a matter of considerable difficulty.

### **4. Five Key Categories of Human Rights**

In pursuit of clarity, we will emphasize the following five key categories of human rights. Examples provided in parentheses are limited examples and are not an exclusive set:

- 1. FOUNDATIONAL RIGHTS** (freedom of conscience and self-determination; freedom from war and persecution; freedom from kidnap, murder, rape, forced labor)

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<sup>27</sup> Official Journal of the European Union, *Charter of Fundamental Rights of the European Union*, (2012/C 326/02), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012P/TXT&from=EN>.

<sup>28</sup> Nickel, James, “Human Rights”, *The Stanford Encyclopedia of Philosophy* (Summer 2019 Edition), <https://plato.stanford.edu/archives/sum2019/entries/rights-human/>.

2. **POVERTY AND STANDARD OF LIVING** (access to food, water, housing, electricity; health and safety rights)
3. **GENDER AND TOLERANCE** (women’s rights; rights related to freedom from discrimination)
4. **LABOR** (workers’ rights such as the right to safe working conditions)
5. **ENVIRONMENTAL** (rights related to a safe, clean and healthy environment, such as those related to pollution of land, air and water)

## **B. THE INTERSECTION OF TRADE AND HUMAN RIGHTS**

### **1. FOUNDATIONAL HUMAN RIGHTS**

Foundational human rights are our most basic rights which may serve as prerequisites for other human rights – the right of conscience and self-determination, the freedom from war and persecution. The close relationship between trade and peace illustrates the potential impact of trade on these most basic human rights.

As emphasized in the Atlantic Charter,<sup>29</sup> human rights cannot thrive in the darkness of war and tyranny. In seeking a better world, the US and UK leaders outlined eight common principles “on which they base[d] their hopes for a better future of the world.” Intertwined with principles seeking an end to the use of force and armament were principles promoting socially conscious international trade. The clauses specifically sought access to trade and raw materials for all parties (victor or vanquished) and international cooperation towards shared values within the multilateral trading system (improved labor standards, economic advancement and social security). Yet another principle spoke to peace enabling freedom of movement around the world.

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<sup>29</sup> The Atlantic Charter, (Aug. 14, 1941), available at [https://www.nato.int/cps/en/natohq/official\\_texts\\_16912.htm](https://www.nato.int/cps/en/natohq/official_texts_16912.htm).

The authors of the Charter clearly recognized trade may serve as a key driver of peace and human rights. This understanding has since been further promoted and supported by international organizations such as the WTO and UN entities.

## **2. POVERTY AND STANDARD OF LIVING**

International trade is also a primary driver in reducing global poverty and raising the standard of living. This connection is emphasized in the 2018 joint publication of The World Bank Group and the WTO, *Trade and Poverty Reduction: New Evidence of Impacts in Developing Countries* (Trade and Poverty Report).<sup>30</sup> The Trade and Poverty Report states, in part:

Trade has been recognized as an engine for inclusive economic growth and poverty reduction in the 2030 Agenda for Sustainable Development. The 2015 joint WTO-World Bank publication, *The Role of Trade in Ending Poverty* strengthened the evidence that trade has played a critical role in poverty reduction and that the further integration of developing countries into an open global economy will be essential for achieving the goal of ending extreme poverty by 2030.

While recognizing a number of obstacles to trade integration benefitting the most vulnerable and explaining that increased global trade alone will not end poverty, the Trade and Poverty Report concluded by emphasizing the importance of trade to poverty reduction and arguing “further integration of developing countries into international markets will be essential for ending poverty and leaving no one behind.”

## **3. GENDER AND TOLERANCE**

### **Gender**

The 2020 WTO publication, *Women and Trade: The Role of Trade in Promoting Gender Equality* (Women and Trade Report),<sup>31</sup> explains the impact of trade on women as workers, consumers, and family members, and highlights opportunities for public and private actors

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<sup>30</sup> World Bank and World Trade Organization, *Trade and Poverty Reduction: New Evidence of Impacts in Developing Countries*, (2018), <http://documents1.worldbank.org/curated/en/968461544478747599/pdf/132833-REVISED-TradePovertyWBWTONew.pdf>.

<sup>31</sup> World Bank and World Trade Organization, *Women and Trade: The Role of Trade in Promoting Gender Equality*, (2020), [https://www.wto.org/english/res\\_e/booksp\\_e/women\\_trade\\_pub2807\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/women_trade_pub2807_e.pdf).



to support women by facilitating their participation in and benefitting from international trade. As stated in the Women and Trade Report:

Businesses involved in international trade employ more women. In developing countries, women make up 33 percent of the workforce in firms that engage in trade, compared with just 24 percent in nonexporting firms. Trade also creates better jobs for women. Workers in both developed and emerging economies are almost 50 percent more likely to be employed in formal jobs if they work in sectors that trade more or that are more integrated into global value chains. Countries that are more open to trade, as measured by the ratio of trade to gross domestic product, have higher levels of gender equality.

Increased focus on social impact, by women's organizations and beyond, has promoted gender-trade perspectives into activities of governmental and non-governmental actors. However, there remains much opportunity for progress. For example, border crossings fraught with bad lighting, crime and corruption are the cause of dangerous conditions for female traders, enabling harassment against women. Another problem is found in "pink tariffs," high tariffs on garments and other goods disproportionately purchased by female consumers and/or produced by female workers. The issue of "pink tariffs" is worsened by the pandemic-related reduction in apparel sales, given the garment sector's high concentration of female employees.

Just as the Women and Trade Report explains how gender-inclusive approaches to trade may provide broader economic prosperity, the same could be argued regarding inclusivity of other groups often left out of the global trading system or discriminated against within a particular culture.

## **Tolerance**

Participation in the international economy will expose individuals to those with diverse backgrounds and may promote greater acceptance of different cultures. Such person-to-person contact may allow those with preconceived prejudices to move beyond those views and see an individual as a "real" person. A person with family and friends; a person with many hopes and values not unlike their own.

Perhaps most important, one is less likely to agree with a war waged on another set of people if individuals within that society are known to them, or "real."

The promotion of trade towards the aim of increased tolerance is undoubtedly a worthy cause. Whether within the education system, the workplace or broader society, increased

tolerance indirectly promotes all other sets of human rights. Prosperous participation in the diverse global economy requires tolerance of those who are different from ourselves, and decision-making based on fair and equitable rules rather than discriminatory practices. Robust participation in the global economy, facilitated through tolerance of others, enables communal benefits resulting from socially conscious trade.

#### **4. LABOR**

The connection between trade and labor is likely the most obvious of these key human rights categories. Workers in the international supply chain experience a wide variety of labor practices. Increased trade integration has the potential to either promote greater labor standards or, if left unchecked, drive standards down as a result of increased competition in the global marketplace fostering cheap labor and low regulatory environments.

#### **5. ENVIRONMENT**

Many have questioned how the environment will be able to sustain growing international trade and economic activity. Sourcing of raw materials, production of goods, and related transportation and distribution networks by nature result in at least some degradation of land, water and/or air.

Yet, as explained by the WTO in its 2020 publication, *Short Answers to Big Questions on the WTO and the Environment* (Environmental Report),<sup>32</sup> the path forward is not to reduce international trade, but rather to continue to promote environmental rights among private and public stakeholders and participate in global innovation in this area, such as more sustainable and efficient use of materials and energy.

Through active pursuit of partnerships and environmental initiatives, the WTO recognizes the role of international trade in facilitating the UN's Sustainable Development Goal 17, which calls on the international community to revitalize global partnerships for sustainable development. As explained in the Environmental Report, such WTO-led partnerships

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<sup>32</sup> World Trade Organization, Trade and Environment Division, *Short Answers to Big Questions on the WTO and the Environment*, (2020), [https://www.wto.org/english/res\\_e/booksp\\_e/envirqapublication\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/envirqapublication_e.pdf).

include the Aid for Trade initiative, the Enhanced Integrated Framework and the Standards and Trade Development Facility.

Looking forward, socially conscious supply chains are integral in the effort to prevent exponential degradation of the environment, as well as to protect the environmental rights of all peoples.

### **C. THE NEED FOR AN INTERDISCIPLINARY APPROACH**

It is difficult to see the world through a particular lens, without de-emphasizing everything else. Nevertheless, we will attempt to avoid an analysis exclusively focused on international trade and supply chain. As the world is not a controlled environment, nor is it stagnant, we do not assume one factor is most relevant while others are derivative. Instead, we suggest international trade may serve as a guidepost in the areas of social impact and stakeholder capitalism, as it links so many other areas together. Global trade may be a driver in finance, tax, law, political economics, and beyond.

The current emphasis on social impact is robust across professions and forums. It is now time to connect these separate conversations. Interdisciplinary approaches should be developed based on a holistic view of all areas of business - tax, law, economics, finance – in combination with human rights principles. Even within the area of “international trade,” greater collaboration and coordination between legal and political trade policy, trade economics and supply chain operations would facilitate more impactful initiatives.

Within a corporation, a consistent perspective is needed. There is much opportunity within a corporation to leverage knowledge and optimize resources through the intersectionalities between departments. When we consider corporate governance, it is important to seek interdepartmental coordination and understanding of key drivers and consequences from each viewpoint. While the interests of each department may at times seem to conflict, **under a strong corporate governance structure, these interests should not compete, but rather be considered together and consciously balanced towards the common, primary corporate goal of profitably producing products and/or providing services while optimizing positive impact on societal human rights.**

## IV. TRADE AS A GUIDEPOST WITHIN A CHAOTIC WORLD OF SOCIAL IMPACT

### A. THE CORPORATE IMPACT: SEEKING A CLEAR STRATEGY IN A TIME OF STAKEHOLDER CAPITALISM

Recent efforts to work towards an accountable and transparent framework for corporate governance and social responsibility are commendable and important undertakings. To achieve these goals, we seek to encourage the implementation of a human rights framework, focused on the impact of a corporation's international trade operations, and with the understanding that we do not live in a controlled environment - a host of factors will be relevant in hindsight. We seek to structure a clear path forward to optimize the positive impact on society - by recognizing and focusing on The Trade Impact.

Stated simply, the goal of a corporation should be to **profitably produce its products and/or provide services, while optimizing its positive impact on societal human rights.**

When we consider corporate social responsibility, we are really speaking of (1) the potential for the corporation to have a greater positive impact on human rights, and (2) the responsibility of the corporation to minimize and/or rectify the negative impact on human rights that may result from its operations.

Let us break down each of these corporate social objectives:

#### 1. Optimizing the positive

- a. How can we make our product/service and the underlying supply chain(s) more impactful on human rights?
- b. How can we provide better access to our impactful product/service?
- c. How can we support a positive human rights impact in the local communities of our operations and/or our industry?

#### 2. Rectifying and minimizing the negative

- a. Consider ways to lessen negative impact of our products/services and the underlying supply chain(s) on human rights
- b. Consider ways to rectify our net negative impact on human rights

We must include in our analysis the reality of limitations. Individuals are limited. Choices are limited. **As a result, corporations composed of individuals driven by the choices they make, are limited.** We must accept that the corporate world is unlikely to achieve perfection in all aspects of social responsibility, and we must also understand that corporations are made up of individuals who must have clarity of mind to work towards a common goal, or the operations will suffer.

Once we acknowledge these realities, we can proceed to clarify the next steps for a corporation seeking to optimize social impact pursuant to stakeholder capitalism. Understanding the need to emphasize international trade within the corporate human rights framework, as outlined above, corporations should next take action to:

- (1) Understand the human rights impact of their international trade operations and develop a **Corporate Impact Profile** based on the aforementioned corporate social objectives; and
- (2) Plan and implement a **Trade Impact Optimization Strategy**, the details of which should vary based on the company's Corporate Impact Profile.

The following chart may be useful as a starting point to understand the impact of corporate operations on global human rights and to develop a Corporate Impact Profile. Additional limited guidance is provided in red text within Table 1 and 2.

**Table 1. OPTIMIZE POSITIVE IMPACT**

<b>OPTIMIZE POSITIVE IMPACT</b>	<b>FOUNDATIONAL</b>	<b>POVERTY AND STANDARD OF LIVING</b>	<b>GENDER AND TOLERANCE</b>	<b>LABOR</b>	<b>ENVIRONMENT</b>
<b>1. Making our products and/or services more impactful (consider impact of products/services as well as underlying supply chains)</b>	<p>Promote a workplace based on shared values and dignity.</p> <p>Implementing a comprehensive approach to forced labor, looking through to raw material suppliers.</p> <p>Product quality and safety initiatives.</p> <p>If applicable, efforts to reduce/prevent use of product in a way detrimental to foundational rights.</p>	<p>Consider the impact of the supply chain on the standard of living of workers, families and local communities.</p>	<p>Efforts aimed at enhancing diversity and inclusiveness policies and promoting gender equality throughout the corporation.</p> <p>If applicable, consider the impact of products/ services on women, minorities, and other protected groups.</p>	<p>Efforts aimed at enhancing diversity and inclusiveness policies throughout the corporation.</p> <p>Labor standards for direct supply chain workers. These efforts should extend beyond direct employees (e.g., third party suppliers; raw material suppliers for third party finished goods suppliers).</p>	<p>Efforts to enhance the environmental consequences of the supply chain and distribution network.</p>
<b>2. Better access to our impactful products and/or services</b>	<p>Where products/services support fundamental rights, consider initiatives to increase access to underprivileged communities.</p>	<p>Initiatives aimed to enable access to products/services, in developed and under-developed countries. For example, needs-based discount programs or in-kind donations.</p>	<p>Consider access to products/services for women and other groups at risk of discrimination.</p>		<p>Where products/services support environmental rights, consider initiatives to increase access to underprivileged communities.</p>
<b>3. Making an impact in our communities of operations</b>	<p>Initiatives to advance foundational rights in the location(s) of operations.</p> <p>Consider investment in local infrastructure to support health and safety.</p>	<p>Efforts to alleviate poverty in the location(s) of operations, with an emphasis on local programs at production location(s). For example, initiatives to facilitate greater access to food, water and electricity, education and skills-based initiatives, etc.</p>	<p>Consider local education and skills-based initiatives to promote greater participation in the workforce by women and other groups at risk of discrimination.</p> <p>Initiatives to advance rights of those at risk of discrimination in the location(s) of operations.</p>	<p>Initiatives to advance labor standards throughout location(s) of operations.</p> <p>Local education and skills-based initiatives.</p>	<p>Initiatives to advance environmental rights in the location(s) of operations.</p>
<b>4. Making an impact in our industry</b>	<p>Partner within the industry to promote fundamental rights of all stakeholders.</p>	<p>Partner within the industry to increase standard of living of all stakeholders.</p>	<p>Promote gender, diversity and inclusion efforts across the industry.</p>	<p>Promote better labor standards across the industry.</p>	<p>Promote better environmental standards across the industry.</p>

**Table 2. MINIMIZE AND RECTIFY NEGATIVE IMPACT**

<b><i>MINIMIZE AND RECTIFY NEGATIVE IMPACT</i></b>	<b><i>FOUNDATIONAL</i></b>	<b><i>POVERTY AND STANDARD OF LIVING</i></b>	<b><i>GENDER AND TOLERANCE</i></b>	<b><i>LABOR</i></b>	<b><i>ENVIRONMENT</i></b>
<b><i>1. Lessen negative impact of our supply chain and operations</i></b>	<p>Lessen any impact of supply chain on basic rights such as health and safety.</p> <p>Consider investment in local infrastructure to enable safer commute to work.</p>	<p>Consider supply chain use of resources, and impact on communities.</p>	<p>Promote inclusive values and employment opportunities for women and other groups at risk of discrimination.</p>	<p>Efforts aimed at reducing potential health and safety consequences for direct supply chain workers (e.g., hazardous materials).</p>	<p>Efforts aimed at alleviating environmental degradation (such as land, water and air pollution) resulting from supply chain and distribution network.</p>
<b><i>2. Lessen negative impact of our products/ services, if applicable</i></b>	<p>Product quality and safety initiatives.</p> <p>If applicable, consider health and mental health impact of products/services.</p>		<p>If applicable, consider any detrimental impact on women or other groups at risk of discrimination.</p>		<p>Consider environmental impact of use of products/ services.</p>
<b><i>3. Rectify net negative impact with an emphasis on those communities most impacted</i></b>	<p>Consider any net impact of operations on local community health and safety.</p>				<p>Consider the net environmental degradation of supply chain on communities and ways to rectify impact through targeted environmental initiatives.</p>

## **V. CALL TO ACTION: SEEKING COLLABORATIVE RESEARCH AND UNIQUE PERSPECTIVES TOWARDS PEACE, PROGRESS AND CORPORATE IMPACT**

Much progress has been made with regards to human rights around the world, including the recent growth of our collective conscience, and the understanding that corporate goals should balance both profit and social impact. And yet, we can surely do better. A close review of the state of human rights, particularly enabled by our connectedness, reveals much suffering and yet so much opportunity. There is much potential to help others in need - to have an impact on lives around the world. Let us work together to

leverage our knowledge for good, with an emphasis on honest assessments, understanding of limitations, the quest for visible choices and an outcome of decision-making rooted in both reason and empathy.

**1. Envision a transparent, socially conscious marketplace – for corporate and consumer decision-makers.**

Take a look at a shirt you would like to purchase. Now imagine you were told that shirt was made by an individual who works for 18 hours straight under hazardous working conditions. Would you still want to purchase the shirt? Unlikely. Next, imagine you find out that this individual, who is exhausted and taking on risks in the workplace, had no job opportunity available nearby. And now, solely because of this job, which requires long hours, hard work and a risky work environment, the individual and their extended family are well-nourished for the first time in months. Would you like to purchase the shirt, which was made by this heroic individual, and indirectly support their job stability? You probably have to think about this one.

**Consider a future of visible choices:**

Imagine you are on Amazon today, purchasing a notebook. Let's say you find three notebooks which are of your liking.

Notebook X	\$5.00
Notebook Y	\$7.00
Notebook Z	\$7.50

*The likely choice is Notebook X at \$5.00.*

Next, imagine you had more information available. For instance, details on the labor practices at each factory where each particular notebook was produced:



Notebook X	\$5.00	Workers are subject to hazardous working conditions and women are forced to take a pregnancy test in order to work at the factory.
Notebook Y	\$7.00	Workers are subject to limited hazardous working conditions.
Notebook Z	\$7.50	Adequate working conditions and labor practices.

*The likely choice is Notebook Y or Z. (We are hoping for Z.)*

**This should be the future for corporate and consumer decision-makers - a heightened visibility to the consequences of our choices.** Of course, achieving such visibility will require creativity, resources and commitment to overcome substantial obstacles. Further, the choices are often nuanced and complicated - unable to be summed up properly in a few sentences. For example, what one may consider abhorrent labor conditions may in fact be the best choice available in a particular locality and perhaps provide life-saving economic support - thereby maintaining one or more household's nourishment.

In understanding The Trade Impact, and particularly within the context of the Corporate Impact, we will attempt to put aside past views of the world and prior benchmarks, and will look to understand issues and developments within the broader context of time, location, and the myriad factors which may impact a single outcome. We will attempt to incorporate a variety of innovative, interdisciplinary and interactive brainstorming initiatives. We will seek to inform and engage various communities - within and without the trade universe. No single area exists in a vacuum. We will seek visibility to all stakeholders of the impact of our actions and the impact of corporations which we support.

**Because all stakeholders - employees, investors, consumers, suppliers, communities and broader society - should be able to answer the simple questions, and feel good about the social impact behind our actions.**

## **2. The Trade Impact: Seeking peaceful international trade and cooperation through a complex understanding of the societal consequences of global trade.**

The broader mission of The Trade Impact is to assist business, communities, and all stakeholders in understanding the role of international trade, supply chain, and geopolitical trade policy in shaping the future of business and industry, and on peace and the proliferation of global human rights.

*Our work is driven by the belief that through a complex and meaningful understanding of **impactful trade**, international trade with a positive human rights footprint, we can facilitate greater peace and societal progress.*

We welcome you to join us in our mission towards facilitating impactful trade through research, collaboration and outreach efforts. We look forward to hearing your unique perspective and partnering with you as we work towards peace and progress.

## APPENDIX I

### Summary of UN Declaration of Human Rights

<u>HUMAN RIGHT</u>	<u>CATEGORY</u>
1. Right to life, liberty and the security of person.	FOUNDATIONAL
2. Right to be free from slavery or servitude.	FOUNDATIONAL
3. Right to be free from torture or to cruel, inhuman or degrading treatment or punishment.	FOUNDATIONAL
4. Right to recognition everywhere as a person before the law.	FOUNDATIONAL
5. Right to equality, equal protection under the law, and freedom from discrimination in violation of the Declaration.	FOUNDATIONAL  GENDER AND TOLERANCE
6. Right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.	FOUNDATIONAL
7. No one shall be subjected to arbitrary arrest, detention or exile.	FOUNDATIONAL
8. Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.	FOUNDATIONAL
9. 1. Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defence.  2. No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.	FOUNDATIONAL
10. No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.	FOUNDATIONAL

<p>11. Right to freedom of movement and residence within the borders of each State; right to leave any country, including his own, and to return to his country.</p>	<p>FOUNDATIONAL</p>
<p>12. Right to seek and to enjoy in other countries asylum from persecution. (Limitation: This right may not be invoked in the case of prosecutions genuinely arising from non-political crimes or from acts contrary to the purposes and principles of the United Nations.)</p>	<p>FOUNDATIONAL</p>
<p>13. Right to a nationality; no one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.</p>	<p>FOUNDATIONAL</p>
<p>14. Right to marry and found a family as one chooses, including equal rights before, during and upon dissolution of marriage.</p>	<p>FOUNDATIONAL GENDER AND TOLERANCE</p>
<p>15. Right to own property and not be arbitrarily deprived of his property.</p>	<p>FOUNDATIONAL POVERTY AND STANDARD OF LIVING</p>
<p>16. Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.</p>	<p>FOUNDATIONAL</p>
<p>17. Right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.</p>	<p>FOUNDATIONAL GENDER AND TOLERANCE</p>
<p>18. Right to freedom of peaceful assembly and association, without compelled association.</p>	<p>FOUNDATIONAL</p>
<p>19. Right to take part in the government of his country, directly or through freely chosen representatives, equal access to public service in his country, and periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or equivalent free voting procedures.</p>	<p>FOUNDATIONAL GENDER AND TOLERANCE</p>
<p>20. Right to social security and realization, through national effort and international co-operation, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.</p>	<p>FOUNDATIONAL GENDER AND TOLERANCE</p>

<p>21. Right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.</p>	<p>LABOR</p>
<p>22. Right to equal pay for equal work.</p>	<p>GENDER AND TOLERANCE</p> <p>LABOR</p>
<p>23. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.</p>	<p>POVERTY AND STANDARD OF LIVING</p> <p>LABOR</p>
<p>24. Right to form and to join trade unions for the protection of his interests.</p>	<p>LABOR</p>
<p>25. Right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.</p>	<p>LABOR</p>
<p>26. Right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.</p>	<p>POVERTY AND STANDARD OF LIVING</p> <p>LABOR</p>
<p>27. Motherhood and childhood are entitled to special care and assistance. All children, born in or out of wedlock, shall enjoy the same social protection.</p>	<p>POVERTY AND STANDARD OF LIVING</p> <p>GENDER AND TOLERANCE</p>
<p>28. Right to free elementary and fundamental education. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.</p>	<p>POVERTY AND STANDARD OF LIVING</p> <p>GENDER AND TOLERANCE</p>
<p>29. Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, <b>tolerance</b> and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace.</p>	<p>FOUNDATIONAL</p> <p>POVERTY AND STANDARD OF LIVING</p> <p>GENDER AND TOLERANCE</p>
<p>30. Parents have a prior right to choose the kind of education that shall be given to their children.</p>	<p>FOUNDATIONAL</p> <p>GENDER AND TOLERANCE</p>

<p>31. Right to participate in the cultural life of the community, to enjoy the arts and share in scientific advancement and its benefits.</p>	<p>POVERTY AND STANDARD OF LIVING</p> <p>GENDER AND TOLERANCE</p>
<p>32. Right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.</p>	<p>FOUNDATIONAL</p> <p>POVERTY AND STANDARD OF LIVING</p>
<p>33. Right to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.</p>	<p>FOUNDATIONAL</p> <p>POVERTY AND STANDARD OF LIVING</p> <p>GENDER AND TOLERANCE</p> <p>LABOR</p> <p>ENVIRONMENTAL</p>