



Business for the Rule of Law

Frequently Asked Questions

1. *What does “rule of law” mean for business?*

A society based upon the rule of law is one in which all actors – including governments, businesses and individuals – are equally accountable to clear, fair and predictable laws. The rule of law requires a strong institutional framework to ensure these laws are enforced through accessible and impartial institutions, in a manner consistent with international human rights norms and standards.

2. *Why should business concern itself with the rule of law?*

There has been a growing recognition by business that a society which is governed by the rule of law provides the foundation for long term investment and growth by ensuring, among other things, peace and stability, absence of corruption, certainty of contractual and other rights, and fairness and transparency in dispute resolution.. Business not only acknowledges the importance of respecting the rule of law but also supporting the rule of law – as a complement to, not substitute for government action – by promoting an enabling environment for markets and societies to flourish, that is consistent with international norms and standards.

3. *What actions can business take to support the rule of law?*

There are many actions business can take to support the rule of law. To assist business in doing so, the UN Global Compact has developed a Business for the Rule Law Framework (the ‘**Framework**’) to provide guidance by outlining the business case, business actions and examples, and a call to action for business and government to respect and support the rule of law. The UN Global Compact has collected over 100 examples (and counting) of how business is already taking action to support the rule of law.

4. *What is the distinction between respect and support?*

The UN Global Compact refers to **respect** as ‘doing no harm’ by complying with national laws and meeting expectations derived from international norms and standards – it is the expected base-line for business behaviour. The UN Global Compact refers to **support** as additional voluntary actions that go beyond respect, by ‘making a positive contribution’ through core business activities, strategic social investment and philanthropy, advocacy and public policy engagement, and partnerships and collective action.

5. *What is the difference between the Framework and other rule of law reports/indices?*

There are many extremely useful reports and indices that have been developed by various entities with respect to the rule of law. The Framework is complementary to, but also distinct from, these efforts as it aims to engage business on their role to respect and support the rule of law. The Framework also serves as an instructional “go to” resource for business seeking guidance on taking action to support the rule of law.



6. *How can business action be effective, and common ground between States be established, where cultural (such as political and societal) sensitivities may exist regarding the rule of law?*

UN Member States have agreed that the rule of law is the foundation of friendly and equitable relations between States and the basis on which just and fair societies are built. They have recognized that there are common features founded on international norms and standards which are reflected in a broad diversity of national experiences in the area of the rule of law. Under the auspices of the UN Global Compact, Business for the Rule of Law aims to promote collective business action to strengthen the rule of law at the global and local level.

7. *Is business expected to take responsibility for strengthening the rule of law?*

There is a minimum expectation that business respect the rule of law. However, to the extent possible, business is also encouraged, through the Framework, to support the rule of law – not as a substitute for, but rather as a complement to, government action to protect and uphold the rule of law. Business can support the rule of law by taking voluntary actions that go beyond respect to help build and/or strengthen the legal framework and promote more accountable institutions where they will or are currently operating, through core business activities, strategic social investment and philanthropy, advocacy and public policy engagement, and partnerships and collective action.

8. *How does the Framework assist in advancing business respect and support for the rule of law?*

As with most thought leadership initiatives, driving both substantial and substantive change takes time. The Framework aims to raise awareness and understanding of the rule of law as it relates to business, and encourage business to respect and support the rule of law through, among other things, partnerships with various actors – including business, government, intergovernmental and non-government organizations, academia and the legal profession – at the global and local level.

9. *Isn't the rule of law the domain of the lawyers? How is business supposed to understand what the rule of law means and its relevance to business?*

The rule of law has traditionally been the domain of lawyers and while the initiative specifically seeks to engage with corporate lawyers, a growing number of enlightened business people are recognizing the importance of the rule of law in the economic and social context. As such, the Framework aims to demystify the rule of law by articulating how it relates to business. Further, the legal profession – including private law firms and in-house corporate counsel – have an important role to play in mobilizing support through their own operations and business relationships.



10. *When was the Framework launched and what will happen next?*

The Framework was initially launched at UN Global Compact headquarters on 24 June 2015 with the view of hosting similar launch events and ongoing multi-stakeholder discussions around the globe, led by our Global Compact Local Networks and other strategic partners, to ensure appropriate prioritization of rule of law efforts at the local level.