



Sector-Wide Impact Assessment

# Human Rights and Business Fact Sheet

## Livelihoods



This factsheet was compiled for the use of the Myanmar Centre for Responsible Business (MCRB) sector-wide impact assessment (SWIA) research teams, but may be of wider use in understanding the human rights risks involved in particular business issues. For more information on MCRB's SWIAs, please see [www.mcrb.org.mm](http://www.mcrb.org.mm).

## Short Summary of the Human Rights Issue

Human rights cover the basic necessities of life – food, water, housing, health, education. The idea is to make sure that everyone has access to these basic necessities. If people do not have access, the government should provide the necessities. In some countries, the government often does not have the resources to provide these necessities or chooses not to provide them. Private sector companies are not legally required to provide these necessities. What is expected is that they do not interfere with these necessities – they should not deprive people of these necessities through their actions or company operations and if they do take actions or run operations that affect these necessities, they should stop or mitigate (moderate) the action and compensate the people they affect.

Companies can have impacts on livelihood activities of communities in a number of ways: by buying up people's land so they no longer can farm it, by using the community's water resources the community relies on to water its crops, by pollution that makes the soil or the water unusable or at least more difficult to grow crops or graze animals, by blocking off access to common grazing areas community members use to graze their animals. What is expected is that companies investigate how their operations may have an impact on the community before they start, they discuss this with the community members, they change their operations so the operations don't have these negative impacts, or they agree with community members to compensate them for their loss – by providing alternative resources or a payment.

Companies can also have an impact on people's livelihoods because they change the local economy. They bring in new workers, they buy up or rent housing, buy up local food – all of which can make it more expensive for community members to continue living there (see the Fact Sheet on In-Migration)

Impacts on community members' livelihoods can also have impacts on other rights. For example, if people have a harder time to feed, clothe and house themselves, their health may be impacted. Or all their family's resources (time, energy, money) will be spent on meeting their basic needs, and they will have no time or resources for education, family life or cultural activities.

Companies can also have a positive impact on people's livelihoods. It may provide jobs to local community members and business to local businesses. If a company builds a new road, community members have easier access to food, or to markets to sell their products. Or if a project brings tourists to the community, community members can sell handicrafts, food products, etc. to tourists.

There are a number of different human rights involved in community livelihoods:

### Right to Food

Company operations can have impacts on community food sources in a number of ways. If the company decides to purchase large tracts of local farmland, it might deprive local farmers of the possibility to farm land and thus to feed themselves and their families. If the company attracts a large numbers of new employees to an area, the company's presence may burden the local food supply and create a need for extra food production which cannot be met locally. This may cause prices to rise and may mean that local community members can no longer buy food. In such situations, the company should undertake special measures to help bolster local food production or

ship food in from outside the area to cover the food intake of its own employees. If the company's operations pollute or damage local fields where crops are grown, community members may no longer have access to sufficient food. If the company blocks access to common grazing lands or forests, community members may not be able to graze their livestock, or collect natural resources, that they rely on for food or for income.

Companies can also have positive impacts by providing advice or inputs that help community members increase their crops.

### **Right to Water**

Company operations may have an impact on water by using (or over using) community water resources so that there is not enough left for local consumption or irrigation (for example, hotels using scarce local water supplies for pools or excessive water use by guests). Companies may pollute or divert water resources so that they cannot be used by the community. Another risk is that the community has to pay a high price for the water they need, whereas it used to be free of charge.

Companies can also increase the supply of water to the community as part of improving access for their own operations.

### **Income-generating activity - right to work**

If a new company moves into an area and provides new goods or services, it may put a local business(es) out of business; this is an inevitable dimension of the market economy that is increasing in Myanmar. The concern here is about bigger company operations that may have an impact on the livelihoods of particularly vulnerable members of the community. Is the company claiming land that was used by a smaller ethnic group in the community without compensation and that will have nowhere else to live? Will the trucks through the community make it difficult (or easier) for young people to sell fruit?

Companies can also increase local income-generating activities by trying to buy supplies (that are not crucial for, or surplus to, the community basic necessities) like food (see above) from local businesses.

### **Assessment, Adjustment, Compensation of negative impacts**

Companies and local governments will not necessarily know about these impacts unless they have prior experience in dealing with these issues and unless they ask about these issues in the community. If the company is required to carry out an environmental or social impact assessment (EIA or SIA) they are required to make a study of these issues. They should be including discussions on these kinds of livelihood issues in their consultations with the community. The community in turn should bring up these issues in the consultation and suggest ways that the company can avoid having negative impacts on their livelihoods. Where the company is using or harming community land or resources, it should provide compensation to the community as a whole or to the individual community member (where for example they have destroyed a person's crops).

## Why this is Relevant to Local and international Companies Operations

Companies may not always think about the wider impacts they are having in a community; instead they may focus just on their own workers or only on their very direct impacts that they cause. They may not consider the indirect impacts that they may have on the community. And yet the indirect impacts can make it very difficult for communities to earn their livelihood. It is expected that companies, especially those with bigger operations or those with a “heavy footprint” on the local community, will consider these potential direct and indirect impacts as part of their decision about setting up their operations and include this as part of their community consultations and to take expert advice as necessary to better understand the situation.

It is relevant to ask about company or government actions to understand potential impacts on community livelihoods in order to establish whether:

- companies are addressing the full range of issues that communities raise as impact on their livelihoods
- Communities have other options to cope with indirect impacts, and as a result, companies do not take responsibility for Local governments understand and are addressing impacts on people’s livelihoods

## Human Rights References

- The International Covenant on Economic, Social and Cultural Rights provides for a right to an “adequate standard of living.” (article 11) What is “adequate” is relative to where a person is living and their surroundings. However the UN has identified minimum essential levels of each of the rights that should be realized for all. Many countries have identified an amount that people should have (a poverty line), often for identifying people who should get support from the government to bring them out of poverty. The right to food and water are human rights that are part of an adequate standard of living.
- Right to work (article 6 of the ICESCR)