

# AMNESTY INTERNATIONAL

## Media Briefing

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## **World Economic Forum/Media Briefing: Doing business in the Russian Federation: the human rights approach**

This document is a summary of Amnesty International's report "*Doing business in the Russian Federation: The human rights approach*" which focuses on the economic and business climate in which companies operate in the Russian Federation and their responsibilities towards human rights. The report will be launched by Amnesty International's Secretary General Irene Khan at the World Economic Forum in Davos where the organization is calling on corporations to be held accountable for human rights in a globalised world.

Amnesty International takes no position on doing business in, or with, the Russian Federation. Amnesty International neither supports businesses operating there, nor calls for their withdrawal. The decision to invest or trade in the Russian Federation is that of the business alone. Amnesty International asks companies to include human rights in their framework when they assess the risks of operating in the Russian Federation, and to consider the impact of their activities on human rights. In the past, Amnesty International has produced similar documents on China and Saudi Arabia. We believe the tools of good corporate conduct are universal, and apply to every country.

**Our aim is to increase awareness among business executives of some of the human rights issues in the Russian Federation and what their companies can do to promote human rights. We are reminding companies on doing business in the Russian Federation, bearing in mind the human rights responsibilities.**

### **Doing business in the Russian Federation: the human rights approach**

The Russian Federation faces numerous economic and social problems.

Widening disparities of income and widening gap between rich and poor regions.

Widespread human rights violations with victims from the most vulnerable sectors in society who have little chance of getting justice and redress; torture or ill-treated in police custody; disease-ridden and overcrowded pretrial detention centres.

Conflict in the Chechen Republic, where Russian federal forces have reportedly killed, tortured and raped civilians without fear of punishment. Chechen forces have also committed abuses.

Businesses in the Russian Federation are not insulated from the human rights environment - they operate in an environment where corruption and crime are rife and lack of respect for the rule of law hits companies as well as individuals.

**Amnesty International believes that companies' problems are closely intertwined with the way**

**the Russian Federation functions as a society, and that unless fundamental changes are made to enhance respect for human rights and the rule of law, the business environment will not significantly improve. Human rights standards, which aim to protect the individual from unfair treatment and abuse from states, should be the basis of the rule of law.**

### **Company conduct and human rights standards**

International human rights standards are universal. They set out the human rights framework that companies should respect and take into account in their operations all over the world, including the Russian Federation. Human rights standards and principles to guide good practice can be found in treaties, in principles and statements adopted by the international community and in voluntary codes. Some of the most important are:

- The Universal Declaration of Human Rights.
- The International Covenant on Civil and Political Rights.
- The International Covenant on Economic, Social and Cultural Rights.
- The Declaration on Fundamental Principles and Rights at Work of the International Labour Organization.

**Governments implement international treaties through their domestic laws. Companies are governed by these laws, and should adhere as well to non-treaty standards. Amnesty International believes that the business community also has a wider responsibility to use its influence to promote respect for human rights.**

### **The Russian economy today**

Russian oil is identified as the driving force as energy accounts for two-fifths of Russian exports and more than 10 per cent of the country's real Gross Domestic Product.

**The vast Russian oil and mineral resources should be of enormous benefit to the local population. However, experience in Africa, Asia and other parts of the world shows clearly that extractive industries often end up in dispute with indigenous communities. Moreover, when companies explore for oil in areas of conflict, some have become targets of armed opposition groups.**

### **The business climate**

After a major economic decline since the collapse of the USSR in 1991, the Russian Federation has achieved a certain degree of political and economic stability in the last five years. Foreign direct investment remains relatively low:

The existing legal framework that governs business conduct in the Russian Federation allows for unwritten, arbitrary and frequently changing rules. Disputes are often settled informally, by bribes, using personal connections or force, not by going to the courts.

**Businesses have told Amnesty International that many companies are forced to pay protection money to organized criminal gangs in order to function. Such acts foster corruption and, with few institutional or legal restrictions on such activity, many officials behave as if they have limitless scope for *kormlenie*, a slang term for "the abuse of public office for private gain".**

### **Corruption: a human rights issue**

Corruption occurs at many different levels:

At the national and international level, the decisions and policies of senior officials are sometimes influenced by bribes and inducements.

At the local level, the poor are sometimes unable to gain access to public goods and services because they

cannot afford to pay a bribe.

At the intermediate level is the grey area of practices that may or may not be corrupt, such as facilitation payments, industry commissions, rewards.

**Amnesty International believes that any society where corruption is widespread is likely to suffer from arbitrary and unfair decisions which undermine the rule of law and adversely affect the human rights situation. Companies have an important role to play in any country in countering corruption; they can take steps to avoid corrupt practices by devising and implementing policies consistent with the growing international consensus against corruption.**

#### **Human rights violations in the Russian Federation**

Amnesty International's worldwide membership launched a campaign in October 2002 to promote respect for human rights in the Russian Federation, focusing on specific and serious violations of international human rights and humanitarian law by Russian law enforcement and security forces:

Torture and ill-treatment by law enforcement officials. The victims include children and women.

Lack of accountability for the perpetrators of these abuses and obstacles faced by victims - particularly women, children and members of ethnic or national minorities - in obtaining redress.

In the context of the conflict in Chechnya, there have been widespread and credible reports of attacks against civilians, rape and other forms of torture, "disappearances" and extrajudicial executions by Russian forces. Chechen forces are also reported to have committed gross human rights violations, including taking hostages.

**The campaign seeks to highlight the discrepancy between the human rights protection which those living in the Russian Federation have in international and national law, and the reality of widespread human rights abuses committed in a climate of impunity. Amnesty International members around the world will be urging the government to live up to its obligations to protect and promote human rights so that there is justice for everybody.**

#### **What companies can do**

Companies operating in the Russian Federation should ensure that their operations will not contribute, either directly or indirectly, to human rights violations. It is their responsibility to ensure that international standards are followed within the sphere of business practice. Amnesty International gives a list of recommendations to companies operating in the Russian Federation, such as:

Write your own code of conduct.

Avoid corrupt practices.

Ensure respect for human rights.

Make information public.

Use your influence to promote human rights.

**Amnesty International calls upon companies doing business in the Russian Federation to implement Amnesty International's Human Rights Principles for Companies and to apply them to their specific cases and industries.**

**For more information, to arrange an interview with a member of the Amnesty International delegations, please contact:**

**World Economic Forum in Davos -- Judit Arenas on + 44 7778 472 188.**

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For more information please call Amnesty International's press office in London, UK, on +44 20 7413 5566  
Amnesty International, 1 Easton St., London WC1X 0DW. web: <http://www.amnesty.org>

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