

Editorial

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How can human rights researchers and practitioners enhance their understanding of business related human rights issues? How can methods from different fields such as behavioral science, practical philosophy or business ethics help deepen and broaden our understanding of corporate human rights impacts? What do we see through a more diverse methodological lens that we would overlook, when using only legal human rights analysis or management science? From the German Institute for Human Rights' point of view interdisciplinary methodological tools and approaches are necessary to tackle corporate human rights impacts and risks that occur in increasingly complex contexts.

The German Institute for Human Rights developed its methodological considerations in 2016 during the final phase of the drafting process of the German National Action Plan on Business and Human Rights (NAP). The development of the NAP – led by the Ministry for Foreign Affairs – had been accompanied by a multi-stakeholder process. During the process and all through its implementation, we witnessed how debates got stuck in discussions on mandatory vs. voluntary human rights due diligence.

Attempting to break this gridlock and in an intensive dialogue with *Rike Sohn*, at that time responsible for Business and Human Rights at the Ministry for Development and Economic Cooperation, the Institute started utilizing research methods that focus on incentives and behavior of decision-makers in companies. We applied finance risk analysis theory – Markowitz' Portfolio theory – to the practice of corporate human rights due diligence (HRDD). One outcome of our study “Calculated Risk” (*Utlu/Niebank* 2017) was: risks, including human rights risks, are not necessarily bad for companies, at the contrary they can be useful from a financial point of view, and decision-makers may be incentivized towards human rights risks, even though corporate human rights risks are always bad for rights-holders. For a better understanding of how decision makers behave and how to change their behaviour, we started collaborating with behavioral scientists, one of them being *Katryn Wright*, who runs experimental research at MoreThanNow, authors “Better Business Behaviour”, and was part of Shifts Valuing Respect project, which brought together business and human rights

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(BHR) with behavioral science. In the first article of this special issue *Katryn Wright* shares her thoughts with us on how to use behavioral science in order to make HRDD procedures in companies more effective. Her article shows three major contributions of behavioral science to BHR: 1) Analysis (of behavior and in what way it has to be changed); 2) Guidance (for business on how to change behavior); 3) Evaluation (of measures taken in order to verify, if they have been effective). While the corporate responsibility to respect human rights – the second pillar of the UN Guiding Principles – is an established field of research and practice in BHR, using behavioral science is a new approach in this field of research.

Florian Wettstein and *Isabel Ebert* focus on an emerging field in BHR: the digital economy. *Wettstein* is professor for business ethics at St.Gallen University and a pioneer in academic research on BHR. *Ebert* holds a PhD from St.Gallen University and is currently adviser to the B-Tech project of the BHR section of the UN Office of the High Commissioner for Human Rights. In their paper, the authors focus on human rights infringements beyond privacy issues, such as racist algorithms. While applying human rights analysis in the first part they also discuss the benefits of an integrative business ethics lens.

Hannes Kuch, in 2023 visiting professor for political philosophy at the Goethe University in Frankfurt am Main, examines multi-stakeholder initiatives (MSIs). The UN Guiding Principles themselves have been a result of a multi-stakeholder process - the late *John Ruggie* as the UN Secretary-General's Special Representative for Business and Human Rights consulted civil society organizations, corporations, governments and national human rights institutions worldwide. MSIs also accompanied the implementation of UN Guiding Principles through NAPs and are part of the implementation of those plans – for instance the German sector dialogue of the automotive industry, facilitated by the Federal Ministry for Labour and Social Affairs. However, being central in the field of BHR till now they have not been examined in a more fundamental philosophical manner. *Kuch* categorizes MSIs in the “ethical-consumerism approach” and the “market-power approach”, outlining the potentials and risks of both.

Finally, *Alexander Kriebitz* and *Raphael Max* from the School of Social Sciences and Technology, Technical University of Munich, develop the concept of companies’ “structural complicity” with supply chains in the context of severe human rights violations, such as genocide. Their approach mixes human rights analysis and business ethics.

The German Institute understands the articles in this issue of the German Review of Social Policy as examples that illustrate how interdisciplinary methodological approaches may deep-

en our understanding of business-related human rights impacts and broaden the arsenal of measures that can be taken in order to address those.