



CESCR OPEN DAY, 21 FEBRUARY 2017

**STATE OBLIGATIONS UNDER ICESCR IN THE CONTEXT OF BUSINESS ACTIVITIES
(DRAFT GENERAL COMMENT)**

(Wouter van Ginneken, GCSPF)

Thank you, Madame Chair,

The Global Coalition for Social Protection Floors includes more than 80 civil society organizations all over the world. Our aim is to make sure that everyone on our planet is entitled to basic income security and to essential social services, such as health care and education. We welcome the General Comment, because business enterprises have a huge impact on decent work and on the financing of social protection floors. We appreciated the comments made by the three discussants for this session.

Based on our submission, I would like to make a few general comments and then propose three ways as to how governments can contribute to tax justice in the world.

In general, we would like to have more emphasis on vulnerable groups that can be affected by business activities, and in particular on their participation and on women's empowerment. We would also emphasize that business should provide decent working conditions, including in export processing zones. We are also in favour of working towards one single universal standard on business and human rights and a strong enforceable grievance mechanism at the international level through joint action of States, including for labour rights.

Now three short comments on tax justice. It is a fact that measures used by corporations to evade and avoid taxes considerably reduce the resources of States to deliver on their human rights obligations, including on the financing of social protection floors. We would like the text to be more specific on the State obligations with regard to corporations and to people working in those corporations.

1. We therefore propose, first of all, for government to undertake joint action at the global level to reform international corporation taxation, along the lines of the OECD BEPS framework.
2. Secondly, individuals with links to business often utilize offshore accounts and banking services in countries with secrecy laws. We propose that the General Comments mention that such laws and regulations generally lead to tax abuse.
3. Finally, trade and investment agreements can have huge implications for tax justice and the capacity for States to deliver on their human rights obligations. We would like to draw the attention to the potentially negative impact of the so-called “Investor-State Dispute Settlement (ISDS)” mechanisms.

Thank you very much for your attention.

WvG/21.2.2017