



IR-UI COMMENTARIES

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Business Consultants: New Actors of Human Security?

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Summary²

The debate on human security generally revolves around how multilateral and intergovernmental institutions formulate all kinds of initiatives, principles, guidelines to promote and protect human security and convince member states to adopt such agreements as well as conversation about the potential consequences for states by ratifying, or not ratifying certain agreements. In this increasingly heightened debate, non-state actors continue to assert their relevance. The role of business consultants in shaping human security-friendly corporate policies remains largely unheard but has become increasingly important. Through business assessments and advocacy of 'profit, planet, and people', business consultants continue to make sure that profit-maximizing corporations make necessary efforts to protect environmental sustainability and social harmony.

Keywords: *consulting firm, transnational corporate, human security, sustainable development*

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Rationale: Human Security-Business Nexus

Conceptualization of human security is rooted in the spirit of widening and deepening the meaning of security by challenging the dominance of states in international security studies. In doing so, advocates of human security put emphasis on the importance of humans as the truest referent object of security. According to *The UN Development Program's Report: Human Development Report 1994* dan *Report of the Commission on Human Security 2003*, human security shall be achieved through the fulfillment of freedom from fear, access to basic needs, and dignity in seven areas: (1) economic; (2) food; (3) health; (4) environmental; (5) personal; (6) community; and (7) political security.

In light of the extensive coverage and complexity of the concept, the UN has highlighted the need for a wide range of sectors, including businesses, to contribute to the fulfillment and protection of human security and, in doing so, promote collective efforts to achieve sustainable development agenda. The business sector is particularly important in this regard due to its ability to provide job opportunities which, in turn, would improve welfare, eradicate poverty, and provide social and health safety nets. At the macro level, business activities would increase production as well as GDP and, in the longer term, promote economic growth. At the same time, however, business activities can also threaten human security. Without proper waste management in place, large-scale business operations tend to alter environmental landscape, force relocation of local people, and even trigger social conflicts.

To maximize the potential benefits and minimize the damages from business activities, the United Nations has issued the UN Guiding Principles on Business and Human Rights in 2011 with three general principles: (1) state duty to protect human rights; (2) corporate responsibility to respect human rights, dan (3) access to remedy victims of business-related abuses. In 2019, the UN released the UN Business and Human Security Initiative that covers, among others, Human Security Business Partnership which aims to minimize conflict potentials between stakeholders: governments, corporations, and civil society/local communities. The framework also seeks to promote collaboration between stakeholders in achieving sustainable development, strengthening social cohesion, and mitigating vulnerabilities.

In the context of Indonesia, the aforementioned global consensus has been translated into a number of policies including the Presidential Regulation No. 33/2018 on the National Action Plan on Human Rights 2015-2019 that covers issues related to human rights-business nexus. In addition, Indonesian National Commission on Human Rights, in collaboration with some non-governmental organizations, also plans to produce a specific action plan on business and human rights, covering guidelines for government agencies and corporations in dealing with human rights and security issues impacting operations. Other policies and regulations that protect human security from harmful business activities, albeit implicitly, include the regulations on management of environmental impacts, investment, corporate social responsibilities, etc.

Business Consultants and How They May Serve Human Security

In its broadest definition, business consultants conduct market analysis, market entry and promotion, business set up, and corporate social responsibility (CSR) consulting. Market analysis, simply put, is a survey of markets a client plans to penetrate, be it production or consumption markets. Market analysis covers items such as: necessary preparations, pricing

strategy, potential challenges, and product adjustment. In general, market and promotion strategy cover market penetration and marketing strategy based on market survey. To ensure smooth implementation of the strategy, business consultants can also act as an intermediary to develop business network between domestic and foreign clients. Business setup covers activities that support the client in establishing the corporation, land acquisition, and human resources management. CSR consulting covers formulation, planning, and implementation of client's CSR programs.

Of all the work areas, business setup and CSR consulting are the ones that could potentially contribute to the promotion and protection of human security. In setting up businesses, a business consultant can help to ensure that the corporations adheres to the policies and regulations on human security, including regulations on human resources (employees' rights, social safety, outsourcing, etc.), land acquisition and utilization (environmental impact assessment, waste management, etc.), as well as workplace safety and health (safe working environment, health protocols, etc.). At this stage, a business consultant provides assessments to not only maximize profit but also on how to run the business in line with local ethics and regulations. This is particularly important to ensure the social rights of communities and to minimize negative impacts of business operations on the environment itself and the social environment.

There is a global consensus that CSR is a means of corporations to contribute to the achievement of the [17 Sustainable Development Goals \(SDGs\)](#). Through CSR, corporations can provide job opportunities and directly contribute to the communities' welfare. At the macro level, CSR can also promote national economic growth. In this context, business consultants can advise for the implementation of CSR activities that respect the "Corporate" triple bottom line: profit, planet, and people." This means that the corporations, while trying to ensure profit maximization, improve employers' welfare, and contribute to economic growth, should respect the social, humanitarian, and environmental aspects as well. Therefore, corporations need to understand potential impacts of their business operations as well as opportunities to improve the livelihood of local communities.

The major problem for business consultants, in their attempt to sync profit, planet, and people, is the corporate orientation. Corporations, in general, and especially the newly established ones, always prioritize profit maximization over 'giving back to society and nature' programs. For example, there have been many cases of corporations failing to fulfill employers' rights (salary, social safety, health protocols, etc.) because they are busy trying to maximize profit. In addition to this problem, business consultants also deal with managing the impacts of business operations. Business impact management that is not well-planned and well-implemented could lead to negative impacts on human security. For example, a lot of infrastructure projects have led to the relocation of local communities, conversion of land functions, and ignorance or mistreatment of socially and culturally important sites for local communities.

Insufficient business impact management could lead to financial loss of a particular business process (for example, the lack of progress due to the dragging process of land acquisition) and even the whole corporate businesses. It can also trigger clashes with local communities and/or authorities. In many cases, local communities tend to place a high hope for business projects on their lands, wishing to get some economic benefits from them. Conflict of interests, and even social conflicts, tend to break out when there is insufficient benefit sharing with local communities, or when certain groups or individuals try to coopt the benefits by manipulating the land price. Ill-implemented CSR programs can also trigger conflict. This tends to happen

when there is insufficient understanding of the CSR itself; some parts of the communities merely expect material compensation (CSR washing, money, etc.) from the corporations to cover the negative impacts of their business operations.

In facing those problems, a business consultant must understand the art of selling and convince business actors that they would get optimum benefit when their business process, environmental sustainability and people's welfare are in harmony. In other words, corporations would benefit from, and not be damaged by, the promotion of human security. Although, in promoting this goal, a business consultant, as an external party, cannot directly be involved in formulating corporate policies. Therefore, the biggest challenge for a business consultant is to find the most effective method to incorporate internationally accepted principles on the promotion and protection of human security into the business assessment that will in turn be considered in corporate decision-making.

Conclusion: Business Consultants as Agents of Human Security

Amidst the debate and disagreement on the conceptual meaning of human security and the relevant policies, business sectors have and will continue to be an important player in promoting and protecting human security. When corporations adhere to the rules and regulations, human security would be benefited. By contrast, ignorant corporations would turn business activities into a real threat to human security. Through assessments and recommendations on market analysis, market entry and promotion, business set up, and CSR consulting, business consultants play an essential role in shaping the orientation of corporations and ensure compliance to rules and regulations which, in turn, would lead to the promotion and protection of human security. The major challenge for the business consultants is to find an effective approach in shaping the corporate policies in line with the agenda of human security, even though business consultants are not considered part of the corporate decision-making process. While they might not yet be an actor, with the important roles they play, it is safe to say that business consultants are agents of human security.***

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