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Responsibilities of Multinational Corporations in Their Business in Global Supply Chains in Indonesia: A Case Study Approach

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Abstract. The garment industry plays a major role in the economy in Indonesia. Many investments are made by multinational corporations (MNCs) in pursuing their activities in the global supply chain sector that may result in human rights violations. One of the cases of human rights violations is unpaid labor wages by Uniqlo due to the closure of Jaba Garmino Factory, one of Uniqlo's suppliers. This study is intended to determine the responsibilities of MNCs in violating human rights directly or indirectly in running their business. It also describes how the company's code of conduct will affect the respect of human rights. Using normative legal research performs this study. This research found that Uniqlo breaches the UN Guiding Principles on Business and Human Rights and Code of Conduct of Uniqlo. Uniqlo also does not meet the report of an international standard. In conclusion, Uniqlo obliges to pay the labor wages of Jaba Garmino Factory as the responsibility of MNCs also for indirect human rights violation related to a business relationship. Government should impose regulations that would force businesses to comply with the UN Principles on Business and Human Rights and Code of Conduct of MNCs.

INTRODUCTION

The big change that occurs in the era of globalization is the development of multinational companies that spread their business extensions to the world, especially in developing countries. The presence of multinational companies carries positive impacts as well as negative impacts on the social, economic, including human rights. The positive impacts of investment by multinational companies in developing countries i.e. creating jobs, providing capital and transferring technology. On the other hand, the negative impacts are abuse of rights, both violations of human rights and violations of environmental protection in several developing countries. MNCs have typically been associated with rights-violations in the extractive industries in developing countries, where complicity has occurred through partnership with repressive governments, violation of labour rights in factories supporting the clothing and footwear industries [1].

In 2016, the garment, textile and clothing (GFT) industry contributed around 7 percent of Indonesia's total manufacturing gross value added (GVA). This value is equal to about 1.4 percent of the total Gross Domestic Product (GDP). In the same year, around 4.2 million people worked in the GFT Industry in Indonesia, accounting for 26.6 percent of all types of manufacturing. The majority of workers in this industry are women (about 58 percent) of those working on this industry, compared to about 38 percent of non-GFT manufacturers. Wage and salaried employees represent about 72 percent of those working in the GFT industry. This is larger than manufacturing as a whole (around 65 percent). Meanwhile, 20.3 percent were considered to be self-employed and around 3.5 percent as unpaid family workers (the remaining 4.2 percent were employers) [2].

Multi-national brands that operate in developed countries play a crucial role in organizing global supply chains. Their activities focus on product design, marketing and brand management activities in their home countries. Meanwhile, outsourcing activities carried out in low-income countries. Third world suppliers are often accused of

causing social and environmental deficits because they are pushed to improve their productivity levels. In the long term, the behavior that is carried out towards workers and their environment will have a negative effect on the competitiveness of the company. Labor conditions and unfair work practices are most likely in industries where production is labor intensive and automation is limited due to a lack of supervision. In addition, there is an increasing competitive pressure to lower production costs by using subcontractors. In this way, the big brands cannot control the lower echelons in their production chain [3]. Lack of control over multinational companies including the parties involved in the production chain of their brands, resulting in human rights violations.

One of the multinational companies that violate workers' rights in Indonesia is Uniqlo a well-known fast retail company involved in clothing. In April 2015, clothing factories suddenly closed without paying the legally required severance pay and failed to pay months of wages for the majority of Indonesia's female workforce. The company went bankrupt and closed because the main buyer, namely Uniqlo, discontinued its order from Jaba Garmino Factory (JGF). This has resulted in thousands of workers in this company becoming unemployed after working for decades in factories. Around 2000 (two thousand) workers demanded Uniqlo to pay their rights as under Uniqlo's policy causes workers to be laid off. The legal process is still ongoing and there is no good faith at Uniqlo to pay for employee rights. It is difficult for employees to find new jobs due to their age issue. Savings for survive seemed to be impossible due to the low wages they are given while working in factories. The total unpaid labor rights amount to USD 5.5 million under Indonesian law [4].

The portrait of the uniqlo's case implies the importance of protection for workers in obtaining their rights and how the responsibility of multi-national companies to meet these demands. For this reason, this paper intends to examine regulations on business and human rights in international and national law. Furthermore, it examines directly and indirectly the responsibilities of multi-national corporations in human rights violation and their code of conduct when run business activities. This research was carried out using normative legal research. It is determined to review various regulations, concepts and principles of the United Nations Guiding Principles on Human Rights Business, Code of Conduct Corporation. Data is collected through legislation, books, journal articles and internet resources.

NATIONAL REGULATION OF BUSINESS AND HUMAN RIGHTS IN INTERNATIONAL AND NATIONAL LAW

Business and Human Rights within the Framework of International Law

In the framework of international law, the provision of human rights is assigned to states toward their citizens. In fact, corporate activities can interfere with individuals to enjoy their human rights. International efforts to introduce human rights, social and environmental obligations to MNCs through classic international mechanisms since the 1970s both soft law and mechanisms created based on voluntary MNC cooperation. Although both were deemed to have failed namely the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Entrepreneurship and the ILO Declaration on Fundamental Principles and Rights at Work. The UN Global Compact is an initiative of various stakeholders in 2000 issued and supported by private companies, various countries, civil society organizations, trade union organizations and several UN agencies. The OECD Guidelines are a set of recommendations covering the principles and standards of good practices addressed to MNCs by member countries. Substances are regulated in OECD principles such as disclosure of information, bribery, consumer interests, science, technology, environment, workers and competition and taxes [5].

John Ruggie as the UN's special representative in his work report designed a concept and policy framework that regulates the relationship between business and human rights. Guiding Principles for Business and Human Rights: Implementing the United Nations "protect, respect and remedy" framework, United Nations Human rights Office of the High Commissioner, HR / PUB / 11/04, 2011. (The Human rights Council endorsed the Guiding Principles in its resolution on 17/4 of June 2011). These Guiding Principles are built on recognition of the 3 (three) pillars, namely: first, the existing obligation of the state to respect, protect and fulfill human rights and fundamental freedom. Second, the role of business enterprises as a special organ of society that carry out special functions that required to comply with all applicable laws and to respect human rights. Third, the need for rights and obligations to obtain matched with appropriate and effective remedies in the event of a violation. There is an obligation of MNCs to provide compensation to victims of human rights violation that caused by corporate operation/activities.

According to the three pillars above, the main pillar focuses on the state remains an important subject in protecting human rights. In the second pillar concerning the corporate responsibility to respect human rights, there are 5 (five) foundations principles [6], namely:

1. Business enterprises must respect human rights;
2. The responsibility of business enterprises to respect human rights refers to internationally recognized human rights;
3. The responsibility to respect human rights requires that businesses include to avoid causing or contributing to adverse human rights impacts and to prevent or reduce adverse human rights impacts directly related to their operations;
4. The responsibility of business enterprises to respect human rights is applicable to all companies regardless of their size, sector, operational context, ownership and structure;
5. To fulfill their responsibility to respect human rights, business enterprises must have policies and processes appropriate to their size and circumstances.

Global Compact Network (IGCN), a membership organization whose members consist of companies. The mission of the UN Global Compact aims to mobilize a sustainable global movement of companies and stakeholders to create the world we want. To achieve it, the UN Global Compact supports companies to: 1. Do business responsibly by aligning countries and their operations with the Ten Principles and 2. Taking strategic actions to advance the goals of a better society. Such as the United Nations Sustainable Development Goals with an emphasis on collaboration and innovation. The ten Principles of the UN Global Compact are [7]:

1. In business activities must respect the protection of human rights in international conventions;
2. Ensuring that the Company is not involved in human rights actions;
3. Businesses should uphold freedom of association and recognition for conducting collective bargaining;
4. The elimination of all forms of forced labor;
5. Effective elimination of child labor;
6. The elimination of nationality in work and position;
7. Businesses should support a precautionary approach to environmental damage;
8. Carry out initiatives to take greater environmental responsibility; and
9. Encouraging the development of technology that is friendly to the environment
10. Businesses must fight corruption in all its forms, including extortion and bribery.

Many companies are also members of the UN Global Compact, a classic example of a common code. General codes deal with a variety of social and ethical issues that are usually broad CSR issues. The goal of the global compact is to encourage business to adopt ten principles that demonstrates their commitment to CSR, build social legitimacy and trust, and contribute to the broad-based development of the United Nations and other goals such as the Millennium Development Goals. Principles 1 (one) and 2 (two) are related to human rights and urge businesses to support and respect international human rights and to ensure their own companies to not take part in human rights abuses. Principles 3 (three) through 6 (six) with labor issues. Principles 7 (seven) to 9 (nine) deals with the environment and principles related to anti-corruption. Business is required to adopt a core set of values in their "sphere of influence" [8].

Based on the above matters, although the main responsibility to protect human rights lies with the state, companies also have the responsibility to respect human rights. A company is allowed to provide norms/guidelines in seeking profit without excluding its obligation on human rights. Business is conducted by avoiding human rights violations and addressing the impact of human rights violations caused by them.

Business and Human Rights within a National Legal Framework

In an international context, the development of Business Guiding Principles and Human Rights has provided guidelines for companies in conducting their business. However, when a corporation takes action across state borders, the corporation has to respect and obey various laws and regulations in its operation area. Thus, laws and regulations are a major factor so that corporations do not commit human rights violations. So it is extremely important to include the norms in the Guiding Principles of Business and Human Rights above into the national legal framework. The Government's policies on Normalizing Guiding Principles for Business and Human Rights in Indonesia are as follows:

1. Presidential Regulation No. 75 of 2015 concerning the 2015-2019 National Action Plan for Human rights which has been amended by Presidential Regulation No. 33 of 2018. This Presidential Regulation has mandated the Ministry of Foreign Affairs to develop Guidelines for Business and Human rights. The efforts of the Ministry of Foreign Affairs in encouraging the implementation of the Guiding Principles (UNGPs) also seem to be accompanied by the efforts of other ministries/state institutions, namely the National

Commission on Human Rights by issuing the National Human Rights Commission Regulation Number 1 of 2017 concerning Ratification of the National Action Plan for Business and Human Rights. Some progress and steps taken by the Indonesian government in responding to the intense demands of the international community for violations of human rights as a result of the company's business operations include dissemination, socialization and policy making in regulating company business activities in Indonesia [9].

2. Corporate Social Responsibility arrangements are explicitly contained in Law Number 40 of 2007 concerning Limited Liability Companies and Law Number 25 of 2007 concerning Investment, namely:
 - a. Article 74 of Law Number 40 of 2007 concerning Limited Liability Companies states that: “(1) Companies that carry out their business activities in the sector and/or related to natural resources are obliged to carry out social and environmental responsibility. (2). Social and environmental responsibility is the obligation of the company which is budgeted and calculated as the cost of the company, whose implementation is carried out with due regard to appropriateness and fairness. (3) Companies that do not carry out their obligations are subject to sanctions in accordance with the provisions of laws and regulations. (4). Further provisions regarding social and environmental responsibility are regulated in a Government Regulation”.
 - b. Article 15 of Law Number 25 of 2007 concerning Investment states that every investment is obliged to: (1). Applying the principles of good corporate governance; (2) Carry out corporate social responsibility; (3) Making a report on investment activities and submitting it to the Investment Coordinating Board; (4) Respect the cultural traditions of the community around the location of investment business activities and (5) comply with all provisions of laws and regulations.

The conceptual framework of this research examine corporations must be responsible for human rights violations in the Global Supply Chain, both directly and indirectly. In the case of Uniqlo, JGF had a direct working relationship with the workers, while Uniqlo had an indirect relationship with the workers. Uniqlo played a major role in the bankruptcy of Jaba Garmino by terminating the cooperation that resulted in the termination of the employment relationship. In this study, the focus of research is how to regulate business and human rights at the national and international legal framework. Within the framework of international law, the obligation to respect on human rights not only on state but also companies including third parties. Uniqlo also has a code of conduct in respecting human rights. However, Labour Law in Indonesia does not regulate responsibilities of third parties. In business and human rights relation, the obligation of a state to respect human rights only can be performed by making adequate regulation regarding the impact of business activities on human rights.

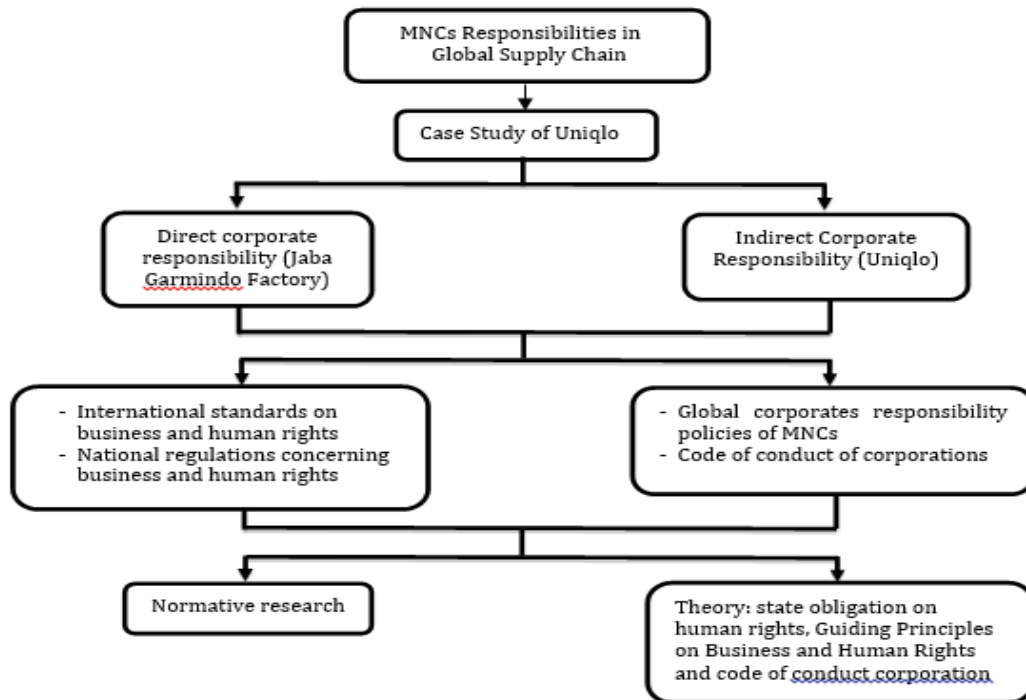


FIGURE 1. Conceptual framework

RESPONSIBILITIES OF MULTI-NATIONAL CORPORATIONS AND THE COMPANY'S CODE OF CONDUCT IN CONDUCTING THEIR BUSINESSES

The year 1990 witnessed the increased instances of human rights violations by MNCs variously. The reasons of trade rules, growth of foreign direct investment in developing countries and gain in economic power and influence of MNCs. Various frameworks were produced by the international organizations from time to time with reference to human rights responsibilities of corporations in the form of guidelines, principles and codes. The usefulness of guiding principles is that these can be practically employed by the corporations and monitored by the state. Though the guiding principles are not binding corporations cannot ignore them. Because it embodies the human rights norms that are binding on the corporations under international law and as well as domestic laws [10].

Human rights are very relevant to the economic, social and environmental aspects of the activities carried out by companies to gain profit. For example, in the economic aspect, there are labor rights that require companies to pay fair wages. Meanwhile, in the social aspect, it is related to the practice of non-discrimination. Furthermore, the ecological aspects of company activities can affect various human rights, such as the right to clean drinking water. Thus, although the primary responsibility for upholding international human rights standards lies with the national government, in reality companies also play a substantial role in respecting human rights. The impact of corporations on human rights has been significant over time. In recent decades, the economic power and political influence of companies have grown as more companies have become involved in providing services previously provided by the government. The corporation has then realized that being part of being a good corporate citizen includes respecting the human rights associated with the corporation in some way. This can be seen either through direct contact (for example, employees or customers), or indirect contact (for example, supply workers, or people living in areas affected by company activities). Companies also respond to the fact that many consumers and investors expect them to act in a socially responsible manner. The extent to which a company implements a comprehensive corporate social responsibility program can impact consumer and investor decisions [11]. In other words, the image and branding of a company that is friendly to the environment and respects human rights will affect the support for the company's products, both from customers and investors.

A company must carry out a due diligence process in determining the impact relationship of its activities in order to clinch a necessary action. A company is likely to experience losses in carrying out its activities in the supply chain in the garment and footwear sector. Furthermore, the company is likely to be associated with losses caused by suppliers in its supply chain. When a company causes adverse human rights impacts, it must take a necessary step to stop or to prevent these impacts (OECD Guideline, IV, Comment 42). "In the context of its supply chain, if a company identifies a risk that causes an adverse impact, it must take a necessary step to stop or to prevent that impact." (OECD Guidelines, II, Comment 18). Companies should strive to prevent or mitigate adverse impacts where they do not contribute to those impacts but are directly related to their operations, products or services through a business relationship. It is not intended to shift responsibility away from entities causing adverse effects to the company with which he has a business relationship [12].

In addition to the guidelines in the OECD that can be used as a reference for assessing the impact of company activities or activities on human rights, the Ruggie Principle can be used. This principle also states that corporations must respect internationally recognized human rights even if these human rights are still not recognized by the national legal system. In order to comply with and in order to implement the Ruggie Principles, there are numbers of action that need to be performed by corporations to integrate human rights in their business operations, including the corporation must conduct human rights due diligence in [13]:

1. Develop a policy commitment to respect human rights for corporations through public policies;
2. Assessing the potential and actual impact of human rights as a result of corporate operations; Integrating and acting on the findings of the assessment through a risk mitigation measure;
3. Conduct an audit of the handling of the impacts that occur through tracking mechanisms;
4. Communicating effectively how to deal with impacts that occur with transparency and; accountability of individuals or groups.

Avoiding respect for human rights refers not only to direct but indirect violations of human rights. Indirect human rights violations are not only committed by the corporation itself but by third party who has significant relationships with the corporation. Collaboration with the perpetrators makes the corporation an accomplice. That is, an active or passive supporter of human rights violations. Successful indirect cases of corporate involvement are just as widespread and persistent as direct abuse cases, but are often much more difficult to detect and resolve. The

concept of engagement is ambiguous not only in its practical implications but also in its conceptual definition. Simultaneously, its clarification has been one of the core tasks of the mandate of the UN special representative in the field of business and human rights [14]. Referring to the case of Uniqlo that suddenly withdraw production from the JGF which within two months caused the company's bankruptcy. There is a significant relationship between Uniqlo and JGF as Uniqlo supplier. Therefore, Uniqlo should be responsible to pay severance wage and unpaid workers' salaries as Uniqlo have a significant relationship with JGF.

Responding to data from Jaba Garmino employees, Uniqlo has taken responsibility. Uniqlo stated that collaboration between JGF and Uniqlo took place from October 2012 to October 2014. The problem occurred because JGF was not in a position to solve problems related to product quality and delivery. Consequently, Uniqlo did not continue the business with JGF. Withdrawal of Uniqlo's order to the provider company was the cause of bankruptcy because Fast Retailing/Uniqlo was the main buyer of JGF. Uniqlo has helped return the employee to work together with one of its partner factories in a location close to the JGF [15].

Clean Cloth is a worldwide network that aims to increase employment and empower workers in the Garment and sportswear Industry has responded to a statement from Uniqlo. The union considered the solution offered by Uniqlo inadequate because even though it would be hired, the unpaid wages were still owed \$ 5.5 million. Workers demand respect for workers' rights to receive wages after carrying out the work. Second, it is doubtful that the recruitment scheme will be reinstated. Uniqlo will be able to find jobs for 2000 workers at the supplier factory that is located a reasonable distance from the workers' residences. However, this re-scheme only provides a list of local factories where employees can inquire. Until now, Uniqlo's response has been disappointing, full of vague promises of change and promises of charity, but has made no effort to finish the work of paid employees yet [16].

Companies have to understand and be able to prove that they respect human rights in carrying out their business in accordance with the principles of international law including Uniqlo. There are numerous corporate guidelines dealing with human rights violation. It's a code of ethics on which companies are based on respecting human rights. There are less 3 (three) instruments that enable it to become legally binding for multinational companies. Firstly, the code in the industrial sector can establish a precautionary standard that is the expectation of the business world with regard to workers, suppliers, local communities and the government being put together in a contract. Secondly, regulators based on the obligation to make sure that reports can adopt the standards stated in the code. If a code violation occurs, the government of the receiving country has a right to enforce it so that the code is indirectly binding on MNCs. Thirdly, a statement made by a company can be invoked as a legal basis if the company commits an act that violates the code of conduct [17].

The code of conduct is a reflection of the company's intention to act strategically appropriately in areas of the community or community responsibility or other ethical questions. Increasingly, companies exploit corporate codes of conduct as strictly a requirement. The company's assessment of stakeholder responsibility receives special attention, for example consumers, investors, employees, or the natural environment. It should be noted that competitors and suppliers tend not to be determined as the main stakeholder group. In addition to stakeholders who respect as a company as the top priority company, the "stakeholder principle" document can be used to ascertain the types of values that will drive corporate behavior when conducting business namely transparency, teamwork, open communication, innovation and the highest quality standards. These principles are mostly held by companies to realize good governance with corporate stakeholders [18].

Uniqlo itself has a new code of conduct which includes several principles. One of principles is about policy on Uniqlo's wages and benefits. It regulates that production partners must provide wages and benefits, provide work contracts to workers in accordance with applicable legal provisions. Uniqlo production partners should also study wage-related documentation. In the event of disciplinary action, the production partner is not permitted to deduct wages. Production partners must respect that every worker has the right to a decent wage. Fast Retailing or Uniqlo can access all facilities within the factory and housing without prior notification to assess the partner's level of code of conduct. From the aspect of transparency and integrity, it is stated that all business carried out by Fast Retailing (Uniqlo) must be conducted in an ethical and transparent manner. Fast Retailing does not tolerate any form of unethical behavior, including bribery, spot falsification of records by mentors, or influence employees to mislead Fast Retailing and its appointed agents [19].

Uniqlo has a code of conduct which states that Fast Retailing (FR) places top priority on respecting the human rights of their customers, employees and those working in uniqlo's supply chain, ensuring their mental and physical health, their safety. Uniqlo has established a Human Rights Committee as an initiative to implement the United Nations Principles on Business and Human Rights. The task of this Committee is to provide advice and exercise oversight, to ensure that respect for human rights is based on our policies and that of business appropriately. Uniqlo

also conducts partner factory operations in using a code of conduct to comply with. Monitoring and evaluation can be done by visiting the partner factories as it needed [20].

MNCs are opposed to all enforceable regulations that might affect them, preferring voluntary code of conduct. Thus, they have adopted numerous voluntary code of conduct, while spending considerable sums on advertising. These codes have no enforceable legal status. They act only to define minimum of what MNCs might tolerate, observing this minimum is presumed to exempt them from any further responsibility. Voluntary codes pose other problems [21]:

1. They cannot replace authoritative standards established by national governments and intergovernmental organizations;
2. As private initiatives, they fall outside the normative activity of governments and international organizations;
3. They are woefully inadequate;
4. Their implementation is erratic for it depends entirely upon good will of the corporation(s) in question;
5. There are no independent mechanisms for monitoring compliance;
6. Their requirements are almost always below already existing international standards.

Uniqlo does not take seriously to implement a code of conduct to run their business especially in relation to the partner factories. Uniqlo founded on the code of ethics in the labor sector. In Uniqlo's transparency index mode in the labor sector, it only score 31-40% (Not Good Enough). The ranking is carried out by monitoring most of the Uniqlo supply chain including the final stage, but Uniqlo does not enter all its suppliers publicly. So there is little evidence to confirm it. Uniqlo has put in place adequate policies to fulfill orders that match the impact of COVID-19 to some extent by meeting needs. However, this request is inappropriate for finding policies to protect workers themselves, such as access to health care or plans in case of an outbreak. [22]. Although Uniqlo has a company code of ethics, in its implementation there are disparities between Uniqlo's code of conduct which should comply with the UN Guiding Principles on Business and Human Rights (UNGPs) with the fact that the wages of workers at JGF, one of Uniqlo's suppliers, have yet to be paid. In the Transparency Mode Index, it is also said that Uniqlo does not meet international standards for making reports to the public about its supply chain. Multinational company business codes cannot work if the company does not observe the established values and ethical behavior.

Uniqlo refuses to pay the unpaid wages of workers on the grounds that JGF does not only produce Uniqlo product but other brands. This reason is not fundamental because in the collaboration between Uniqlo and JGF, Uniqlo and its production partners have signed a code of conduct that requires respect for human rights. Figure 2 shows Uniqlo Business model that will explain the legal relationship and responsibility of Uniqlo's cooperation with factory partners.

Uniqlo business model is able to produce quality products in large quantities in 3 (three) steps of clothing manufacturing process. Firstly, design consists of several activities, namely research and development to develop products according to customer needs. Secondly, the production network. Uniqlo does not have a factory. All production is transferred to its partner factories including Indonesia. Uniqlo's business cooperation relationship with partners is based on the principle of win-win by paying attention to the production of high quality products. Thirdly, sales. Uniqlo has 41 (forty one) outlets in Indonesia to sell the products [23].

The relationship of Uniqlo and JGF as a partner factory is to manufacture high quality products with a correct measure. The obligation of JGF is to comply with Uniqlo code of conduct for production partners to protect human rights and ensure safe and appropriate labor conditions at production partner factories. Code of conduct for production partners content: legal requirement, prohibition of child labor, prohibition of forced labor, prohibition of coercion and harassment, prohibition of discrimination, requirement on health and safety, respect freedom of association, requirement on wages and benefits, requirement on environmental protection, requirement on internal regulations, monitoring and stick compliance with the code of conduct, corrective action, requirement on subcontracting and procurement, requirement on transparency and integrity [24]. On the other hand, Uniqlo should monitor the IGF conditions at partner factories on the standards defined in uniqlo code of conduct for partner factory.

In the first pillar of the UNGP, namely state duty to protect where the government is required to guarantee, protect and fulfill human rights through policies, regulations and legislation. For this reason, the Government of Indonesia shall provide an obligation so that foreign investors who intend to invest in Indonesia to include in the investment provision, an article concerning respect of human rights and an article concerning compliance with the provisions of laws and regulations in Indonesia.

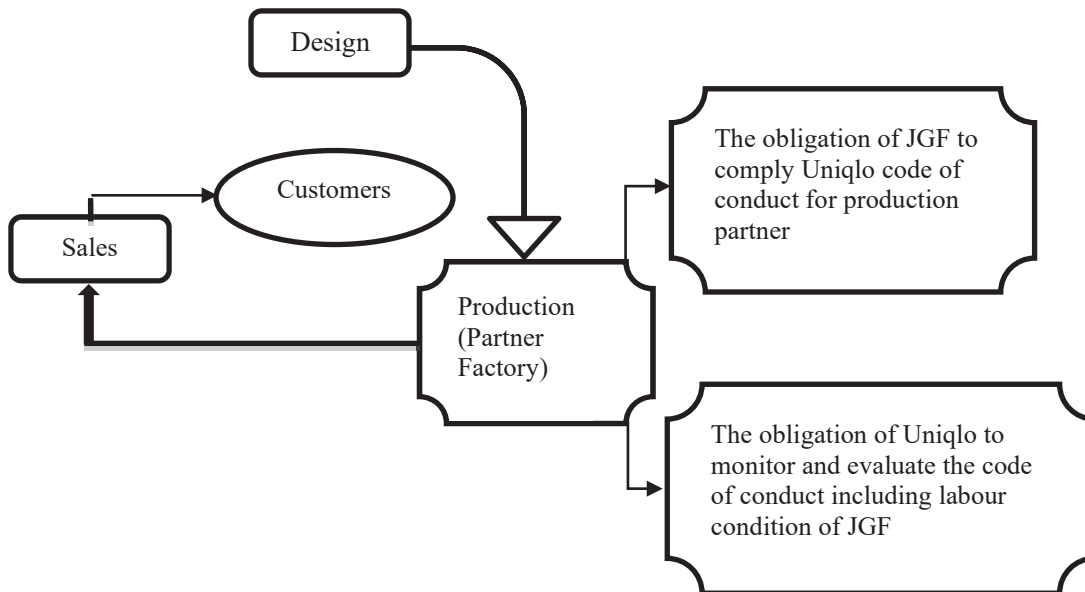


FIGURE 2. Uniqlo business model for partner factory

CONCLUSION

Multi-national companies in developing countries, especially in the garment sector, have to obey the UN Guiding Principles on Business and Human Rights, the Code of Conduct Corporation and various regulations in the operating area. In this case, Uniqlo has violated the UN Guiding Principles on Business and Human Rights and policies in business ethics by unilaterally terminating the employment relationship with JGF without considering the impact of the employee who was terminated. In supply chain policy, Uniqlo requires factory partners to comply with Uniqlo policies regarding supply chain labor conditions and respect of human rights. However, Uniqlo was unable to carry out monitoring and evaluation of production partners (JGF). Although the labor law in Indonesia does not govern the responsibility of a third party in the event of termination of employment. In the OECD and the Ruggie Principle, the responsibility of corporations in violating human rights in carrying out their business is not limited to direct corporate activities but to any third party amidst significant relationships with the corporation including factories partners. Uniqlo should implement their code of conduct in respecting human rights by establishing a regular monitoring system and also building a law enforcement system. Apart from corporations, the state as the bearer of human rights is also under an obligation to make efforts to provide regulations that ensure workers feel safe and their rights are guaranteed. The government imposes to companies that violate workers rights, for example, by revoking the company permits.

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