

Transnational Corporations and Human Rights

Recommended Level of Instruction:

Lesson is designed for use in the latter half of an introduction to human rights course, but the readings and documentary may also be used in a course focused on economic rights issues.

Keywords:

Transnational corporations; multinational corporations; corporate social responsibility; business; guiding principles; export processing zones; free-trade zones

Learning Objectives:

Students will develop an understanding of the structural possibilities and limits for regulating transnational corporations and holding them accountable for human rights violations within a neoliberal economic system. Students will be able to identify actors and institutions globally that influence corporate behavior and analyze the strengths and weaknesses of existing norms, laws, and policies at the international and national level.

Reading(s)/ Material(s):

- Forsythe, David P. 2006. "Transnational Corporations and Human Rights" in *Human Rights in International Relations*, 2nd Edition
- Gibney, Mark. 2008. "State Responsibility in Other Contexts: Transnational Corporations" Section in Chapter 2 in *International Human Rights Law: Returning to Universal Principles*
- United Nations Guiding Principles on Business and Human Rights. 2011.
http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- Klein, Naomi. 2000. "The Discarded Factory" in *No Logo*
- Documentary Film: *Maquilapolis: City of Factories*. 2006. Produced and Directed by Vicky Funari and Sergio De La Torre. Available at: <https://www.youtube.com/watch?v=CDIEW09MQNQ>

Synopsis of Material:

Forsythe: In this chapter, Forsythe outlines the economic and political impact of transnational corporations in our world. The author then provides an overview of how corporations operating in unregulated capital markets tend to produce human rights violations. He counters that global regulation of transnational corporations can help to reduce the exploitative and abusive aspects of their operations. In the final section of the chapter, Forsythe evaluates the possibility of different approaches to regulating transnational corporations, including approaches led by the UN, non-governmental consumer and other social justice groups, and powerful nation-states such as the USA.

Gibney: Within his broader argument for extra-territorial human rights obligations of states, Gibney discusses some of the major structural and legal difficulties in holding transnational corporations accountable when they (or their subsidiaries, subcontractors, affiliates etc.) operate outside of their home states. The author argues that if host states are unwilling and/or unable to regulate transnational corporations, home states should do more to regulate transnational corporations engaged in human rights violations.

UN Guiding Principles: Set of global principles or standards, endorsed by the UN Human Rights Council, aimed at preventing and addressing human rights violations resulting from corporate activity. The Guiding Principles are based on three key elements: The state duty to protect human rights, the

corporate responsibility to respect human rights, and access to remedy for victims of business-related abuses.

Klein: In this chapter, Klein focuses on the consequences of major contemporary trends in global production and trade, including corporations' prioritization of branding and advertising, transnational corporations' use of subsidiaries and subcontractors, the proliferation of free-trade zones outside the USA and Western Europe, and role of host governments in perpetuating human rights violations and/or failing to hold corporations accountable. The author uses interviews and testimonies from factory workers in various free-trade zones to demonstrate the everyday impact of contemporary economic, political, and legal structures that shape the thinking and actions of corporations and governments.

Maquilapolis: Documentary featuring a series of interviews with former factory workers in the maquiladoras in Tijuana, Mexico. The experiences of these workers and their families highlight the human rights abuses associated with labor violations and environmental destruction. The film documents some of the difficulties the workers face in their attempts to collect severance pay and funds to cleanup a toxic-waste dump near their homes abandoned by a factory that relocated to Asia. The film also exposes the inability, or unwillingness, of the Mexican government to hold transnational corporations responsible under Mexican labor law. If time does not permit screening of the entire documentary, showing select clips is highly recommended.

Recommended Background Information:

Familiarity with basic tenets of neoliberal economics is recommended, particularly those economic policies advocated by the Washington Consensus.

Discussion Questions/Activity:

Suggestion for Activity:

- Assuming students have completed the required reading, begin class by having students identify key actors involved in shaping the behavior of transnational corporations
- The list will likely include: TNCs, Shareholders, home and host governments, UN, human rights NGOs, social justice/human rights/environmental advocates and activists; Journalists and Media, Consumers; Workers/Employees, and Stakeholders
- Proceed by having students discuss the strengths and limitations (including reasons) of each actor/institution in its ability and/or willingness to regulate transnational corporations with regard to human rights
- The activity can be done as a small group exercise or with the whole class depending on the class size

Discussion Questions:

1. To what extent can home and host states regulate transnational corporations? What are the limitations for each?
2. Do you think the approach that the UN Guiding Principles puts forward can effectively regulate transnational corporations? Conversely, do you think transnational corporations should be held directly accountable under international law?
3. Which international institutions, do you think, would be most effective in regulating transnational corporations? Why?
4. To what extent do you think for-profit behavior is compatible with respect for human rights?
5. What responsibility, if any, do you have as a consumer, in shaping the behavior of transnational corporations?

- Additional discussion questions can be found at the end of the chapter by David P. Forsythe

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