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# Corporate Human Rights Responsibility in International Law: Challenges, Gaps, and the Road Ahead

NASHRA ANSARI[1] AND SARVARISH SINGH[2]

**ABSTRACT**

*In the age of globalization, multinational corporations have immense power and, at times, act in a space where national jurisdiction is absent, resulting in regular human rights abuses. Through this research, the development of international legal thought regarding corporate responsibility is analyzed, including the limitations of soft law instruments such as the UNGPs and the unevenness of national attempts to govern corporate behavior. It conducts comparative legal analysis of recent models in the EU, U.S., and Global South, finally calling for a binding international agreement and national legal changes to secure accountability and access to justice. The study seeks to enhance global legal mechanisms that promote human rights in corporate conduct.*

***Keywords:*** *Globalization, Soft law, Multinational corporations.*

## I. INTRODUCTION

Globalization has given multinational corporations (MNCs) the ability to cross borders and substantially impact societies across the globe. Though they drive economic growth, they are also usually associated with severe human rights abuses, particularly in nations with poor governance and weak judicial remedies. The classical emphasis of international law on state responsibility has created a void in supervising corporate activity. Sophisticated corporate hierarchies and the legal dichotomy between parent firms and subsidiaries make it even more difficult to hold cross-border abusers accountable.

### A. Defining Corporate Human Rights Responsibility

The theory of corporate human rights responsibility describes the notion that companies, particularly multinational corporations (MNCs), must respect human rights and not violate the rights of individuals and communities in the process of their operations. This responsibility has historically been considered from the perspective of **Corporate Social Responsibility (CSR)**, a voluntary and frequently self-regulatory method highlighting ethical business practices,

[1] Author is an LL.M. student at Khwaja Moinuddin Chishti Language University, Lucknow, India.
[2] Author is an LL.M. student at Khwaja Moinuddin Chishti Language University, Lucknow, India.

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environmental stewardship, and community relations.

But CSR is not the same as legal duty. The change in language—from voluntary CSR to legally enforceable duties—represents a dramatic development in international law theory. The **United Nations Guiding Principles on Business and Human Rights (UNGPs)**, which were presented to the UN Human Rights Council in 2011, elaborated the then-novel "Protect, Respect, and Remedy" paradigm. According to this framework:

- **States** bear the responsibility of safeguarding against third-party human rights violations, including companies.
- **Companies** must respect human rights irrespective of state application.
- **Victims** should have access to meaningful remedies through judicial and non-judicial channels.

While the UNGPs provided much-needed clarity, they remain non-binding and do not impose legal obligations on corporations. This raises the central issue of how corporate human rights responsibility can move from being aspirational to legally enforceable under international law.

### B. Nature and Scope of Corporate Involvement in Human Rights

Corporations can be involved in human rights violations through:

- Direct actions (e.g., forced labor in factories, illegal land grabs).
- Indirect complicity (i.e., providing technology to surveillance abuse regimes, profiting from state repression).
- Supply chain relationships (e.g., subcontracting to suppliers who abuse labor).

These abuses are most common in industries like:

- Extractive industries (mining, oil, and gas)
- Agriculture and land development
- Garment and textile production

#### Technology and surveillance of data

The **transnational nature** of most corporations renders them unaccountable. Parent corporations can be registered in jurisdictions with robust legal standards, whereas their subsidiaries or contractors are based in jurisdictions with poor governance and weak legal recourse. This fragmentation enables corporations to take advantage of regulatory arbitrage and escape liability.

 [ISSN 2581-9453]

### C. Corporations as Subjects of International Law: A Doctrinal Debate

One central question within this discipline is whether or not corporations are subjects of international law—that is, actors with rights and obligations binding under international legal agreements. Historically, only states and international institutions were so regarded. With the growing power of corporations, though, most scholars believe that this doctrine needs to be reconceptualized.

There are some precedents to back this up:

- The **Nuremberg Trials** recognized the involvement of corporate executives and organizations in assisting Nazi atrocities.
- The **International Criminal Court (ICC)** has jurisdiction over natural persons but not yet legal persons such as corporations, although there is talk about this.
- Domestic statutes such as the **Alien Tort Statute (ATS)** of the United States have been invoked (albeit controversially) to file human rights claims against transnationally based corporations.

Despite these advances, there is still no single, binding international legal regime that puts obligations on companies to uphold human rights or grants enforceable redress to victims.

### D. Soft Law vs. Hard Law Approaches

The regulation of corporate human rights behaviour on the international level has mostly depended on soft law instruments, including:

- The **UN Guiding Principles on Business and Human Rights**
- The **OECD Guidelines for Multinational Enterprises**
- The **ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy**
- The **UN Global Compact**

Soft law is defined by its **non-binding character,** facilitating flexible application but not enforceability. Although it serves an essential normative and advocacy function, critics contend that soft law instruments are ineffective at preventing serious violations and enable corporations to practice "human rights washing"—publicly committing to principles they do not substantively uphold.

In contrast, **hard law** involves binding legal commitments and enforceable penalties. A few national legislations, including France's **Duty of Vigilance Law** and Germany's **Supply Chain**

**Due Diligence Act**, represent initiatives towards hardening business human rights standards. The **current UN negotiations for a legally binding treaty on business and human rights** demonstrate the international community's awareness of having to move from soft to hard law.

### E. Toward a Holistic Accountability Framework

A coherent legal framework for corporate accountability must address:

- The **substantive obligations** of corporations under human rights law.
- The **procedural mechanisms** to investigate and adjudicate violations.
- The **remedial avenues** available to victims, including access to courts, grievance mechanisms, and compensation.

This involves a coordinated approach that integrates:

- **International treaties and customary law**
- **Domestic implementation and enforcement**
- **Multi-stakeholder involvement**, including NGOs, labour unions, and affected communities

The intellectual challenge is in reconciling corporations' economic function and social purpose, and making business practices consistent with **human rights' universality and indivisibility**.

## II. Evolution of International Legal Frameworks

The acknowledgment of corporate liability for human rights abuses in international law has developed over time, from indirect responsibility via state duties to developing debates about direct corporate liability. This section charts the historical trajectory, discusses critical soft and hard law mechanisms, and analyzes progress toward a binding international convention designed to regulate corporate behaviour in the human rights area.

### A. Historical Development: From Nuremberg to Globalization

Corporate accountability dates to the Nuremberg Trials, in which corporate executives were first held accountable for their role in war crimes. However, international law remained state-based, and corporations were not directly subject to legal accountability. With globalization, transnational corporations had enormous influence, particularly in the Global South, often with little supervision. This disparity resulted in greater human rights violations and led to international pressures to establish more robust international legal systems to govern corporate behaviour.

## B. Rise of Soft Law Instruments

The early 2000s witnessed a move toward formal acceptance of corporate duties under human rights by **non-binding (soft law) instruments**. These instruments, even though not enforceable, served to shape norms, guide policy, and heighten awareness.

### 1. UN Guiding Principles on Business and Human Rights (2011)

Compiled by Professor John Ruggie, the UNGPs are the most comprehensive worldwide standard to date on business and human rights. Organized under the "Protect, Respect, and Remedy" framework:

- **Governments** are required to protect people against human rights violations by third parties, including businesses.
- **Businesses** need to respect human rights, do due diligence, and remediate negative impacts.
- **Access to remedy** needs to be made available through judicial and non-judicial means.

Although influential, the UNGPs are **not binding** and must be implemented voluntarily by companies. Their application has been patchy, particularly where there is low institutional capacity or political will.

### 2. OECD Guidelines for Multinational Enterprises (1976, updated)

Published by the Organisation for Economic Co-operation and Development (OECD), these guidelines present guidelines for responsible business conduct. These are backed by National Contact Points (NCPs) that mediate but have no enforcement power. Their jurisdiction is also limited to OECD member states and certain non-members.

### 3. ILO Tripartite Declaration (1977, revised)

This statement sets out principles relating to labour practices, industrial relations, and employment standards for multinational corporations. It upholds international labour standards but is advisory.

### 4. The UN Global Compact (2000)

The UN Global Compact is a voluntary initiative urging corporations to base their operations on ten globally accepted principles, such as human rights, labor, environment, and anti-corruption. Its efficacy has been questioned for focusing more on managing images than bringing about real change, a practice described as "bluewashing."

## C. Hard Law Efforts: Domestic and Regional Initiatives

Though no binding treaty of international law currently exists to regulate corporate human rights responsibilities, some national and regional efforts have significantly advanced hardening accountability mechanisms.

1. **France's Duty of Vigilance Law (2017)**

This pioneering law obliges big French firms to develop, make public, and enforce vigilance plans to spot and avoid human rights and environmental abuses in their operations and supply chains. Failure to comply will expose them to legal liability and financial damages.

2. **Germany's Supply Chain Due Diligence Act (2023)**

Enacted since 2023, this legislation requires firms to perform due diligence to avoid human rights violations and environmental damage along their supply chains. Though at first targeted only at large firms, it is likely to expand its scope.

3. **United States: The Alien Tort Statute (ATS)**

The ATS has been cited to permit civil suits against corporations for international law violations. Pivotal cases such as Doe v. Unocal and Kiobel v. Royal Dutch Petroleum pushed the bounds of the ATS's reach to corporate actors. Recent U.S. Supreme Court decisions have, nonetheless, restricted its range, rendering it more difficult to pursue transnational human rights litigation.

4. **EU Corporate Sustainability Due Diligence Directive (Proposed)**

The European Union is in negotiations for a directive that would enact mandatory human rights and environmental due diligence requirements for businesses operating within or targeting the EU market. If implemented, this could become a model for wider international reform.

5. **Current Moves Towards a Binding International Treaty**

In 2014, the UN Human Rights Council created an **Open-Ended Intergovernmental Working Group (OEIGWG)** to develop a legally binding instrument on business and human rights. The **Zero Draft Treaty,** published in 2018, and the subsequent amendments have suggested obligations on both states and corporate entities, such as:

- Mandatory human rights due diligence.
- Corporate civil and criminal liability.
- Access to effective remedies for victims.

Although civil society and Global South nations have been in support of the initiative, it has **encountered opposition from influential states and business lobbies**, particularly from

developed nations that prefer voluntary measures. The negotiations continue, and the ultimate adoption and implementation of the treaty are still in doubt.

### E. Assessing Progress and Deficiencies

Despite the increasing number of international standards and national regulations, there is still no coherent, **globally enforceable legal regime**. Soft law instruments have managed to establish expectations but not deliver accountability. Hard law measures are still fragmented, incoherent across jurisdictions, and narrow in scope. The glacial speed of treaty negotiations also highlights the political and economic opposition to binding corporate obligations.

Yet, the combined impact of these instruments and efforts has been a **normative change**—a realization that corporations indeed have responsibilities for their human rights effects and that international law must adapt to such a reality.

## III. CHALLENGES AND GAPS IN CURRENT INTERNATIONAL LAW

Whereas international legal standards have grown to acknowledge the impact of corporations on human rights, the current legal framework remains disunified, non-binding, and mainly ineffective in subjecting corporations to legal accountability. This section establishes the key obstacles and legal lacunae that undermine the formulation of a sound, enforceable regime for corporate human rights responsibility under international law.

### A. Deficiency of Binding International Instruments

The greatest concern in the field of corporate human rights responsibility is the **lack of a binding international legal tool** that places firm obligations on enterprises. The UN Guiding Principles on Business and Human Rights (UNGPs), although widely accepted, are soft law standards with no binding character. Their enforcement is voluntary, and there is no legal sanction for non-compliance.

Efforts to negotiate a **legally binding treaty**, like those spearheaded by the Open-Ended Intergovernmental Working Group (OEIGWG), have been opposed, particularly by economically influential states and transnational corporations. This is a symptom of a broader ideological split between the Global North and South, and an absence of global agreement on the scope and nature of corporate responsibilities under international law.

### B. Fragmented Domestic Approaches

Without binding international standards, some states have enacted unilateral national laws imposing due diligence duties on businesses. These models, however, are plagued with serious inconsistencies:

- Legislation like France's *Duty of Vigilance Act, Germany's Supply Chain Due Diligence Act,* and the suggested EU Directive is **spatially confined** and varies in scope and implementation mechanisms.
- Most countries, especially in the Global South, **do not have the institutional capacity, political will, or legal systems** to govern powerful corporate actors.
- This fragmentation creates **regulatory arbitrage**, in which corporations relocate activities to countries with weaker legal protections and enforcement.

Therefore, a **patchwork of national legislation** is no replacement for a coherent, global regime. Rather, it creates loopholes that can be used by corporations to evade accountability.

### C. Jurisdictional and Procedural Barriers

Another significant deficit in holding corporations accountable is the difficulty of asserting jurisdiction, particularly in transnational cases. Victims in developing nations typically encounter:

- Denial of access to parent companies' **home-state courts**.
- **Doctrines such as the corporate veil**, which protect parent companies from liability for the conduct of their subsidiaries.
- Legal obstacles such as the **forum non conveniens** doctrine, **standing requirements**, and **statutes of limitation.**

Additionally, **expensive litigation, imbalances of power**, and the **absence of legal assistance** frequently discourage victims from pursuing redress. In the rare instances where access is provided, remedies tend to be delayed, partial, or symbolic. These structural problems enhance corporate impunity and erode confidence in domestic and international legal systems.

### D. Limited Access to Effective Remedies

The **third pillar** of the UNGPs emphasizes the right of victims to access effective remedies. Yet, in practice, **remedy mechanisms remain weak, inaccessible, or non-existent**, especially for marginalized and vulnerable groups. Challenges include:

- **Ineffectiveness of non-judicial mechanisms** such as National Contact Points under the OECD Guidelines, which often lack independence, authority, or enforceability.
- **Corporate grievance mechanisms** that are internal, opaque, and rarely impartial.
- **Weak enforcement** of domestic civil or administrative penalties.

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Moreover, **criminal liability of companies** is still underdeveloped in most states. The inability to prosecute companies for serious human rights abuses, such as forced labour, environmental damage, and collaboration with state repression, means that grave abuses go unpunished.

### E. Ambiguity in Normative Standards

There is also persistent ambiguity regarding the subject matter and ambit of corporate human rights responsibilities, making compliance and enforcement more difficult. Some central uncertainties are:

- Which international human rights norms within the extensive corpus of international human rights law bind corporations?
- What should constitute and measure **"due diligence"**?
- How far should corporations be held accountable for **indirect complicity**, including deriving advantage from third-party supplier or state party activities?

This ambiguity results in contradictory interpretations, undermines legal certainty, and enables corporations to take minimalist strategies to compliance.

### F. Power Asymmetry Between States and Corporations

Today's transnational corporation tends to exercise **more economic and political influence** than the states where it is based, most especially in the Global South. This asymmetry disables the host states from being able to enforce human rights standards and hold corporations accountable.

- Governments might be **reluctant to control strong investors** so that they do not lose capital, employment, or trade benefits.
- Corporate lobbying, **investor-state dispute settlement (ISDS)** mechanisms, and **trade and investment agreements** could further limit states' powers to implement human rights duties.

This dynamic erodes the **principle of sovereignty** and state **responsibility to protect**, one of the base columns of the UNGPs.

### G. Weak Integration with Other Fields of International Law

International human rights law tends to be in silos, isolated from other fields of law like international trade law, investment law, and environmental law. For instance:

- Trade agreements can favour **investor protection** over labour rights.

- Arbitration tribunals in ISDS cases can ignore **human rights implications** while deciding cases involving corporations and states.
- Human rights norms are hardly integrated **into corporate governance rules** or **reporting standards** within international financial institutions.

This lack of **horizontal integration** across legal regimes weakens the coherence and enforceability of corporate human rights responsibility.

### H. Political and Economic Resistance to Reform

Finally, any effort to impose binding obligations on corporations faces **significant resistance from vested interests:**

- **Corporate lobbying** influences policy-making at national and international levels.
- **Developed states** often align with business interests and resist treaty-based obligations.
- There is a concern that **binding international rules** might discourage investment or produce an unfair playing field.

These economic and political forces impede advancement towards a binding treaty and curtail the inclination of international institutions to advance corporate accountability.

The global legal framework today does not have the **institutional, normative, and procedural instruments** to hold corporations accountable for human rights abuses. The overdependence on voluntary mechanisms, jurisdictional obstacles, legal fragmentation, and corporate power has collectively created a **system of weak accountability**. Closing these gaps calls for ambitious legal innovation, political will, and a rethinking of the role of business in international law.

## IV. COMPARATIVE ANALYSIS OF DOMESTIC LEGAL APPROACHES

Since there is no binding international legal framework for corporate human rights responsibility, national states have pursued a variety of ways to regulate business conduct. This section provides a comparative analysis of how various jurisdictions have legislated corporate human rights responsibility, with particular emphasis on strengths, weaknesses, and implications for global standard-setting.

It explores significant domestic legislation in developed and developing countries and assesses evolving legislative trends.

### A. France: The Duty of Vigilance Law (2017)

France has emerged as a leader in lawmaking for corporate accountability through the **Law on**

**the Duty of Vigilance (Loi de vigilance)** that it passed in 2017. Large French enterprises have to institute a **vigilance plan** for human rights, occupational health and safety, and environmental hazards.

**Key Features:**

Designed for firms employing more than **5,000 people within France or 10,000 employees worldwide.**

- Calls for companies to find, prevent, and mitigate risks associated with human rights and the environment across their **entire supply chain.**
- Victims or NGOs can bring legal actions for non-compliance.
- **Fines** and **remedial measures** can be ordered by courts.

**Strengths:**

- Judicially enforceable **binding obligations**.
- Focus on **preventive action** through due diligence.
- Wide scope encompasses **subsidiaries, subcontractors, and suppliers**.

**Limitations:**

- High threshold bars many companies.
- Implementation and enforcement have been uneven.
- Courts continue to develop jurisprudence on corporate liability under the law.

**B. Germany: Supply Chain Due Diligence Act (2023)**

Germany's **Supply Chain Due Diligence Act** (*Lieferkettengesetz*), which entered into force in 2023, is another major step in Europe's transition towards corporate accountability.

**Main Features:**

- Applicable to firms with **over 3,000 employees** (down to 1,000 from 2024).
- Places duties on **identifying and addressing human rights and environmental risks.**
- Sets up a **complaint procedure** and **administrative enforcement** through the Federal Office for Economic Affairs and Export Control (BAFA).

**Strengths:**

- Adopts binding **due diligence obligations**.

- Enforcement is through **administrative sanctions and exclusion from public procurement.**

**Weaknesses:**

- Applies mainly to **first-tier suppliers**, with limited application to indirect suppliers.
- No provision for **civil remedy or judicial relief** for victims.

**C. Netherlands: Child Labour Due Diligence Law (Pending Implementation)**

The Dutch **Child Labour Due Diligence Law**, while enacted in 2019, awaits enforcement. It mandates businesses to find and mitigate the risks of child labour in their supply chains.

**Key Features:**

- Applies to businesses selling goods or services to Dutch end-users.
- Calls for a due **diligence statement** and **reporting mechanism.**

**Strengths:**

- Identifies **sector-specific risks**, especially in high-risk sectors.
- Expands obligations to both Dutch and foreign businesses operating in the Dutch market.

**Limitations:**

- Implementation postponed due to political and administrative concerns.
- Restricted **scope of enforcement and sanctions**.

**D. United States: The Alien Tort Statute (ATS)**

The **Alien Tort Statute (ATS)**, a federal 1789 law of the United States, has been employed to file **civil lawsuits in U.S. courts** against companies for international law violations, including human rights abuses.

**Leading Cases:**

- *Doe v. Unocal* (complicity in Myanmar forced labor)
- *Kiobel v. Royal Dutch Petroleum* (assisting Nigerian government abuses)
- *Jesner v. Arab Bank* (narrowing foreign corporation applicability)

**Strengths:**

- Granted a **forum for transnational human rights claim**s.

- Assisted in establishing **corporate complicity** as a legal doctrine in human rights law.

**Weaknesses:**

- **U.S. Supreme Court decisions** have narrowed the scope of the ATS.
- It's now very difficult to apply the ATS against corporations for extraterritorial abuses.

**E. United Kingdom: Modern Slavery Act (2015)**

The **Modern Slavery Act** targets eliminating **forced labour and human trafficking** from supply chains.

**Key Features:**

- Makes large businesses **publish an annual "slavery and human trafficking statement."**
- Covered by firms based in the UK with a turnover of over **£36 million.**

**Strengths:**

- Rises **transparency** and consumer awareness.
- Promotes **voluntary compliance** and due diligence sourcing.

**Limitations:**

- **No enforcement requirement** for non-compliance.
- Lack of substance in statements or risk assessments, or both.
- Perceived to be a **box-ticking exercise** by most businesses.

**F. India: CSR and the Companies Act, 2013**

India has opted for a special method by mandating CSR contributions under its **Companies Act, 2013.**

**Major Features:**

- Requires companies crossing specified thresholds to **incur 2% of net profits** on CSR expenses.
- Authorizes expenditure on **education, health, environment, and women's empowerment.**

**Strengths:**

- The first nation in the world to have CSR spending made a requirement by law.

- Promotes **corporate contribution towards the development agenda.**

**Limitations:**

- Does not create **direct liabilities or obligations for human rights abuses**.
- CSR is **voluntary in scope**, rather than being focused on human rights due diligence.
- No **restitution process** for the victims of business atrocities.

### G. Trends in Legislation

A trend across jurisdictions is **certainly toward mandatory due diligence**, especially in the Global North. The European Union's **proposed Corporate Sustainability Due Diligence Directive (CSDDD)** is a watershed development likely to harmonize and increase due diligence obligations across EU member states.

At the same time, there is increasing pressure from civil society and international institutions for:

- **Tougher enforcement mechanisms**
- **Victims-focused remedies**
- **Harmonization of standards** to prevent regulatory fragmentation

National legal frameworks have taken significant steps to incorporate human rights obligations into corporate practice. They are, however, unequal, irregularly applied, and subject to geographical and legal limitations. A comparative analysis highlights the need for a harmonized international convention, drawing on best practice, but solving problems of enforcement, remedy, and transboundary issues. This alignment would level the playing field for companies and offer consistent protection to victims of human rights violations across the globe.

## V. THE ROAD AHEAD – TOWARDS A BINDING INTERNATIONAL TREATY

In light of the increased use of soft law instruments and domestic legislation, however, the lack of a broad and binding international legal framework remains an obstacle to the effective accountability of business for human rights abuses. This chapter addresses the ongoing international efforts toward developing such a treaty, the political and legal obstacles involved, and possible avenues for an effective and enforceable international legal regime.

### A. The United Nations Treaty Process

The most promising multilateral effort to create binding commitments for transnational

corporations is the UN Treaty Process on Business and Human Rights led by the **Open-Ended Intergovernmental Working Group (OEIGWG)** mandated by the **UN Human Rights Council in 2014.**

**Objectives:**

- Formulate a legally binding instrument to control activities of transnational corporations and other business enterprises.
- Strengthen **human rights protection**, prevent abuses, and ensure effective access to **remedy.**

**Key Drafts:**

- Several drafts (Zero Draft, Revised Drafts, and the Third Draft of 2021) have been published.
- The drafts attempt to impose obligations on states to **prevent, investigate, and redress** human rights violations related to business activities.
- Provisions cover **due diligence, jurisdiction, legal liability, and international cooperation**.

### B. Key Features and Innovations of the Draft Treaty

The treaty proposal seeks to close the normative and enforcement deficits of the existing system by integrating various critical components:

- **Compulsory Human Rights Due Diligence:** Requires companies to evaluate and mitigate risks in their operations and supply chains.
- **Juridical Liability and Accountability**: Makes corporations and their managers **liable both civilly and criminally.**
- **Access to Justice**: Focuses on **victim-oriented remedies,** such as judicial remedies and compensation.
- **Extraterritorial Jurisdiction:** Invites states to exercise jurisdiction over corporations that are operating abroad, especially where harm occurs in another jurisdiction.
- **Corporate Veil Piercing:** Seeks to tear down legal restrictions that protect parent companies from responsibility for the conduct of subsidiaries.

These developments represent a dramatic departure from the UNGPs' voluntary norms and lay the ground for binding, enforceable rules.

### C. Political and Diplomatic Challenges

Despite its ambitious goals, the treaty process has encountered significant resistance, particularly from economically powerful states and corporate interests. Key challenges include:

- **Divergent State Interests**: While many Global South countries support the treaty, **OECD and EU** countries have shown reluctance, fearing the impact on businesses and competitiveness.
- **Corporate Lobbying**: Multinational corporations and business associations have actively lobbied against binding regulations, citing concerns about regulatory burdens and potential economic losses.
- **Fear of Litigation**: States and companies are worried about an explosion of cross-border litigation and possible abuse of treaty provisions.
- **Voluntary vs. Binding Debate**: The gulf between supporters of soft law (e.g., UNGPs) and favourers of binding treaty law provides an **ideological deadlock.**

### D. Harmonization with Existing Frameworks

It will be successful as a binding treaty only if it harmonizes with and strengthens existing legal frameworks instead of producing conflicting obligations. It has some main considerations:

- In line with the **UNGPs**, particularly their three pillars (Protect, Respect, Remedy).
- Incorporating standards from the **OECD Guidelines, ILO conventions, and regional instruments** like the European Convention on Human Rights.
- Coordinating with the EU's upcoming **Corporate Sustainability Due Diligence Directive (CSDDD)** to prevent duplicate standards and stimulate global convergence.

This requires a **multi-layered strategy** in which the treaty enunciates an international minimum but enables states to retain or pursue more rigorous domestic regulation.

### E. Civil Society and Victim Advocacy Role

Civil society groups (CSOs), trade unions, and grassroots movements have been at the forefront of campaigning for a binding treaty. They have:

- Integrated **survivors' voices** into international dialogue.
- Assisted in recording corporate abuse in global value chains.
- Ensured that provisions of the treaty are **victim-oriented and justice-focused**.

Empowering these actors through the treaty, through ensuring access to monitoring, access to

complaint mechanisms, and capacity-building support, is necessary for its legitimacy and effectiveness.

### F. Key Elements for a Successful Treaty

To ensure its pragmatic success, any binding international treaty on corporate human rights responsibility must contain:

- **Clear Definitions and Scope:** Applicability to all business enterprises, especially transnational corporations.
- **Mandatory Due Diligence Obligations:** Throughout the entire supply chain, and not just limited to direct operations.
- **Legal Liability and Enforcement**: With both civil and criminal paths open.
- **Strong Monitoring Mechanism**: Through a separate international organization or treaty organization with investigative capacity.
- **Access to Remedies**: Both judicial and non-judicial, reparations, and whistleblower protection.
- **International Cooperation**: Including mutual legal assistance, cross-border investigations, and extradition.

### G. Opportunities and the Path Forward

Despite the politics of opposition, the world pressure for corporate responsibility keeps accelerating. The top prospects are:

- **Drawing on the EU Directive** as a stepping stone for wider global momentum.
- **Regional collective** action to bring about harmonized systems across Asia, Africa, and Latin America.
- The forming of an **alliance of favourable states**, civil society, and social responsibility-minded corporations to pressure countries to adopt a treaty.

The current decade presents a historic opportunity to **institutionalize corporate human rights responsibility** at the international level. By moving from voluntary guidelines to enforceable standards, the global community can close the impunity gap and ensure that business enterprises uphold their human rights obligations.

The way to a binding international treaty on corporate human rights responsibility is fraught and contentious, but also necessary and possible. With corporate actors increasingly dominant

in the global economy, international law has to adapt to this new reality. A justice-based, enforceable, and inclusive treaty will not only make accountability stronger but also bolster the credibility of international human rights law in the 21st century.

## VI. THE ROAD AHEAD: REFORM PROPOSALS

Given the problems and limitations in both international and national legal systems for corporate human rights accountability, there is increasing agreement that comprehensive legal, institutional, and normative changes are needed. This section presents specific reform proposals designed to enhance corporate accountability for human rights abuses in a manner that is coherent, enforceable, and universally effective.

### A. Establishing a Binding International Treaty

Whereas soft law instruments such as the UN Guiding Principles have established foundational principles, they are not enforceable. The most pressing and revolutionary reform required is the adoption of a **legally binding international treaty**, as elaborated in the above section.

**Proposed Reforms:**

Complete and adopt the UN draft treaty on business and human rights with **explicit state and corporate responsibilities.**

- Add **extraterritorial jurisdiction to** cover cross-border abuses.
- Provide **mandatory due diligence**, liability mechanisms, and access to remedy.
- Establish an **international enforcement and monitoring body**, similar to a treaty committee.

### B. Harmonization of Domestic Laws with International Standards

In order to prevent fragmentation and inconsistency, domestic legal frameworks need to be reformed according to international human rights standards.

**Key Recommendations:**

Pass national legislation requiring **mandatory human rights due diligence (mHRDD)** for all companies, irrespective of size or sector.

- Make provisions for **civil and criminal liability** in national laws for corporate human rights abuses.
- Establish **supply chain transparency legislation** to track human rights threats.

- Assure **legal capacity** of those affected and NGOs to pursue claims before national courts.

### C. Redress of Corporate Structures and Accountability Mechanisms

The classic corporate structures tend to insulate parent companies from responsibility for activities of subsidiaries or contractors. Legal reforms would seek to **pierce the corporate veil** where needed.

**Proposed Measures:**

- Enforce **enterprise liability**, with parent companies held responsible for abuses by subsidiaries or supply chains.
- Amend **corporate governance** to include directors' responsibilities to conduct human rights due diligence.
- Require **disclosure and public reporting** of human rights risks and mitigation measures.

### D. Enhancing Access to Remedies for Victims

Access to justice continues to be a major obstacle for victims of corporate human rights violations, especially in transnational situations.

**Reform Proposals:**

- Create **international legal aid funds** to help victims.
- Facilitate **class action suits** and **representative litigation** systems.
- Require obligate states to eliminate procedure barriers like forum non conveniens and prohibitively expensive legal fees.
- Promote **non-judicial grievance mechanisms**, e.g., National Contact Points (NCPs), ombudsman, and industry-based mediation panels.

### E. Strengthening the Role of Regional and International Courts

Involvement by regional courts (e.g., European Court of Human Rights, Inter-American Court of Human Rights) and the potential role of international judicial institutions should be increased.

**Proposals**

- Provide **individual and group appeals** against companies in regional human rights tribunals.

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- Update or reinterpret **current human rights treaties** to add obligations to business firms.
- Consider creating a **dedicated international tribunal** or **arbitral forum** for corporate human rights disputes.

### F. Taking Advantage of Multilateral Economic and Trade Institutions

International trade and investment frameworks tend to favour corporate protections over human rights. These frameworks need to be aligned to ensure consistency with human rights commitments.

**Reforms:**

Include **human rights provisions** in bilateral investment treaties (BITs) and free trade agreements (FTAs).

Make corporations that are receiving international funding (e.g., from the World Bank, IMF, or regional development banks) subject to **binding human rights conditions.**

Employ tools such as **Investor-State Dispute Settlement (ISDS)** for the **protection of human rights** and not against public interest regulation.

### G. Promoting Corporate Self-Regulation and Ethical Business Practices

Whereas the role of legal enforcement is paramount, voluntary practices can reinforce binding obligations when backed by robust incentives and disclosure.

**Proposals:**

Encourage uptake of **human rights impact assessments** (HRIAs) through ESG (Environmental, Social, Governance) reporting.

- Encourage **industry-specific codes of conduct** and **certification schemes** linked to third-party audits.
- Make human rights performance conditional upon **access to public procurement, export credits, and subsidies.**
- Oblige multinational enterprises to **report annually** on human rights risks, strategies, and impacts.

### H. Education, Training, and Capacity Building

Sustained reform relies on the development of a culture of respect for human rights in corporate, legal, and government institutions.

**Recommendations:**

- Integrate **business and human rights education** into corporate training and legal education curricula.
- Educate judges, prosecutors, regulators, and civil servants about **corporate accountability mechanisms.**
- Develop capacity in developing countries to **enforce laws, investigate abuses**, and **assist victims**.

### I. Public Participation and Multi-Stakeholder Engagement

Inclusive decision-making makes reforms mirror the demands and voices of concerned populations, rather than the corporate or state agenda.

**Reform Strategies:**

- Establish institutionalized **multi-stakeholder forums** including states, corporations, CSOs, Indigenous peoples, and workers.
- Secure and uphold the position of **whistleblowers, journalists, and human rights defenders**.
- Facilitate **public consultation** in lawmaking, treaty negotiation, and corporate policymaking.

The road to effective corporate human rights accountability is not limited to a single treaty or national law. Rather, it requires a **multi-layered, interdisciplinary, and globally coordinated reform strategy**. By integrating legal innovation with institutional development, stakeholder participation, and normative evolution, the international community can transform the current fragmented and reactive model into a **robust, preventive, and justice-centered system**. These reforms, though ambitious, are imperative in an age where corporate power increasingly intersects with fundamental rights, democratic governance, and global equity.

## VII. Conclusion

The emergence of transnational companies has brought about economic development but also massive human rights abuses, especially in weak regulatory contexts. This paper is critical of the existing patchy and non-binding international legal order—particularly the shortcomings of the UN Guiding Principles on Business and Human Rights. It raises concerns such as jurisdictional hurdles, corporate impunity, and political resistance. Although national legislation such as France's Duty of Vigilance Law and Germany's Supply Chain Act

demonstrate improvement, their patchy enforcement highlights the urgent need for a binding international treaty. The article contends that voluntary action and company self-regulation are not enough. International enforceable legal rules are necessary to facilitate corporate accountability and build a more equitable world economy.

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