


Chapter 4

Human Rights and Multinational Corporations in the Context of Globalization

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ABSTRACT

This chapter analyses the complex relationship between multinational companies and human rights in the era of globalization. Although they contribute to economic and social development, these companies also generate challenges, such as violations of human rights and environmental degradation at a global level. The text explores the economic, environmental, and social challenges, as well as legal risks, highlighting the lack of effective mechanisms at both national and international levels. The text examines business impunity in relation to insufficient regulatory loopholes and sanctions, as well as state responsibility in the extractive, textile, and technological sectors. It explores the global perspective of companies as subjects of international law and presents international theories and proposals, such as the UN treaty, as potential solutions. In conclusion, a multidimensional approach is needed to address these challenges, including stricter regulations and changes in state responsibility, in order to balance economic growth with respect for human rights.

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INTRODUCTION

In the era of globalization, the interconnection between international actors has transformed the world's legal and economic scenario. Transnational Corporations (from now on TNCs) have emerged as key players, with a significant impact on everyday life and communities around the world. Enhanced by trade, transport, and new information and communication technologies (ICTs), globalisation has promoted human development. However, it has also led to complex dynamics of human rights violations and environmental degradation.

This article focuses on the economic impact and challenges to social human rights arising from globalisation, with a particular emphasis on TNCs. This text examines the risks and potential damage to human rights and the environment that can arise from the operations of companies that are fundamental to economic and social development.

The intersection between TNCs and human rights presents complex challenges that require a multidimensional approach. To address these challenges, a comprehensive rethink is required, from effective regulation to the revision of the dynamics of state responsibility.

The analysis discusses the absence of effective mechanisms to prevent abuses and ensure the accountability of TNCs at both national and international levels. It emphasises state responsibility, which is frequently undermined by factors such as inadequate capacity and corruption, leaving communities vulnerable.

The text explores various sectors, including extractive, textile, technology, and construction, to illustrate concrete challenges. These challenges range from environmental damage to labor abuses and the supply of surveillance equipment to authoritarian regimes.

The analysis addresses the impunity of TNCs by highlighting gaps in legal regimes and the need for international mechanisms and clear rules to impose corporate responsibility.

The text examines the global perspective and existing legal responses, with emphasis on the United Nations Human Rights Council's initiative to create a Treaty on Business and Human Rights that regulates the actions of TNCs in the field of International Human Rights Law (UN Human Rights Council, 2014).

The evolution of doctrine in international relations and initiatives such as the proposed Treaty suggest a shift in the perception of the role of actors in the international system. The ultimate goal of seeking reparation and responsibility is to foster a business culture that balances economic growth with respect for human and fundamental rights (Clark & Turner, 2021).

A business culture must be developed that ensures the fulfilment of fundamental rights by enhancing the relationship between transnational companies, human

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