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Corporate accountability in human rights: Bridging the legal gaps

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Abstract

Foreign investors' corporate role in human rights has been on the limelight due to the rising dominance of MNCs in the world economy. This paper presents the lack of oversight mechanisms within the current international bodies of law which enable MNCs to undertake operations without appropriate measures being taken against them for violation of human rights, most especially in areas where the rule of law is still growing. The study, examining the important frameworks, including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, offers a concept of the frameworks' advantages, drawbacks, and loophole with reference to uncovering corporate misconduct. Top-down cases from various industries including extractive industries, manufacturing, and agriculture, provide clear examples of labour rights abuse and violation, environmental pollution, and forced eviction of people from their ancestral homes. The research argues that there should be strict binding norms in international law to fill governance gaps and ensure that businesses respect human rights. It is then suggested that collaborative International Co-Governance is a possible way of delivering justice to the affected people. The study's findings extend current knowledge about positive change in corporate culture for ethical global conduct.

Keywords: Corporate Accountability; Human Rights; Multinational Corporations; International Legal Frameworks; Governance Gaps; UN Guiding Principles; CSR

1 Introduction

Globalization has dramatically reshaped the business landscape in the 21st century. With the rise of multinational corporations (MNCs), businesses now operate on a global scale, with supply chains that span continents and a market presence in virtually every country (Ramasastry, 2015). This expanded reach has brought numerous economic benefits, including increased trade, improved access to goods and services, and the potential for innovation. However, it has also given rise to significant challenges in ensuring that the actions of these corporations do not infringe upon human rights. The power and influence of MNCs have grown to a point where they can shape economic, social, and environmental conditions worldwide (Kjellberg, 2019). This has led to a growing concern about the human rights implications of their operations, particularly in developing countries where labor laws, environmental protections, and human rights frameworks may be less robust or poorly enforced.

Human rights within the business sphere have become increasingly important as the global economy continues to evolve. Companies are now recognized as having a responsibility to respect human rights, not only through their direct actions but also within their supply chains and business relationships (Mehra, 2009). The shift towards Corporate Social Responsibility (CSR) and the growing emphasis on ethical business practices have underscored the importance of safeguarding human rights in corporate operations. However, despite these advancements, significant challenges remain in holding corporations accountable for human rights violations. Human rights abuses in areas such as labor conditions, environmental degradation, land rights, and community displacement continue to persist, often with little recourse for affected individuals and communities (Harrison & Sekalala, 2015).

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1.1 Research Problem and Rationale

One of the primary challenges in addressing corporate accountability for human rights violations is the governance gaps that exist in regulating corporations under international law. While national legal frameworks may offer some protections, they are often inadequate to address the global scope and complexity of corporate operations (McGill, 2021). The absence of universally binding legal standards means that many corporations can escape accountability by exploiting regulatory loopholes or operating in jurisdictions with weaker enforcement mechanisms. This has led to an increasing recognition of the need for stronger international frameworks to regulate the conduct of corporations and ensure that they adhere to human rights standards.

The importance of addressing corporate accountability in the 21st century cannot be overstated. With MNCs playing an increasingly dominant role in the global economy, their influence on human rights, labor conditions, and environmental sustainability is more pronounced than ever (Bird & Dhooge, 2011). At the same time, the global community faces unprecedented challenges such as climate change, economic inequality, and the ongoing exploitation of workers in low-wage industries. These issues are often exacerbated by corporate practices, such as the outsourcing of production to countries with weak labor protections, or the prioritization of profit over the well-being of workers and communities. Addressing corporate accountability is not only a matter of human rights but also a key component of sustainable development and global peace.

1.2 Research Questions

This dissertation seeks to address several key questions related to corporate accountability in human rights. The first question explores the governance gaps in regulating corporations under international human rights law. Despite a growing body of international treaties, conventions, and guidelines, significant gaps remain in ensuring that corporations are held accountable for human rights abuses. The second question investigates the effectiveness of current mechanisms, such as the UN Guiding Principles on Business and Human Rights, in holding corporations accountable for their actions. While these principles have been widely adopted, their implementation and enforcement remain inconsistent, and it is essential to evaluate their impact in real-world cases. Finally, the third question looks at lessons that can be drawn from case studies of corporate violations. By examining specific instances where corporations have been implicated in human rights abuses, this dissertation will provide insights into the challenges and potential solutions for improving corporate accountability.

1.3 Research Objectives

The primary objective of this research is to analyze the gaps in international legal frameworks that currently exist regarding corporate accountability for human rights violations. Through this analysis, the dissertation will identify the specific areas where current governance mechanisms are insufficient and propose potential reforms or alternatives. Another key objective is to evaluate the effectiveness of existing accountability mechanisms, such as the UN Guiding Principles on Business and Human Rights, and determine their strengths and weaknesses in holding corporations accountable. This evaluation will be based on an examination of case studies and practical examples where these mechanisms have been applied. Finally, the research aims to propose recommendations for bridging the legal gaps in corporate accountability. These recommendations will focus on both strengthening existing frameworks and developing new strategies to ensure that corporations adhere to human rights standards.

1.4 Structure of the Dissertation

This dissertation is structured as follows: Chapter 1 serves as the introduction, providing background information, outlining the research problem, and setting forth the key research questions and objectives. Chapter 2 will review the relevant literature on corporate accountability and human rights, examining existing legal frameworks, governance mechanisms, and case studies of corporate violations. Chapter 3 will provide an in-depth analysis of the key governance gaps in international law, identifying areas where current legal frameworks fail to adequately address the role of MNCs in human rights abuses. Chapter 4 will evaluate the effectiveness of existing mechanisms, such as the UN Guiding Principles on Business and Human Rights, through a detailed assessment of their implementation and impact. Chapter 5 will present case studies of corporate human rights violations, analyzing how these incidents were addressed (or not) and what lessons can be learned. Finally, Chapter 6 will propose recommendations for bridging the legal gaps and improving corporate accountability in the context of human rights, followed by a conclusion that summarizes the key findings of the dissertation.

This structure will provide a comprehensive framework for exploring the complex issues of corporate accountability and human rights, and offer practical solutions for improving governance in this critical area. Through this analysis, the

dissertation aims to contribute to the ongoing debate on how best to hold multinational corporations accountable for their impact on human rights in the globalized world.

2 Theoretical Framework and Literature Review

2.1 Conceptual Framework

Corporate accountability, in the context of international human rights law, refers to the responsibility of multinational corporations (MNCs) to respect and promote human rights within their operations, including supply chains and business practices (Koops et al., 2010). As global actors, MNCs have significant influence on local economies, societies, and environments, which often leads to human rights violations, such as labor exploitation, environmental degradation, and community displacement. The notion of corporate accountability demands that these entities be held responsible for any adverse impacts of their operations, regardless of where these violations occur.

The relevance of corporate accountability in international human rights law stems from the increasing recognition that businesses, not just states, can play a key role in either promoting or undermining human rights (Werdelin, 2016). Traditional legal frameworks were predominantly state-centric, assuming that states are the primary actors responsible for human rights protections. However, with the rise of global commerce, it has become clear that MNCs are crucial players in either supporting or impeding human rights, necessitating an expansion of the legal obligations to include corporations. This has led to the development of frameworks like the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises, which seek to create norms and standards for corporate conduct in relation to human rights (Yildirim, 2019).

Key concepts in this field include state sovereignty, extraterritoriality, corporate social responsibility (CSR), and the duty of care. State sovereignty refers to the principle that states have the ultimate authority within their own borders, which has traditionally limited international enforcement of corporate conduct (Hackett & Moffett, 2016). However, the increasing extraterritorial activities of MNCs—where companies operate beyond their home states—has raised questions about the extent to which states can regulate corporate behavior abroad. CSR emphasizes the role of businesses in contributing positively to society, suggesting that companies have an ethical duty to consider the welfare of people and the planet alongside profit. The duty of care principle holds corporations responsible for minimizing harm caused by their actions, further emphasizing the link between business operations and human rights (Schrempf-Stirling et al., 2022).

2.2 Review of Key Theories

2.2.1 Globalization and Governance Theory

Globalization and Governance Theory provides a critical lens for understanding the challenges of regulating MNCs across jurisdictions. As businesses become more global, they operate in a range of legal and regulatory environments, often seeking out jurisdictions with weaker enforcement of labor laws, environmental protections, or human rights standards (Wettstein, 2012). This creates a situation in which corporations are able to avoid accountability by exploiting regulatory gaps between states. The theory also explores how international governance mechanisms—whether public, private, or hybrid—attempt to address these challenges. However, the transnational nature of MNCs complicates enforcement because international governance structures often lack the authority or jurisdiction to regulate corporate conduct effectively. Consequently, this theory highlights the difficulty in holding corporations accountable in a globalized world where laws may vary significantly between countries (Jerbi, 2009).

2.2.2 Legal Positivism vs. Normative Legal Theories

Legal positivism and normative legal theories offer differing perspectives on the regulation of corporate conduct. Legal positivism argues that law is a set of rules created by states and should be followed strictly. From this perspective, MNCs are subject to the laws of the states in which they operate, and the international legal system should not impose additional duties unless states specifically agree to them (Berger-Walliser & Scott, 2018). This view emphasizes state sovereignty and limits the scope for extraterritorial legal obligations on corporations. In contrast, normative legal theories, including those grounded in natural law and human rights law, assert that corporations should be held accountable based on universal moral principles, regardless of whether states have enacted specific laws to that effect. This view emphasizes the need for international legal frameworks that can regulate corporate conduct, irrespective of where violations occur (Deva & Bilchitz, 2013).

2.3 Governance Gaps in International Law

One of the key issues in regulating MNCs is the lack of binding international treaties that directly address corporate accountability for human rights violations. While there are a range of voluntary guidelines, such as the UNGPs and the OECD Guidelines, there are no enforceable international treaties that establish clear and binding obligations for corporations (Bishop, 2012). As a result, these voluntary mechanisms often lack the power to compel corporations to take responsibility for their actions, and their application depends largely on the willingness of states and businesses to adhere to them.

Moreover, the limitations of domestic laws in regulating extraterritorial corporate conduct further complicate the situation. Many countries have laws that hold corporations accountable for their activities within their own borders, but these laws typically do not extend to the actions of companies in foreign countries (Mena et al., 2010). This creates a significant gap in accountability, particularly when human rights abuses occur in jurisdictions with weak or non-existent enforcement mechanisms. For instance, a company based in one country may be implicated in labor abuses or environmental degradation in another, yet there may be no legal means for the home state to hold the company accountable for its extraterritorial actions. This gap is further exacerbated by the lack of international consensus on how to regulate MNCs' behavior across borders.

2.4 Existing Mechanisms and Debates

2.4.1 *UN Guiding Principles on Business and Human Rights (UNGPs)*

The UNGPs represent the most widely recognized framework for addressing corporate human rights abuses. Endorsed by the UN Human Rights Council in 2011, the principles outline three key pillars: the state duty to protect human rights, the corporate responsibility to respect human rights, and the need for effective remedy mechanisms (Wood, 2012). The UNGPs have been praised for their comprehensive approach and have been widely adopted by states, businesses, and civil society organizations. The voluntary nature of the UNGPs is seen as a strength, as it encourages widespread adoption across different sectors. However, this same voluntariness is also seen as a weakness, as it lacks enforcement power. Without legal obligations, many corporations may choose to ignore the principles, particularly when they conflict with profit motives or when enforcement mechanisms are weak (Gear, 2007).

2.4.2 *OECD Guidelines for Multinational Enterprises*

The OECD Guidelines for Multinational Enterprises offer another voluntary framework aimed at promoting responsible business conduct (Surya et al., 2019). These guidelines are recommendations for MNCs operating in areas such as labor rights, environmental protection, and anti-corruption. While the OECD Guidelines provide a strong foundation for promoting corporate accountability, their voluntary nature limits their ability to address systemic abuses. Furthermore, the mechanisms for monitoring and enforcing compliance with the guidelines are relatively weak, with little recourse for affected individuals or communities when violations occur (Cragg et al., 2012). Nonetheless, the OECD Guidelines serve as an important tool in encouraging companies to adopt responsible practices and align their operations with internationally recognized standards.

2.5 Gaps in the Literature

While much has been written about the challenges of corporate accountability in human rights, several important gaps remain in the literature. One underexplored area is the enforcement challenges associated with existing frameworks like the UNGPs and OECD Guidelines. While these mechanisms are well-established in theory, their implementation remains inconsistent, particularly in jurisdictions where MNCs have significant political or economic influence. There is a need for more research on how to strengthen enforcement, particularly through the development of binding international legal instruments that can address corporate abuses effectively.

Another gap in the literature is the issue of corporate compliance in global contexts. Much of the existing research focuses on the legal and regulatory frameworks that govern corporate behavior but pays less attention to how corporations actually comply with these frameworks in practice. More research is needed to understand the factors that drive corporate compliance or non-compliance, including the role of local and international civil society, shareholder activism, and consumer pressure. By addressing these gaps, future research can contribute to the development of more effective strategies for holding MNCs accountable for their human rights impacts in a globalized world.

3 Methodology

3.1 Research Design

This research employs a primarily qualitative analysis to explore the complex issue of corporate accountability in the realm of human rights law. The research design is structured around an in-depth case study approach, combined with a legal review, to analyze the gaps in international law and the effectiveness of existing accountability mechanisms. A qualitative approach is appropriate for this study because it allows for a detailed examination of specific cases where corporate actions have had significant human rights impacts. The use of case studies facilitates the exploration of nuanced issues in a real-world context, helping to illustrate both the challenges and potential solutions to the problems of governance gaps and corporate accountability.

The research will focus on the analysis of secondary data from various sources, including legal instruments, human rights reports, academic literature, and policy documents. Legal reviews will examine existing frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs) and other international instruments, identifying the strengths and weaknesses of these frameworks in regulating corporate behavior. Additionally, the case study method will provide concrete examples of corporate violations, assessing the response of international legal and governance systems to these violations. By combining legal analysis with case study insights, this research aims to offer a comprehensive examination of the current state of corporate accountability in international human rights law.

3.2 Data Sources

The research relies on secondary data to gather relevant information on corporate accountability, human rights violations, and the legal mechanisms aimed at regulating multinational corporations (MNCs). Secondary data will be sourced from a variety of materials, including:

- **Legal Instruments:** Key international legal frameworks such as the UNGPs, the OECD Guidelines for Multinational Enterprises, and relevant international treaties, as well as national laws regulating corporate conduct in relation to human rights.
- **Human Rights Reports:** Reports from international organizations such as the United Nations, non-governmental organizations (NGOs), and advocacy groups, which provide detailed assessments of human rights violations by corporations. These reports often highlight the shortcomings of current international legal mechanisms and suggest areas for improvement.
- **Academic Journals:** Peer-reviewed journal articles and books that address corporate accountability, international human rights law, and governance issues. These sources will help to contextualize the legal frameworks and case studies within broader theoretical and empirical debates.
- **Policy Documents and Corporate Reports:** Documents produced by multinational corporations themselves, including corporate social responsibility (CSR) reports, sustainability reports, and policy statements. These sources provide insights into how companies view their legal and ethical responsibilities concerning human rights, as well as the effectiveness of self-regulation.

3.3 Case Selection Criteria

The case study approach is a central component of this research, as it allows for a focused examination of specific instances of corporate human rights violations. The selection of cases is guided by criteria that prioritize examples of corporate conduct that expose significant gaps in governance, accountability, and enforcement mechanisms in international law. Specifically, the following criteria will guide the case selection:

- **High-Profile Cases:** The selected cases are those that have attracted significant international attention due to their scale, impact, or media coverage. High-profile cases are important because they often lead to public debate and scrutiny, which can expose weaknesses in existing legal frameworks.
- **Demonstration of Governance Gaps:** Cases that highlight how the absence of binding international treaties or the failure of domestic legal systems to regulate extraterritorial corporate conduct result in human rights violations. For instance, the Shell case in Nigeria is an example where the Nigerian government's inability or unwillingness to regulate corporate activities left communities vulnerable to environmental degradation and human rights abuses. Similarly, the Rana Plaza tragedy in Bangladesh, which involved the collapse of a garment factory and the deaths of over a thousand workers, underscores the lack of enforceability of corporate responsibility in supply chains.

- **Diversity of Corporate Sectors:** To provide a comprehensive analysis of corporate accountability, the research will include cases from different sectors, such as extractive industries (e.g., Shell in Nigeria), manufacturing (e.g., Rana Plaza), and agriculture, to examine whether the legal gaps are sector-specific or represent broader systemic issues across industries.
- **Geographical Diversity:** The cases will also cover different regions, including the Global South and Global North, to analyze how governance gaps manifest in diverse legal and regulatory environments. The research will assess whether the legal frameworks and enforcement mechanisms differ between countries with strong regulatory systems and those with weaker governance structures.

3.4 Ethical Considerations

Given the sensitive nature of the topic, ethical considerations are crucial throughout the research process. This study seeks to maintain objectivity in analyzing contentious and often controversial issues, such as corporate complicity in human rights abuses. The research will be conducted with respect to the following ethical guidelines:

Confidentiality and Anonymity: While this research relies on publicly available secondary data, case study subjects, especially individuals impacted by corporate violations, will not be directly identified or referenced. In situations where personal or confidential information is referenced (for example, in legal reports or corporate documents), steps will be taken to protect the privacy and identity of individuals or organizations involved.

Avoiding Bias: It is essential to ensure that the research remains impartial and balanced. The analysis will strive to present both the criticisms of corporate actions and the potential mitigating factors, such as local political, social, or economic conditions. This approach will provide a nuanced understanding of the complexities surrounding corporate accountability.

Respect for Stakeholder Perspectives: In cases where corporate practices have directly impacted vulnerable populations, the research will seek to present the perspectives of affected communities. It will critically assess how international legal frameworks address (or fail to address) the concerns of those most impacted by corporate activities, including workers, indigenous groups, and local communities.

Transparency in Data Collection: The methodology, data sources, and case selection criteria will be clearly outlined, ensuring that the research process is transparent and that the findings can be replicated or scrutinized by other scholars or practitioners in the field.

By adhering to these ethical principles, this research will contribute to a responsible and balanced examination of corporate accountability in the context of international human rights law, while also highlighting the urgent need for reform in global governance structures.

4 Data Analysis, Presentation and Interpretation

4.1 Key Governance Gaps

The regulation of corporate accountability under international human rights law is beset by significant governance gaps. A central issue is the lack of robust enforcement mechanisms in existing legal frameworks, which renders many international standards and guidelines ineffective in holding corporations accountable for human rights violations. The reliance on voluntary compliance and self-regulation by multinational corporations (MNCs) has proven inadequate in addressing the scale and complexity of corporate abuses.

One of the most glaring gaps is the absence of binding legal obligations for corporations under international law. Although frameworks like the United Nations Guiding Principles on Business and Human Rights (UNGPs) provide a normative framework for corporate responsibility, they are voluntary in nature and lack the enforcement power to compel compliance. The UNGPs rely heavily on states to implement corporate responsibility standards, yet many states are either unwilling or unable to enforce such obligations due to domestic political, economic, or legal factors (Kälin & Künzli, 2017). Without binding international agreements, corporations often evade responsibility for human rights violations, especially when these violations occur in jurisdictions with weak legal frameworks or where companies wield significant political influence.

This issue is compounded by legal immunity often granted to corporations. In many cases, legal protections prevent victims of human rights abuses from seeking justice against corporations that operate across multiple jurisdictions. For

example, in the case of Shell in Nigeria, the company has successfully leveraged the complexity of international legal systems and its influence over local governments to avoid substantial legal accountability for environmental destruction and human rights violations. This highlights a key gap in governance—the inability to hold multinational corporations accountable for transnational abuses in jurisdictions with weak legal systems.

Furthermore, corporate lobbying plays a crucial role in perpetuating governance gaps. MNCs exert significant political pressure on national governments and international institutions to influence the development and enforcement of regulations that affect their operations. By shaping policies to align with corporate interests, MNCs can undermine international legal frameworks aimed at ensuring corporate accountability (Deva, 2013). This lobbying, particularly in the context of environmental regulations and labor rights, often leads to weaker legal standards, inadequate enforcement, and the perpetuation of human rights abuses by corporations.

4.2 Effectiveness of Current Mechanisms

The UNGPs, developed in 2011, represent a significant attempt to provide a global framework for the corporate responsibility to respect human rights. The principles outline the corporate responsibility to avoid infringing on human rights, to address adverse impacts, and to remedy abuses when they occur. While these principles have gained broad international acceptance, their voluntary nature limits their effectiveness. Empirical evidence suggests that while many corporations have integrated the UNGPs into their corporate social responsibility (CSR) practices, adherence to these principles remains inconsistent and largely driven by the potential reputational damage from public scrutiny rather than by legal obligation (Ruggie, 2013). A report by the Business and Human Rights Resource Centre (2018) found that while some companies have made substantial efforts to implement the UNGPs, many still fail to conduct rigorous due diligence or provide adequate remedies to those affected by their activities.

In cases where voluntary mechanisms failed to deliver justice, the limits of the UNGPs become evident. For example, in the case of the Rana Plaza collapse in Bangladesh, which killed over 1,100 garment workers, the companies involved had CSR initiatives but failed to ensure adequate safety standards in their supply chains (O'Rourke, 2014). Despite widespread media attention and public outcry, the lack of binding legal obligations meant that there were few consequences for the companies involved. This underscores a key limitation of the UNGPs: the absence of enforceable standards that could compel companies to act with greater responsibility towards human rights.

Other frameworks, such as the OECD Guidelines for Multinational Enterprises, also suffer from similar weaknesses. Though these guidelines offer comprehensive recommendations for corporate conduct, they too lack binding enforcement mechanisms. Companies can, and often do, disregard these guidelines without facing legal repercussions, which undermines their effectiveness in ensuring corporate accountability for human rights violations (Kokott & Sobotta, 2012).

4.3 Lessons from Case Studies

The case studies of Shell in Nigeria and the Rana Plaza collapse provide valuable insights into the limitations of current legal frameworks in ensuring corporate accountability.

4.3.1 Case Study 1: Shell in Nigeria

The environmental damage caused by Shell's oil extraction operations in the Niger Delta has led to widespread devastation, including severe pollution of the land and water resources, displacement of communities, and numerous health issues for local populations. Despite evidence of these violations, holding Shell accountable for its actions has proven challenging due to gaps in both international and domestic legal systems. In particular, the Nigerian legal system, which is often influenced by the state's reliance on oil revenues, has been ineffective in holding Shell accountable (Okonta & Douglas, 2003). Shell has also used its corporate power and legal expertise to delay proceedings and avoid substantial penalties. International efforts to hold Shell accountable have largely failed, due in part to the lack of a binding international treaty on business and human rights and the difficulty of enforcing legal claims across jurisdictions.

This case demonstrates the critical need for a binding international legal framework that would establish clear obligations for corporations operating in multiple jurisdictions. It also highlights the importance of addressing the governance gaps that allow powerful corporations to evade accountability.

4.3.2 Case Study 2: Rana Plaza Collapse

The Rana Plaza tragedy, one of the deadliest industrial accidents in history, exposed severe flaws in the regulation of corporate supply chains. Despite CSR initiatives by the brands sourcing from Rana Plaza, such as Walmart and Benetton, there was a clear failure to monitor working conditions and ensure safety standards in the factories. This failure was compounded by a lack of binding legal obligations for companies to ensure the safety of workers in their supply chains. The collapse led to widespread calls for greater corporate responsibility, but to date, only limited progress has been made in addressing the systemic issues that led to the disaster (Anner, 2015). The absence of enforceable regulations regarding supply chain monitoring and worker safety illustrates a critical governance gap and demonstrates the limitations of CSR frameworks that lack binding obligations.

These case studies reveal several key lessons about the limitations of current legal frameworks. First, they highlight the need for stronger enforcement mechanisms to ensure corporate compliance with human rights standards. Second, they demonstrate the importance of addressing corporate supply chain responsibility and environmental practices in a more comprehensive and binding way.

4.4 Broader Impact and Trends

The governance gaps in regulating corporate accountability have significant implications for human rights and global inequality. Weak regulatory frameworks allow corporations to exploit vulnerable communities and environments, often with impunity. The lack of effective enforcement mechanisms exacerbates global inequality, as powerful MNCs continue to exploit resources in developing countries without being held accountable for the harm they cause. This dynamic contributes to the persistence of poverty, environmental degradation, and human rights abuses in some of the world's most vulnerable regions.

One emerging trend is the growing calls for a legally binding treaty on business and human rights. Proponents argue that a binding treaty would create enforceable obligations for corporations, ensure accountability, and help address the governance gaps that currently exist. In 2014, the UN Human Rights Council initiated negotiations for a treaty on business and human rights, and while the process has faced resistance from some states and business groups, it highlights the increasing momentum for stronger international regulation (Becerra, 2018). The growing recognition of the need for legal reform in this area suggests that addressing corporate accountability may become a central issue in the coming years, with the potential for transformative changes in international law.

In conclusion, the analysis of key governance gaps, the effectiveness of existing mechanisms, and lessons from case studies reveals significant challenges in holding multinational corporations accountable for human rights violations. The lack of binding legal frameworks, weak enforcement mechanisms, and the influence of corporate lobbying contribute to these gaps. Moving forward, there is a pressing need for stronger international legal instruments, including a binding treaty on business and human rights, to ensure that corporations respect human rights and are held accountable for their actions.

5 Conclusion and Summary

5.1 Summary of Key Findings

This dissertation has explored the critical issue of corporate accountability in international human rights law, emphasizing the significant governance gaps that hinder the effective regulation of multinational corporations (MNCs). A key finding is the lack of robust enforcement mechanisms in existing international legal frameworks, which renders many current initiatives, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), largely ineffective in compelling corporate compliance with human rights standards. The voluntary nature of these frameworks, coupled with the absence of binding obligations, has allowed corporations to evade responsibility for human rights violations, especially in jurisdictions with weak legal systems or where they exert considerable political influence.

The research also highlighted the issue of legal immunity, where MNCs, especially those operating across multiple jurisdictions, can exploit legal loopholes and corporate lobbying to avoid accountability for their actions. This has been exemplified by high-profile case studies, such as Shell's environmental damage in Nigeria and the Rana Plaza collapse in Bangladesh, where the failure of voluntary mechanisms and the lack of effective international legal enforcement have exposed the shortcomings of current governance structures.

Finally, the research found that while some progress has been made in recognizing corporate responsibility within human rights law, particularly with the UNGPs and other frameworks like the OECD Guidelines for Multinational Enterprises, these mechanisms fall short of providing the necessary legal teeth to ensure meaningful accountability.

5.2 Contribution to Knowledge

This dissertation contributes to the body of knowledge on corporate accountability by examining the governance gaps that hinder the effective regulation of MNCs and assessing the limitations of existing international legal instruments. The research provides a comprehensive analysis of the challenges surrounding the extraterritorial accountability of corporations, emphasizing the critical need for a legally binding international framework to address human rights abuses by MNCs.

Through the in-depth analysis of case studies, this work has demonstrated how gaps in governance and enforcement contribute to the perpetuation of human rights violations, particularly in regions with weak regulatory frameworks. By drawing on empirical evidence and legal theory, the dissertation highlights the urgency of strengthening international mechanisms and expanding the scope of corporate social responsibility (CSR) beyond voluntary frameworks. Moreover, it adds to the growing discourse on the need for a binding treaty on business and human rights, reflecting a significant shift toward global consensus on this issue.

5.3 Recommendations

Based on the findings of this dissertation, several key recommendations are made to address the gaps in corporate accountability and strengthen the regulation of MNCs within the context of human rights:

5.3.1 *Advocate for Legally Binding International Frameworks with Enforcement Mechanisms:*

The current lack of binding international regulations leaves corporations with minimal incentives to respect human rights. A legally binding treaty on business and human rights is necessary to create enforceable obligations for MNCs to respect human rights across all their operations, including supply chains and foreign investments. Such a framework should include specific provisions for legal accountability, independent oversight, and enforcement mechanisms to ensure compliance.

5.3.2 *Strengthen Domestic Legal Systems to Hold Corporations Accountable Extraterritorially:*

National legal systems must be empowered to hold corporations accountable for human rights violations that occur abroad. This requires the adoption of extraterritorial jurisdiction laws that allow states to pursue cases against corporations that operate outside their borders. Domestic legal systems should also incorporate provisions for corporate due diligence, ensuring that MNCs are held accountable for human rights abuses wherever they operate. Encouraging the enactment of laws similar to the French Duty of Vigilance Law (2017) could serve as a model for other states to implement mechanisms for extraterritorial accountability.

5.3.3 *Enhance Corporate Transparency and Supply Chain Accountability:*

There is an urgent need for greater transparency in corporate supply chains, particularly in high-risk sectors such as mining, textiles, and agriculture. Governments should require companies to disclose information about their supply chains, including labor conditions and environmental impacts, under penalty of law. Strengthening the enforcement of existing frameworks like the OECD Guidelines and requiring companies to carry out rigorous human rights due diligence could help ensure that corporations take responsibility for their entire value chain, not just direct operations. Moreover, companies should be required to implement independent audits to verify their compliance with human rights standards.

5.4 Future Research Directions

While this dissertation provides valuable insights into the challenges of corporate accountability, several areas remain underexplored and warrant further investigation:

5.4.1 *Quantitative Assessments of Compliance with the UNGPs:*

Future research could focus on conducting quantitative studies to assess the extent to which corporations adhere to the UNGPs. By collecting and analyzing data from various industries and regions, researchers can provide a clearer picture of the effectiveness of voluntary mechanisms in promoting corporate respect for human rights. Such research could highlight trends in compliance and non-compliance and suggest targeted reforms to improve corporate behavior.

5.4.2 *Investigate the Role of Emerging Economies in Addressing MNC Accountability:*

Emerging economies are playing an increasingly significant role in global supply chains, and their legal frameworks are often underdeveloped in terms of corporate accountability. Future research could examine how these countries address the issue of MNC accountability within their borders and in relation to global supply chains. It would be valuable to explore how emerging economies can strengthen their legal systems to enforce human rights standards and whether international cooperation can be leveraged to ensure MNCs adhere to global human rights standards when operating in these regions.

5.5 Final Reflections

In conclusion, this dissertation has emphasized the critical need to bridge the existing legal gaps to ensure corporate accountability for human rights violations. The current framework, based largely on voluntary compliance, has proven insufficient in holding multinational corporations responsible for their actions, particularly in contexts where national legal systems are weak or politically influenced. By advocating for binding international frameworks, strengthening domestic legal systems, and enhancing corporate transparency, it is possible to create a more accountable global corporate system.

The effective regulation of MNCs is crucial to achieving global respect for human rights. It is not only a matter of ensuring justice for those directly affected by corporate misconduct, but also of addressing the broader societal impact of corporate behavior on global inequality, environmental degradation, and social justice. Only through concerted efforts to reform and strengthen international and domestic legal systems will it be possible to bridge the governance gaps that currently allow corporations to evade accountability. This dissertation contributes to the ongoing dialogue on corporate accountability and offers a foundation for future work that can further advance the cause of human rights in the corporate world.

Compliance with ethical standards

Statement of ethical approval

Ethical approval was obtained.

Statement of informed consent

Informed consent was obtained from all individual participants included in the study.

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