The Complicity of International Markets in Human Rights Violations

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The Complicity of International Markets in the Violations of Human Rights in Undeveloped States

According to the United Nations Global Compact Initiatives, "1., businesses should support and respect the protection of internationally proclaimed rights and 2., make sure they are not complicit in human rights abuses" (UNGC: 2000). However, continued corporate exploitation in undeveloped nations "as diverse as Saipan, Ecuador, Indonesia, Myanmar, and Nigeria" (Engle: 2004, 104) are persisting, in many cases with the cooperation of the state itself. But, as Paul Collier points out in his book *The Bottom Billion,* companies, such as DeBeers (previously involved in the selling of conflict diamonds), have "radically changed tack; demonstrating that big companies can become part of the solution rather then being part of the problem" (Collier: 2008, 146). This begs the question as to why most multi-national companies (MNCs) have refused to follow suit, instead choosing to continue violating human rights? This essay will adopt a normative approach to understand why certain structures in society, such as the UN and Human Rights organizations have proven ineffective at preventing such violations; concluding that a lack of transparency, increased competitiveness, poor international regulation, and corruption have led to the continuation of human rights abuses in undeveloped states.

Devastatingly, "since 1996, the DRC has been undergoing a conflict that has cost an estimated 5.4 million lives" (Bateware: 2011) funded on the global demand for coltan; a crucial mineral used to create electronic devices, such as cell phones and laptops (The Week: 2008). The UK Bribery Act launched transparency attempts in 2010, which "helped develop a worldwide compliance culture" (Shamdasani: 2012) preventing corporations in bribing militia groups or government officials in relaxing labour regulations. However, implementation has proven tough: "when BP tried to work in a transparent manner in Angola, the Angolan government threatened the other thirty-three companies that the first one to follow would be thrown out. None did" (Collier: 2010, 40). In 2001, the UN released a report that 'named and shamed' eighty-five companies for "having violated international standards of good corporate behavior" (UN report: 2001) in the hope that some companies would change their actions. However, today under a more competitive global economic climate, human rights violations have persisted. A recent report, commissioned by activist group 'Platform' in Nigeria, accused Shell of "perpetrating atrocities against local civilians, including unlawful killings and systematic torture" (Guardian: 2012). Unsurprisingly, the corporation disputed the report. These examples serve as evidence to demonstrate the dangers associated with a lack in transparency, and in particular, it illustrates the farce that is Corporate Social Responsibility (CSR). Non-state structures such as MNCs are, at times, able to transform societies' perception, and "influence their ideas of what legitimate behavior is" (Baylis: 2010, 150). As Ken Booth claims in *Human Wrongs and International Relations*, "we weave stories that help us choose our wrong's selectively" (Booth: 1999). The perception that our MNCs are being 'fair' on the world "is where the discourse of IR plays a role" (Booth: 1999). Perhaps with more transparent frameworks, corporations would be less able to hide behind their lies.

In a time of such economic instability, competition between MNCs has never been fiercer, as corporations are forced to recover the losses made on international stock markets. Jack Donnelly stresses that "the presumption of compliance [with international norms] is often overcome, typically after calculating the material benefits of violating the law" (Baylis: 2011, 500). Imaginably, the temptation to continue 'business as usual' is high; particularly when in some cases one's country isn't calling for these restrictions. China has invested over $2 billion in the copper mining industry in Zambia (HRW: 2011) and, according to NTDTV, "HRW report (*'You'll be Fired if You Refuse')* states Chinese mining firms, such as China Non-Ferrous Metals, frequently violate international labour and humanitarian laws" (NTDTV: 2011). Evidently, Chinese firms complicit in humanitarian abuses by infringing labour laws, are likely to gain an economic advantage over their Western counterparts, who are largely pressurized to comply with international restrictions. However, according to Human Rights Watch, Western politicians and corporations have resorted to preaching negative discourse: pointing fingers at the Chinese, and ironically distinguishing "between 'good' Western investment and 'bad' Chinese investment" (HRW 2011). Seemingly, Western corporations, such as Nokia, "worry more about their competitors and their profits than the impacts their business is having on human life" (Bateware: 2010); strengthening the argument that corporations are primarily concerned in cutting costs as they marginalize the need to address basic labour laws. So, is it possible to ensure the preservation of human rights laws in undeveloped nations? Paul Collier believes that China's rise to power is not only changing the dynamics of global politics, but it will surely affect corporate responsibility in undeveloped regions. "The West has to offer China greater inclusion in power in return for adherence to international standards" (Collier: 2008, 146). Perhaps a shift in power may be the solution that activists have been looking for. It is clear that competition between corporations has done anything but increase adherence for the UNGC initiatives, though maybe with time we will start to witness improvements.

Another aspect that has not helped human rights is poor international regulation of international markets. Unsurprisingly, it can prove difficult to monitor giant corporations like Shell, Coca-Cola and Nike, when they are financially bigger than most of the countries within which they operate (Dunne: 2010, 110). The autonomy of these corporations has increased as a neoliberal agenda pushes for freer trade and less regulation; encapsulating the roles of structures, such as the WTO. However, in spite of weak international support, other institutions "have sought to rein in corporate human rights violations using measures such as reporting mechanisms" (Bakeware: 2010). These unfortunately have been fruitless in attaining large international attention. In 2001 however, the UN "called for sanctions against countries and individuals involved in the illegal activities in the DRC" (Bakeware: 2010); more recently, in January 2013, the "UN imposed sanctions on leaders of the M23 rebel movement in the DRC" (BBC: 2013). Yet, the problem is that international structures such as the UN are sanctioning the wrong people: many armed militia groups violating human rights norms are often funded by corporations, like as Shell in Nigeria (Platform report). Although the UN has pointed fingers at MNCs in the past, it must be recalled that the UN is a body that receives 25% of it's funding from the USA and China alone (Global Solutions: 2011). These are powerful nations happy to witness persisted exploitation efforts at the expense of human rights violations; which coincidentally continues to serve the interests of political and economic elites. This leads to political instability and the furthering of human rights violations.

A lack of transparency, increased competition, and poor international regulation breeds an ideal climate for the fourth cause of increased corporate violations of human rights law: corruption. Arguably, corruption is one of the biggest threats to undeveloped regions, as it violates the law and has overwhelming consequences on human rights. In the past, it has surfaced that MNCs encourage corruption "at all levels of government" (Platform: 2011). In response to Platform's reports, scholars, such as Maja-Pearce, condemn "Shell and other companies who contribute towards the culture of corruption in Nigeria" (Platform: 2011). Recently, an article highlighted that 12.7 million children in India are involved in child labour; in some cases promoted through corporate corruption (Live Mint: 2012). Similarly, a Fair Labour Association (FLA) report in 2012 signaled that Nestle "had been accused of failing to carry out checks on child labour in West Africa" (BBC: 2012). This places a question mark over the effectiveness of international agreements, as Nestle like many other companies "signed an agreement in 2001 aimed at ending the use of child labour" (BBC: 2012). Collier makes a valid point when he questions, "how vigorously these legislations [human right acts] will be enforced?" The issue at hand is that corruption undermines a political process and has led to human rights abuses across the board (Engle: 2004, 4). State structures are thus highly vulnerable to the presence of corruption, which as reports in this essay have mentioned, are encouraged at all levels by MNCs.

As has been demonstrated, the issue of 'corporate complicity in human rights violations' can be attributed to four central causes: lack of transparency, increased competition, poor international regulation, and corruption. However, this essay stresses a similar view to that of Ken Booth's argument, that "we in the West are more culpable than at least some of those we claim to embody evil" (Booth: 1999). The question of 'structures' in this debate recapitulates the threat that MNCs pose to the sanctity of human rights; the absence of an enforced international framework has allowed corporations to exploit labour laws, and often fund civil wars- leading to the deaths of thousands. In response to the question posed in the beginning of this essay as to 'why most MNC's have chosen to continue violating human rights?' The answer is because they can. As agents in society, it's in our hands to shape the state and non-state structures of the future, in the hope of effectively implementing more transparent regulations to finally change the inhumane behaviour of corporations in undeveloped regions of the world.

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