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Human Rights, Health, and Corporations

by Gerald Montgomery

Thriving markets and human security go hand in hand; without one, we will not have the other (United Nations Secretary-General Kofi Annan at the Global Compact, January 31, 1999).

Unfettered economic policies have had a notable effect on the state of human rights. With the increasing spread of transnational corporations (TNCs), non-governmental organizations (NGOs) play a major role in setting ethical and moral standards for with the quality of life in the developing states where TNCs do business. Many TNCs are trying frantically to implement strategies that would alleviate labor injustices and corrupt practices in order to meet the standards argued for by NGOs.

The purpose of this section of selected readings is to focus on the potential capability of TNCs in furthering human rights initiatives. The reader should get a strong sense of the many different social forces shaping the various ethical decisions on the part of TNCs. The same power that has made TNCs responsible for a large chunk of the global economy enables them influence to revolutionize human rights standards. All that remains is the choice to do so.

Corporate Agency and Human Rights

Broadhurst, Arlene. 2000. "Corporations and the Ethics of Social Responsibility: An Emerging Regime of Expansion and Compliance." *Business Ethics: A European Review* 9(2): 86-98.

Abstract: Corporate ethics has undergone significant change in response to environmental issues, and they are beginning to evolve further in response to emerging notions of social responsibility, defined in terms of human rights issues. Essentially, that challenge is not only one of corporate compliance, either voluntary or enforced by a system of regulatory and legal measures, but also a question of responsibility for damage or abuse. Three dimensions of ethical behavior - national, international and theoretical - are defined and illustrated through three case studies... These studies illustrate the complexity of the interactions between various stakeholders. The Simon Jones case emphasizes the dangers of casual work in multinational labor transactions, and the shortcomings of national remedies even in an advanced economy such as the UK. The second case, Tommy Hilfiger et al., raises a complex set of questions regarding national and international responsibility for compensation in developing economies. The third case, the Royal/Dutch Shell Group, serves as a model of voluntary corporate reform designed to bridge the gap between principles and practice both nationally and internationally.

Cahn, Doug and Tara Holeman. 1999."Business and Human Rights." *Forum for Applied Research and Public Policy* 14(1): 52-58.

A number of multinational corporations have started using the principles of human rights in the industrial workplaces. This has improved the working conditions in developing countries, especially in the garments, toy and shoe industries. One such company is Reebok International Ltd., which adopted a code of conduct that incorporated human rights standards in its business practices and those of its suppliers. Human rights and labor organizations have also started a dialogue and public campaigns designed to help multinational companies in developing their codes of conduct.

Collins-Chobanian, Shari. 2004. Ethical Challenges to Business As Usual. Upper Saddle River, NJ: Pearson Press.

Jedrzej, George Frynas and Scott Pegg. (eds.). 2003. Transnational Corporations and Human Rights. New York: Macmillan.

Kapstein, Ethan B. 2001. "The Corporate Ethics Crusade." *Foreign Affairs* 80: 105-120.

Larrison, Timothy K. 1998. "Ethics and International Development." *Business Ethics: A European Review* 7(1): 63-67.

Abstract: Although much has been written about multinational behaviour in developing countries, little attention has been paid to the individuals and organisations which influence the environment within which the multinationals operate. This article argues for an absolute moral approach to macro-economic considerations and a more relative ethical approach at the micro-level of individual cultures.

Welch, Claude. E. 2001. NGOs and Human Rights: Promise and Performance. Philadelphia, PA: University of Pennsylvania Press.

Corruption

"International Bribe Index Shows Corruption Rising." 2002. *Preventing Business Fraud* 7: 1-6.

This article addresses the problem of business firms in developed countries bribing the governments of developing countries to secure corporate contracts. Various charts illustrate the least corrupt countries, what sectors the bribes take place in, and a survey of the trends in bribery.

Kpundeh, Sahr John; and Irene Hors. 1998. Corruption and Integrity Improvement Initiatives in Developing Countries. New York, NY: United Nations Development Programme.

Organisation for Economic Co-operation and Development. 2000. No Longer Business As Usual: fighting bribery and corruption. Paris: Organisation for Economic Co-operation and Development.

Abstract: Corruption weakens democracies, distorts investment decisions and disrupts economic growth. Yet until recently, bribes by companies were accepted in many countries as a tax-deductible expense. Today, shady business practices are being hauled out of the closet and into the spotlight of international scrutiny. Policymakers are moving to ensure that corruption is no longer an acceptable business practice.

Robinson, Mark. 1998. Corruption and Development. London, Portland: Frank Cass.

Ethical Business Practices

Basu, Baushik. 2001. "Compacts, Conventions, and Codes: Initiative for Higher International Labor Standards." *Cornell Int'l Law Journal* 34: 487-500.

Abstract: The International Labor Standards (ILS) movement, meant to be an initiative to promote better working conditions in the Third World, has been widely opposed by Third World governments and workers. The contemporary world has seen a bewildering number of initiatives or suggestions for ILS, to be coordinated through the offices of the UN, ILO and WTO and while global opinion has become more sophisticated in recent years, the existing initiatives are ill-conceived and are likely to have undesirable fall-outs. Ultimately, global coordination is best done through the ILO and the U.N. Because the WTO, the way it currently functions, is not the appropriate body for enforcing labor standards. In the long run, there must be an effort to democratize global organizations, and only when that is done can global organizations be seriously entrusted with the task of promoting higher labor standards.

Bhagwati, Jagdish. 2002. "Coping With Anti-globalization: a trilogy of discontents." *Foreign Affairs* 81: 2-7.

Abstract: This article discusses the anti-globalization movement and how attitudes of anti-capitalism among young people are helping to fuel the movement. This younger group of critics has found three shared reasons for discontent with globalization, 1) the idea of capitalism, 2) the process of globalization, and 3) the behavior of corporations—and have made their views clear at recent protests in the streets at world economic gatherings and on college campuses. Many of these youthful skeptics see capitalism as a system that cannot significantly address issues of social justice.

Blowfield, Mick. 1999. "Ethical Trade: a review of developments and issues." *Third World Quarterly* 20(4): 753-770.

Abstract: Ethical trade is a fast-growing field both in terms of interest and practice, but one where there is little independent analysis or literature. This paper provides an overview of what is happening in the field, including the unpublished debates of many of ethical trade's key players. The paper identifies the common ground between sectoral approaches, examining, for instance, work from forestry, fair trade, agriculture and the apparel industry. It also highlights the consequences for developing countries of initiatives that are typically driven by the North, and shows how existing approaches do not lend themselves to participation by Southern stakeholders. The paper concludes by arguing the need for greater integration of social and environmental issues, and the development of approaches able to identify and reflect the ethical values of the South, particularly of the marginalized people ethical trade is intended to assist.

Emunds, Bernhard. 2003. "The integration of developing countries into international financial markets: remarks from the perspective of an economics ethics." *Business Ethics Quarterly* 13: 337-360.

Abstract: In this paper the co-responsibility of the North for the development of the South, the chance of an authentic development and Rawls's maximum rule are indicated as the ethical perspectives from which the financial integration of developing countries can be evaluated. This leads to an outline of goals for reshaping the financial integration. This reconstruction touches among other things, limitation of capital inflows, strengthening of the domestic banking system and further development of the country's particular economic style. Finally some regulations of external financial relations and the proposal of a cooperative monetary arrangement between the South and the North are discussed as possible measures to improve this integration.

Georges Enderle. (ed.) 1999. *International Business Ethics: Challenges and Approaches*. Notre Dame, IN

Graff, J., et. al. 1999. "Giving Some of It Back." *Time South Pacific* (February 15): 56.

Presents information on efforts of several companies and organizations in the developed world to spread technology and knowledge to the developing world. The importance of having a sense of social and environmental responsibility in the way business is conducted; examples including George Atkins' Developing Countries Farm Radio Network and the efforts of Samsung to create good community relations in Indonesia and elsewhere.

Ioanna, Kucardi Iuçuradi. 1999. Ethics of the Professions: Medicine, Business, Media, Law. Berlin, New York: Springer Press.

Jackson, Kevin T. 1998. "A Cosmopolitan Court for Transnational Corporate Wrongdoing: Why Its Time Has Come." *Journal of Business Ethics* 17: 757-783.

Jones, Alan. 2001. "Social Responsibility and the Utilities." *Journal of Business Ethics*. 34: 219-29.

Keck, Margaret E.; and Kathryn Sikkink. 1998. Activists beyond borders: Advocacy networks in international politics. Ithaca, NY: Cornell University Press.

King, Bettyl. 2001. "The U.N. Global Compact: Responsibility for Human Rights, Labor Relations, and the Environment in Developing Nations." *Cornell International Law Journal* 34: 481-85.

Lang, Anthony F., Jr. 2000. "Enhancing the Role of Ethics in Business." *Perspectives on Ethics and International Affairs*: 4-5.

Lea, David L. 1999. "The Infelicities of Business Ethics in the Third World: the Melanesian Context." *Business Ethics Quarterly* 9(3): 421-439.

Lewis, D.J. 1999. Promoting Socially Responsible Business, Ethical Trade and Acceptable Labour Standards. Bath: University of Bath.

Meintjes, Garth. "An International Human Rights Perspective on Corporate Codes," in Oliver Williams (ed.) Global Codes of Conduct: An Idea Whose Time Has Come. Notre Dame, IN: University of Notre Dame. 83-99.

Meyer, William H.; and Boyka Stefanova. 2001. "Human Rights, the U.N. Global Compact and Global Governance." *Cornell International Law Journal* 34: 501-21.

Abstract: This article discusses the Global Compact (GC) in relation to similar efforts in other quarters, and then ties these various political and legal activities to larger issues raised by theories of international relations. First, the article considers whether or not the Global Compact might have any impact on the behavior of transnational corporations (TNCs). The author argues that the GC could have a positive impact, relying on empirical studies about the relationship between TNCs and human rights. The second section addresses the question: is the Compact's voluntary regulatory approach the best or most efficient way to foster morally responsible corporate behavior? Part III looks at TNCs and labor rights through the lens of international relations theory. It asks whether there is now, or will there be in the future, a global regime for TNCs and labor rights? Alternatively, do industrial relations theories of global governance better inform our understanding of international

efforts such as the GC? In the conclusion, the author looks ahead to what may come next in the areas of TNCs, labor rights, and environmental rights.

Ratner, Steven R. 2001. "Corporations and Human Rights: A Theory of Legal Responsibility." *Yale Law Journal* 111(3): 435-538.

Abstract: This Article posits that international law offers a way to develop and circumscribe duties of corporations that avoid the risks inherent in wholly domestic legal approaches. It demonstrates the need for corporate accountability as an alternative to holding only states or individuals responsible for human rights abuses.

Spar, Debora L. 1998. "The Spotlight and the Bottom Line: how multinationals export human rights." *Foreign Affairs* 77(2): 7-12.

An argument for what U.S. corporations could and should do to raise human rights standards. While not the most obvious advocate for human rights, U.S. companies have a duty to uphold standards that will bring about vital changes in human rights standards on ethical and political levels. Information about the workplace code of conduct established by the White House in August 1996 is provided. Also discussed: advantages of lower-cost labor or lower-cost inputs from more abusive suppliers; evidences that support the potency of the spotlight phenomenon about labor abuses; and why human rights and U.S. multinationals are considered unlikely bedfellows.

Tavis, L. A. 2001. "Promoting Socially Responsible Business in Developing Countries: the potential and limits of voluntary initiatives," in Oliver Williams (ed.) Global Codes of Conduct: An Idea Whose Time Has Come. Notre Dame, IN: University of Notre Dame.

Winston, Morton. 2002. "NGO Strategies for Promoting Corporate Social Responsibility." *Ethics and International Affairs* 16: 71-87.

Abstract: Describes and evaluates the different strategies employed by human rights NGOs in attempting to influence the behavior of multinational corporations. Includes analysis of the factors that contributed to the interest of human rights NGO in the business sector; a discussion on the corporate social responsibility movement; and a recounting of the response of TNCs to the NGO strategies.

Yadong, Luo. 2002. Multinational Enterprises in Emerging Markets. Copenhagen: Copenhagen Business School Press.