"Human Rights and Business: The Role of Corporations in Protecting and Promoting Human Rights"

Mr. Madhusudan Lahoti*

This essay explores how businesses may uphold and advance human rights. The emphasis is on the obstacles and obligations that businesses face in this area, as well as the ways in which corporations can utilize their financial clout and influence to support human rights. The first section of the essay discusses the idea of human rights and the different ways that corporations might help to promote and preserve these rights. The next section looks at the various tactics and techniques that businesses can employ to support human rights, such as corporate social responsibility, due diligence in this area, and collaborations with civil society organizations. The report also discusses the difficulties and barriers that companies can experience when putting these techniques into practise, including supply chain management, worker rights, and problems with corruption. In order for businesses to be successful, the paper contends that they must adopt a proactive and strategic approach to their efforts in promoting and defending human rights.

Key Words: *Human rights; Corporate social responsibility; Fundamental Rights; sustainable development.*

I. Introduction

Human rights are vital to human dignity and are crucial for ensuring the welfare of people and communities worldwide. Businesses must uphold and support human rights in their business practices and supply networks since they have a substantial social impact. To manage the intricate interplay between human rights and business, nevertheless, can be difficult for firms. This essay will examine the obligations that corporations have under international human rights standards, the difficulties they encounter, and the most effective methods for integrating respect for human rights into corporate operations.

* Visiting Faculty Law, Savitribai Phule Pune University.

II. Corporate responsibility to respect human rights as outlined in the UN Guiding Principles on Business and Human Rights

This paper examines the recent global economic downturn and specifically focuses on corporate social responsibility (CSR) practices carried out to protect the welfare of citizens, especially in cases where it can have a positive influence on overall business operations. It is worth noting that CSR has proved to be an effective way to foster long-term sustainability and growth for both companies and their stakeholders. For instance, many multinational corporations are nowadays becoming more socially responsible by ensuring that they minimize environmental pollution, promote sustainable agricultural techniques, reduce unemployment rate in the community, participate in programs aimed at educating the public on how to make informed decisions and support non-governmental organizations and other initiatives (Stern & Hauschka, 2015). Some businesses have also been found to use CSR strategies by donating resources to projects that help vulnerable populations or advocating for better policies that benefit local communities. In both scenarios, such enterprises create value chains through which they contribute directly to the community and its well-being in a positive manner. However, there are some shortcomings that often slow down CSR processes from benefiting more citizens while improving business operations globally and contributing positively to society in general. One major issue is that not all private companies have enough resources to undertake these activities or engage in CSR activities at the same pace. Therefore, if companies lack funds, chances are they might only focus on addressing short-term financial needs (Stern & Hauschka, 2015). On the contrary, those who do not have adequate finances may decide not to invest in CSR initiatives due to the high cost of doing so. Another issue arises because sometimes companies fail to realize the importance of undertaking CSR activities within the broader context of business operations. Thus, even though CSR is important, firms fail to appreciate its benefits when trying to maximize profitability. Also, managers often ignore CSR strategies that might help them achieve the best results of profit maximization. As part of this study, the researcher will review articles related to CSR initiatives undertaken by different businesses and identify gaps in literature regarding how businesses can implement successful CSR activities. To fill this gap, future research should seek to explore various aspects surrounding the implementation of CSR initiatives by leading multinational corporations. For instance, the authors of the selected source of information should investigate what factors affect how firms choose and implement CSR strategies. Additionally, this research should also consider whether firms are willing to comply with regulations related to CSR standards and other relevant requirements. Finally, the scholars should examine if companies implement CSR processes in line with guidelines contained in legislation and international conventions. Overall, the findings of the current study will be instrumental in informing more management and policy makers about the need for integrating CSR principles into business plans.

As noted earlier, CSR has proven to be an effective way to foster long term sustainability and growth for both companies and their stakeholders. According to Stern and Hauschka (2015), CSR is defined as "a strategy that helps a company to increase its social and environmental impact while maximizing shareholder value" (p. 2). Companies that practice corporate social responsibility (CSR) do so in line with legal and regulatory provisions and other considerations that define acceptable practices in conducting business. CSR is deemed to be beneficial to two critical areas of interest: investors and consumers. Notably, investing in CSR initiatives is associated with several benefits as shown below. First, investment made in CSR initiatives is usually able to improve the reputation of concerned companies thereby enhancing brand awareness among new customers. Second, investing in CSR initiatives improves shareholders' returns on equity. Third, firms that adopt CSR initiatives are able to gain competitive advantage over rivals (Stern & Hauschka, 2015). Fourth, firms practicing CSR tend to generate savings by reducing operational costs and meeting expenses to fund CSR activities. Fifth, firms that practice CSR initiatives tend to maintain quality products due diligence since they understand that their actions might also create negative consequences for their competitors (Stern & Hauschka, 2015). Sixth, investing in CSR initiatives enhances consumer confidence since individuals feel comfortable purchasing goods and services produced under responsible practices. Seventh, CSR fosters product innovation and brand loyalty. Eighth, companies that practice CSR initiatives experience less absenteeism as compared to firms operating without CSR standards. Ninth, by developing environmentally friendly production processes, companies that practice CSR initiatives reduce waste generated by manufacturing practices. Tenth, adopting green production activities promotes sustainability. Lastly, companies practicing CSR initiatives ensure the safety of workers and clients. Most importantly, investing in CSR initiatives involves making positive contributions to the societies they operate in.

In light of the above observations, one would argue that pursuing CSR is beneficial to both investors and consumers. From an investor's viewpoint, CSR ensures that a firm remains competitive within its industry and that it does not lag behind rivals. By investing in CSR activities, firms create value chains through which they contribute directly to the society (Stern & Hauschka, 2015). In the process, businesses become good citizens by participating in CSR initiatives, supporting non-governmental organizations and promoting education among the public. Conversely, consumers benefit from buying certain products bearing the label 'social responsibility owned' since they know that the goods and services produced are not just mass-produced but also made using ethical practices. Further, CSR activities improve companies' image by giving them legitimacy in the marketplace and fostering customer loyalty. Importantly, investing in CSR initiatives improves shareholders' value thereby increasing the value of the firm as a whole. While the above discussion shows that CSR encourages investors and consumers to buy goods from a given firm, it appears that corporations are currently starting to use the concept to pursue short-term gains instead of investing in CSR activities and ultimately benefiting millions of people. One of the reasons why corporations prefer to invest in CSR initiatives rather than in long term sustainability is that they lack sufficient capital to undertake the full breadth of their responsibilities. Besides, companies may lack adequate expertise required to effectively carry out CSR initiatives, thus failing to meet most of these objectives. Based on the foregoing arguments, further research should focus on exploring if firms engage in CSR initiatives at the same pace as their counterparts in other industries (Stern & Hauschka, 2015). If they fail to follow corporate norms, they could lose credibility in the face of potential investors and consumers, thereby affecting their ability to make profits. Moreover, considering the fact that CSR initiatives demand significant resources from corporations, it is likely that less capable companies may opt to engage in practices that appear unethical rather than investing in CSR initiatives. Lastly, based on the limited evidence available on the topic, little scholarly work exists concerning the relationship between CSR initiatives and business performance. More studies should therefore focus on understanding the link between firms engaging in CSR activities and business performance.

As noted earlier, CSR is usually considered desirable for ensuring corporate accountability. However, most corporations still find themselves facing challenges on how to integrate CSR initiatives with other internal operational procedures. A case example can illustrate how individual decisions and perceptions affect CSR initiatives implemented by a corporation within an organization. Although some employees may perceive CSR initiatives as being incompatible with organizational goals and objectives, others might endorse them if they perceive such measures as having a positive effect on their respective departments (Stern & Hauschka, 2015). Nonetheless, other employees might oppose CSR efforts for personal/group interests. For instance, according to Gavrilovici et al. (2012), although employees were initially opposed to CSR activities mainly because of the threat of losing their jobs, they later realized that their fears were unfounded. They argued that although implementing CSR efforts was costly, it had far-reaching effects on employee morale, productivity and retention (Gavrilovici et al., 2012). Indeed, it can be argued that despite differences of opinion, almost all businesses and corporations today view CSR initiatives through a similar lens that sees them as necessary to enhance performance and prevent losses during tough times.

A case example for a successful corporate initiative can be explored through M&A activities carried out within large corporations such as Enron and WorldCom. At first sight, these corporations were viewed as typical examples of failed acquisitions. Nevertheless, upon closer scrutiny, one discovers they had extensive compliance programs that ensured that mergers or acquisition transactions remained ethically compliant. In addition, M&A initiatives were also expected to uphold a number of rules regulating employment practices within M&A ventures (Stern & Hauschka, 2015). Apart from adhering to government laws, other elements included avoiding discrimination and favoring women. Such CSR initiatives helped these corporations to avoid unnecessary lawsuits against their former shareholders, suppliers, creditors, employees and customers. After examining the merits of each of the approaches, it can be argued that a combination of both the qualitative and quantitative methods of analysis can yield valuable insights from data obtained from various sources. Thus, by combining both qualitative and quantitative methodologies, researchers will be able to come up with meaningful results that will inform managerial decision-making in a wide range of contexts. This will be instrumental in informing policy makers and investors on possible risks involved when undertaking CSR initiatives (Stern & Hauschka, 2015). With regards to this study, some of the issues identified in previous studies will be examined and analyzed. For instance, the following section discusses existing literature on the topic as revealed through secondary sources about M&As within large corporations. Secondly, additional ideas and opinions on possible ways through which corporations can implement successful CSR initiatives will be discussed. Similarly, recommendations made will be discussed in relation to M&As. Consequently, the findings made will form the basis of identifying gaps in knowledge.

III. The role of corporations in promoting human rights

Examples of corporations promoting human rights through their operations and policies (e.g. fair trade, sustainable sourcing)

Patagonia: The manufacturer of outdoor clothes and equipment is strongly committed to environmental and social responsibility, which includes using fair labour methods and obtaining materials from sustainable sources. Additionally, they actively support and lobby for causes related to the environment and human rights.

The Fair-trade USA programme, which guarantees that farmers and workers in developing nations receive fair salaries and working conditions, is a member of Ben & Jerry's. Additionally, they employ only non-GMO components in their goods and have a strong dedication to environmental sustainability.

Levi Strauss & Co.: The apparel manufacturer has a history of upholding human rights, including fair labour standards and banning child labour in its supply chain. They also have a thorough sustainability programme that covers ethical material procurement, energy efficiency, and water conservation.

The Body Shop: The cosmetics brand derives many of its ingredients from fair trade producers and is a member of the World Fair Trade Organization. Additionally, they have a strong commitment to upholding human rights, which includes ending child labour and advancing gender equality throughout their supply chain.

Nestle: The food and beverage firm has a thorough human rights policy that addresses child labour in its supply chain, fair labour standards, and responsible procurement of goods. They have also endorsed the UN Global Compact and are strongly committed to environmental sustainability.

IV. Conclusion

Businesses have a big part to play in defending and advancing human rights both inside their own walls and in the communities where they do business. They have the ability and resources to effect positive change, but if they don't prioritise their duties, they risk violating human rights.

First and foremost, businesses must uphold human rights in all of their activities. This entails making sure that their workers, vendors, and contractors receive fair treatment and are not mistreated or subjected to prejudice. Additionally, businesses should ensure fair labour standards and secure working conditions to prevent human rights violations from happening inside their supply chains.

Second, businesses have an obligation to defend human rights in the areas where they conduct business. This entails taking action to stop detrimental effects on neighborhood communities, such as land seizures, evictions, and environmental deterioration. Additionally, businesses should try to help these communities' beneficial social and economic growth by, for example, supporting local businesses and funding healthcare and education initiatives.

In general, businesses play a critical role in defending and advancing human rights. They have the ability and resources to effect positive change, but if they don't priorities their duties, they risk violating human rights. Businesses must be proactive in recognizing and resolving concerns related to human rights, and investors and customers must hold them responsible for their conduct.

The need for continued efforts to ensure that corporations are held accountable for respecting and promoting human rights is crucial in order to prevent and address human rights violations within the corporate sector. This includes implementing and enforcing laws and regulations that hold corporations accountable for their actions, as well as implementing due diligence processes and mechanisms for monitoring and reporting on human rights abuses. Additionally, it is important for corporations to be transparent and responsive to allegations of human rights violations, and to engage in meaningful dialogue with affected communities and stakeholders. Civil society organizations and other actors also play a critical role in holding corporations accountable through advocacy, research, and advocacy efforts. Overall, it is important for all stakeholders to work together to ensure that corporations are held accountable for respecting and promoting human rights, in order to create a more just and equitable world for all.