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THE RESPONSIBILITY OF MULTINATIONAL CORPORATIONS IN TRANSNATIONAL HUMAN RIGHTS VIOLATIONS

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A B S T R A C T

The development of globalization has driven the increase in multinational corporate activities operating across countries and playing a significant role in global economic growth. However, in addition to providing economic benefits, the activities of multinational corporations also have the potential to cause various human rights violations, such as labor exploitation, the use of child labor, the deprivation of indigenous people's rights, environmental pollution, and violations of health and safety rights. This research aims to analyze the responsibility of multinational corporations in transnational human rights violations, examine the effectiveness of legal instruments regulating corporate accountability, and identify the obstacles faced by victims in obtaining justice. This research uses normative legal research methods with a legislative approach and a conceptual approach. The data used are secondary data obtained thru library research on various regulations, doctrines, and relevant literature. The research results show that the transnational character of multinational corporations causes complexity in determining legal responsibility because it involves various jurisdictions, parent companies, subsidiaries, and global supply chains. Moreover, international instruments regulating corporate responsibility are still dominated by provisions of a soft law nature, making their effectiveness highly dependent on the commitment of companies and state policies. Therefore, there is a need to strengthen national and international regulations, implement human rights due diligence, and enhance inter-state cooperation to ensure the protection of human rights and the accountability of multinational corporations in global business activities.

KEYWORDS

Multinational Corporations; Human Rights; Transnational Human Rights Violations; Corporate Responsibility; Business And Human Rights.

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INTRODUCTION

Multinational corporations (MNCs) have emerged and developed as key actors in the global economic system as a result of economic globalization. MNCs possess significant economic, technological, and cross-border operational networks, sometimes exceeding the capacity of the developing countries where they operate. Multinational corporations not only participate in the economy but also have a significant impact on the world's environment (Utama et al., 2026). However, behind their contribution to economic growth, their operations often cause environmental damage such as water and air pollution, excessive exploitation of natural resources, and ecosystem degradation.

Multinational businesses can reduce production costs and increase economic efficiency thanks to the global supply chain, which allows them to take advantage of regulatory differences worldwide. Workers in developing countries often find themselves in working conditions vulnerable to human rights violations, including labor exploitation and breaches of workplace safety standards, due to such practices (Santoso, 2026). This situation highlights the disparity between the economic power of companies worldwide and the regulatory strength of the countries where production takes place. The debate about the limits of legal responsibility of multinational corporations in international production networks arises as a result of this issue.

The management of natural resources is related to human rights violations in business activities. The execution of resource extraction often leads to conflicts with local communities and environmental damage, disrupting the fulfillment of important community rights. There is a close relationship between human rights and economic interests, as evidenced by corporate involvement in practices that harm communities. How the legal system can regulate corporate responsibility for such impacts is increasingly becoming a focus of business law research.

According to Thomas Risse-Kappen (1995), transnational relations are interactions that occur regularly across national borders and involve at least one transnational actor that is not a state or does not act on behalf of the government or intergovernmental organizations (Adellia et al., 2022). These transnational actors can include multinational corporations, non-governmental organizations (NGOs), advocacy groups, or civil society organizations that have specific interests within the international scope.

In carrying out their roles, transnational actors strive to influence the policies of states and international organizations thru lobbying, advocacy, and the promotion of cooperation based on the values and norms they believe in. To achieve these goals, they often form transnational coalitions that function as cross-border cooperation networks to drive policy changes on specific issues. The success of transnational coalitions' influence on a country's policies is affected by the domestic structure of the country, which includes political institutions, societal structure, and policy networks, as well as the level of international institutionalization that indicates the extent to which an issue is regulated thru bilateral agreements, multilateral regimes, or international organizations.

Human rights violations by multinational corporations have a transnational character because their business activities cross national borders and involve various legal jurisdictions. Multinational corporations are generally based in one country as parent companies, while their production, distribution, resource exploitation, or supply chain activities are spread across other countries thru subsidiaries, suppliers, and business partners. This condition causes the impact of human rights violations not only to occur within one jurisdiction but can also involve several countries simultaneously. Forms of violations that are often found include labor exploitation, deprivation of indigenous people's rights, environmental pollution, violations of health and safety rights, child labor, and forced labor (Politeknik, 2021). Although violations occur in the country where the company's operations take place, the policies or business decisions that cause them often originate from the parent company located in another country. Moreover, the complexity of global supply chains further complicates the determination of the party responsible for the violations, thereby posing challenges in law enforcement and human rights protection at the international level.

In criminal law, corporations can be held accountable if there is an element of intent, negligence, or oversight committed by managers, board members, or other parties acting for and on behalf of the corporation. The error is viewed as a collective fault inherent to the corporation, not merely an individual fault. Therefore, corporations can be positioned as subjects of criminal acts. The application of corporate criminal liability does not always require the absolute proof of the guilt of a specific individual, but can be based on the adage res ipsa loquitur, which means the facts speak for themselves (Narendra et al., 2024).

Judicial practices in Indonesia also show that corporations have been subjected to various criminal sanctions, such as fines, joint and several liability for damages, and restitution, although in some cases, criminal verdicts against corporations have been overturned at the cassation level by the Supreme Court.

The importance of studying multinational corporate responsibility is increasing along with the extensive cross-border business activities conducted by global companies. Although multinational corporations have generally adopted various international standards, such as the principles developed by the United Nations, the Organization for Economic Co-operation and Development, and the standards of the International Organization for Standardization, the implementation of these principles often faces challenges when dealing with different social, cultural, and legal conditions in the countries where the companies operate (Ardika et al., 2025). Differences in local norms can create a dilemma between adhering to global standards and the need to adapt to local practices, potentially leading to ethical or human rights violations.

This research aims to analyze the responsibilities of multinational corporations in transnational human rights violations, examine the forms of human rights violations arising from cross-border business activities, and assess the effectiveness of national and international legal instruments in regulating corporate accountability. Additionally, this research aims to identify various obstacles faced by victims in obtaining justice and redress for human rights violations committed by multinational corporations, as well as to formulate efforts that can be made to strengthen corporate accountability in order to ensure the protection of human rights at the global level.

METHOD

This research uses a normative legal research method with a statutory approach and a conceptual approach (Muhaimin, 2020). Normative legal research is conducted by examining legal norms, legal principles, and doctrines related to the responsibility of multinational corporations in transnational human rights violations.

The data sources used in this research are secondary data consisting of primary legal materials, secondary legal materials, and tertiary legal materials. Primary legal materials include international legal instruments and regulations related to human rights and corporate responsibility, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational

Enterprises, and various other international human rights instruments. Secondary legal materials include books, scientific journals, research results, and articles relevant to the research theme. Tertiary legal materials include legal dictionaries, encyclopedias, and other supporting sources.

The data collection technique was conducted thru library research by reviewing various literatures, legal documents, and research results related to the issues being studied (Roosinda et al., 2021). Next, the data is analyzed qualitatively using a descriptive-analytical method, which involves outlining and examining the applicable legal provisions as well as various concepts related to the responsibilities of multinational corporations in transnational human rights violations to obtain systematic and comprehensive conclusions.

RESULTS AND DISCUSSION

RESULTS

Research results show that multinational corporations commit human rights violations. Businesses often influence society in economic, social, and environmental aspects. On the other hand, the presence of multinational companies has the ability to drive investment, create jobs, and promote economic growth (Wolfsteller & Li, 2022). On the other hand, several cases show that corporate operations can also lead to human rights violations. Violations such as labor exploitation, the use of child labor, the seizure of indigenous people's land rights, environmental pollution, and violations of health and safety rights are some examples of human rights violations that can be committed by companies. Developing countries usually commit these violations because they have weaker regulations and oversight compared to developed countries.

Furthermore, this research found that the transnational nature of multinational corporations' actions is a key factor that distinguishes corporate human rights violations from general human rights violations. Multinational corporations usually have parent companies in one country, but conduct business thru subsidiaries, contractors, or suppliers in various countries. When human rights violations occur, legal responsibility is difficult to determine due to the complex business structure. In many cases, parent companies benefit from the business activities of their subsidiaries or supply chains, but often evade responsibility on the grounds that the violations were committed by different legal entities (Rapior & Oberhauser, 2026).

Moreover, research shows that international legal instruments such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises, and the United Nations Global Compact provide guidelines for corporations to respect human rights, but they are still dominated by soft law provisions (Mares, 2022). Therefore, the implementation of these principles heavily depends on the company's own commitment and the policies of the country where the company operates.

Other research findings indicate that victims of transnational human rights violations often face various obstacles in obtaining justice (Prihanta & Dewi, 2025). These obstacles include limited access to legal mechanisms, high litigation costs, differences in legal systems between countries, and the imbalance of power between victims and multinational corporations with significant economic resources. These conditions result in many human rights violation cases not being effectively resolved, so the victims' rights do not fully receive adequate protection and recovery.

DISCUSSION

1. Forms of Human Rights Violations by Multinational Corporations

Based on the research findings, multinational corporations play a significant role in the global economy thru investment, international trade, technology transfer, and job creation. The presence of multinational corporations is often considered one of the factors that can drive a country's economic growth, especially developing countries that need foreign capital to accelerate development. However, behind these contributions, various cases show that the activities of multinational corporations can also have a negative impact on the fulfillment of human rights. Human rights violations committed by corporations can occur in various forms, such as labor exploitation, the use of child labor, workplace discrimination, violations of health and safety rights, and the seizure of indigenous peoples' rights to land and natural resources that are their sources of livelihood (Samanha & Hayati, 2023).

In addition, human rights violations can also manifest in the form of environmental damage caused by the company's industrial activities. Water, air, and soil pollution due to mining, plantation, and manufacturing activities not only impact the environment but also threaten the community's right to a healthy and decent environment. In many cases, local communities are the most disadvantaged because they lose access to natural resources, suffer health problems, or even lose their homes due to corporate

activities. Therefore, human rights violations by multinational corporations are not limited to workers' rights, but also encompass the social, economic, cultural, and environmental rights of communities affected by the company's business activities.

2. Transnational Character and Complexity of Corporate Accountability

One of the main characteristics of human rights violations by multinational corporations is their transnational nature. Unlike human rights violations committed by individuals or organizations within a single country, human rights violations by multinational corporations often involve multiple countries simultaneously. Parent companies are usually based in developed countries, while production, raw material processing, or distribution activities are carried out thru subsidiaries, contractors, and suppliers located in other countries. This complex business structure leads to layered legal relationships that are difficult to trace when human rights violations occur.

In practice, parent companies often reap economic benefits from the business activities conducted by their subsidiaries or suppliers. However, when human rights violations occur, the parent company tends to argue that the violations were committed by a different legal entity, thus they cannot be held directly accountable. This condition creates an accountability gap that allows corporations to evade legal responsibility for the negative impacts caused by their business activities. As a result, victims often face difficulties in determining who should be held accountable because the violations involve various actors spread across different legal jurisdictions.

3. The Effectiveness of International Legal Instruments in Regulating Corporate Responsibility

The development of international law shows efforts to encourage multinational corporations to be more responsible in respecting human rights. Several international instruments, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises, and the United Nations Global Compact, have provided guidelines on corporate obligations to respect human rights. These instruments emphasize that companies must avoid actions that could lead to human rights violations, conduct risk identification thru human rights due diligence, and provide remediation mechanisms for victims in case of violations. However, the effectiveness of these instruments still faces various limitations. Most of the existing instruments are of a soft law nature, meaning they do not have legally binding power like international treaties. As a result, corporate compliance with these

principles largely depends on the awareness, commitment, and internal policies of the company. In certain situations, companies may use human rights commitments merely as part of a reputation strategy without any real implementation (Hasbi et al., 2026). Therefore, although international instruments have provided an important normative framework, their existence has not yet fully guarantyd the accountability of multinational corporations for human rights violations occurring in transnational business activities.

4. Obstacles for Victims in Obtaining Justice and Restitution

Victims of transnational human rights violations often face various obstacles in their efforts to obtain justice and restitution for the losses they have suffered (Nur et al., 2023). One of the main obstacles is the issue of jurisdiction, namely the determination of the country authorized to examine and adjudicate cases involving multinational corporations. Differences in legal systems between countries often make the dispute resolution process complicated and time-consuming. In some cases, the country where the violation occurred has limited law enforcement capacity, while the home country of the parent company lacks regulations that allow prosecution for actions that take place outside its territory.

In addition, victims also face significant economic and social barriers. Multinational corporations generally have financial resources, access to professional legal aid, and much greater influence compared to the communities that are the victims. The imbalance of positions often causes victims to struggle to finance the lengthy and complex legal process. It is not uncommon for victims to choose not to pursue their claims due to financial constraints, lack of access to legal information, or pressure from interested parties. As a result, many cases of human rights violations end without clear accountability and without adequate redress for the victims.

5. Efforts to Strengthen the Responsibility of Multinational Corporations in Transnational Human Rights Violations

To address these various issues, concrete steps are needed to strengthen the responsibility of multinational corporations for transnational human rights violations. One of the efforts that can be made is to strengthen national regulations that require companies to implement human rights due diligence in all their business activities and supply chains. Thru this mechanism, companies are required to identify, prevent, and mitigate the risk of human rights violations before the impact occurs. In addition, the

state needs to expand the responsibility of parent companies for the actions of subsidiaries and suppliers that are under their control or influence.

At the international level, there is a need to develop more binding legal instruments to ensure that multinational corporations cannot evade responsibility for human rights violations committed in their global business operations. International cooperation also needs to be enhanced in the fields of law enforcement, information exchange, and victim protection. With the presence of stronger and more effective legal mechanisms, multinational corporations are expected not only to be oriented toward economic profit but also to have a genuine commitment to respecting, protecting, and fulfilling human rights in every business activity they undertake

CONCLUSION

Based on the research findings, it can be concluded that multinational corporations have a significant contribution to global economic growth; however, their cross-border business activities also have the potential to cause various human rights violations, such as labor exploitation, child labor, deprivation of indigenous peoples' rights, environmental pollution, and violations of health and safety rights at work. The transnational character of multinational corporations makes legal accountability for human rights violations complex because it involves various jurisdictions, parent companies, subsidiaries, and global supply chains. Although there are various international instruments regulating corporate responsibility toward human rights, most of them are still soft law, making their effectiveness dependent on the commitment of companies and state policies. Moreover, victims of transnational human rights violations still face various obstacles in obtaining justice and restitution of rights. Therefore, there is a need for strengthened regulations, increased corporate accountability, and more effective international cooperation to ensure the protection of human rights in global business activities.

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