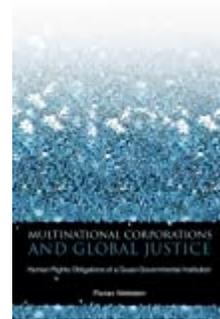




Florian Wettstein. *Multinational Corporations and Global Justice: Human Rights Obligations of a Quasi-Governmental Institution.* Stanford: Stanford Business Books, 2009. 424 pp. \$65.00 (cloth), ISBN 978-0-8047-6240-3.



Reviewed by Sophie Cacciaguidi-Fahy ([formally] School of Law, National University of Ireland, Galway)

Published on H-Human-Rights (June, 2010)

Commissioned by Rebecca K. Root (Ramapo College of New Jersey)

Human Rights and Multinational Corporations: Reframing The Debate

Wettstein presents a compelling argument for imposing human rights obligations on multinational corporations (MNCs). His ambitious three-part inquiry is grounded in an examination of human rights and social justice theory, including an engagement with political economy and business organization theory. This permits him to conceptualize MNCs as quasi-governmental institutions, hence primary agents of justice and bearers of human rights obligations. The result of this analysis is his proposal of a tripartite human rights duty: respect, protect, and proactively realize (ch. 9), which to a certain degree goes beyond the protect, respect, and remedy framework of the Special Rapporteur for Business and Human Rights.

Part 1 of the book begins with a detailed and insightful exploration of the foundations of what Wettstein terms “rights-based cosmopolitan justice.” Using the principles of global justice (ch. 2), he develops an egalitarian and ultimately cosmopolitan conception of rights-based justice which he argues must be interpreted within the framework of human development. From this con-

ceptual platform, he unpacks the obligations (ch. 3) which this construct places on the different agents of global justice (ch. 4), especially non-state actors such as MNCs, which he urges should move from “causal involvement ... in committing human rights violations” to taking positive steps to promote human development and global justice (p. 19).

To that end, part 2 argues that the emerging primacy of the MNCs in the evolving global political economy requires them to now take on the role of primary agents of justice—a role traditionally assumed by nation-states. To support this “new (normative) status,” Wettstein presents a fact-based analysis which highlights the unintended consequences of the privatization (de-politicization) of public infrastructure and services (ch. 5). He contends that this has increased the political power and authority of MNCs (ch. 6) through a politicizing of their role, actions, and decisions, thus transforming their very nature into quasi-governmental institutions (ch. 7). The author anchors his argument by providing copious evidence and examples of MNCs acting like governments, particularly

in the situation of failing states or where state institutions are weak or simply missing.

Part 3 is where Wettstein consolidates his argument by putting forward the concept of corporate obligations of justice, which he articulates through their associated duty not just to respect and protect but to proactively realize human rights. In doing this, Wettstein confronts not just the inherently neoclassical perspective expounded by Thomas Friedman and others that “the business of business is nothing else than business” (p. 321), but also the corporate social responsibility perspective and its more recent manifestation by the enlightened self-interest approach inherent in the Environmental Social Governance movement (see the limitations of C. K. Prahaladâs paradigm, pp. 320 ff.; ch. 8). In seeking to translate the global justice obligations of MNCs as quasi-governmental institutions into international human rights obligations (ch. 9), he successfully moves the issues into the wider business and human rights debate, which is more amenable to ethical arguments and moral principles. However, it is his extension of obligations from the duty to respect human rights and the duty to protect human rights to the more onerous duty to proactively realize human rights, which differentiates and distinguishes Wettstein’s from previous work in this area.

Wettstein recognizes that this suggested approach poses real challenges to the traditional conception of social democracy and the rule of law, particularly with respect to the democratic legitimation of MNCs as agents of global justice, and he is careful to qualify his argument by suggesting that his goal is to “restore democracy and the rule of law in a global age” (p. 20). In this respect, Wettstein appears to accept the inevitable political power and influence of MNCs and merely seeks to limit or at least offset it, which is probably why he ultimately advocates “a mix” between mandatory approaches and complementary voluntary initiatives to comply with human rights standards (p. 347).

Wettstein will no doubt have critics, and he addresses some of these in the penultimate chapter, albeit in a manner that neoliberal economists may consider selective. But in a refreshingly transparent way, he accepts that the pragmatic obstacles to implementing his proposals are very substantial given that at the heart of his treatise is the dual challenge: first, to accept the quasi-governmental power and authority which the current structures of the global political economy has conferred on MNCs; and second, to counter this power by requiring them to pursue global justice, namely placing a positive duty on MNCs to accept their moral obligations to proactively realize human development.

At a pragmatic level, the operationalization of the tripartite obligations he proposes may be difficult to translate into direct international law and uniform standards for MNCs, especially when states may be unwilling to impose human rights obligations on MNCs which they themselves are not willing to access. It can also be argued that the duties to respect and protect may have the unintended consequences of creating a ceiling rather than a floor and entice some MNCs to meet the minimum human rights standards as opposed to proactively realizing them. Some may stress that a focus on MNCs, while insightful, overlooks the dominant quasi-governmental role which government-controlled companies and domestic companies play in some jurisdictions. While MNCs are more visible and thus easier to hold accountable, they represent only one part of the emerging political economic reality, and it is not sufficient to solely hold them to a higher proactive standard of conduct in the face of manifest human violations by their non-multinational peers.

Wettsteinâs book is an impressive piece of scholarship. The breadth and depth of its research combined with the rigor of his argument and the authentic way in which he engages with the “other side” make it a must read for anyone with a serious interest in business and human rights.

If there is additional discussion of this review, you may access it through the network, at:

<https://networks.h-net.org/h-human-rights>

Citation: Sophie Cacciaguidi-Fahy. Review of Wettstein, Florian, *Multinational Corporations and Global Justice: Human Rights Obligations of a Quasi-Governmental Institution*. H-Human-Rights, H-Net Reviews. June, 2010.

URL: <http://www.h-net.org/reviews/showrev.php?id=26300>



This work is licensed under a Creative Commons Attribution-Noncommercial-No Derivative Works 3.0 United States License.