Perspective article

International business and human rights: A research agenda

Florian Wettstein, Elisa Giuliani, Grazia D. Santangelo, Günter K. Stahl

ABSTRACT

The discussion on business responsibilities for human rights is thriving – although, surprisingly, predominantly outside of the International Business (IB) field. This article introduces business and human rights (BHR) as a research area with great potential for IB scholars. IB scholarship has much to offer when it comes to better understanding the relation between multinational enterprises (MNEs) and human rights. BHR, on the other hand, is a field that can no longer be ignored by IB research if the field is to remain at the forefront of scholarship in globalisation-related issues concerning MNEs. Therefore, this perspective article aims at providing guidance to IB scholars interested in engaging in BHR research by tracing common themes and overlaps, and outlining a research agenda that addresses some of the research gaps and open questions in both fields.

In recent years, there have been frequent calls for scholars to engage with broader societal problems – so-called ‘grand challenges’ – in their research. Grand challenges are pressing social and environmental issues that transcend national borders and have potential or actual negative effects on large numbers of people, communities, and the planet as a whole, and therefore need to be addressed through collaborative efforts (Ferraro et al., 2015; George, 2014; George et al., 2016; Whiteman et al., 2013). These challenges include, but are not limited to, those posed by climate change, migration, poverty and inequality. Policy-wise, one of the most authoritative current frameworks addressing grand challenges is perhaps the United Nations (UN) Sustainable Development Goals (SDGs) agenda, a plan of action to promote sustainable development by tackling a range of issues from gender equality to peace and justice.

Since grand challenges are typically transnational phenomena affecting societies in a number of geographical locations, they are likely to influence the formulation and implementation of firms’ cross-border strategies and business models, especially in large-scale multinational enterprises (MNEs) orchestrating operations and managing value chains globally. More importantly, since large-scale MNEs are exerting progressively more powerful influence over the global governance agenda, we feel that their role in finding a solution for global problems and in mitigating their negative externalities needs to be assessed more closely. It is therefore apt that current global challenges should become of interest to international business (IB) scholars. In this vein, Buckley et al. (2017:1045) have proposed a “redirection of IB research towards ‘grand challenges’ in global business” with the purpose of advancing IB theory, contributing to important scholarly debates in “allied social sciences”, and helping to resolve these ‘wicked problems’ (Denton et al., 2018).

While the term ‘grand challenges’ has so far been used to refer to a considerable range of urgent societal issues, we advance the conversation by explicitly referring to human rights, a concept that embraces most current challenges, but which IB scholars have often left somewhat in the shadow. Human rights are defined as inalienable fundamental rights to which a person is inherently entitled simply because she or he is a human being; they cover political, civil and socio-economic and cultural rights as defined by the UN Universal Declaration of Human Rights, and more broadly the International Bill of Human Rights and subsequent treaties. Whereas human rights are often discussed in connection to abuses perpetrated by criminal or violent parties (e.g. warlords, repressive governments, etc.), their connection to legitimate business activities has been scarcely explored, especially in the context of management and IB research. This is despite burgeoning evidence of business-sector involvement

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1 We note here that human rights relate to grand challenges because hunger, poverty, inequality, migration, access to quality education and even climate change are all intimately connected to human rights. Poverty, for example, affects various human rights in fundamental ways (Pogge, 2008); it often affects the right to an adequate standard of health, the right to adequate shelter or, more generally, the right to subsistence. It also undermines the conditions that make possible life with dignity, and thus affects the very foundation on which human rights are built (Shelton, 2014), and which they are designed to protect.

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in controversies over human rights, including child labor, human trafficking, engagement with rogue regimes, and infringement of the right to life and health due to environmental degradation.

However, beyond the IB field, there is a thriving and increasingly prominent debate on business responsibilities in this area. A distinct interdisciplinary research field – ‘business and human rights’ (BHR) – is emerging from this debate, as well as a response to UN calls for action to address the human rights challenges engendered by the business sector in its global operations. Policy-wise, the aspiration is to hold large MNEs accountable for their international operations and to minimize the chances that they can do harm by infringing universal human rights. Also, large MNEs are expected to contribute positively to address human rights challenges, since their acknowledged political and economic power sometimes rivals that of governments (Hart & Zingales, 2017).

Given these considerations, we feel that, as part of the agenda on grand challenges outlined by Buckley and colleagues, human rights should be firmly on the radar of IB research. To this end, in this article we seek to bridge the gap between IB and BHR research by proposing a novel IB research agenda on human rights. We will do so by, first, introducing BHR as a research field to IB scholars, who have so far engaged very little with human-rights-related research but are likely to make important contributions to this emerging discussion through their long-standing expertise on the functioning of MNEs and their connected activities worldwide (see e.g. Giuliani, Santangelo & Wettstein 2016; Tung & Stahl, 2018); second, by making the case for why it matters for IB scholars to adopt a human rights perspective and how such a perspective differs from more conventional conceptions of corporate social responsibility (CSR); third, by outlining some common themes and overlaps and pointing to a number of emerging research areas for which an integrated IB-BHR perspective would have the potential to generate new insights and break new ground. Finally, we propose a set of themes for future research: namely, we call for (i) a focus on emerging markets and emerging-market MNEs; (ii) a more explicit connection between human rights and extant IB research on compliance with sustainability standards; (iii) the development of a compelling agenda on the link between IB, organizational wrongdoing and human rights, and, finally, (iv) a more profound analysis of the relationship between innovation, technologies and human rights. Beyond these suggested avenues for research, we hope scholars will venture into other important BHR-related issues in need of a solution.

1. BHR: a brief overview

Granted that human rights have traditionally been thought to relate exclusively to government conduct, there has been a thriving discussion on the respective responsibilities of business since the mid-1990s (Wettstein, 2012) (see Table 1 for a timeline of the discussion). Already in the 1970s, the UN and OECD had launched parallel initiatives to regulate the business activities of MNEs through international codes of conduct. Both the UN Draft Code, drafted by the then newly-established Center for Multinational Corporations, and the OECD Guidelines for Multinational Enterprises contained a paragraph connecting corporate conduct with human rights. While the UN Draft Code was never adopted and the UN Center dissolved in the 1990s, the OECD Guidelines have become one of the most important global codes on corporate responsibility and contain a full chapter on corporate human rights responsibility today, modeled on the 2011 UN Guiding Principles on Business and Human Rights (UNGP) – a soft-law initiative identifying the responsibility of companies to respect universal human rights as they operate locally or globally (Ruggie, 2011).

<table>
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<th>Timeline BHR Discussion.</th>
<th>Developments</th>
<th>Academic discussion</th>
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<tr>
<td>1970s</td>
<td>• 1974: UN Draft Code and Center on Transnational Corporations</td>
<td>Mostly CSR-oriented works with little or no specific focus on human rights</td>
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<tr>
<td>1970s</td>
<td>• 1976: OECD Guidelines for Multinational Enterprises</td>
<td>• First academic works with a specific human rights perspective on responsible business</td>
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<td>1980s</td>
<td>• 1984: Bhopal gas disaster</td>
<td>• More systematic inquiry particularly into legal human rights accountability of corporations, their status under international human rights law, and forms and foundations of corporate complicity</td>
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<td>1990s</td>
<td>• 1995: Execution of Ken Saro-Wiwa in Nigeria</td>
<td>• Broadening the scope to non-legal foundations of human rights responsibility</td>
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<td>• Various high profile reports by prominent Civil Society Organizations</td>
<td>• Scholarship on the various human rights initiatives emerging during this time</td>
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<td>on corporate human rights abuse</td>
<td>• Emergence of BHR as an academic field involving various disciplines in law and non-law</td>
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<td>2000s</td>
<td>• 1999: Abandonment of Center for Multinational Corporations and of UN Draft Code</td>
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<td>• 1998: Start of drafting of UN Draft Norms</td>
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<td>2010s</td>
<td>• 2000: Launch of the UN Global Compact</td>
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<td>• 2004: Abandonment of UN Draft Norms</td>
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<td>• 2005: Beginning of mandate of the UN Special Representative on business and human rights (SRSG)</td>
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<td>• 2011: Conclusion of mandate of the SRSG and Publication of UN Guiding Principle on Business and Human Rights (UNGP)</td>
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<td>• 2011: UN Working Group on BHR</td>
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<td>• Various home state initiatives; National Action Plans on BHR</td>
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<td>• 2015: Start of treaty negotiations in the UN Human Rights Council</td>
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The context and experience of Western MNEs operating in apartheid South Africa during the 1970s and 1980s influenced both codes of conduct and their outlook on human rights and business relations with authoritarian and racist regimes. It also inspired some first academic writings on the connection between corporations and human rights in the late 1980s (see, e.g., Donaldson 1989). However, despite such contexts, initiatives and early writings, a systematic debate on BHR started to emerge only during the mid-1990s against the background on the one hand of the involvement of Western oil companies – among them particularly Shell – in large-scale environmental destruction and human rights abuse in Nigeria, and on the other hand of breaking stories concerning sweatshop conditions and child labor in the production facilities of the suppliers of major Western sporting firms like Nike.

BHR is to be seen as distinct from the broader CSR discussion. One of the most striking differences between the two is that BHR emerged predominantly from legal scholarship, while CSR has its root in management studies (Ramasasty 2015). Accordingly, the early BHR debate in the late 1990s and early 2000s was focused predominantly on clarifying potential bases of legal human rights accountability of corporations (Frey 1997; Ratner 2001) and non-state actors more generally (Clapham 2006), their status under international human rights law (Muchinski 2001), and forms and foundations of corporate complicity (Clapham and Jerbi 2001).

At the policy level, the first five years of the new millennium were shaped by the UN Global Compact (UNGC), which was the first major international corporate responsibility initiative to put human rights center-stage, and by an attempt by the UN Sub-Commission on Human Rights to develop a binding international framework on corporate human rights responsibility, known as UN Draft Norms (see Weissbrodt...
& Kruger 2003). However, this framework sparked intense debate and was subject to extensive criticism especially from MNEs, as a result of which it eventually failed to be adopted by the UN Human Rights Council and was abandoned altogether in 2004. Nevertheless, it paved the way for the creation of the mandate of a UN Special Representative on business and human rights (SRSG), for which Harvard professor John Ruggie was appointed from 2005 to 2011.

It was the work of the SRSG which helped the discussion on BHR ‘break through’ also in the academic space, not least by triggering more systematic discussions on the topic elsewhere, in non-legal fields such as business ethics, CSR, development studies or political science (see e.g. Giuliani and Macchi, 2014). CSR scholars and business ethicists in particular started to explore the moral foundations of corporate human rights responsibility, as opposed to earlier legal discussions on their foundation in international law (see, e.g., Campbell 2006, Wettstein 2009, Arnold 2010, Cragg 2012). At the core, they have focused on the moral agency of companies and how it relates to human rights responsibility (Werhane 2016; Arnold 2016). Building on that, there has been an extensive discussion on the scope of responsibility; while some scholars have viewed the notion of corporate human rights responsibility critically from the outset (Hsieh 2015, 2017; Bishop 2012), others have argued in its favor, both in limited (Arnold 2010) and expansive (e.g. Wettstein 2012; Santoro 2012) terms (see for an overview Bilkenskript 2016). Expansive accounts reject the limitation of corporate human rights responsibility to mere human rights respect as suggested by the UNGPs; rather, they perceive corporations to have responsibility also in the realm of human rights protection and realization. Such accounts are based, e.g., on the capabilities and power of corporations (e.g. Wettstein 2009), on their leverage (Wood 2012), or on the effectiveness of companies to promote human rights and their ability to withstand potential retaliation by perpetrators of abuses (Santoro 2000, 2009).

The publication of the UNGPs in 2011 dramatically enhanced the academic discussion on the topic and can be seen as the impetus for the development of BHR into an inter-disciplinary academic field. Much of the discussion in the following years centered on the assessment and appraisal of the UNGPs, both affirmatively (e.g., Buhmann 2013) and critically (Devia 2013; Bilkenskript et al., 2013; Wettstein 2012, 2015). While the field has so far remained largely in the hands of legal scholars, important contributions have come from scholars in other fields. Management scholars in particular have assessed the content of corporate human rights policies (Preuss & Brown 2012), and explored human rights as a dimension of accounting (McPhail & Ferguson 2016), how companies make sense of human rights internally (Obara 2017), and how they are held to account for their human rights impacts by external reporting mechanisms (Islam & McPhail 2011; Buhmann 2018). There is increasing discussion on the proper delineation of BHR from other related concepts, such as CSR (McCorquodale 2009; Wettstein 2012, 2016; Ramasastry 2015, Obara & Peattie 2017) or sustainability (Bansal & Song, 2016; Cragg 2011).

Similarly, the definition, assessment and measurement of corporate human rights impacts have become of increasing concern. There is an evolving discussion on the proper measurement of such impacts (De Felice 2015a) as well as on what methodology might guide human rights impact assessments at the corporate level (Götzmann, 2017; Graf & Iff 2017). Related to this, some scholars have assessed how corporations respond to allegations of human rights abuse (Kamminga 2016) or how human rights litigation can serve as a means to prompt corporations to improve their policies and processes (Schrempp-Stirling & Wettstein 2017). Based on this, there is a growing body of literature on the tools and instruments they use to mitigate their human rights impacts, such as human rights due diligence (Fasterling & Demujnick, 2013; Fasterling 2017) or operational-level grievance mechanisms (Thompson 2017).

BHR has not only evolved as a field of inquiry in its own right, but has also informed the conversation in other related issue areas, such as modern slavery and human trafficking (Crane 2013; Smith & Betts 2015), labor conditions (Arnold 2003; Arnold & Hartman, 2006) and employee relations (Barclay and Markel 2009), taxation (Darcy, 2016), access to essential medicines (Leisinger 2009; Moon 2013) and food (Santangelo 2018), and doing business in conflict areas (Holliday 2005; White 2004), particularly in relation to conflict minerals (Epstein & Yuthas 2011; Arikian et al., 2017). Furthermore, there is a growing number of in-depth assessments of various industries from a human rights perspective, such as garments (Delaney et al., 2013), footwear (French and Wokuch 2005), extractives (Perks 2012; Meyersfeld 2016), banking and finance (Wright 2012; De Felice 2015b), and information and communication technology (Smith 2008, Brehmert 2009) – for a review of the broader management literature on BHR, see e.g., Santoro & Wettstein (2014); Schrempp-Stirling & van Buren (2017). Finally, we note that business-related human rights issues have also attracted the interest of scholars in the political science and international relations fields, who have done important work on how the role of corporate power (Kobrin 2009; Ruggie, 2017) and the public and political stature of corporations (Karp 2014) relate to potential human rights obligations. Scholars in these fields have also demonstrated interest in the appraisal of political instruments for the promotion of the BHR agenda, such as the National Action Plans promoted by individual states to disseminate and implement the UNGPs in the territory under their jurisdiction (De Felice & Graf 2015; Methven O’Brien et al. 2016).

2. IB, responsible business, and human rights

Scholarship on the social responsibilities of business reaches back at least to the 1950s. Bowen’s The Social Responsibilities of Businessmen (Bowen, 1953) is commonly seen as the first major work in this area, which triggered an increasingly lively discussion on the topic in the 1960s and 1970s (Votaw 1961, 1972; Frederick 1960; Carroll 1977; Davis 1960). According to Kolk (2016), the IB field and particularly its two main publication outlets, Journal of World Business (JWB) and Journal of International Business Studies (JIBS), started to explore the topic in the 1970s as well, adding a distinct international angle to the discussion, which had until then mostly been confined to the American experience (Doh, Husted & Marano, 2019). JIBS published its first article on the topic in 1976, while JWB had already ventured into the sustainability domain in 1972 with a special issue on the United Nations Conference on the Human–Environment (Kolk 2016). This scholarly awareness of the social responsibility of MNEs was aligned with growing international concern over the potentially detrimental impacts of MNEs‘ operations, especially on host developing countries (Moran, 2009; Kolk and van Tulder, 2010).

Despite this long-standing focus on topics relating to responsible business, human rights have not played a prominent role in the IB literature to date, despite Kolk’s (2016) observation of labor and human rights as highly relevant for the CSR and sustainability fields both generally, and specifically for MNE operations and trade and investment decisions. Generally, as Kolk argues, “IB literature has tended to prefer topics more directly related to firms’ performance, profit or their own immediate economic survival, and grounded in substantive datasets”, which has contributed to sideline topics specifically at the intersection of IB and some of the most vulnerable stakeholder groups with little market power, particularly in the Global South. This state of affairs, however, seems to have been shifting in the last few years, as more studies in business and management have broadened their scope of inquiry and started to integrate the competitive social and government-mental aspects of the global environment in which firms operate (Doh & Lucea 2013). Specifically, CSR in developing countries has emerged as a distinctive domain of study in relation to CSR conceptualizations and the implementation of CSR (Doh et al., 2018; Jamali & Karam 2016).

Along these lines, some IB scholars have begun to integrate human rights into their analyses, mostly with an interest in understanding why, and under what conditions, international companies do harm. For this purpose, Giuliani et al. (2013), for example, connect corporate social irresponsibility (CSI) to universal human rights, as defined by the International Bill of Rights and subsequent treaties. Whiteman and Cooper (2016) hint at human rights abuses in their analysis of the global forestry industry’s impacts on local communities’ livelihood, as
does Santangelo (2018) in her analysis of international land acquisitions on host countries’ food security. Fiaschi, Giuliani and Nieri (2017) investigate the relationship between MNE internationalization, CSR and involvement in human rights controversies in the context of large Latin American public companies, and find that when companies adopt CSR policies and invest in countries characterized by high levels of speech and press freedom, they are less likely to be involved in human rights controversies. Generally, Nieri and Giuliani (2018) suggest that a human rights approach conceptualizing irresponsible business conduct on the basis of an internationally agreed normative framework like the International Bill of Human Rights would be superior to other conceptualizations, as it would provide international companies with less leeway and discretion about what is considered responsible business conduct (see also Giuliani et al., 2016).

However, the scarcity of such contributions highlights the need for a human rights-based research agenda, not least in response also to a number of calls in management research for stronger engagement with the normative dimensions of managerial and corporate decision-making (Donaldson & Walsh 2015, Ferraro et al. 2005, Freeman et al. 2004, Ghoshal 2005, Margolis & Walsh 2003).

3. The value-added of a human rights perspective

One could ask why a focus on human rights is called for more generally, given the well-established discussions on CSR, sustainable business and business ethics both within and beyond the IB field. Such existing discussions in fact cover a wide range of topics, which may coincide and overlap substantially with human rights issues, to the extent that there is a risk that scholars may conceive business-related human rights as ‘just’ another CSR issue (Buhmann & Wettstein 2017). Also, on practical grounds, many companies may equate BHR with CSR and consider their CSR commitments as demonstrating some form of compliance with human rights requirements (McCorquodale 2009). What then is different and unique about addressing them from an actual and explicit human rights perspective?

Our view is that the difference of focusing on human rights is not merely semantic. Addressing business responsibility in human rights terms requires a different starting point for our reflections and, accordingly, leads to different implications with regard to the nature, shape, and extent of the respective corporate responsibilities. Human rights are traditionally viewed as specifically addressing governments (Muchlinski 2001). They are instruments to curb their power and to prevent them from using it in an arbitrary and abusive manner. In traditional human rights discourse, then, corporations are perceived to have human rights obligations only indirectly and implicitly, i.e., insofar as they are a part of domestic regulation or legislation. Examples include the protection of human rights through domestic regulation concerning health and safety, working conditions, or product safety. Thus, genuine, direct and explicit human rights responsibilities deriving from the body of international law are seen as quintessentially public responsibilities of public bodies.

This is the assumption under which the dominant conventional discourse on CSR has been operating, i.e. based on the idea of a clear-cut separation of public and private realms. While the public space, and thus human rights, is the domain of governmental responsibility, the social responsibilities of business are perceived as residual private responsibilities (Wettstein 2012). Symptomatically, CSR has traditionally been conceptualized against the backdrop of strong states with functioning institutional frameworks (Scherer and Palazzo 2007). However, in the global context in which markets and MNE value chains expand far beyond the regulatory reach of any one government, where ungoverned spaces – so-called governance gaps (Ruggie, 2008; Simons and Macklin 2014) or institutional voids (Khanne & Palepu 1997) – are populated by a variety of different actors in both private and public roles, the traditional separation between public and private is increasingly breaking down (Scherer and Palazzo 2007). Thus, viewing corporate responsibility as merely private may misrepresent the actual role corporations play in the global political economy today.

Extending human rights responsibility to corporations does not imply a privatization of human rights, but rather an extension of corporate responsibility into the public realm. As public responsibilities, corporate human rights responsibilities will differ in a number of ways from the conventional understanding of CSR as private responsibility. Table 2 juxtaposes the CSR and BHR perspectives.

First, public responsibility entails a different normativity than is the case for private responsibility. That is, the quality and force of the underlying obligation differs. In this vein, private responsibility, and thus CSR, has often been perceived as voluntary or optional, as praiseworthy behavior and goodwill beyond the call of duty. Granted that this applies particularly to earlier accounts of CSR and that the discussion has certainly evolved and diversified since (Waddock 2003), but this perception lingers and remains among the dominant interpretations of CSR today (Bamisai & Song, 2016; McCorquodale 2009; 391; Kolk 2010, 2016). This is especially so amongst companies themselves, who still often understand CSR in voluntary philanthropic terms (Obara and Peattie 2017) and give less prominence to their duty to avoid harm as they conduct their business operations. The respect and promotion of human rights, in contrast, is not understood as a voluntary, discretionary or subjective matter. The very point of rights is that they can be claimed and they thus correlate with obligations. Hence, we are owed respect and protection for human rights. If we address human rights claims by using the vocabulary of private responsibility, we risk emptying them of their essential character as rights and turning them into a function of mere corporate goodwill. For this reason, McCorquodale (2009: 291) concludes:

“... it is vital that this distinction between CSR policies and human rights protections is made forcibly to corporations and that they introduce human rights protection policies and practices.”

Note that more recent CSR research has moved away from this assumption (e.g., research on CSR in contexts of institutional voids) and some streams of research have even criticized it explicitly (e.g., political CSR).

Table 2

| Juxtaposition of CSR and BHR. |
|-----------------------------|------------------|
|                            | CSR               |
| Basic assumptions          | Separation of public and private domains; |
|                            | Strong state; functioning institutional frameworks; |
|                            | Emphasis on voluntary responsibility |
| Origins                    | Emerged from management discourse |
| Scope of initiatives       | Broad and dispersed range; often philanthropic and beyond core business |
| Normative reference point  | Undefined and diverse, unclear relation to domestic laws |
|                            | Blurring of public and private domains; |
|                            | Weak state; governance voids; |
|                            | Emphasis on (legal) accountability |
|                            | Emerged from legal discourse |
|                            | More narrow range; focused more directly on core business processes/impacts |
|                            | Human rights as an internationally agreed normative framework, takes precedence over domestic laws |

2 Not surprisingly, therefore, management scholars have become increasingly interested in the political role of corporations, and developed a field of inquiry on political CSR and corporate political activity (for a recent review see Frynas and Stephen, 2015).
The difference is not trivial, as recent studies have shown that companies setting up specific human-rights due diligence processes and addressing human rights with dedicated policies, rather than subsuming or equating human rights with CSR, are better able to identify and prevent potentially deleterious human rights impacts of their operations (McCorquodale et al. 2017; Obara and Peattie 2017) and therefore to minimize BHR-related risks.

Second, public responsibility entails a strong call for public accountability. Against this background, it is not surprising that BHR scholars have traditionally advocated a much stronger role for law than those in the CSR field (Wettstein 2016). Thus, they tend to call for the more rigid enforcement of such responsibility through legal and policy means rather than emphasizing the alleged benefits of more flexible, private initiatives in coping with managerial ‘realities’ on the ground. Indeed, as we mentioned above, as opposed to CSR, BHR as a field has its roots in legal scholarship. Accordingly, the BHR field is still shaped predominantly by legal scholars, who see a more active and interventionist legal role not only in prescribing, but also in enforcing the respective responsibilities (Wettstein 2016). Ramasastry (2015) has aptly described the move from CSR to BHR as one from responsibility to accountability.

Third, rights terminology matters insofar as rights are, as the legal philosopher Ronald Dworkin (1984) put it, “trumps”. That is, rights enjoy priority over considerations that ‘merely’ aim at enhancing the public or private good. In other words, the violation of the rights of some cannot be justified or compensated by pointing to welfare gains for others, an often-invoked consequentialist view on economic activities that has roots in utilitarian thinking, sometimes uncritically adopted by IB scholars. This holds most strongly for those most fundamental human rights, that is, those that protect our most basic dignity as human beings. Thus, while the balancing of certain social responsibilities with the financial goals of the organization and more generally with the creation of wealth at an aggregate level may be permissible and even warranted, there is much less room to manoeuvre when it comes to the violation of human rights. Generally, any consideration that might potentially justify a violation of human rights must be based on human rights arguments itself, that is, emanate from human rights conflicts.

Fourth, human rights are unconditional, universal and equal, i.e. all human beings have them equally and at all times, merely by virtue of being human. Accordingly, the responsibility to respect such rights is also unconditional, in that it holds irrespective of what domestic laws say. Corporations thus have a responsibility to respect human rights even if this responsibility conflicts with the laws of the country in which they operate. The UNGPs, which are the authoritative international framework on corporate human rights responsibility, are very clear in this regard. As the commentary to paragraph 11 of the UNGPs reads: “The responsibility to respect human rights... exists over and above compliance with national laws and regulations.” (Ruggie, 2011: 13). Thus, human rights define a universal core of a standard of acceptable behavior, which is not relative to cultural and national contexts. While human rights practices and interpretations naturally vary across such contexts, they all adhere to the same universal core, which businesses should respect in any place and at any time.

Fifth, and directly related to the above, human rights provide a strong and universal reference point (Giuliani et al., 2013; Ramasastry 2015), while the focus of CSR has traditionally been dispersed, undefined and thus perhaps more susceptible to a moral relativism that can potentially undermine, rather than advance, responsible business in foreign contexts. The multidimensional nature of CSR constructs has indeed stimulated a lively debate on the difficulty of measuring an aggregate CSR construct (for a review see e.g. Waddock 2003). Instead, as pointed out earlier, reference to an internationally agreed normative framework is one of the perceived strengths of BHR, because it leaves less room for corporations to use discretion in the interpretation of their own responsibilities (Nieri and Giuliani, 2018; Giuliani et al., 2016). In practice, however, we must acknowledge that corporations still lack the necessary capabilities to deal with human rights and struggle to make sense of this often too abstract, controversial and political notion in their daily operations (Obara 2017).

4. Bringing IB and BHR together

So far, we have introduced the BHR discussion and argued that a human rights perspective is of increasing relevance and importance for IB researchers as well. In this section, we go a step further: first, by identifying some common themes and overlaps to show the potential for cross-fertilization between the two fields; second, by identifying emerging issues on which neither field has focused yet and for whose exploration an integrated IB-BHR perspective would seem particularly promising.

4.1. Common themes and overlaps

Since this manuscript targets IB scholarship, in identifying common themes and overlaps between BHR and IB we focus on how an IB theoretical perspective can be leveraged to address pressing research needs in the BHR field, and thus how IB researchers can get involved in and contribute to the evolving BHR discussion, and thereby address the grand-challenges agenda.

Governance gaps, institutional voids, and cultural orientations: The existence of governance gaps is perhaps the central impetus for the BHR discussion. That is, the existence of weak institutions, be it globally or in domestic contexts particularly (but not only) in the Global South, leads to situations of dismal human rights protection and the respective assumption that some of these human rights gaps must be filled by holding MNEs and other business firms directly accountable for their human rights impacts. Rather than calling them governance gaps, IB scholars speak of “institutional voids” (Khanna & Palepu 1997). Similar to BHR, IB has engaged extensively with institutional voids. However, unlike BHR scholars, who have adopted an accountability perspective on institutional voids, IB has predominantly focused on the dynamic interplay between institutional settings and the strategies and structures of MNEs in responding to them (Doh et al. 2017), with an interest in how a lack of institutions may influence MNEs’ market activities (Khanna & Palepu 1997; Doh et al. 2017: 294), and how differences between institutional settings in MNEs’ home and host countries affect MNEs’ survival and their strategies (see e.g. Rabbiosi & Santangelo 2018), especially due to their liabilities when operating in distant and different institutional contexts (Kostova and Zaheer 1999). Interestingly, while Doh et al. (2017: 293) point out that “institutional voids... have largely been associated with firms’ efforts to avoid or mitigate institutional deficiencies and reduce the transaction costs associated with operating in settings subject to those institutional shortcomings”, some recent research has looked into the impact that home or host countries’ institutional voids (or strengths) have on the propensity of MNEs to be more or less socially irresponsible (Surroca et al., 2013; Santangelo, 2018; Fiaschi et al., 2017).

Linked to this, IB scholars have also been interested in how informal institutions, particularly cultural orientations, may be linked to responsible conduct on the part of firms or managers (Stahl & Sully De Luque, 2014; Santangelo, 2018), as well as firms’ CSR commitment (Peng et al., 2014) and corporate social and environmental performance (Ho et al., 2012; Husted, 2005). In that context, some studies have investigated how culture influences both the ‘norming’ of sustainability initiatives as well as the ‘conforming’ of firms with the pressures emanating from them (Caprara and Neville 2012), and how, in return, MNEs themselves may influence host-country institutions (Kwok and Tadesse 2006). Overall, this strand of IB research emphasizes that culture influences sustainability and CSR practices (see Miska, Szös & Schiffinger, 2017, for a recent review), and that cultural orientations and institutional arrangements are in fact intertwined and mutually reinforcing (Aguilera & Jackson, 2010; Redding & Witt, 2007; Peterson and Barreto, 2015).

Thus, IB has built a strong research agenda – and indeed signature expertise – precisely on the effects of institutional and cultural settings
on MNEs and on their respective responses. That is, on a critical aspect that is thus far largely missing in BHR discussions. Thus, IB scholars in this particular space can contribute to the discussion by bringing their knowledge and methodology of studying institutional voids and adapting it to the non-market context of human rights governance in the global economy. As such they may look at how MNEs either take advantage of institutional voids in the protection of human rights by lowering their own standards of responsible business, or step up by compensating for them with their own corporate-responsibility initiatives. For instance, there is an emerging body of research that seeks to understand why, when and how firms may deviate from common practice and norms in their corporate governance mechanisms and CSR activities (Aguilera et al., 2018).

Parent-subsidiary governance and value chain control: Much of the discourse on BHR is directly or indirectly tied to the intra-MNE parent-subsidiary relationship and to the global value chains governed by the MNE. Questions relating to human rights due diligence, monitoring and control of suppliers, or particularly to the legal accountability of parent companies for human rights violations committed by their subsidiaries abroad, have been at the center of attention in this regard. IB has much to contribute when it comes to understanding the organization, governance, and control of global operations and value chains (see e.g. Khano, 2017). There has been little cross-pollination of value-chain research between BHR and IB, despite some of the insights in each field being of immediate relevance for the other. For example, the relation between parent companies and foreign subsidiaries has been a frequent topic in IB research (e.g. Bartlett and Ghoshal, 1989; Birkinshaw et al., 1998), and it has important implications for understanding the transfer of responsible or irresponsible practices across subsidiaries worldwide (Strike et al. 2006; Surroca et al. 2013). Some studies, for instance, have investigated how MNEs respond to social demands for environmentally responsible business (e.g. Bu & Wagner 2016; Kolk & Pinkse, 2008, Romilly, 2007; Rugman and Verbeke 1998), and for ensuring better working conditions in foreign and host countries (Schmeisser, 2013).

This kind of IB agenda seems particularly relevant against the background of BHR’s almost exclusive focus on home-state solutions to ensure responsible business practices abroad. Conversely, emerging discussions in the BHR field on human-rights due diligence and on the introduction of new standards to regulate the extraterritorial effects of MNE human rights conduct may well have impacts – though perhaps also unintended ones – on value-chain organization and governance, which should be noted by IB researchers.

Balancing global integration and local responsiveness: Another perennial debate in IB research is how MNEs deal with the dual pressures for global integration and local responsiveness (Bartlett and Ghoshal, 1989; Doz et al., 2001). Applied to CSR and ethics, this debate points to a fundamental dilemma facing MNEs: how to balance the need for global consistency in CSR approaches and ethical standards across the organization with the need to be sensitive to the demands and expectations of a diverse set of stakeholders spread across the globe. Building on the framework of “transnational CSR”, Filatotchev and Stahl (2015) provide a systematic mapping of CSR approaches in MNEs, highlighting the tensions between globally-integrated and locally-adapted CSR strategies, and discussing the constraints that they impose on MNE activities at both headquarters and subsidiary levels.

While there is a growing body of research examining how MNEs respond to these dual pressures with regard to their CSR strategies and practices (e.g., Durand & Jacqueminet, 2015; Hah & Freeman, 2014; Husted & Allen, 2006; Miska et al., 2016; Muller, 2006), little is known about the ways MNEs resolve global-local tensions with respect to human rights. In a human rights context, the claim of universal validity may raise particular challenges in terms of its reconciliation and integration with local practices, which conventional approaches to CSR may be ill-suited to address. Recent BHR scholarship shows that not least the controversial political nature of human rights prevents companies from shifting their attention from a conventional CSR lens to a genuine human rights perspective (Obara 2017). IB research would have much to contribute in terms of better understanding of new and emerging human rights practices of MNEs in the light of such tensions between global integration and local flexibility. Conversely, research in IB would benefit greatly from the infusion of theories, concepts and ideas from the human rights and broader business ethics literature.

One theory picking up on this signature tension characterizing IB is “Integrative Social Contracts Theory” (ISCT), initially proposed by Donaldson and Dunfee (1994, 1999; see also Dunfee, 2006, for an overview of applications of ISCT outside the business ethics literature). ISCT provides a heuristic aimed at reconciling transcultural values with a society’s particular local norms. While allowing for substantial latitude for nations and communities to develop their unique social norms and practices, it draws a line at flagrant neglect of universally valid ‘hypernorms’. Combined with BHR and its more concrete human rights framework as a reference point, ISCT may provide managers and professionals involved in IB with a framework when confronted with a substantial gap between the apparent moral values and ethical principles in the country in which the MNE resides and the countries where it operates (Donaldson 1996).

Table 3 provides and overview of the common themes and overlaps between IB and BHR.

4.2. A research agenda

In the previous section we showed how existing IB themes and perspectives can inform the BHR agenda and vice versa. In this section, we will go a step beyond the mere application of one perspective to the other; rather, we will outline four emerging areas which have largely eluded both perspectives and which can therefore build an entry point to develop a joint IB-BHR research agenda.

Emerging-markets perspectives: Neither IB nor BHR have traditionally paid significant attention to emerging markets. While this is starting to change in regard to IB research with an “explosion”, according to Hernandez and Guillén (2018), of emerging-market research in recent years, BHR has yet to ‘discover’ emerging-market contexts as a relevant focus; its main attention has been rather on the link between home states in the North and high-risk and conflict areas in the South. As argued elsewhere (Doh et al., 2018; Giuliani et al. 2016), paying more attention to the role and characteristics of emerging markets will become critical for BHR. Thus, IB has much to gain from further expanding its evolving scholarship on emerging markets in order to explore their human rights dimension. Besides the institutional aspects discussed earlier, two areas of inquiry stand out.

First, the rise of emerging-market multinationals (EMNEs) has the potential to shape and change the global economy in profound ways. Importantly for BHR research, it turns some traditional host states into home states and vice versa. The implications of this process may be non-trivial, not only with regard to the nature and shape of so-called ‘home-state solutions’, that is, home-state regulation with extra-territorial effects (see, e.g., Simons and Macklin 2014), but also to the emerging role of EMNEs in shaping institutional landscapes both in home and host countries as well as at the international level. Some IB scholars have started exploring research opportunities along these lines by examining the link between institutional deficits in emerging markets and CSR reporting by EMNEs (see, e.g., Fiaschi et al. 2015; Zheng et al. 2015; Marano et al. 2017). Yet empirical research on EMNEs and human rights specifically remains scarce (exceptions include Fiaschi
Leverage IB research methods to assess impact of:

<table>
<thead>
<tr>
<th>Theme</th>
<th>Existing IB research</th>
<th>Existing BHR research</th>
<th>Potential IB Contribution to BHR</th>
<th>Potential BHR Contribution to IB</th>
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<tbody>
<tr>
<td>Governance gaps as a raison d'être for BHR</td>
<td>Broaden understanding of how corporate responses to institutional voids affect human rights</td>
<td>BHR discussion on emerging new human rights instruments at organizational and policy level can inform IB research on new developments in value-chain governance and value chain control</td>
<td>Focus particularly on human rights due diligence, home state regulation and liability for parent-subsidiary foreign subsidiaries</td>
<td>Focus on the status of human rights responsibility and particularly of the UNGPs and new and emerging human rights practices of SOEs and SOEs' parent companies in the context of global integration and local flexibility.</td>
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<tr>
<td>Institutional voids as a key focus of IB; focus on conduct of MNEs</td>
<td>IB research on value chain governance and control of MNEs' human rights conduct</td>
<td>IB research for a better understanding of MNEs' human rights conduct. However, what ‘smart’ means in this regard seems heavily dependent on the effects that such mechanisms can reasonably achieve on the ground; thus, generating more insight and knowledge of the internal processes that shape MNEs’ reaction to such formal structures is still open to inquiry (see e.g. Jodí et al., 2016 for a recent contribution in strategic management).</td>
<td>Focus on the strategic management of human rights due diligence, home state regulation and liability for parent-subsidiary foreign subsidiaries</td>
<td>Focus on the strategic management of human rights due diligence, home state regulation and liability for parent-subsidiary foreign subsidiaries.</td>
</tr>
<tr>
<td>Institutional voids, and market aspects; focus on impact of institutions on MNEs' human rights performance</td>
<td>IB research on the status of human rights responsibility and potential conflicts of interest</td>
<td>Focus on the status of human rights responsibility and potential conflicts of interest</td>
<td>Focus on the status of human rights responsibility and potential conflicts of interest</td>
<td></td>
</tr>
<tr>
<td>Parent-subsidiary, cultural orientations</td>
<td>IB research on value chain governance and control of MNEs' human rights conduct</td>
<td>IB research for a better understanding of MNEs' human rights conduct. However, what ‘smart’ means in this regard seems heavily dependent on the effects that such mechanisms can reasonably achieve on the ground; thus, generating more insight and knowledge of the internal processes that shape MNEs’ reaction to such formal structures is still open to inquiry (see e.g. Jodí et al., 2016 for a recent contribution in strategic management).</td>
<td>Focus on the status of human rights responsibility and potential conflicts of interest</td>
<td>Focus on the status of human rights responsibility and potential conflicts of interest.</td>
</tr>
<tr>
<td>Governance gaps, institutional voids and value chain governance and control</td>
<td>IB research on value chain governance and control of MNEs' human rights conduct</td>
<td>IB research for a better understanding of MNEs' human rights conduct. However, what ‘smart’ means in this regard seems heavily dependent on the effects that such mechanisms can reasonably achieve on the ground; thus, generating more insight and knowledge of the internal processes that shape MNEs’ reaction to such formal structures is still open to inquiry (see e.g. Jodí et al., 2016 for a recent contribution in strategic management).</td>
<td>Focus on the status of human rights responsibility and potential conflicts of interest</td>
<td>Focus on the status of human rights responsibility and potential conflicts of interest.</td>
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*Table 3: Common Themes and Overlaps between IB and BHR.*

(...) the focus at the home-country level remains primarily on developed regions (see Pisani et al. 2017 for a review).

Second, the prevalence of state-owned enterprises (SOEs) as a characteristic of many emerging economies (Meyer et al., 2018) bears specific implications for BHR. SOEs have been on the radar of the wider BHR discussion for a while and have become a more prominent focus of international human rights-related soft-law initiatives and norms (Backer 2017). The UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises even devoted its 2016 Report to the Human Rights Council to the subject (OHCHR, 2016), underlining the importance of this emerging discussion for the field – with good reason, as SOEs are uniquely placed in the BHR discussion; as Backer (2017: 832) points out, they “operate where state duty and enterprise responsibility meet – that is, where the legal duties of the state merge with the governance responsibilities of the private organization.” With emerging markets and EMNEs gaining prominence in the global economy, the discussion on the roles and responsibilities of SOEs is likely to become more prevalent as well, as they too have become increasingly prominent in global markets (Backer 2017: 834). However, despite the increasing importance of addressing SOEs in the BHR space, little scholarly literature has yet appeared on the unique organizational characteristics of SOEs and the specific human rights challenges emanating from them. Thus, a deeper understanding of the specific characteristics and diversity of such organizations within their respective institutional environments, as IB research has advanced it, may inform BHR scholarship on SOEs in important ways.

(Re-)coupling sustainability standards and initiatives with business practice: As outlined above, there is a long-standing research tradition on sustainability and corporate responsibility issues within the IB field. Within that tradition, scholars have placed emphasis on MNEs’ formal adoption of different social and environmental standards, accountability or principle-based initiatives, including the UNGC, or more recently, the SDGs (e.g. Fiaschi et al. 2015; Rathert, 2016; Marano et al., 2017; see also Locke, 2013). However, we still know very little about the extent to which MNEs’ adoption or endorsement of such standards and initiatives translates into substantive actions – particularly in terms of the improvement of their human rights practices and the reduction of business-related human rights infringements. A growing body of management research has investigated the reasons for lack of compliance with standards, employing the notion of organizational decoupling, which refers to the creation and maintenance of gaps between formal policies and actual organizational practices (Marquis & Qian, 2013). As Meyer & Rowan (1977, p. 357) put it, decoupling “enables organizations to maintain standardized, legitimating, formal structures while their activities vary in response to practical considerations.” While some MNEs have started to harvest the strategic potential of adopting sustainability standards and principle-based initiatives, the costs and frictions inherent in aligning their internal sustainability practices with such formal structures are still open to inquiry (see e.g. Jodí et al., 2016 for a recent contribution in strategic management).

This is also a major open question, perhaps in particular for BHR, which is a rather new field in the process of building its own institutional infrastructure. John Ruggie, the author of the UNGPs, has called on governments to use a ‘smart mix’ of soft and hard mechanisms to regulate MNEs’ human rights conduct. However, what ‘smart’ means in this regard seems heavily dependent on the effects that such mechanisms can reasonably achieve on the ground; thus, generating more insight and knowledge of the internal processes that shape MNEs’ reaction to such regulatory tools would go a long way towards optimizing the effectiveness of ‘smart’ combinations of voluntary and mandatory measures.

A particular and new challenge in this regard concerns the agenda set out by the SDGs. BHR has started to look more closely at the intersection of the SDGs initiative particularly with the UNGPs, and human rights respect more generally (for an early assessment of the relation between SDGs and human rights see Winkler & Williams 2017).
Table 4
Proposed Research Agenda.

<table>
<thead>
<tr>
<th>1a) Rise of emerging market multinationals (EMNEs)</th>
<th>IB research perspective</th>
<th>BHR research perspective</th>
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<tbody>
<tr>
<td>• Role of EMNEs in shaping institutional environment at host and home state level and internationally</td>
<td>• Implication of lacking human rights infrastructure as home state liability</td>
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<tr>
<td>• Implication of lacking human rights infrastructure as home state liability</td>
<td>• Implications for traditional home-/host-state divide and the respective ‘home state solutions’ for extraterritorial human rights impacts of MNEs</td>
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<table>
<thead>
<tr>
<th>1b) Rise of (emerging market) state-owned enterprises (SOEs)</th>
<th>IB research perspective</th>
<th>BHR research perspective</th>
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</thead>
<tbody>
<tr>
<td>• Explore diversity of such organizations and the specific characteristics of their market and non-market behavior</td>
<td>• Explore specific characteristics of human rights conduct of SOEs as public economic actors</td>
<td></td>
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<tr>
<td>• Interplay between SOEs and their institutional environments both at home and abroad</td>
<td>• SOE responsibility uniquely placed at intersection of corporate responsibility to respect and state duty to protect</td>
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<thead>
<tr>
<th>2a) (Re-) coupling sustainability standards and initiatives with business practice</th>
<th>IB research perspective</th>
<th>BHR research perspective</th>
</tr>
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<tbody>
<tr>
<td>• Explore implementation of new human rights standards not only in terms of adoption but in terms of their impact on corporate human rights conduct</td>
<td>• Explore uptake and impact of UNGPs in particular</td>
<td></td>
</tr>
<tr>
<td>• Extend knowledge and research on decoupling and re-coupling to the domain of the emerging human rights infrastructure</td>
<td>• (Re-)conceptualize ‘smart mix’ of voluntary and mandatory measures against the background of decoupling and re-coupling processes</td>
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<tr>
<th>2b) Rise of SDGs in particular</th>
<th>IB research perspective</th>
<th>BHR research perspective</th>
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<tbody>
<tr>
<td>• Business responses to and integration of SDGs in corporate strategies</td>
<td>• Explore synergies and complementarities, but also potential conflicts, with the UNGPs and other BHR standards</td>
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<tr>
<th>3) Anatomy of corporate wrongdoing</th>
<th>IB research perspective</th>
<th>BHR research perspective</th>
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<tbody>
<tr>
<td>• More systematic inquiry into the conditions that lead MNEs – both poor and strong performers – to engage in wrongful conduct resulting in violations of human rights</td>
<td>• Potential impact (both positive and negative) on the implementation of the BHR agenda</td>
<td></td>
</tr>
<tr>
<td>• Explore normalization of wrongful conduct beyond ‘bad apples’ in weak institutional settings</td>
<td>• Understand how managerial and organizational processes, mechanism and theories of corporate misconduct can inform accountability focus of BHR on negative human rights impacts</td>
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<tr>
<th>4) Emergence of new technologies and relevance of responsible innovation</th>
<th>IB research perspective</th>
<th>BHR research perspective</th>
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<tbody>
<tr>
<td>• Reconfiguration of value chain organization and governance</td>
<td>• Explore benefits such as enhancement of traceability and value chain transparency, which may offer new possibilities for human rights due diligence</td>
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<tr>
<td>• Exploring new technologies through a responsible innovation lens may unearth particular potential for advancements of human rights</td>
<td>• Explore structural risks, such as the reallocation of work across global value chain, which will have profound implications for human rights</td>
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On the one hand, there are conceptual questions over how human rights relate to the aspirational SDG agenda. Some BHR advocates have voiced concern that the aspirational and voluntary character of the SDGs may detract from the baseline and mandatory character of the BHR agenda (see, e.g., Gneiting, Bloch Veiberg and Mehra, 2017) and have called for embedding business respect for human rights at the core of the SDGs (UN Working Group on Business and Human Rights, 2017). On the other hand, there is a more practical need to gain insight into how companies respond to and integrate SDGs in their business strategies. This in turn will help reveal the synergies and complementarities, but also potential conflicts, with the UNGPs and BHR more generally.

Generally, such questions seem relevant not only for BHR but equally for IB research, because the decoupling of firms’ formal commitment to standards from their actual practices is potentially more problematic in the context of complex cross-country organizations, often characterized by a multiplicity of governance models, and by important information asymmetries. It is precisely in this dimension that the concerns of IB and BHR in this type of research converge.

Anatomy of corporate wrongdoing: One area that has yet to receive sufficiently serious consideration in managerial discussions on MNEs concerns the various harmful impacts of their cross-national operations. IB research in particular has shown little interest in conceptualizing, measuring and predicting the conditions that lead MNEs to engage in wrongful conduct resulting in violations of human rights (Nieri and Giuliani, 2018). Yet the grand sustainability challenges we are facing today have not come from nowhere and are arguably connected at least partly to corporate wrongdoing. The history of capitalism is rife with business-related infringements on human rights – some with catastrophic impacts on people’s livelihoods spanning generations (Bernaz, 2016). Because of the regularity and frequency of such incidents, management scholars in particular have come to see corporate wrongdoing as a normal pattern (Palmer, 2012) – that is, not primarily as deliberate or even criminal conduct on the part of managers, but as part of a system that facilitates such conduct through the very way economic transactions are structured, making them as a consequence more widespread and more endemic. As noted earlier, some IB research has approached this topic using the construct of CSI (Strike et al., 2006 being the seminal contribution), but a proper agenda for systematic research on MNE wrongdoing is yet to come.

The examination of the causes and consequences of corporate wrongdoing is of course not uncharted terrain per se. For a long time, organizational wrongdoing has been considered a bad-apple phenomenon, or as something concerning only certain ‘risky’ or disadvantaged individuals, companies, and contexts, and thus relatively easy to address, e.g. via regulatory deterrence (Becker, 1968; Baucus & Near, 1991). Yet more recently, it has become clear that highly reputable and economically powerful firms operating in institutionally sound contexts – rather than poor performers operating in corrupt places – may also cause harm to society and the environment (Muzio et al., 2016; Stahl & Sully De Luque, 2014). The insidious part of the story is that within companies, deviant practices may become ‘normalized’, and therefore socialized and accepted as appropriate (see Sykes & Matza, 1957), up to the point that they become incorporated in resilient organizational routines and collective decision-making processes (Janis, 1972). Management studies on organizational wrongdoing have interacted a lot with fields such as criminology or psychology, but very little with IB scholarship, despite a great wealth of wrongdoings being observed in connection with MNEs’ operations or with those of actors in their value chains or operating in complicity with them. Similarly, BHR research has remained relatively distant to management theories on organizational wrongdoing. Precisely in connection with the above insights on BHR’s focus on a ‘smart mix’ of soft and hard measures to regulate corporate human rights impacts, a more intimate understanding of the organizational mechanisms that facilitate corporate wrongdoing would seem to be of utmost importance and value to the BHR field. This clearly opens up opportunities for collaboration across these three strands of scholarly research.

Emergence of new technologies and relevance of responsible innovation: The rise of new digital technologies and artificial intelligence will likely affect every dimension of IB, with profound implications also for human rights (see, as an example, the Microsoft Salient Human Rights Issues Report, 2017). For example, advances in automation and block-chain
technology will change the way businesses design, organize and govern their value chains; it will also enhance their possibility to make their value chains traceable and transparent, which is a key element of ensuring effective human rights due diligence (Voegtlin & Scherer, forthcoming). Automation and new robot technology will create vast new opportunities, but may entail new structural human rights risks at the same time. By lowering the cost of manufacturing, it will likely reverse the trend of outsourcing to countries with cheap labor costs that has defined multinational organization over the past three decades, and move parts of the value-chain back to the West. While the focus of BHR has been on the exploitative and notoriously unsafe working conditions in which such jobs have been offered in the past, the focus is likely to shift to the implications of such jobs being eroded entirely. The human rights implications of an exodus of multinational production from cheap-labor countries would be devastating. Thus, the transformation of value chains by new technologies will have momentous implications from both an IB as well as BHR point of view. A closer integration of the two fields in exploring such new developments will help to gain a more holistic understanding of the connection between the drivers of such transformations and their profound implications for human rights.

A growing stream of research, related at least in part to the new opportunities and challenges raised by new technologies, has also pointed to the relevance of social, inclusive and responsible innovation (e.g. Stigoe et al., 2013; van der Have & Rubalcaba, 2016; Genus & Stirling, 2018), and more broadly to innovations that serve to address contemporary grand challenges (Griggs et al., 2013; Voegtlin & Scherer, forthcoming). Thus, innovation should aim to create, implement, and diffuse new products, processes, and services that specifically address these prerequisites for a prosperous and human rights-respecting global society. From this perspective, entrepreneurial activity and innovation are seen not only as drivers of corporate financial performance and growth, but as an important factor behind societal development, sustainability, and not least the progressive expansion of respect and realization of human rights in the spheres of corporate influence on a global scale (Mair & Rathert, 2018; Nilsson, 2017).

The role of responsible innovation, its interaction with new technologies, and its links to both IB and BHR are not well understood as of yet. Nonetheless, this is an area of research that offers great opportunities for the development of theory and empirical research that could fruitfully integrate the two fields.

Table 4 summarizes our research agenda.

5. Conclusion

The past three or four decades have been characterized by profound transformations at the global political level. Within those transformations, nation-states are said to have lost some of their authority, while other institutions such as MNEs have gained influence and power (Scherer and Palazzo, 2008). The emergence of the BHR discourse was a logical, perhaps inevitable, consequence of those transformations. While governments were originally thought to be the exclusive ad-

We hope that by outlining some common themes and research areas, this perspectives article can spark some interest and provide some guidance and direction for IB scholars to get involved with these challenges.

References


