

**HUMAN RIGHTS AND BUSINESS IN VIEW OF STAKEHOLDERS  
PERSPECTIVES AND SECTORAL ANALYSIS**- Ritwik Chatterjee<sup>1</sup>**Abstract:**

The globalization of the Indian economy has ushered in a new era of economic growth, technological advancement, and integration into the global marketplace. However, alongside these developments, concerns have arisen regarding the accountability of corporations operating within this globalized landscape and their impact on human rights. This paper explores the nexus between business and human rights, with a specific focus on corporate accountability in the context of the globalized Indian economy. The introduction sets the stage by defining the concepts of business and human rights and emphasizing the importance of corporate accountability in upholding fundamental human rights principles. It provides an overview of the globalized Indian economy, highlighting its significance as a dynamic and rapidly evolving economic powerhouse.

**I. Definition of Human Rights in Business context**

Human rights are fundamental rights and freedoms that are inherent to all human beings, regardless of nationality, ethnicity, religion, gender, or any other status. These rights are universal, inalienable, and indivisible, meaning they apply equally to every individual and cannot be taken away or forfeited under any circumstances. Human rights encompass a broad range of rights and entitlements that are recognized and protected by international law, as articulated in key documents such as the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR), among others.

The core principles of human rights include:

---

<sup>1</sup> Student at Amity Law School Noida

For general queries or to submit your research for publication, kindly email us at [editorial@ijalr.in](mailto:editorial@ijalr.in)

<https://www.ijalr.in/>

1. **Universality:** Human rights apply to all individuals, irrespective of their nationality, ethnicity, religion, or other characteristics.
2. **Inalienability:** Human rights are inherent to all human beings and cannot be surrendered, traded, or revoked.
3. **Indivisibility:** Human rights are interrelated, interdependent, and indivisible, meaning that the realization of one right often depends on the realization of others.
4. **Equality and Non-discrimination:** Human rights require that all individuals be treated with dignity and respect, and that discrimination on the basis of race, gender, religion, disability, or any other status be prohibited.
5. **Accountability and Rule of Law:** States and other duty-bearers have an obligation to respect, protect, and fulfill human rights, and must be held accountable for any violations.
6. **Participation and Inclusion:** Human rights include the right to participate in decision-making processes that affect one's life and to have a voice in matters of public concern.

Human rights can be categorized into civil and political rights, which include freedoms such as the right to life, liberty, and security of person, as well as economic, social, and cultural rights, which encompass rights such as the right to work, education, and an adequate standard of living.

In a business context, human rights refer to the fundamental rights and freedoms that every individual is entitled to, regardless of their nationality, ethnicity, religion, gender, or other characteristics. These rights are inherent to all human beings and are enshrined in international human rights instruments, such as the Universal Declaration of Human Rights (UDHR) and various international treaties and conventions. When we speak of human rights in the context of business, we are referring to the responsibilities that businesses have to respect, protect, and fulfill these rights in their operations, supply chains, and interactions with stakeholders. Human rights in the business context encompass a wide range of rights, including but not limited to:

**Labor Rights:** This includes the right to fair wages, safe working conditions, freedom of association, and protection against discrimination, forced labor, and child labor.

For general queries or to submit your research for publication, kindly email us at [editorial@ijalr.in](mailto:editorial@ijalr.in)

<https://www.ijalr.in/>

**Environmental Rights:** Businesses have a responsibility to ensure that their activities do not harm the environment and that they take measures to minimize pollution, conserve natural resources, and mitigate climate change impacts.

**Social Rights:** This encompasses rights related to access to education, healthcare, housing, and social security. Businesses can contribute to the realization of these rights through their corporate social responsibility (CSR) initiatives and community development programs.

**Indigenous Rights:** Indigenous communities have rights to land, territory, and natural resources, as well as cultural rights and the right to self-determination. Businesses must respect the rights of indigenous peoples and obtain their free, prior, and informed consent when operating on or near their lands.

**Consumer Rights:** This includes the right to safe products, accurate information, fair treatment, and the ability to participate in decision-making processes that affect consumers.

**Access to Justice:** Businesses should respect the right to access to remedy for individuals and communities affected by their operations. This includes providing mechanisms for grievances, remediation, and redress for human rights violations.

**Privacy and Data Protection:** In an increasingly digital world, businesses must respect individuals' rights to privacy and data protection, ensuring that personal data is collected, processed, and stored in accordance with applicable laws and regulations.

The UNHRC stands for the United Nations Human Rights Council. It is a subsidiary body of the United Nations General Assembly and is responsible for promoting and protecting human rights around the world. The UNHRC was established in 2006 to replace the United Nations Commission on Human Rights, with the aim of addressing human rights violations more effectively and impartially.

**Key functions of the UNHRC:**

**Monitoring Human Rights Situations:** The UNHRC monitors human rights situations in countries around the world through mechanisms such as special rapporteurs, independent experts, and fact-finding missions. It assesses human rights records and provides recommendations for improvement.

For general queries or to submit your research for publication, kindly email us at [editorial@ijalr.in](mailto:editorial@ijalr.in)

<https://www.ijalr.in/>

Promoting Human Rights: The UNHRC promotes the universal respect for human rights and fundamental freedoms by raising awareness, advocating for policy changes, and supporting capacity-building initiatives in member states.

Addressing Human Rights Violations: The UNHRC addresses human rights violations by condemning abuses, calling for investigations, and taking action to hold perpetrators accountable. It may establish commissions of inquiry or special procedures to investigate specific cases of human rights violations.

Cooperation with Member States: The UNHRC works closely with member states, international organizations, civil society groups, and other stakeholders to advance human rights agendas and implement recommendations for improvement.

Universal Periodic Review (UPR): The UNHRC conducts the Universal Periodic Review, a unique mechanism that assesses the human rights records of all UN member states every four years. During the UPR process, countries present their human rights achievements and challenges, and receive feedback and recommendations from other member states.

The UNHRC is composed of 47 member states elected by the UN General Assembly based on equitable geographical distribution. It meets regularly in Geneva, Switzerland, to discuss human rights issues, adopt resolutions, and take action on matters within its mandate.

## **II. Importance of Corporate Accountability in respecting Human Rights**

Corporate accountability is particularly crucial for respecting human rights in India due to the country's unique socio-economic context, challenges, and opportunities. Here are several reasons highlighting the importance of corporate accountability in respecting human rights in India:

Addressing Human Rights Challenges: India faces a range of human rights challenges, including issues related to labor rights, environmental protection, land rights, indigenous rights, and access to essential services such as healthcare and education. Corporate accountability mechanisms help to identify, address, and prevent human rights violations

For general queries or to submit your research for publication, kindly email us at [editorial@ijalr.in](mailto:editorial@ijalr.in)

<https://www.ijalr.in/>

associated with business activities, thereby contributing to the protection and promotion of human rights in India.

**Ensuring Inclusive Growth:** India's economic growth and development must be inclusive and sustainable, benefiting all segments of society. Corporate accountability fosters responsible business conduct that respects human rights, promotes social inclusion, and addresses inequalities. By integrating human rights considerations into their operations, businesses can contribute to inclusive growth and poverty reduction in India.

**Protecting Vulnerable Groups:** Certain groups in India, such as women, children, indigenous peoples, Dalits, and migrant workers, are particularly vulnerable to human rights abuses in the context of business activities. Corporate accountability mechanisms help to identify and address the specific risks and impacts faced by these groups, ensuring that their rights are respected and protected.

**Promoting Environmental Sustainability:** India faces significant environmental challenges, including pollution, deforestation, water scarcity, and climate change. Corporate accountability encourages businesses to adopt sustainable practices that minimize environmental harm, conserve natural resources, and mitigate climate change impacts, thereby safeguarding the right to a healthy environment for present and future generations.

**Enhancing Corporate Reputation and Competitiveness:** Responsible business conduct enhances corporate reputation, trust, and competitiveness in the marketplace. By demonstrating a commitment to human rights, businesses can attract investors, customers, and talent who prioritize ethical considerations. This, in turn, can lead to long-term financial success and resilience in the Indian market.

**Supporting Good Governance and Rule of Law:** Corporate accountability contributes to good governance and the rule of law by promoting transparency, accountability, and adherence to legal and regulatory standards. By complying with laws and regulations related to human rights, businesses can contribute to a more stable, predictable, and conducive business environment in India.

**Empowering Civil Society and Communities:** Corporate accountability mechanisms provide avenues for civil society organizations, affected communities, workers, and other stakeholders to raise concerns, seek redress for grievances, and participate in decision-

For general queries or to submit your research for publication, kindly email us at [editorial@ijalr.in](mailto:editorial@ijalr.in)

<https://www.ijalr.in/>

making processes that affect them. Empowering civil society and communities strengthens their ability to hold businesses and governments accountable for respecting human rights in India.

### **III. Business Values in Human Rights**

Business and human rights ethics are deeply intertwined with business values, guiding principles, and ethical considerations that shape corporate behavior and decision-making processes. Here's an exploration of how ethics and values intersect with business and human rights:

**Respect for Human Dignity:** Ethical business values emphasize the inherent dignity and worth of every individual, irrespective of their background, identity, or status. From a human rights perspective, businesses are expected to respect and uphold the dignity, rights, and freedoms of all individuals and communities affected by their operations.

**Integrity and Transparency:** Ethical conduct in business involves honesty, transparency, and accountability in all dealings and interactions. Businesses committed to human rights ethics are transparent about their operations, impacts, and supply chains, ensuring stakeholders have access to accurate information and can hold them accountable for their actions.

**Fairness and Justice:** Ethical business values promote principles of fairness, justice, and equality in all aspects of operations, including employment practices, procurement decisions, and community engagement. From a human rights perspective, businesses are expected to adhere to non-discrimination principles and ensure equal opportunities for all individuals, regardless of factors such as race, gender, religion, or socio-economic status.

**Responsibility and Accountability:** Ethical businesses take responsibility for the social, environmental, and human rights impacts of their operations, striving to minimize harm and maximize positive contributions to society. Human rights ethics require businesses to be accountable for their actions, providing mechanisms for remediation, redress, and grievance handling for individuals and communities affected by their operations.

**Sustainability and Long-Term Thinking:** Ethical business values prioritize sustainability, long-term thinking, and responsible stewardship of resources, recognizing the interconnectedness of economic, social, and environmental factors. Human rights ethics

For general queries or to submit your research for publication, kindly email us at [editorial@ijalr.in](mailto:editorial@ijalr.in)

<https://www.ijalr.in/>

emphasize the importance of sustainable development, ensuring that business activities do not compromise the rights of future generations to live in a healthy and prosperous environment.

**Stakeholder Engagement and Dialogue:** Ethical businesses engage with stakeholders in meaningful dialogue, seeking input, feedback, and collaboration to address concerns and promote shared value creation. Human rights ethics require businesses to engage with affected stakeholders, including workers, communities, indigenous peoples, and civil society organizations, to identify human rights risks, assess impacts, and develop appropriate responses.

#### **IV. Business and Human Rights Ethics**

**Respect for Human Rights:** Businesses should respect the internationally recognized human rights of all individuals, including employees, customers, communities, and other stakeholders. This involves ensuring that business activities do not infringe upon or contribute to human rights abuses, such as discrimination, forced labor, child labor, or violations of indigenous peoples' rights.

**Due Diligence:** Businesses have a responsibility to conduct human rights due diligence to identify, prevent, mitigate, and address any adverse human rights impacts associated with their operations, products, or services. This process involves assessing potential human rights risks, engaging with relevant stakeholders, implementing effective policies and procedures, and monitoring and reporting on human rights performance.

**Non-Discrimination and Equal Treatment:** Businesses should uphold principles of non-discrimination and equal treatment in all aspects of their operations, including recruitment, employment, promotion, and provision of goods and services. Discrimination based on race, ethnicity, gender, age, religion, disability, sexual orientation, or any other characteristic is unacceptable and undermines human dignity and equality.

**Fair Labor Practices:** Businesses should ensure fair labor practices throughout their supply chains, including providing safe and healthy working conditions, fair wages and benefits, reasonable working hours, and respect for workers' rights to freedom of

For general queries or to submit your research for publication, kindly email us at [editorial@ijalr.in](mailto:editorial@ijalr.in)

<https://www.ijalr.in/>

association and collective bargaining. Forced labor, child labor, and any form of exploitation or abuse of workers are strictly prohibited.

**Community Engagement and Stakeholder Consultation:** Businesses should engage with and consult affected stakeholders, including local communities, indigenous peoples, and other relevant groups, in decision-making processes that may affect their human rights. This includes obtaining free, prior, and informed consent from indigenous communities for projects impacting their lands or resources.

**Environmental Responsibility:** Businesses have a responsibility to minimize their environmental footprint and contribute to environmental sustainability, recognizing the interdependence between environmental protection and the realization of human rights. This involves adopting environmentally responsible practices, reducing pollution and resource consumption, and mitigating and adapting to climate change impacts.

**Transparency and Accountability:** Businesses should be transparent about their human rights policies, practices, and impacts, and be accountable for any adverse human rights consequences associated with their activities. This includes providing accessible and accurate information to stakeholders, conducting regular assessments and audits, and remedying any human rights violations or grievances.

## **V. Key events and milestones shaping Corporate Accountability In India**

**Bhopal Gas Tragedy (1984):** The Bhopal Gas Tragedy, one of the world's worst industrial disasters, occurred at the Union Carbide pesticide plant in Bhopal, India. The incident resulted in thousands of deaths and long-term health effects for survivors due to the release of toxic gases. It highlighted the importance of corporate accountability, environmental regulations, and industrial safety standards, leading to increased scrutiny of corporate operations in India.

**Economic Liberalization (1991):** India's economic liberalization in 1991 marked a shift towards a market-oriented economy, opening up opportunities for domestic and foreign businesses. The liberalization process brought attention to the need for regulatory reforms, including corporate governance standards, to ensure transparency, accountability, and investor protection in the corporate sector.

For general queries or to submit your research for publication, kindly email us at [editorial@ijalr.in](mailto:editorial@ijalr.in)

<https://www.ijalr.in/>



SEBI's Corporate Governance Initiatives: The Securities and Exchange Board of India (SEBI) introduced various initiatives to enhance corporate governance practices in listed companies. SEBI's corporate governance guidelines, including Clause 49 of the Listing Agreement (now superseded by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), set out principles and norms for board composition, disclosure requirements, and shareholder rights.

Companies Act, 2013: The Companies Act, 2013, replaced the Companies Act, 1956, and brought significant changes to corporate regulations in India. It introduced provisions aimed at strengthening corporate governance, enhancing disclosure requirements, and increasing accountability of corporate boards. The Act also mandated corporate social responsibility (CSR) spending for certain companies, institutionalizing CSR as a core aspect of corporate operations.

Satyam Scandal (2009): The Satyam Computer Services scandal, one of India's largest corporate fraud cases, involved accounting irregularities and financial misstatements by the company's management. The scandal shook investor confidence and raised concerns about corporate governance practices and auditor independence in India. It led to reforms in auditing standards, increased regulatory oversight, and a renewed focus on transparency and integrity in corporate reporting.

Introduction of Insolvency and Bankruptcy Code (IBC), 2016: The Insolvency and Bankruptcy Code, 2016, introduced a comprehensive framework for insolvency resolution and bankruptcy proceedings in India. The IBC aims to expedite the resolution of distressed assets, enhance creditor rights, and promote a culture of corporate accountability by holding defaulting companies accountable for their debts.

## CONCLUSION

Globalization has transformed India's economy, leading to increased foreign investment, trade liberalization, and integration into global supply chains. While globalization has

For general queries or to submit your research for publication, kindly email us at [editorial@ijalr.in](mailto:editorial@ijalr.in)

<https://www.ijalr.in/>

brought economic growth and opportunities, it has also raised concerns about the impact of corporate activities on human rights, labor rights, and the environment. The research highlights numerous challenges in holding corporations accountable for human rights violations in India, including weak regulatory enforcement, inadequate legal frameworks, and limited access to justice for affected communities. Regulatory gaps, corruption, and lack of transparency exacerbate these challenges, undermining efforts to address corporate misconduct and protect human rights. India lacks comprehensive legislation specifically addressing corporate accountability for human rights abuses. Existing laws and regulations are fragmented and poorly enforced, leaving gaps in legal protection and regulatory oversight. Strengthening the legal framework and enhancing regulatory mechanisms are essential for promoting corporate accountability and ensuring respect for human rights in business operations.

For general queries or to submit your research for publication, kindly email us at [editorial@ijalr.in](mailto:editorial@ijalr.in)

<https://www.ijalr.in/>