



WIKI n°12: Multinational Governance and International Measures

In the context of globalization, multinational governance has become a crucial topic, sparking widespread debate over its political, economic, and social impacts. Multinational governance encompasses the mechanisms governing interactions between multinational corporations (MNCs) and stakeholders at the international level. It also involves balancing corporate and state interests.

Although MNCs are not recognized as subjects of international law, they have emerged as influential actors in international relations, operating as pressure groups and directly negotiating with governments. This influence can pose a threat to democratic processes, especially in political systems vulnerable to external pressures.

Multinational corporations possess the power to enter into contracts with significant economic stakes, enabling them to negotiate directly with high-level political officials. This can lead to interference in democratic choices, potentially maintaining a political regime favorable to their interests if the existing system is structurally or popularly weak.

Multinational governance is therefore a complex and challenging field, raising significant issues related to economic management. In response, the international community has introduced measures aimed at promoting good governance.

In 2000, the United Nations launched the Global Compact, an informal platform initially involving 50 companies and a dozen NGOs. Its aim was to address the human, social, and environmental abuses associated with globalization. This initiative symbolized, in a way, diminishing hopes for substantial legal progress in promoting development in the Global South³⁶. It reflected the failure of numerous resolutions initiated by these countries, largely ignored due to the stance of industrialized nations.

In 2018, efforts to establish a multilateral treaty against multinational corporate impunity failed at the Human Rights Council due to strong opposition from the United States, the European Union, Canada, and Australia. Negotiations resumed in 2021. While the UN High Commissioner for Human Rights has stated that "the world is

³⁶ Michel Rogalski, "ONU, multinationales, développement et «gouvernance globale», *Recherches internationales/Année 2001/63/pp. 3-7* ; ONU, multinationales, développement et «gouvernance globale» (Éditorial) - Persée ([persee.fr](https://www.persee.fr))

witnessing a growing consensus on the need for binding regulations on businesses and human rights," Western states remain hesitant³⁷.

The Organisation for Economic Co-operation and Development (OECD) has published its Guidelines for Multinational Enterprises on Responsible Business Conduct, incorporating "the amendments made in 2023 [...] by the Adherents to the Declaration on International Investment and Multinational Enterprises"³⁸.

These guidelines are recommendations, not binding regulations, despite covering important areas such as human rights, the environment, anti-corruption, science, technology, and innovation.

Of the 38 OECD member states, 30 continue to oppose any form of binding regulation in this area. This lack of enforceable standards perpetuates the disproportionate influence of multinational corporations in global governance, reinforcing their hegemony.

In 2019, the Observatory of Multinational Enterprises noted: "*In a world where multinational corporations seem to outweigh most states and where the latter's room for maneuver seems to be inexorably shrinking, the United Nations must rethink its position vis-à-vis economic powers*"³⁹. The current demand is summarized as: "Rights for the people, rules for multinationals"⁴⁰.

States, however, retain a vital role in shaping the legal framework for multinational corporations and safeguarding national interests. France, for example, enacted the Duty of Vigilance Law in March 2017, which it lauded as the "first global regulatory act governing multinational corporations with regard to human rights." However, two months later⁴¹ with President Macron's new administration, priorities shifted, and by 2020, "the tangible effects of [this] law on businesses [were not yet visible]"⁴².

³⁷ UN negotiations on multinationals_ [UN talks: binding rules on TNCs & human rights](#)

³⁸ [Oe8d35b5-fr.pdf \(oecd-ilibrary.org\)](#)

³⁹ Olivier Petitjean, « *Les Nations unies face à l'emprise des multinationales* » ; [Les Nations Unies face à l'emprise des multinationales - Observatoire des multinationales](#)

⁴⁰ Swann Bommier, « *Des droits pour les peuples, des règles pour les multinationales* », Revue Projet 2019/6 (N° 373), pages 14 à 15 ; [Rights for peoples, rules for multinationals | Cairn.info](#)

⁴¹ [Bataille à l'ONU pour un traité sanctionnant les manquements des multinationales \(theconversation.com\)](#)

⁴² [Corporate duty of vigilance in France: The path of an improbable statute | Cairn.info](#)