

Corporate Accountability in Global Supply Chains: A Perspective on Human Rights and Trade Law

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Abstract:

In an era of hyper-globalization, supply chains have become increasingly fragmented and international, raising questions about corporate responsibility for human rights and sustainable trade practices. Although global trade agreements, under the WTO and through many bilateral and international frameworks, have allowed unparalleled economic integration, they sometimes do not incorporate enforceable human rights requirements. The growing force of programs such as the EU Corporate Sustainability Due Diligence Directive (CSDDD), the German Supply Chain Due Diligence Act and the UN Guiding Principles on Business and Human Rights represents a paradigm shift in international governance to ensure human rights compliance in international trade. This paper examines the interplay between international trade law and human rights legislation, in shaping corporate responsibility for supply chain activities. First, it analyses the normative controversies between free trade liberalization and human rights commitments implementation between states, focusing on the cases in the WTO in which trade restrictions based on ethical considerations have been challenged. Secondly, it considers the role of soft law instruments and regional initiatives in creating a quasi-legal environment in which firms must operate, especially on industries like textiles, marine commerce, and extractive industries. Third, it measures the consequences of mandatory due diligence legislation for emerging economies, where enterprises face the challenge of compliance costs and potential trade restrictions. The study argues that human rights-based regulation of supply chains has evolved from voluntary corporate social responsibility to a fundamental reconfiguration of the law governing international commerce. The proposal calls for a framework to square WTO commitments with the rise of human rights-oriented trade policies, which identify a need for diplomatic negotiations to prevent conflicts between economic liberalization and social justice demands. This study brings together human rights legislation, international trade law, and corporate governance, in a way that adds to the discourse on global justice in the context of economic globalization. It offers a legal framework for harmonizing trade facilitation with human rights responsibility, advancing a more just and sustainable global trading system.

Keywords:

Trade Facilitation, Human Rights, World Trade Organization, Trade Policies, Corporate Social Responsibility, Commerce.