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PESCON 2026

United Nations Human Rights Council

Background Guide

Agenda

“Formulating a comprehensive legal and regulatory framework to establish extraterritorial corporate accountability and statutory liability for multinational enterprises complicit in transnational human rights infractions”.

Letter from the Board of Executives

Dear Delegates,

It gives us great honour and immense pleasure to welcome you all to the United Nations Human Rights Council at PeCon 2026. As representatives of member nations of the UNHRC, you are tasked with debating, deliberating, and reaching a consensus on the agenda at hand.

This background guide has been designed to help you get started on your research. However, this document shouldn't be your only source of research. Building upon the outlook presented by this guide, you are expected to carry out your own research through authentic sources and make sure to engage in comprehensive and pragmatic debate throughout the sessions.

The Executive Board will not interfere in the flow of debate unless absolutely required. Therefore, the onus to ensure that the committee does not stagnate lies on the delegates. We strongly believe that with good research, the delegates will be able to steer the committee in the right direction.

Please do not hesitate to get in touch with the Executive Board at any time before or during the conference in case you have any queries about the agenda or the rules of procedure. Further, we have added an addendum to this letter that talks about the nature of evidence entailed in this simulation.

We request the delegates not to view this conference as a zero-sum game. Model UN conferences are collaborative rather than competitive, and we would like to keep this spirit alive during our committee. Our goal isn't to solve the world's problems in three days, but rather to educate ourselves about them, thereby ensuring that we go on to become a generation of sensitised leaders, equipped with the skills and will to make our world a better place.

With that being said, we wish you all good luck and eagerly look forward to the conference.

With warm regards,

Phani Sreevatsa HA- Chair
Amoolya S - Co-Chair
Merull Shah - Moderator

Executive Board
United Nations Human Rights Council

Nature and Proof of Evidence

Documents from the following sources will be considered as credible proof for any allegations made in committee or statements that require verification:

- UN Documents: Documents by all UN agencies will be considered sufficient proof. Reports from all UN bodies including treaty-based bodies will also be accepted.
- National Government Reports: Government Reports of a given country used to corroborate an allegation on the same aforementioned country will be accepted as proof. The documents stated above will hold a binding nature of establishment.
- Other sources like Wikipedia, Amnesty International, or newspapers like the Guardian, so on and so forth will not be accepted as credible proof; but may be used for better understanding of any issue and even be brought up in debate, if the information given in such sources is in line with the beliefs of a government or a delegate.

PeCON 2026

Committee Overview

The Human Rights Council is an intergovernmental body within the United Nations system made up of 47 States responsible for the promotion and protection of all human rights around the globe. It has the ability to discuss all thematic human rights issues and situations that require its attention throughout the year. It meets at the United Nations Office at Geneva.

The Human Rights Council was created by the General Assembly on 15 March 2006 by its resolution 60/251, replacing the Commission on Human Rights. The Council held its first session from 19 to 30 June 2006. A year later, the Council adopted resolution 5/1, its "institution-building package" to guide its work and set up its procedures and mechanisms. The 47 members of the Council are elected by the General Assembly.

Mandate and Mechanisms

Its mechanisms include the universal periodic review, which serves to assess the situations of human rights in all States Members of the United Nations. The Advisory Committee serves as the Council's "think tank", providing it with expertise and advice on thematic human rights issues. The complaint procedure allows individuals and organisations to bring human rights violations to the attention of the Council.

The Human Rights Council also works with its special procedures, a mechanism originally established by the Commission on Human Rights. The special procedures are independent experts appointed by the Council, to mandates as special rapporteurs, independent experts, special representatives or members of working groups, to monitor, examine, advise and publicly report on thematic issues or situations of human rights in specific countries.

When it established the Human Rights Council in March 2006, the General Assembly decided that it would review the Council's work and functioning after its first five years. More information about the review and its 2011 outcome is available here. In June 2016, the Human Rights Council marked its tenth anniversary through several events.

The Human Rights Council recorded one of its busiest years in 2021. The Council continued to introduce innovations, break boundaries and set new human rights standards. It did this against the backdrop of the COVID-19 pandemic, which continued to disrupt countless lives and livelihoods around the world. In a landmark decision, the Human Rights Council adopted a resolution in which it recognised the human right to a clean, healthy and sustainable environment. For the first time in its 15-year history, the Council decided to allow delegates to vote remotely, hosted the largest number of dignitaries ever to speak at its sessions, and supported the participation of 19 delegates from least developed countries and small island developing states through its SIDS/LDCs Trust Fund. Throughout the year, the Council allowed some 260 civil society organisations to deliver more than 900 statements.

The annual interactive debate of the Human Rights Council on the rights of persons with disabilities is made accessible by providing English captioning and simultaneous sign language interpretation in international sign. In addition, another panel among those held by the Human Rights Council is made accessible at each session, through funds that are raised or identified on an ad-hoc basis.

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Introduction

Multinational Corporations (MNCs) and Transnational Corporations(TNCs) are the pioneers in the present market-oriented corporate world. Multinational corporations have spread all through the world for commercial and trade aspects. Multinational corporations are particularly helpful for the financial growth and international trade of the entire world. These multinational corporations help Underdeveloped countries which endure with absence of job openings and utilization of goods and services which are rare to find in their territories, as multinational corporations have found paradises to form their auxiliaries in underdeveloped countries. Despite the benefits which host countries can gain from multinational corporations, these multinational corporations have been ill-famed for their corruptions and crimes which they commit behind the curtains or sometimes even in the public. Some of the activities which are carried out by these multinational corporations are illegal and make tremendous harms to the general public and to the society as a whole. Multinational corporations commit corporate crimes or illegal activities in different ways. Environmental pollution, financial crimes such as tax evasion, bribery, corruption, violation of human rights are few of them. Human rights are paramount for all the humans and violating these rights is illegal. Despite the fact that, many international and national laws exist to protect human rights, multinational corporations are reported to be violating human rights in the territories which they have created their corporate environment.

However, the angel face of the multinational corporations has been removed sometimes due to their activities which are illicit and also which cause huge damages to the society and the morality. Even though multinational corporations have created a better lifestyle for people in third world countries, the same people and the same societies are the major victims of the illegal activities by multinational corporations. Reasons behind this condition are that, the government and law enforcement mechanisms are weaker in these compared to the 'developed countries' in the world. Financial power of the multinational corporations is considerably higher than not only the third world countries, but more than some of the developed countries in the world.

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Corporate crime' is a name which can be given to identify crimes which are committed by any kind of a company, despite being a small, large, multinational or governmental corporation. In that perspective, illegal activities which are committed by multinational corporations can be recognized as corporate crimes. There are many types of corporate crimes by multinational corporations which have been reported from the beginning of the multinational corporations. Financial crimes, human and employment rights violations, corporate manslaughter, environmental pollution, political interference, bribery...etc. are some of the illegal activities which are committed by multinational corporations. Human rights are one of the main element in the international which has been developed throughout the history of international law. As United Nations defined, "Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status."

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2026

Background Information

Human rights relevancy to business

The idea of human rights is as simple as it is powerful: that people have a right to be treated with dignity. Human rights are inherent in all human beings, whatever their nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. The 1948 Universal Declaration of Human Rights was drawn up by representatives from many nations to prevent a recurrence of the atrocities of the Second World War and is the cornerstone of modern human rights law. At the World Conference on Human Rights in Vienna in 1993, all 171 participating countries reaffirmed their commitment to the aspirations expressed in that Declaration. International human rights treaties generally do not impose direct legal obligations on business enterprises. Legal liability and enforcement for the infringement by businesses of international human rights standards are therefore defined largely by national law. However, the actions of business enterprises, just like the actions of other non-State actors, can affect the enjoyment of human rights by others, either positively or negatively. Enterprises can affect the human rights of their employees, their customers, workers in their supply chains or communities around their operations. Indeed, experience shows that enterprises can and do infringe human rights where they are not paying sufficient attention to this risk and how to reduce it. The International Bill of Human Rights and the core ILO conventions provide basic reference points for businesses in starting to understand what human rights are; how their own activities may affect them; and how to ensure that they prevent or mitigate the risk of adverse impact.

The corporate responsibility to respect human rights applies to all internationally recognized human rights, because business enterprises can have an impact—directly or indirectly—on virtually the entire spectrum of these rights. Even rights such as the right to a fair trial, which is clearly directed at States, can be adversely affected.

The responsibility to respect human rights is not, however, limited to compliance with such domestic law provisions. It exists over and above legal compliance,

constituting a global standard of expected conduct applicable to all businesses in all situations. It therefore also exists independently of an enterprise's own commitment to human rights. It is reflected in soft law instruments such as the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD). There can be legal, financial and reputational consequences if enterprises fail to meet the responsibility to respect. Such failure may also hamper an enterprise's ability to recruit and retain staff, to gain permits, investment, new project opportunities or similar benefits essential to a successful, sustainable business. As a result, where business poses a risk to human rights, it increasingly also poses a risk to its own long-term interests.

Examples of business impact on human rights

Examples of situations where business enterprises may be deemed to have caused adverse human rights impact:

1. Routine racial discrimination by a restaurant in its treatment of customers;
2. Exposure of factory workers to hazardous working conditions without adequate safety equipment;
3. Being the sole or main source of pollution in a community's drinking water supply due to chemical effluents from production processes.
4. Providing data about Internet service users to a Government that uses the data to trace and prosecute political dissidents contrary to human rights;
5. Performing construction and maintenance on a detention camp where inmates were allegedly subject to inhumane treatment;
6. Targeting high-sugar foods and drinks at children, with an impact on child obesity;
7. Providing financial loans to an enterprise for business activities that, in breach of agreed standards, result in the eviction of communities;
8. Embroidery on a retail company's clothing products being subcontracted by the supplier to child labourers in homes, counter to contractual obligations;
9. Use of scans by medical institutions to screen for female foetuses, facilitating their abortion in favour of boys.

DIFFERENT FORMS OF HUMAN RIGHTS VIOLATIONS COMMITTED BY MNCs

MNEs (Multinational Enterprises) violate human rights into three categories, which were human rights violations committed by MNEs as agents of governments, complicity of transnational corporations with governments or government

agencies that commit human rights violations, and human rights violations committed by transnational corporations as commanders. MNEs use child labor in their factories and dump toxic and hazardous waste into rivers and lakes. Complicity is an entirely new concept in human rights. Multinational corporations should also refrain from activities which could subvert the system of law. They should also make good use of their influence to assist promote and ensure respect and protection for human rights. In addition, MNEs should be aware of the implications of their major and propose activities in order to further avoid complicity in the field of human rights. However, there is no clear definition of corporate accomplice in the international human rights field. Some scholars divide corporate accomplice into direct accomplice, indirect accomplice and silent accomplice. Direct complicity is when a company aids or encourages others to know about its human rights violations. For instance, if a corporation assists the government in carrying out forced evictions of residents, the corporation is directly complicit in human rights violations. Thus, a multinational corporation's mere commercial presence in a state where serious infringements have occurred can constitute complicity in silence, for example, systematic inaction or tolerance of systematic discrimination or tolerance in employment laws on the grounds of race or sex may result in allegations of complicity in silence.

The gravest violations of Transnational Corporations(TNCs) can be split up into three categories:

- First, TNCs may support corrupt regimes, as was seen in a lawsuit against Shell in 2009.
- Secondly, TNCs may violate international environmental laws resulting in health problems and death for local populations, which happened to Shell and was accused of water pollution in Nigeria.
- Thirdly, TNCs may not respect workers' rights fully. Wage dumping and a lack of safety are major concerns with TNCs in relation to human rights.

Given that there is a medium of classifying violations of TNCs, there's still room for discussion on how the legal grey area that they operate in can be addressed and other possible ways to deal with these TNCs.

Dilemma in Jurisdiction

In general, human rights violations by MNEs are more likely to occur in host countries where the development of law is relatively weak, therefore the likelihood of the host country to provide effective remedies is not high. When a host country is unable to provide effective remedies, victims often place their hopes on seeking judicial redress from the home countries of transnational corporations. At this level, the home court faces, on the one hand, the obstacle posed by the passive exercise of jurisdiction and the principle of "forum-non-convenience doctrine", on the other hand, the challenge posed by the active exercise of jurisdiction, for example, extraterritorial jurisdiction, which raise questions about the reasonable exercise of jurisdiction. In particular, where the jurisdiction of other courts lacks the possibility of expectation, the court should apply the forum-non-convenience doctrine to prevent multinational corporations from evading jurisdiction. The principle of "Forum Necessity" has been recognized by European countries such as Germany and France, which limits the application space of the forum on-convenience doctrine and has a positive significance in removing jurisdictional obstacles in judicial remedies to a certain extent. Extraterritorial jurisdiction is controversial in both theory and practice. On the one hand, many international human rights treaties express or imply that the obligations of countries are not limited to their own territory or do not limit the territorial scope of their duties, while the UN's human rights treaty bodies, in their general comments on these treaties, tend to affirm the extraterritorial human rights obligations of the home country, thus providing a premise and basis for the exercise of extraterritorial jurisdiction of countries. On the other hand, the extraterritorial human rights obligations of countries do not automatically legitimize extraterritorial jurisdiction. This is because the exercise of national jurisdiction is also limited by the principles of the sovereign equality of states and non-interference in the internal affairs of countries in international law, and can therefore only be limited to the traditional principles of jurisdiction already established under customary international law, such as territorial, protective and universal jurisdiction.

From a practical point of view, the exercise of extraterritorial jurisdiction should avoid conflict with the sovereignty of other States and great care must be taken. In

this regard, the principle of the closest links is of great value for the establishment of extraterritorial jurisdiction. The principle of the closest link requires that, in exercising its jurisdiction, the court must ensure that there is a sufficiently close link or link between the court or the applicable law and the case. However, it is not easy to judge these relationships or associations reasonably. Especially, the diversification of related party transactions and related party control of multinational companies make the method of judging the intimacy of such relationships confusing, which brings practical challenges to the application of extraterritorial jurisdiction.

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Past Human Rights Council Action

In June 2011, the United Nations Human Rights Council endorsed the Guiding Principles on Business and Human Rights presented to it by the Special Representative of the United Nations Secretary-General. This move established the Guiding Principles as the global standard of practice that is now expected of all States and businesses with regard to business and human rights. While they do not by themselves constitute a legally binding document, the Guiding Principles elaborate on the implications of existing standards and practices for States and businesses, and include points covered variously in international and domestic law.

THE UNITED NATIONS "PROTECT, RESPECT AND REMEDY" FRAMEWORK

The Guiding Principles are based on six years of work by the former Special Representative, including in-depth research; extensive consultations with businesses, Governments, civil society, affected individuals and communities, lawyers, investors and other stakeholders; and the practical road-testing of proposals. They were developed to put into operation the "Protect, Respect and Remedy" Framework presented by the Special Representative to the United Nations in 2008. This three-pillar Framework consists of:

- The State duty to protect human rights
- The corporate responsibility to respect human rights
- The need for greater access to remedy for victims of business-related abuse.

The United Nations High Commissioner for Human Rights welcomed the "Protect, Respect and Remedy" Framework, which set: "both a new and clear benchmark and represents an important milestone in the evolving understanding of human rights in our societies... Clarity about the baseline expectations of business with regard to human rights is a first important step towards developing appropriate and effective responses to such problems"

The Human Rights Council unanimously adopted Ruggie's report. This marked the

first time in history that the United Nations had made a definitive statement about the role of business with respect to human rights.

- In 2011, HRC resolution 17/4 established a Working Group to address the "issue of human rights and transnational corporations and other business enterprises." (more about TNCs in the next section)
- The Working Group established the Forum on Business and Human Rights, which meets yearly to share information on and facilitate the implementation of the Guiding Principles on Business and Human Rights.
- Additionally, the Working Group provides guidance on implementing national action plans and serves as a platform for regional dialogue.
- In 2017, the HRC adopted resolution 35/7, which emphasized the "Working Group on the issue of human rights for transnational corporations and business enterprises," and extended the duration of the Working Group for three more years to continue international dialogues and cooperation.
- In HRC resolution 32/10 (2016) on "Business and human rights: improving accountability and access to remedy," the HRC recognizes policies to improve accountability and access to remedies. The HRC calls for further actions in achieving the Guiding Principles, strengthening international cooperation and regional initiatives.

THE GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

The Guiding Principles reflect and build on the three-pillar structure of the "Protect, Respect and Remedy" Framework. They comprise 31 principles, each followed by a brief commentary. Together, the Guiding Principles outline steps for States to foster business respect for human rights; provide a blueprint for companies to manage the risk of having an adverse impact on human rights; and offer a set of benchmarks for stakeholders to assess business respect for human rights. The Guiding Principles have gained extensive support from businesses and civil society as well as States. A number of other international and regional organizations have reflected them in their own standards, and more are expected to do so in the months and years to come. Many businesses around the world are already looking at how they can implement the Guiding Principles in their operations. The Office of the United Nations High Commissioner for Human Rights (OHCHR) has supported the six-year long process that led to the Principles under the stewardship of the Special Representative. Before their endorsement by the Human Rights Council, the High Commissioner stated that:

(If you have made it this far into the background guide - let the EB members know, Ice Cream on us.)

"These Guiding Principles clarify the human rights responsibilities of business. They seek to provide the first global standard for preventing and addressing the risk of adverse human rights impact linked to business activities. If endorsed, the Guiding Principles will constitute an authoritative normative platform which will also provide guidance regarding legal and policy measures that, in compliance with their existing human rights obligations, States can put in place to ensure corporate respect for human rights."

Furthering this, the international community has covered human rights and their importance in the business sector in numerous international documents.

The Universal Declaration of Human Rights (UDHR) (1948) is a milestone document advocating for the protection of human rights.

- Article 23 of the UDHR promotes the security of employees and access to work.
- Article 24 of the UDHR advocates for employees' appropriate working times.
- In accordance with the UDHR, the International Covenant on Economic, Social and Cultural Rights (ICESCR) (1966) recognizes the right to fair work in ensuring political and economic freedoms.
- In 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development. The 17 SDGs within the 2030 Agenda provide a framework for eradicating poverty, combating inequalities, ensuring human rights, and protecting the environment.
- To achieve the 2030 Agenda, the business sector plays an important role because corruption, poor working conditions, and ineffective laws hinder sustainable development; protecting human rights is essential to sustainable development.
- The UN Global Compact, a global voluntary initiative for CSR, aims towards the commitment of the business sector to incorporate labour standards, environmental protection, human rights, and anti-corruption actions within their efforts.
- The ten principles outlined in the UN Global Compact – also focusing on human and labour rights – are a framework for sustainable business.
- The UN Global Compact focuses on anti-corruption and environmental measures. Proving a value-based approach, the UN Global Compact provides guidelines on how to conduct responsible business.

- The UN Global Compact counts 13,000 participants for both the business and non-business sectors. The Open-Ended Intergovernmental Working Group (OEIGWG) on transnational corporations (TNCs) and other business enterprises have a specialized focus compared to the generalist approach of the UN Global Compact.
- It serves as an entity to address the issue of TNCs and works on a legally binding measure to hold TNCs accountable for their actions. The HRC works together with the OEIGWG to access information the Working Group provides on the special cases of TNCs.

Discrimination and equal remuneration

- The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (1979) is a core document that emphasizes equality between men and women.
- Article 11 of CEDAW outlines the need for non-discriminatory policies for women in the work environment, security, and equal treatment at the workplace.
- UN Global Compact, Principle VI
- Companies must uphold the elimination of discrimination with respect to employment and occupation.
- ILO Core Conventions 100 and 111
- Companies must promote equal opportunities and treatment regarding employment and positions, with a view to eliminating any discrimination.
- The term 'discrimination' includes any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, nationality or social origin, that has the effect of nullifying or impairing equal opportunity or treatment in employment or position.
- The UN Entity for Gender Equality and the Empowerment of Women (UNWomen) works towards the achievement of decent work and improving employment policies for all women. In cooperation with the UN Global Compact, UN-Women introduced in 2017 the Women's Empowerment Principles, which advocate for the equal treatment of women and men, promote education and livelihoods, and call for community initiatives and advocacy. As the integration of women in the economy is crucial for sustainable development, the business sector plays an important role in advancing gender equality and the empowerment of women.

Addressing child labour

- In 1998, the ILO adopted the ILO Declaration on Fundamental Principles and Rights at Work, which seeks to eliminate child labour, discrimination, and

highlights the "freedom of association" and "the right to collective bargaining."
    - ILO Core Conventions 138 and 182
    - Companies must not use child labour in any global operations and in the case there is an absence of any national or local law, 'child' means a person less than 16 years old. If local minimum-age law is set below 16 years but is in accordance with ILO Convention 138, that lower age will apply.
- UN Global Compact, Principle V
- Companies must uphold the effective abolition of child labour.

Transnational Corporations

A TNC is an enterprise "comprising entities in more than one country which operate under a system of decision making that permits coherent policies and a common strategy." Approximately a quarter of the world's productive assets, worth $5 trillion, is owned and controlled by the 300 largest TNCs, and their total annual sales are even larger than the gross domestic product (GDP) of most countries.

The increased role of TNCs in the globalized world also causes negative effects. TNCs often operate on the costs of cheap labour and raw materials, especially in developing countries. Without clearly enforced international law, Transnational Corporations (TNCs) are increasingly powerful in our globalized world.
Within a transnational context, TNCs challenge the power and duties that historically belong to states, and their often unregulated conduct affects public interests. Arguably, the most pressing cases are those in which TNCs infringe upon the ability of individuals to enjoy the content of their human rights. The conduct of a TNC may affect either the human rights of individuals involved within the business networks of that TNC (for example, the workers employed by a supplier of the TNC), or the human rights of individuals not involved within those networks (for example, through environmentally degrading practices), or both standards. TNCs operate in a legal grey area concerning the environment and human rights.

Within the open-ended intergovernmental working group(OEIGWG) on TNCs and other enterprises, there is an ongoing discussion on TNCs and accountability. The OEIGWG was mandated by the HRC in 2014 to work out legally binding standards for TNCs.

Juridical Remedies

The plight of transnational corporations in providing judicial redress for human rights violations not only exposes the weakness of the enforcement mechanisms of international human rights law, but also poses challenges to the domestic legal system. As the key to ensuring effective remedies, "judicial remedies" are essential to underpin and guarantee the effectiveness of the entire system of rights remedies. The rights remedy mechanism includes a complaint mechanism at the national and non-state levels, and a complaint mechanism at the national level includes judicial and non-judicial mechanisms. Among the many rights relief mechanisms, the national judicial relief mechanism is the most critical. This is not only due to the gradual integration of the concept of rights relief and rights protection in modern society, but also the systematic arrangement of judicial remedies as the center. Moreover, because judicial remedies are the last line of defense for social fairness and justice, they have the function of ultimate relief to guarantee the realization of human rights. Compared with other relief mechanisms, judicial relief mechanisms are more open, fair and effective because they are consistent with the rule of law and due process. Although the non-judicial appeal mechanism has a certain degree of flexibility, it is inferior to the judicial appeal mechanism in terms of the independence of the mechanism design, the transparency of the implementation of the mechanism, and the coercive power of the implementation of the mechanism.

In the face of these challenges and obstacles, it is not simply by relying on the ability of judges or lawyers to handle cases or improving a country's legal system, but to find the root causes from the deep structure and relationship level between international law and domestic law, and then take comprehensive and targeted measures for change or improvement. Therefore, the solution to this problem requires not only the simultaneous implementation of both international and domestic law, but also the in-depth and begin interaction and coordination between them, so as to develop and improve the system of judicial remedies for human rights violations by MNEs.

With the increasing of multinational corporations as well as their more and more enormous influence on global human rights, basic and mandatory international human rights standards and regulations should not only state but also fulfill the obligations of responsibility for states and transnational corporations. Legal cases of human rights violations by MNEs involve a huge number of individuals and a wide range of kinds of rights such as the deprivation of land rights of traditional and indigenous population, violations of legal labor rights, the use of child or forced labor, excessive use of force by security personnel and violations of human rights to life and health and access to water and food.

Case Studies

Bangladesh

The case study on the Readymade Garment Sector(RMG) of Bangladesh is an example of the disparity that still exists in the workplace based on gender and also indicates the need for major strides that need to be made to ameliorate the gender gap in workplaces.

Women in Bangladesh remain subjected to systematic and widespread discrimination and violence in all spheres of public and private life. Bangladesh's widespread economic disparity, poor governance, and lack of respect for the rule of law contribute to a pervasive disregard for labour rights in the RMG sector. Despite efforts made in recent years to improve the legislative framework and to introduce new guidelines and safety standards, working conditions remain poor in the great majority of factories and workers see their rights denied or ignored on a regular basis. Most of the RMG factories in Bangladesh continue to fail to comply with national and international standards, resulting in frequent workplace violations and numerous injuries and illnesses.

Workers in the RMG sector continue to face systematic denial of their rights, particularly in the areas of payment of wages, overtime benefits, and unsafe working conditions, resulting in recurring workplace accidents and injuries.
One of the biggest issues faced by women working in the RMG sector in Bangladesh is job insecurity, which effectively discourages them from fighting against the myriad other abuses they face in the workplace, which are detailed further in this chapter. Due to a combination of insufficient legal protections, poor implementation of existing legal protections, a lack of legal documents (such as work contracts) on record, and weak or non-existent trade unions, workers in the RMG sector are often unlawfully terminated/laid off without cause or prior notice. An analysis of the reasons behind rising incidents of workers' unrest finds that it has been continuously occurring over the years due to: low wages; late or non-payment of wages and benefits, including overtime and festival bonuses; discharge, dismissal, or termination of workers; and closure of factories without prior notice. When workers take part in public demonstrations and rallies to

protest, they are often subjected to violence by police and factory goons and can be dismissed or have their employment terminated in reprisal, which is facilitated by the absence of trade unions. In fact, large-scale termination and dismissal of workers, often on a random basis, has become an increasing concern in recent years; according to data collected by Odhikar, 3,540 workers were laid off for a variety of reasons between 2017 and 2019.

Mexico

This case study shows how the UN Guiding Principles can be implemented. In 2017, the Working Group on business and human rights conducted a country visit in Mexico to monitor human rights progress in the business sector. Mexico is confronted with high poverty and inequality rates. Workers face a lack of security and low wages, and 2.5 million child labourers are working in Mexico. The employment rate for women compared to men is 33.5% lower, and there is a large pay gap up to 18.3% difference. The Working Group visited different companies in the country to examine human rights cases. It concluded that open dialogue between the business sector and affected groups need to be strengthened along with raising awareness of the Guiding Principles. The Working Group noted that Mexico was willing to work on a NAP to address this and that mechanisms for human rights protection would be beneficial, including the inclusion of human rights policies into value chains.

Turkey

In the past decade, Turkey has seen a rise in violations of workers' rights including massive dismissals of government employees, violation of international agreements and the lack of a redressal mechanism to address the grievances of workers. The **15 July 2016 coup d'état attempt** was attempted in Turkey against state institutions, including the government and President Recep Tayyip Erdoğan. The attempt was carried out by a faction within the Turkish Armed Forces that organized themselves as the Peace at Home Council whose members have never been identified. After the attempted coup in Turkey in 2016, The Republic of Turkey dismissed 140.000 public servants with decree-laws and more than 100.000 workers by assigning trustees or closing down their workplaces by violating all the responsibilities it has which were guaranteed by the international agreements it signed. It was found that these were all done by associating the victims with the coup and terrorism, without any investigations, without considering "the presumption of innocence" and by "violating the ILO (

fInternational Labor Organization) conventions". The people who were dismissed rom their duties within this process could not express their situation and victimhood in front of any authority as they were limited by the State of Emergency and decree-laws and as they were accused of the coup attempt. The compensations of these dismissed people were not paid, their retirement rights were ignored and they were blocked from using their health rights. They were announced as guilty by associating the names of their workplaces with terror in the Official Gazette. Within this context, those people are deprived of their rights to "work" and "live" and they are left to misery and starvation.

China

The case study on China highlights the infringement of workers rights as per global standards and further points out the need for action to ensure that employees can freely exercise their right to protest without being prosecuted or harassed for raising their voice against unfair workplace practices. Independent labour unions are illegal in China. The government only endorses one union, known as the All-China Federation of Trade Unions (ACFTU). All other unions fall under their hierarchical control. Since ACFTU is tied to the government, it prioritizes government stability. Most workers do not see it as a reliable advocate for their rights. The rise of the "informal economy" in China means that many migrant workers are working without formal contracts. They are not officially employed anywhere, moving to and from companies to work during peak production seasons.

China's need to address the agenda at hand can be seen from the protests and strikes Chinese workers have been organising. Approximately 600 worker strikes or protests were reported in 2017 alone, but estimates accounting for unreported strikes in recent years are even higher. In 2010, it was China's youth that led the way. At the Nanhai Honda factory, a 23-year-old named Tan Guocheng led a 19-day long strike of young workers demanding higher wages–and they were victorious. When the Lide shoe factory decided to relocate in 2014, it did not consult its workers; instead, it provided them with little to no compensation. Workers came together to demand fair compensation for the relocation and the welfare benefits the company already legally owed them but had not been paying them. In a collective bargaining process that lasted for over nine months, the company was forced to compensate its workers and finally cover their social insurance and housing funds.

In March of 2016, eight workers were sentenced to up to eight months in prison

just for protesting their low wages in public. They were charged with the crime of "severely obstructing social-administrative order." Wu Guijun used to be a factory worker and is now a dedicated labour activist. After organizing a protest of two hundred people, he was detained for more than a year. His crime? Gathering a crowd to disrupt traffic.

The Netherlands and ASML: One Company, One Chokepoint

This case study looks at how a single private company in one country came to control a technology the whole world depends on, and what happens when governments use that company as a tool of foreign policy.

What ASML is

ASML Holding N.V., headquartered in Veldhoven in the Netherlands, does not make chips itself. It makes the lithography machines that chipmakers such as TSMC (Taiwan), Samsung (South Korea) and Intel (USA) use to print microscopic circuits onto silicon wafers. For the most advanced kind of machine, which uses extreme ultraviolet (EUV) light, ASML has no competitor at all. In its own annual filing to the US Securities and Exchange Commission, the company states that it is "currently the world's only manufacturer of EUV lithography systems." In practice, this means that every cutting-edge processor, from smartphone chips to the graphics processors used to train artificial intelligence, passes through an ASML machine at some point.

ASML's monopoly was built over decades rather than through any single deal. Its machines bring together optics from Carl Zeiss in Germany and a light source developed by Cymer, a San Diego company ASML acquired in 2013, along with thousands of specialised suppliers. Each new machine generation costs hundreds of millions of euros, and no rival has managed to rebuild that supply chain. In 2025 ASML reported net sales of €32.7 billion and more than 44,000 employees.

How the Netherlands–United States partnership developed

Because ASML is a chokepoint, whoever decides where its machines may be sold also decides who can manufacture advanced chips. The United States has spent several years persuading the Netherlands to use that power against China:

- **2019:** the Dutch government stopped licensing EUV machines for China. ASML's most advanced systems have been barred from the Chinese market ever since.

- **January 2023:** the US, the Netherlands and Japan agreed to restrict exports of chipmaking equipment to China. The terms of the agreement were never published.
- **2023 to 2025:** Dutch licence requirements were widened step by step, first to older deep ultraviolet (DUV) immersion machines and later to certain measurement and inspection tools. In November 2025 the EU extended similar licence requirements to all member states.
- **2025:** the Dutch Defence Minister publicly named the semiconductor sector, with ASML as the main target, as a focus of Chinese espionage. The two governments have since expanded cooperation on export controls, cyber defence and counter-espionage to keep ASML's know-how out of Chinese hands.
- **June 2026:** the Netherlands formally signed Pax Silica, a US State Department initiative launched in December 2025 to build supply chains for chips, AI and rare earths that do not depend on China. The European Commission signed on the same day.

Where the partnership is strained

The relationship is not one of simple agreement. In April 2026 a bill called the MATCH Act was introduced in the US Congress. It would ban the sale and even the servicing of ASML's older DUV machines in China, and would give allies 150 days to adopt matching rules. If they do not, Washington could use its own export rules to reach foreign-made equipment that contains American components, which ASML's machines do. China was ASML's largest market in 2025, at roughly a third of sales, so the stakes for the company are high. In September 2026 Dutch Prime Minister Rob Jetten said he had raised the bill directly with President Trump, insisting that "we have stricter export controls on ASML than anywhere else in the world" while expressing confidence that "we will reach an agreement that works for everyone."

Human rights concerns have also shaped how far the two countries trust each other. In November 2025, US lawmakers reported that Dutch intelligence agencies had begun limiting some information-sharing with Washington, reportedly over doubts about the legality and human rights impact of US military strikes on boats in the Caribbean. Intelligence cooperation between allies is therefore conditional, and human rights considerations can limit it.

Why this matters to the Council

- **Jurisdiction:** the MATCH Act is a live example of the extraterritorial jurisdiction problem described earlier in this guide. One state is attempting to regulate how a company headquartered in another state does business in a third.

- **Right to development and science:** Article 15 of the ICESCR recognises everyone's right to enjoy the benefits of scientific progress. When one company controls a foundational technology and access to it is decided by a small group of states, developing countries have little say in who receives it.
- **Dual use:** advanced chips power both hospitals and mass-surveillance systems. Export controls are often justified on security and human rights grounds, but they can also be used for purely economic advantage.
- **Workers and supply chains:** when a chokepoint is disrupted, the effects reach workers worldwide. The 2025 dispute over the Dutch chipmaker Nexperia, for example, led to shortages for carmakers.

Open-Source AI from China and the AI Bubble

This case study asks whether freely released Chinese AI models could undermine the business model of the largest American AI companies, as free software and free products have upset dominant firms before, and how that pressure links to the departure of safety staff from OpenAI.

The bubble

Investment in artificial intelligence has risen to unprecedented levels. OpenAI alone was valued at about $852 billion in April 2026. Valuations like this assume that the most capable AI models will stay scarce, expensive and owned by a handful of companies. Critics argue that if comparable models become freely available, the investment case could collapse, as it did for many internet companies in 2000.

China's open-weight models

Several Chinese labs now publish their models' "weights", the trained numbers that make a model work, so that anyone can download, run and modify them. Strictly speaking these are "open-weight" rather than fully "open-source" models, because the training data and code are usually not released. Three examples:

- DeepSeek R1 (January 2025): its release suggested that near-frontier AI could be built far more cheaply than expected. On 27 January 2025 Nvidia lost about $593 billion in market value, the largest single-day loss for any company in US stock-market history.
- DeepSeek V4 (April 2026): released under the permissive MIT licence. Its largest version is priced at $1.74 per million input tokens and $3.48 per million output tokens, against $5 and $30 for OpenAI's GPT-5.5.

- Kimi K3 by Moonshot AI (July 2026): a 2.8-trillion-parameter model whose weights were made downloadable, and which ranked close to leading US models on several benchmarks. One commentator observed that "open source is no longer lagging six months behind Western closed-source models."

Reuters has noted that open-sourcing lets Chinese firms "showcase their technological capabilities and expand developer communities as well as their global influence." The strategy also connects to the ASML case study: US export controls limit China's access to the most advanced chips, so Chinese labs have strong reasons to build efficient models and win adoption by giving them away.

Historical parallel 1: the browser wars and the dot-com crash

In the mid-1990s Netscape Navigator was the leading way to access the web, and Netscape earned money by licensing it. Microsoft then bundled its own browser, Internet Explorer, free with Windows. Netscape could not compete with a free product. In January 1998 it made Navigator free and announced it would release the browser's source code, which became the Mozilla project. AOL bought Netscape in 1999, and the US government sued Microsoft for antitrust violations. Shortly afterwards the wider dot-com bubble burst: the Nasdaq index peaked in March 2000 and lost close to 80% of its value by October 2002.

The lesson is that the internet survived the crash. What changed was where the money was made. Once the browser became free, value moved to the companies that built services on top of it.

Historical parallel 2: Google and Android

Google bought the small start-up Android in 2005 and, in 2007, released Android as open-source software through the Open Handset Alliance. Any phone maker could use it for free. Google's aim was not to profit from the operating system but to stop rivals from controlling the mobile platform, while Google earned money through search, advertising and its app store. Android went on to become the world's most-used mobile operating system and pushed aside paid competitors such as Windows Mobile, Symbian and BlackBerry. Economists call this "commoditising the complement": making a rival's core product free so that the value shifts to what you sell instead.

Chinese open-weight AI may follow the same pattern. If capable models become cheap or free, companies whose valuations depend on selling access to models face the same pressure Netscape did. The bubble would not necessarily pop for AI as a whole, since cheaper AI could increase demand, much as cheap browsers

expanded the internet. It could, however, burst for firms whose only advantage is owning the model.

The pressure at OpenAI

OpenAI was founded in December 2015 as a non-profit with a mission to ensure that artificial general intelligence "benefits all of humanity." Over time it has moved steadily towards a profit-driven structure:

• 2019: it created a "capped-profit" arm, with investor returns limited to 100 times the amount invested.

- **May 2024:** Chief Scientist Ilya Sutskever and safety co-lead Jan Leike left, and the "superalignment" safety team they ran was disbanded. Leike wrote that "safety culture and processes have taken a backseat to shiny products." Roughly half of OpenAI's AI-safety researchers left that year.
- **October 2025:** the for-profit arm became OpenAI Group PBC, a public benefit corporation. The original non-profit, renamed the OpenAI Foundation, kept a stake of about 26%, while Microsoft holds about 27%.
- **March 2026:** Caitlin Kalinowski, head of hardware and robotics, resigned over OpenAI's contract with the US Department of Defense. She warned that "surveillance of Americans without judicial oversight and lethal autonomy without human authorization are lines that deserved more deliberation than they got."
- **October 2026:** OpenAI dismissed three safety researchers for allegedly sharing confidential information with an outside AI-safety organisation. Days later David Robinson, who led transparency work on the safety team, resigned and said publicly that the company's culture is "broken."

Tying it together

The two trends reinforce each other. As free Chinese models narrow the gap, closed US labs come under pressure to ship faster, find new revenue such as defence contracts, and justify enormous valuations. Many of the people who left say that safety and ethics work is what gets squeezed. At the same time, open-weight models raise human rights questions of their own. Once released, they cannot be recalled or controlled, and some Chinese models have been reported to reproduce state censorship on politically sensitive topics. On the other hand, free models can give developing countries access to technology they could not otherwise afford.

The Council has already engaged with these questions. HRC resolution 41/11 (2019) addressed new and emerging digital technologies and human rights, the General Assembly adopted resolution 78/265 on safe, secure and trustworthy AI in March 2024, and OHCHR's B-Tech Project applies the UN Guiding Principles to

technology companies. None of these instruments, however, is binding on AI companies.

QARMA

1. Addressing loopholes in the implementation of the existing international and regional frameworks in place
2. Keeping domestic laws consistent with the international frameworks ratified by a number of countries
3. Considering social and cultural differences that contribute to the violation of human rights in workplaces directly or indirectly
4. Addressing the discrimination faced by women in the business sector including but not limited to the wage gap, opportunities in the industry etc
5. Forced labour in the informal economy and mechanisms to redress and remedy violations of workers rights.
6. Addressing workers' freedoms to form unions and engage in collective bargaining to ensure their needs are consistently attended to
7. What is the process to be followed when investigating harassment at the workplace?

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