COMMENT

TRANSNATIONAL CORPORATE RESPONSIBILITY FOR INTERNATIONAL ENVIRONMENTAL AND HUMAN RIGHTS VIOLATIONS: WILL THE UNITED NATIONS’ “NORMS” PROVIDE THE REQUIRED MEANS?

I. INTRODUCTION

Recently in Buyat Pantai, one of Indonesia’s most impoverished coastal communities where people live with only a single dirt road and without electricity or running water, something went wrong.1 Villagers were afflicted by a variety of illnesses that had never been seen before in this area.2 They began complaining of dizziness, breathing difficulties, tumors, skin rashes, and diseases.3 Water and air quality tests, conducted to determine the source of the illnesses, revealed a dramatic increase in arsenic and mercury to levels never before seen in the region. What had changed in this tiny, isolated, and autonomous coastal village? The answer is the arrival of Newmont Mining Corporation (Newmont), a U.S.-based multi-billion dollar gold producer, and its gold mine near Buyat Bay.

The Indonesian government and its citizens have filed civil charges against Newmont for polluting the air and water, and for making its people sick.4 The company’s executives deny any wrongdoing and insist that everywhere Newmont does business, it adheres to U.S. environmental laws, which are often more stringent than those of developing countries.5

1. Michael Casey, Indonesian Villagers Sue Firm for Polluting; World’s Largest Gold-Mining Company at Centre of Environmental Storm, HAMILTON SPECTATOR, Nov. 29, 2004, at A16.
2. Id.
5. See discussion of Newmont’s environmental record infra Part III.A.
The tragedies at Buyat Bay draw attention to larger issues arising in international law. Specifically, there is a lack of certainty regarding what law controls transnational corporations (TNCs), and what regulations are in place to safeguard the people and natural resources of countries hosting TNCs.\(^6\) Each nation has its own set of laws to protect the environment and the health of its citizens. However, when a TNC exploits a host country’s natural resources and harms its land, developing countries often fail to enforce these laws because they fear the company will leave and take its jobs and dollars with it. Today, developing countries are asked to trade health and safety for the progress and prosperity promised by the economic ventures of TNCs. Presently, without any binding international law to protect host countries, individual nations find themselves in a difficult situation.

In August 2003, the United Nations enacted the *Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights (Norms)*, a voluntary set of human rights principles, which include international environmental law guidelines.\(^7\) These principles provide non-binding guidelines for TNCs and other business enterprises to abide by while operating in any country.\(^8\) The critical question is whether this “soft law”\(^9\) will be enough to stop the environmental exploitation and degradation of developing countries.

Part II of this Comment examines the history and background of human rights and the environment. Part III describes the case against Newmont, including the allegations and procedural history. A detailed analysis of the *Norms* is set out in Part IV. Finally, Part V discusses how the *Norms* can be used and explains why binding legislation is desperately needed.

This Comment concludes by finding that the *Norms* offer guidelines that represent a step in the right direction, however, the *Norms* are simply not enough. TNCs exploit countries that are rich in natural resources but poor in economic vitality, polluting the air and water and damaging the health of indigenous people. TNCs do so free from

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6. See discussion of the need for binding international regulation *infra* Part V.B.
8. Id.
9. See discussion on the difference between hard and soft law *infra* Part IV.A.
prosecution and redress because binding international law governing
how TNCs operate does not yet exist.

II. HUMAN RIGHTS AND THE ENVIRONMENT:
BACKGROUND AND HISTORY

Degrading the environment has an adverse effect on the quality of
life and can often lead to violations of human rights. The General
Assembly of the United Nations has declared that preserving the
earth's natural resources is "a prerequisite for a normal life of man." These rights are vital for indigenous people because they often rely on
every aspect of their immediate environment in its natural state for
survival—such as water, trees, food, health, housing, traditional live-
lihood, and culture. Harm to these natural resources is often both ir-
reversible and life threatening, as these harms negatively impact the
immediate health and safety of individuals.

A critical dilemma in the international environmental and human
rights arena involves developing countries, their indigenous people,
and the exploitation of their environment. As established in the very
first international environmental conference held in 1972, the primary
concern of the "South" is economic development. This position

10. DAVID HUNTER ET AL., INTERNATIONAL ENVIRONMENTAL LAW AND POLICY 1281 (2d
ed. 2002).
11. ALEXANDRE KISS & DINAH SHELTON, INTERNATIONAL ENVIRONMENTAL LAW 664
12. HUNTER ET AL., supra note 10, at 1283.
13. KISS & SHELTON, supra note 11, at 664 (quoting Klaus Toepfer, Executive Director
of the United Nations Environment Protection in a statement to the Fifty-Seventh Session
14. Brief for Center for Human Rights and the Environment and Center for Interna-
tional Environmental Law, as Amici Curiae Supporting Plaintiffs, Ass'n of Lhaka Honhat
Aboriginal Communities (Nuestra Tierra/Our Land) v. Argentina, Precautionary Measures
http://www.cedha.org.ar/docs/curiae2.htm, reprinted in DAVID HUNTER ET AL.,
INTERNATIONAL ENVIRONMENTAL LAW AND POLICY 1281 (2d ed. 2002).
15. The "South" does not denote countries geographically located in the south, but
rather is a way for environmentalists to classify a group with characteristics of high popula-
tion, high poverty, and high biodiversity. Id. at 167. These are usually developing countries.
Id. The "North" refers to nations that are relatively wealthy, and have substantial economic
development, high literacy rates, and positive health indicators. Id. The "North" includes the
United States, Canada, Europe, former Soviet Union, Japan, Australia, and New Zealand. Id.
at 166-67.
Many developing countries are in the southern hemisphere, but not all, and visa-versa. The
tendency to group North and South is helpful in distinguishing because the goals of most de-
veloping countries are the same when it comes to an environmental agenda. See generally
Richard B. Stewart, Environmental Regulations and International Competitiveness, 102 YALE
L.J. 2039, 2102-05 (1993) reprinted in INTERNATIONAL ENVIRONMENTAL LAW ANTHOLOGY
was initially advanced at the U.N. Conference on the Human Environment at Stockholm17 and still held true at the Johannesburg World Summit of 2002.18 Regrettably, developing countries are frequently willing to sacrifice environmental and human rights to further development because creating a vigorous economy is a strong desire and goal.19 The international community attempted to respond to this trade-off by establishing "third generation rights," which grant rights to a quality environment, development, and peace.20 However, many developing countries have less stringent environmental standards than industrialized countries;21 as a result, TNCs can establish a more profitable business in developing countries, because they are not often forced to comply with the strict environmental standards of their home country.22

In those developing countries that do have strict environmental laws, the laws are often not enforced. A research study in Brazil, Mexico, Indonesia, and the Philippines found that even if countries

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452-53 (Anthony D'Amato & Kirsten Engel eds., 1996) (discussing how a variety of factors, including social, cultural, historic and economic, lead to varying governmental responses to environmental issues). The goals of most countries in the “North” are also the same, but sharply differ with those of the “South.” Id.; HUNTER ET AL., supra note 10, at 167.


20. VED P. NANDA & GEORGE PRING, INTERNATIONAL ENVIRONMENTAL LAW & POLICY FOR THE 21ST CENTURY 455 (2003) (citing S.P. Marks, Emerging Human Rights: A New Generation for the 1980s?, 33 RUTGERS L. REV. 435, 442 (1981)). Third generation rights are those which are required and that may be called upon against the state. Id. These differ from first, which define personal liberties that governments have assumed the right to respect. Id. at 454-55. They also differ from second-generation rights, which define social rights that call for affirmative action by governments. Id.


22. Id. at 451 (reasoning that “requiring the polluter to pay ensures” costs are born by the polluter and not society at large).
have penalties, the probability of being charged and convicted is extremely low. 23 Very few perpetrators are even fined. 24 Indonesia, for example, has a long-standing reputation for being soft on regulating environmental issues. 25 The study also found that less than one percent of environmental crimes in these regions end in punishment. 26

Likewise, the Indonesian Center for Environmental Law claims that there are sufficient regulations and environmental laws; the real problem is that administrators are not motivated to enforce them. 27 In Indonesia, corporations regularly bribe government officials to escape penalties. 28 Weak enforcement results in TNCs engaging in illegal activity in biodiverse countries. 29 Environmental groups claim that if administrators continue to treat industry as paramount, officials will remain oblivious to corporations’ role in destroying the environment. 30

Corporate analysts can easily calculate economic statistics to show the financial rewards of breaking environmental laws when operating in a developing country. 31 The results show profits are larger when operating in developing nations, rather than in an industrialized country with established and enforced environmental laws. 32 Furthermore, governments and TNCs often violate civil rights by harshly suppressing those who oppose ecologically destructive development. 33 This practice further supports treating environmental destruction as a human rights abuse. 34

As early as 1968, the U.N. General Assembly acknowledged the close relationship between human rights and the environment. 35 The relationship between a healthy environment and protection of human

24. Id.
27. Hakim, supra note 25 (quoting Senior Researcher at the Indonesian Center for Environmental Law, Sukanda Husin).
30. Id.
31. Id.
32. Id.
34. Id.
rights is becoming an increasingly important issue on the international community’s agenda. These issues have emerged into the following four principles. The first principle involves human rights that require effective protection of the environment. The second focuses on environmental degradation that subsequently prohibits full realization of fundamental rights. The third principle establishes a right to a safe and healthy environment. Finally, current international environmental law creates legal and ethical duties that require such protection.

The crucial question is whether the necessary means exist to hold corporations accountable in an increasingly global economy and society. Often when only one state drafts a code of conduct to regulate other states, the results may not be what were anticipated and hence compliance does not always follow. However, when the international community joins together, with each country taking an active part in drafting a code of conduct, the document has a much greater chance of being a success. A healthy environment involves a multitude of private and government actors in many countries, therefore, the mechanism to properly implement the right must be created at the international level.

Today, the United Nations employs a Special Rapporteur on Human Rights and the Environment. This post now performs crucial fact-gathering missions and details extensive reporting requirements for countries. The function of the Rapporteur reflects a self-regulation that is also advanced in the Global Compact, recommended by U.N. Secretary-General Kofi Annan and established in 2000. The Global Compact is defined as a “direct initiative” but asks volunteer companies to comply through “public accountability, transparency, and [their] enlightened self-interest.” The United Nations boasts

36. NANDA & PRING, supra note 20, at 453.
37. KISS & SHELTON, supra note 11, at 663.
38. Id.
39. Id.
40. Id.
41. Id.
42. Herz, supra note 33, at 1283.
43. KISS & SHELTON, supra note 11, at 98.
44. NANDA & PRING, supra note 20, at 455.
45. HUNTER ET AL., supra note 10, at 1285.
46. Id.
"that the Global Compact is 'not a regulatory instrument'" with any policing or enforcement of its principles or any interference with countries.\textsuperscript{49} Numerous non-profit organizations also monitor corporations' activities by initiating their own fact-finding missions. Amnesty International\textsuperscript{50} prides itself on "the impartial protection of human rights," rather than supporting or opposing any government or political group and advocates establishing binding law.\textsuperscript{51} Considering that prior to the Norms the United Nations had not developed any legal obligations, its actions show it finds binding law is unnecessary. However, by creating the Norms, the United Nations appears to be heading in the other direction. The case of Newmont Mining Company highlights the results if this direction is followed.

III. INDONESIA v. NEWMONT MINING CORPORATION

A. Newmont's Environmental Record

Newmont Mining Corporation is the world's top gold producer,\textsuperscript{52} employing approximately 14,000 people around the world and generating annual revenue of $3.2 billion.\textsuperscript{53} Headquartered in Denver, Colorado, it produced more than 200 tons of gold in 2003.\textsuperscript{54} With gold in high demand, Newmont is in a good position.\textsuperscript{55} Newmont asserts as part of its corporate culture and values that safety is first, and the environment is second.\textsuperscript{56} The company prides itself on being committed to "health and safety for its employees and neighboring communities.”\textsuperscript{57} Newmont claims its corporate philosophy is to take the more stringent U.S. environmental standards with it around the

\textsuperscript{49} Id.
\textsuperscript{54} Riley & Griffin, \textit{supra} note 53.
\textsuperscript{55} Id.
\textsuperscript{56} Id.
\textsuperscript{57} Profile, \textit{supra} note 53.
world. 58 "We have an excellent environmental record worldwide," said Wayne Murdy, CEO. 59

However, Newmont does not abide by the U.S. standards even in the United States. Newmont’s Lone Ranch Mine is Nevada’s second largest toxic chemical polluter. 60 The company’s own monitoring shows that Newmont has continually violated state and federal regulations. 61 It is also highly doubtful that Newmont actually abides by U.S. standards around the globe. In December 2004, in response to the exposure of company reports evidencing Newmont’s release of mercury into the air, two top Newmont executives denied that they acted outside any law; they also denied ever harming anyone. 62 However, in a 2001 company memorandum, the senior vice president, Lawrence Kurlander, wrote “that Newmont had ‘told the world’ it upheld American environmental” standards but admitted that the statement was in fact a lie. 63

Lawsuits, internal and government-mandated reports, and interviews uncovered substantial environmental violations at Newmont’s worldwide mines. 64 Former employees have complained that Newmont often minimizes or completely dismisses environmental concerns generated internally; the company has been accused of retaliating against employees who voiced their concerns. 65 Employees claim that Newmont makes a practice of pushing the limit of environmental laws and engaging in evaluating risks of being penalized. 66 An environmental compliance officer employed by Newmont at Lone Tree claimed that what Newmont alleges as its environmental standard is not what it practices. 67 Mounting lawsuits against Newmont support

60. Riley & Griffin, supra note 53.
61. Id.
63. Id.
64. Riley & Griffin, supra note 53. These findings were part of an investigation performed by the Denver Post. Id.
65. Id.
66. Id. The Turkish mine’s former manager of government relations said Newmont used its political connections in exchange to sidestep Turkish law. Id.
67. Id.
these allegations. Around the world, suits have been filed in Nevada, Turkey, Peru, and Indonesia.\footnote{Id.; Casey, supra note 1; Perlez, supra note 3.}

For example, Newmont understated cyanide levels in discharge water from its Turkish mine, where the cyanide is used to extract gold from the Aegean coast soil.\footnote{Riley & Griffin, supra note 53.} Since 1994, Newmont’s operation of the mine has been hindered by a legal conflict with local citizens over its cyanide use.\footnote{Id.; see also Same (G)old Story, EARTH ISLAND J., Mar. 22, 2005, at 8.} The Turkish Supreme Court finally closed the mine in August 2004, holding that the government order under which Newmont was operating was illegal.\footnote{Gargi Chakrabarty, Newmont Sells Disputed Gold Mine in Turkey, DENV. ROCKY MOUNTAIN NEWS, Mar. 2, 2005, at 8B.} Since then, Newmont applied for permits to restart the mine until it sold the mine on March 2, 2005, asserting that the mine no longer fit its asset portfolio.\footnote{Id.}

Hasan Gokvardar, one of the mine’s former managers, claimed he received death threats due to his readiness to publicly discuss issues concerning the mine.\footnote{Id.} Gokvardar claims Newmont evaded Turkish law by using its political connections.\footnote{Id.} In 2003, Gokvardar testified in a Turkish court regarding a Newmont internal lab analysis that showed cyanide levels twenty-eight times higher than previously reported and nine times than the government regulation permitted.\footnote{Id.} Newmont submitted a report to Turkish regulators showing that cyanide levels leaving its detoxification plant and entering its tailings dam were well under Turkish safety limits.\footnote{Id.} Newmont explained the inconsistency as a malfunction that caused cyanide levels to surge but then return to regulated levels; it claimed the internal report was accurate, though uncharacteristic.\footnote{Id.} This explanation seems somewhat perplexing.

Another lawsuit was filed against Newmont in Peru for allegedly poisoning 1100 local inhabitants.\footnote{Casey, supra note 1.} The company is continuing settlement talks with plaintiffs and has already spent $16 million to clean the site.\footnote{Id.} An internal company review stated that the company’s sediment filters were immensely insufficient, allowing sediment con-
taining heavy metals into rivers. The company’s cyanide treatment facilities were inadequate in size, causing the facilities to malfunction and exceed acceptable levels. In September 2004, after two weeks of protests, Peruvian officials retracted a permit that would have enabled Newmont to enlarge its mining operations.

**B. Buyat Pantai Civil Suits**

Three Buyat Bay residents filed civil suits against Newmont in Indonesia totaling $543 million. Newmont, in turn, filed a suit against a non-government organization (NGO) official over his accusations that Newmont’s mine emissions caused mercury poisoning. The villagers withdrew their suits when a settlement was reached, and as a result, Newmont withdrew its cross-suit against the NGO official. As part of the settlement, Newmont insisted residents acknowledge that their claims were baseless. However, after the settlement had been reached, plaintiffs said their attorneys conspired with Newmont and that they never agreed to the settlement.

The Indonesian government filed a separate civil suit against Newmont. In the suit, the government charged Newmont with discharging 5.5 million tons of waste containing arsenic and mercury into Buyat Bay from 1996 to 2004. Environmentalists claim Newmont’s waste caused 80% of the 300 inhabitants of Buyat Pantai to become ill, suffering from diseases that even the doctors cannot identify. The suit names six Newmont officials and Newmont Minahasa Raya, Newmont’s local subsidiary. The Indonesian government claims

80. Riley & Griffin, supra note 53.
81. Id.
82. Same (G)old Story, supra note 70.
84. Civil Suit Withdrawn, supra note 83.
85. Id.
87. Tony Hotland & Muninggar Sri Saraswati, Lawyers Conspired with Newmont: Locals, JAKARTA POST, Jan. 8, 2005, at 2. Neither Newmont’s attorneys nor plaintiffs have a copy of the settlement with their signatures. Id.
88. Casey, supra note 1.
89. Id.
90. Newmont Detentions Illegal, supra note 52.
that Newmont is guilty of violating three laws, each carrying maximum ten-year jail terms.\footnote{Karima Anjani, Reuters, \textit{Jakarta Says No Deal for Newmont in Pollution Case}, Sept. 12, 2004, available at \url{http://www.plantark.com/avantgo/dailynewsstory.cfm?newsid=28503}.}

The first cause of action alleges that Newmont falsely reported the depth of the Buyat Bay thermocline layer in its environmental impact analysis report to the Indonesian Environmental Ministry.\footnote{Indonesian Govt to Monitor Buyat Bay Case, \textit{ASIA PULSE}, Dec. 16, 2004. The company's waste disposal system must be in accordance with Law 23/1997. Abdul Khalik, \textit{Newmont Manager Named Suspect}, \textit{JAKARTA POST}, Sept. 2, 2004, at 1.} Newmont's vice president for environmental affairs, David A. Baker, said that the submerged pipe used for transporting waste into the bay had been installed as stated in its environmental impact statement to the government.\footnote{Jane Perlez, \textit{Indonesia to Press Pollution Suit Against U.S. Mining Company}, \textit{N.Y. TIMES}, Dec. 2, 2004, at A4.} The Indonesian government appointed an integrated team to perform a study of pollution in the bay.\footnote{Id.} The team collected their findings and compiled a report (Government Report). The team found that Newmont had dumped its tailing above rather than below the thermocline layer, thereby causing mercury to dissolve into and contaminate the bay's water.\footnote{Id.} The Government Report showed seabed arsenic levels were "10 times the levels allowed in the U.S." Research also showed arsenic levels 100 times higher in the sediment near Newmont's disposal site than in other parts of the bay.\footnote{Civil Suit Withdrawn, \textit{supra} note 83 (where previous reports issued by the World Health Organization and Indonesia's Environmental Ministry assert the bay is clean).} A team comprised of personnel from various ministries and institutions concluded that the bay was polluted.

Newmont vigorously challenged the Government Report.\footnote{Perlez, \textit{supra} note 93.} Baker claimed that when the Government Report was issued the arsenic was static, had not penetrated the food chain, and therefore was of no

\footnote{Id.}
However, Newmont’s critics disagreed and claimed the arsenic had dissolved and was absorbed by the benthos species that are eaten by the fish in Buyat Bay. The Government Report confirmed that due to contamination the benthos population had dramatically decreased; the density of benthos species in Buyat Bay was reduced from seven to fourteen to only one to four. Newmont argued such conclusions were unattainable because standards did not exist for metals in benthos. Newmont instead suggested the government use standards for fish consumed by humans, which are much closer to the top of the food chain, and are readily ascertainable. Newmont claimed the fish were safe.

Newmont has adamantly denied polluting the bay; “[w]e have always maintained that Newmont has not polluted Buyat Bay.” In fact, Newmont denied using mercury in its operation at all. It also denied violating U.S. or Indonesian law or harming anyone and claimed the afflictions were caused by poor sanitation and nutrition. On another occasion, Newmont asserted that illegal miners who operated nearby polluted the bay by discharging mercury into waterways.

The second alleged violation is Newmont’s failure to obtain a mandatory license for its detoxification process. The third cause of
action is a violation of environmental standards of hazardous and toxic materials. In addition, officials at Indonesia’s Environmental Ministry claim that Newmont had breached its contract that promised to respect Indonesia’s environment and its laws.

Newmont denied violating environmental standards, even after Indonesia lowered its emission limit. Newmont’s CEO, Wayne Murdy, says Newmont was well below Indonesian and U.S. standards when he admitted discharging thirty-three tons of mercury in the air and water over a five-year period. However, the U.S. Environmental Protection Agency claimed that thirty-three tons of mercury is an extremely disturbing amount to release into the air and water. Newmont simply would not be allowed to operate that way in the United States.

Newmont stated that there were no Indonesian air quality standards in place at the time construction began on the Minahasa Raya plant. Newmont claimed it looked to Nevada’s standards for point source mercury pollution. However, no such standards existed in Nevada at the time. The company did use the ambient air quality standard derived from an occupational health exposure limit for mercury. Because emissions from the Minahasa plant would have exceeded that limit, Newmont installed a scrubber, which was meant to act as an air purification system. However, when the Indonesian government strengthened its emissions standards, detractors say Newmont never re-assessed its pollution-control equipment.

Newmont conducted a confidential company review in 2001 to evaluate the pollution caused by its mines and ultimately determined that the scrubber designed to clean mercury from the smokestack ex-

113. Id.
114. Id.
115. Newmont Responds, supra note 58.
117. Id.
118. Id.
119. Newmont Responds, supra note 58.
120. Nevada is the primary place of operation for Newmont in the United States. Profile, supra note 53.
121. Newmont Responds, supra note 58.
122. Id.
123. Id.
124. Id. Newmont also created air pollution models that suggested levels may exceed their self-imposed Nevada-based standards when ore containing higher mercury levels would be processed through a point source. Id.
125. Riley & Griffin, supra note 53.
haust was often turned off or malfunctioning.126 This lack of pollution control caused toxic mercury fumes to be released into the air.127 Critics claim the danger of airborne mercury alone should have been sufficient to prompt precaution.128

To dispose of its waste, Newmont uses a practice known as submarine tailing disposal.129 This technique has divided the mining industry and is not allowed in the United States because it violates the Clean Water Act.130 This practice is also banned in Canada.131 “[T]he circumstances in which the technology could be considered acceptable are rare,” says BHB Billiton Ltd., the world’s largest mining company, in explaining why it does not utilize the practice.132 Newmont defended itself by saying that land-based disposal was risky because of the earthquake potential in Indonesia.133 However, Friends of the Earth Indonesia argue that using the ocean to dispose of tons of mine waste “is irresponsible, outdated and unsustainable.”

Despite Newmont’s claims of innocence, Indonesian officials determined that Newmont would stand trial.135 Indonesia’s Environmental Minister, Rachmat Witoelar, declared that Indonesia will not bargain with Newmont and the company will have to defend itself in court.136 The Indonesian Anti-Corruption Coalition pressed the Indonesian Supreme Court to review the holding to guarantee Newmont’s corporate responsibility.137 Witoelar had already begun trying the case publicly.138 He claimed Newmont was trying to cut corners to boost its profits, Newmont knew all along about the release of mercury, and the company failed to properly report it.139 Had Newmont reported it, Witoelar claims he could have warned citizens.140

126. Id.
127. Id.
128. Id.
130. 33 U.S.C.A § 1311(a) (2005) (prohibiting the discharge of any pollutant into navigable waters).
131. Casey, supra note 1.
132. Id.
133. Id.
134. Id.
135. Anjani, supra note 91.
136. Id.
139. Id.
140. Id.
In February 2005, after being investigated for nearly six months, the case encountered a major obstacle. Jane Pangemanan, the original doctor who helped prompt the testing of the bay due to illnesses she had seen in her patients in Buyat Pantai, retracted her statements. She claimed no one coerced or threatened her to withdraw her previous statements. Pangemanan also said her accusations claiming Newmont caused the diseases suffered by residents were premature and without conclusive data.

However, because of Pangemanan’s claims, Newmont sued her for defamation. A settlement has been reached between Pangemanan and Newmont. As a result of Pangemanan’s renunciation, the suit was delayed. This defamation suit was the same type of SLAPP suit Newmont brought against the Legal Aid Foundation for Health in response to civil suits filed by citizens suffering from skin diseases in Buyat Pantai.

Scientists developed additional evidence that supports Dr. Pangemanan’s original claims. Robert Moran, a hydrogeologist and geochemist from Golden, Colorado, was on the verification team that concluded that the bay was polluted. He found that the marine life in Buyat Bay contained arsenic and mercury at hazardous levels. Moran’s discovery supports Dr. Pangemanan’s claim that fish from the bay caused the residents’ illnesses. At this point, the Indonesian government has indicted both Newmont Minahasa Raya, and its President Richard Ness.

141. Newmont’s Indonesian Unit Says Plaintiff in Pollution Case Dropped Her Charges, AFX ASIA, Feb. 14, 2005.
143. Newmont’s Indonesian Unit Says Plaintiff in Pollution Case Dropped Her Charges, supra note 141.
145. Settlement Agreement, supra note 86.
146. World Watch Asia Pacific: Indonesian Doctor Retracts Newmont Accusation, supra note 144.
147. SLAPP stands for Strategic Lawsuit Against Public Participation. Black’s Law Dictionary (8th ed. West 2004). “The hallmark of a SLAPP suit is that it lacks merit, and is brought with the goal of obtaining an economic advantage over a citizen party by increasing the cost of litigation.” Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 681 (9th Cir. 2005).
148. See generally Kosich, supra note 138.
149. Chakrabarty, supra note 142.
150. Id.
On March 10, 2005, the Indonesian government filed formal civil charges against Newmont, charging it with polluting Buyat Bay and causing $134 million worth of damage. Rachmat Witoelar said environmental destruction, for example the cost of restoring the coast, was the key factor in calculating damages. A Newmont spokesperson asserted that the suit and damages were not based on scientific data.

Newmont Minahasa Raya filed a motion to have the case dismissed because it was flawed. Ness claimed there was no Indonesian law that could hold him personally liable for the corporation’s activities. Furthermore, Ness claimed that the indictment lacked sufficient evidence. Nevertheless, in August 2005 an Indonesian court refused to dismiss the case. Based on the tremendous amount of persuasive evidence confirming that the bay was polluted, the Indonesian government should be aggressively pursuing litigation. Moran says the lack of substantive science is disappointing.

Earthworks, an NGO, is actively involved in the case. Earthworks’ International Campaign Manager, Radhika Sarin, met with Buyat Bay residents last year and claimed the case was not over yet. She added that the community and organizations such as her own can ensure “that the pressure is still on.” However, Sarin went on to say that Earthworks lacked the capability to take legal action due to economic disparities.

152. Shawn Donnan & Taufan Hidayat, Indonesia Files Suit Minahasa Raya Mine, FINANCIAL TIMES UK, Mar. 11, 2005. But see Gargi Chakrabarty, Newmont Sued Over Pollution Charges Indonesia Seeks $117 in Suit, DEN. ROCKY MOUNTAIN NEWS, Mar. 10, 2005 (claiming the damages were $117 million); Govt to Seek $100m from Newmont, JAKARTA POST, Mar. 10, 2005, at 4, available at 2005 WLNR 3713671 (claiming the damages were $100 million). Prior to Dr. Pangemanan’s retraction of her accusations, she estimated damage to the bay could have been as high as $700 million. Govt May Ask for $700m from Newmont, JAKARTA POST, Feb. 3, 2005, at 4.

153. Govt to Seek $100m from Newmont, supra note 152.
154. Chakrabarty, supra note 152.
155. Id.
156. Id.
157. Id.
158. Id.
159. Id.
160. Chakrabarty, supra note 142.
161. Id.
162. Id.
163. Id.
IV. UNITED NATIONS' NORMS ON THE RESPONSIBILITIES OF TRANSNATIONAL CORPORATIONS AND OTHER BUSINESS ENTERPRISES WITH REGARD TO HUMAN RIGHTS

A. History

TNCs have historically self-regulated their international operations regarding human rights and the environment. Today, there is little international law that clearly states the human right to a healthy environment. There is even less international law regulating corporations. Some of the most overlooked and powerful non-governmental actors in the human rights arena are TNCs and other business enterprises.

There is no applicable "hard law" and little "soft law" pertaining to transnational corporate accountability. The most notable "soft law" is the single principle that calls for the promotion of corporate responsibility in the Johannesburg Summit. Nearly all "non-binding" aspiring declarations are "soft law." "Hard law" is what lawyers use at a domestic level. Skeptics of "soft law" often call it "moralizing without consequences."

Efforts to develop criminal law to punish international war crimes have led to an increased awareness of the need to ensure individual responsibility for violating human rights in other countries. This awareness has even led to the acknowledgment of the right to a sus-
tainable global environment.173 An increasing number of human rights activists have requested that the United Nations establish uniform legal obligations for TNCs regarding human rights.174 Until the U.N. Norms were adopted, the activists’ efforts were unsuccessful.

An initiative from Sub-Commission Resolution 1997/11 formed a Working Group on Working Methods and Activities of Transnational Corporations and requested a working document on human rights and TNCs.175 The Sub-Commission established a three-year period to allow a working group to evaluate TNCs and their operations.176 The group gathered data regarding the effects of TNCs on human rights, the environment, state obligations to regulate TNCs, and reconciling investments and development with human rights.177

After many drafts, the working group presented the final working draft to the Sub-Commission at its 55th Session.178 The document included both human rights obligations and environmental requirements for TNCs.179 With some minor changes, on August 13, 2003, the Sub-Commission approved the Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights in its Resolution 2003/16.180

**B. Obligations Under the Norms**181

Some say the Norms represent the opinio juris of the world community, as “soft law” often does.182 The Norms address the increasing international anxiety about TNCs’ indifference towards sustainable

173. Id.
174. Rule, supra note 47, at 325.
175. Weissbrodt & Kruger, supra note 167, at 902-03. Prior to the Sub-Committee’s initiative, many other attempts were made to develop some sort of program in this area. Id. at 902. In the 1970s and 1980s, the United Nations set out to draft an “international code of conduct for businesses,” which was unsuccessful. Id. In 1976, the Organization for Economic Cooperation and Development established its first Guidelines for Multinational Enterprises to promote corporate responsibility. Id. The International Labor Organization established the Tripartite Declaration of Principles Concerning Multinational Enterprises in 1977. Id. at 902-03. The Global Compact was then established. Id. at 903; see supra Part II.
177. Id. at 904.
178. Id. at 906.
179. Id. at 921.
180. Id. at 906.
181. The discussion of the Norms is limited to those that apply to human rights and the environment. For a full listing of all of the Norms, see Norms, supra note 7.
development. The Norms assert both the primary responsibility of states and the obligation of TNCs to "promote, secure the fulfillment of, respect, ensure respect of and protect human rights." This statement is implicit in all the requirements set forth in the Norms. Further, the commentary explains that the document applies to all TNCs and other business enterprises and their activities in either the home or host country.

The Norms also address the need for TNCs to respect indigenous people. This includes rights to "own, occupy, develop, control, protect, and use their lands, other natural resources, and cultural and intellectual property." Moreover, Principle 12 of the Norms requires TNCs to contribute to such rights as "development, adequate food and drinking water, the highest attainable standard of physical and mental health, adequate housing . . . ." The language in the Norms represents a shift in what the international community considers the proper role and requirements of corporations regarding human rights.

The Norms also require TNCs to abide by international agreements, principles, and standards regarding the environment in order to "contribute[e] to the wider goal of sustainable development." In order to fulfill this goal, TNCs must use their best management practices and appropriate technologies. Furthermore, when TNCs cause ad-

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184. Norms, supra note 7, pmbl., para. 1.

185. Id.

186. This is a theme first asserted in the preamble and then reasserted in various Principles. Id.


188. Commentary, supra note 186, para. 10 cmt. c.

189. Norms, supra note 7, para. 12. These are all basic essentials the "North" has at their disposal.

190. Deva, supra note 183, at 507.


192. Commentary, supra note 186, para. 14 cmt. g. The Commentary describes best management practices as those that "enable their component entities to meet these environmental objectives through the sharing of technology, knowledge and assistance, as well as through environmental management systems, sustainability reporting, and reporting of anticipated or actual releases of hazardous and toxic substances." Id.
verse conditions that may have endangered health, safety, or the environment, they shall promptly alert anyone who may be affected.193

The Norms also call for TNCs to make periodic assessments of the impact of their activities on human rights and prepare impact statements.194 These statements must declare actions affecting human rights and the environment, and any mitigating factors.195 Where an assessment shows a violation of the Norms, the commentary requires the business to include an action plan for reparation and redress.196 The commentary discusses further action that may be required for any violating claims, such as investigation.197

Principle 14 states that TNCs shall operate in accordance with national laws, practices, and policies on preserving the environment of the host country, in addition to any applicable international agreements.198 This requirement addresses the previous dilemma of which standard should be followed—that of the home country, host country, or international standards.199

C. Implementation of the Norms

In addition to the obligations created, the Norms created a set of guidelines to implement those obligations. As adopted, the Norms are not an entirely voluntary initiative of corporate social responsibility.200 The tone of voluntary compliance shifts midway through the Norms to become more authoritative.201 The provisions discussing implementation show they do more than merely suggest a desired or model conduct.202 The Norms take a stance in the middle between strictly volun-

193. Id.
194. Id.
195. Id.
196. Id. at para. 16 cmt. h.
197. Id. para. 16 cmt. f.
199. See generally supra Part II. Additionally, many past international agreements have very vague wording, therefore, it is easy for companies to comply with the wording rather than the intentions. Deva, supra note 183, at 509. Some critics argue the Norms could go one step further and require countries to comply with the higher of the two standards: home or host. Id. (citing Surya Deva, Human Rights Standards and Multinational Corporations: Dilemma Between "Home" and "Rome," 7 Mediterranean J. Hum. Rts. 69, 87-89 (2003)). Others suggest the corporation should always follow the home country's laws, which are often the higher of the two sets of standards. Id.
201. Id.
tary programs like the *Global Compact* and "hard law" desired by human rights organizations such as Amnesty International.\(^{203}\)

The implementation methods are both indirect and direct.\(^{204}\) The indirect obligations aim at allowing individual states to incorporate the document and its ideas.\(^{205}\) Direct obligations of TNCs, as exhibited in Principles 15 and 16, are established through both internal and external means.\(^{206}\)

The indirect implementing measures in Principle 17 require states to "establish and reinforce the necessary legal and administrative framework for ensuring that the Norms" are implemented by TNCs.\(^{207}\) The *Norms* call on companies to disseminate these adopted rules internally.\(^{208}\) The United Nations requests that all relevant stakeholders, including all people affected by the company's actions, understand the meaning of the *Norms* and know about the responsibilities.\(^{209}\) They also publicize the responsibilities of the company,\(^{210}\) which further inflicts and legitimizes their commitment.\(^{211}\) The commentary stresses that governments should not merely make this document known; rather, they should use it as a model and integrate it into each country's culture.\(^{212}\) However, this arrangement leaves the impact of the document entirely up to individual states.\(^{213}\) The *Norms* expect individual states to establish the legal framework to force TNCs to comply with the human rights standards established in the document.\(^{214}\) Although this theory is sound, states often align with their TNCs for various reasons,\(^{215}\) including economic growth.\(^{216}\)

The direct obligations consist of internal mechanisms meant to develop a corporate culture of respect for the rights of citizens in host countries.\(^{217}\) The *Norms* also exhibit external means by proposing in-

\(^{203}\) Rule, *supra* note 47, at 328.

\(^{204}\) Deva, *supra* note 183, at 514.

\(^{205}\) Id.

\(^{206}\) Id.

\(^{207}\) *Norms, supra* note 7, para. 17.

\(^{208}\) Id. para. 15.

\(^{209}\) *Commentary, supra* note 186, para. 15 cmt. a.

\(^{210}\) See generally *Norms, supra* note 7.

\(^{211}\) Weissbrodt & Kruger, *supra* note 167, at 916.

\(^{212}\) *Commentary, supra* note 186, para. 17 cmt. a.

\(^{213}\) See generally Deva, *supra* note 183, at 517.

\(^{214}\) Id. at 518.

\(^{215}\) Id. at 518-19. One reason many states feel compelled to support TNCs is their influence in the economy. Id. These companies are often a huge influence of national economy, growth and development. Id.

\(^{216}\) See discussion of the pressures of economic growth *infra* Part V.B.

\(^{217}\) Deva, *supra* note 183, at 515.
dependent and transparent periodic monitoring and verification by the United Nations and other international and national mechanisms.\textsuperscript{218} Sub-Commission Resolution 2003/16 called for NGOs and others to adopt a method of reporting corporations’ failure to comply with the standards established in the Norms.\textsuperscript{219} Principle 18 asserts TNCs must issue prompt and adequate damages to persons and communities adversely affected by failure to comply with responsibilities.\textsuperscript{220}

The Norms consider multiple monitoring and verifying methods at both the international and national level.\textsuperscript{221} The ideas proposed in the document are still not completely developed and some argue there is no definitive framework.\textsuperscript{222} Nevertheless, there is no reason the Norms cannot be made more definite and “more binding in the future.”\textsuperscript{223}

\textbf{D. Effect of the Norms}

The Norms establish a rather comprehensive set of obligations. Yet, critics argue that the Norms will not have a substantial effect on the international community and TNCs.\textsuperscript{224} However, there are several key indications that show the Sub-Commission’s degree of seriousness and its commitment to changing how TNCs operate.\textsuperscript{225}

Detractors say the Norms are nothing more than a summary “of existing international human rights laws.”\textsuperscript{226} However, existing international human rights laws were not intended to directly apply to non-state actors.\textsuperscript{227} Therefore, enforcement mechanisms were not provided to compel TNCs to comply with requirements of existing human rights laws.\textsuperscript{228} Creating a code of conduct aimed specifically at the actions of TNCs operating in another country is an unprecedented step.\textsuperscript{229}

\begin{itemize}
\item \textsuperscript{218} Norms, supra note 7, para. 16.
\item \textsuperscript{219} Weissbrodt & Kruger, supra note 167, at 913.
\item \textsuperscript{220} Norms, supra note 7, para. 18.
\item \textsuperscript{221} Id.
\item \textsuperscript{222} Deva, supra note 183, at 520.
\item \textsuperscript{223} Weissbrodt & Kruger, supra note 167, at 915.
\item \textsuperscript{224} Rule, supra note 47, at 326.
\item \textsuperscript{225} Deva, supra note 183, at 499.
\item \textsuperscript{226} Rule, supra note 47, at 326.
\item \textsuperscript{228} Deva, supra note 183, at 498.
\item \textsuperscript{229} Id. at 499.
\end{itemize}
Another major difference between the Norms and previous efforts is its terminology. When discussing compliance, the Norms substitute standard terms like “should” with “shall.” Therefore, the Norms are not merely a restatement of existing obligations, but rather an effort to fill the voids of previous agreements and mandate certain aspects of international corporate responsibility.

The conclusion of the Preamble proclaims “that every effort be made so that [the Norms] become generally known and respected.” Critics will argue that this language is not binding or is at best unclear. The Danish Institute on Human Rights claims the Norms are not fully operational at their current state of development. Regardless, the spirit of “soft law” is that while it is not legally binding, it is still significant.

The Norms are both a departure from previous agreements and a sign of progress, however subtle. The inclusion of implementing provisions represents a notable shift. This shift may signify the international community’s unstated conclusion: the voluntary compliance called for in previous documents is proving to be inadequate, just as human rights groups have asserted. Voluntary compliance means that there are few incentives or sanctions to demand adherence, there is no common body of enforcement, and negotiation and diplomacy are the primary ways of handling violations. As a result, many nations refuse to consider themselves bound by “soft” rules that only modestly protect human rights and the environment.

230. Id.
231. Norms, supra note 7, pmbl.
232. Rule, supra note 47, at 328.
234. Dupuy, supra 182, at 254.
235. Deva, supra note 183, at 501.
236. Id. at 496.
237. See supra Parts II, IIIA discussing the position of human rights organizations in more detail.
238. NANDA & PRING, supra note 20, at 19.
Although the Norms may seem somewhat inconsequential and non-binding, they may be more powerful than a mere request for voluntary conduct. Often a "soft" norm can help shape the model of good behavior, which the world has come to expect from a "well-governed [s]tate." Soft law alone can have tremendous influence and force. Regional human rights commissions and courts can make use of the Norms and cite them as persuasive authority in determining states' obligations.

The legal authority of the Norms is now somewhat derivative from current sources in international law. In the future, however, this could be expanded to become more binding. Often "soft law" is the first step to becoming customary international binding law. It is apparent that an extensive part of "soft law," which makes a substantial impression, often defines what eventually becomes "hard law."

The crucial question is whether these Norms are enough. Clearly, they represent a step in the right direction—especially with direct focus on TNCs. The Norms definitely have the potential to be an interim stride toward becoming binding law, which controversial international law often does. Human rights organizations argue that "hard law," which would bind TNCs and other businesses, is needed—and quickly. They claim this is the only adequate way of protecting international human rights. They insist that only binding law with ex-

240. Dupuy, supra note 182, at 357.
241. NANDA & PRING, supra note 20, at 14.
242. See infra Part V.A discussing the Norms as persuasive authority when determining state's obligations.
243. Weissbrodt & Kruger, supra note 167, at 915.
244. Id.
245. Dupuy, supra note 182, at 357.
247. See Rule, supra note 47, at 325. Currently without using international agreements, which are not binding, a host country has a limited number of options to pursue legal justice. The government may file a criminal lawsuit, or its citizens may file a civil suit in the host country.

If the TNC is based in the United States, a suit may also be filed in the United States under the Alien Tort Claims Act, established in 1789. Jonathon Zittrain, Alien Tort Claims Act, http://cyber.law.harvard.edu/torts3y/readings/update-a-02.html (last visited Dec. 8, 2005) (Zittrain is a professor at Harvard University Law School).

In 1991, Congress passed the Torture Victim Prevention Act, which specified what the original Act implicitly stated. Id. The Act allows aliens to sue TNCs, based in the United States,
licit enforcement mechanisms, will stop these TNCs from abusing human rights and the environment.\textsuperscript{248} In light of the case against Newmont, they seem to be correct. "Soft law," like the Norms, is just not enough to stop corporations from the grave abuse that occurs globally.

V. IMPACT OF THE NORMS ON THE GLOBAL ECONOMY AND ENVIRONMENT

A. Using the Norms in Their Current State

Whatever the inadequacies may be in the current Norms, Indonesia and other countries can still make use of the Norms as persuasive authority when filing suit. In the case against Newmont, the Indonesian government could have made reference to the Norms in its briefs. Courts and regional human rights commissions can also cite to the Norms.\textsuperscript{249} Although the Norms may not be concrete,\textsuperscript{250} countries can reference them just as they are until more binding authority exists. Though binding international law is needed, the Norms can have a considerable effect in their current state. States have been found to view "soft law" as having at least some political significance.\textsuperscript{251} Some states even consider it necessary to abide by such obligations, just as if "soft law" were a binding legal requirement.\textsuperscript{252} Furthermore, in the absence of precise legal standards in international cases, there is an increasing trend for national courts to apply international "soft law," provided it has sufficient state support.\textsuperscript{253}

Regional courts can cite to the Norms when determining the requirements of states and encouraging them to scrutinize corporations' conduct within their jurisdiction.\textsuperscript{254} Often "soft law" is considered too

for violations of international law against human rights as a violation of U.S. domestic law. \textit{Id.}

Today, this legal avenue, though not always practical because filing a lawsuit in a foreign country presents its own obstacles, does provide an additional option. Furthermore, an applicant cannot even bring an environmental law complaint in an international forum because there is not one. Kiss & Shelton, \textit{supra} note 11, at 682.

\textsuperscript{248} See Rule, \textit{supra} note 47, at 325.
\textsuperscript{249} Weissbrodt & Kruger, \textit{supra} note 167, at 919.
\textsuperscript{250} See Deva, \textit{supra} note 183, at 520.
\textsuperscript{251} Dupuy, \textit{supra} note 182, at 354.
\textsuperscript{252} \textit{Id.}
\textsuperscript{254} Weissbrodt & Kruger, \textit{supra} note 167, at 919.
vague to provide any authority when applying these rules to disputes;\textsuperscript{255} however, this is not the case with the \textit{Norms}. They can be cited as persuasive legal authority when a TNC violates the environmental rights of indigenous people in developing countries, which is the case with Newmont in Indonesia.\textsuperscript{256}

The \textit{Norms} deal directly with indigenous people and their environment,\textsuperscript{257} which could help establish responsibility for TNCs like Newmont. Principle 12 specifically gives the right to adequate food and drinking water,\textsuperscript{258} something citizens of Buyat Pantai no longer have because their fish and drinking water have been contaminated. Principle 12 further asserts that TNCs shall refrain from activities that "obstruct or impede the realization of those rights."\textsuperscript{259} In its current suit against Newmont, Indonesia could use Principle 12 as support when it asserts Newmont was aware of the damage it was causing.\textsuperscript{260}

The \textit{Norms} also compel TNCs to abide by international principles with regard to the environment and human rights and conduct their activities in a way that contributes to sustainable development.\textsuperscript{261} When Newmont allegedly polluted Buyat Bay, it destroyed land and potentially the life and livelihood of the Indonesian indigenous people, thereby undermining sustainable development. Newmont also failed to abide by Indonesian law\textsuperscript{262} as mandated by the \textit{Norms} when they assert that TNCs must conform to national laws and regulations relating to preserving the environment of the states in which they operate.\textsuperscript{263}

Two recent decisions\textsuperscript{264} of the European Court of Human Rights have held states liable for failing to abide by international regulations.\textsuperscript{265} They also charged states for failing to follow through with inspections, which can often avert corporate misbehavior.\textsuperscript{266} Both

\textsuperscript{256} Weissbrodt & Kruger, \textit{supra} note 167, at 919-20.
\textsuperscript{257} \textit{See supra} Part IV.B discussing the \textit{Norms'} obligations.
\textsuperscript{258} \textit{Norms, supra} note 7, para. 12. This could also apply in the Peruvian case against Newmont. \textit{See supra} Part III.A for a discussion on Newmont's alleged improprieties in Peru.
\textsuperscript{259} \textit{Id.}
\textsuperscript{260} Newmont denies any wrongdoing and subsequently being aware of any damage it was causing. \textit{See supra} Part III discussing the allegations against Newmont.
\textsuperscript{261} \textit{Norms, supra} note 7, para. 14.
\textsuperscript{262} \textit{See supra} Part III.B discussing the charges against Newmont.
\textsuperscript{263} \textit{Norms, supra} note 7, para. 14.
\textsuperscript{265} Weissbrodt & Kruger, \textit{supra} note 167, at 919, n.119.
\textsuperscript{266} \textit{Id.}
cases involved corporations that polluted the environment, a violation of family and private life under the European Convention on Human Rights. The courts can refer to the Norms in deciding corporate accountability. Furthermore, the African Commission on Human and Peoples’ Rights could have cited to the Norms in holding the Nigerian government liable for its involvement with regional oil companies. The court held the government responsible for “its involvement in, and failure to limit, the activities of oil companies that were violating . . . environmental rights of the Ogoni residents.”

B. The Need for Binding International Regulation

Business analysts are watching the Indonesian situation closely. Foreign miners are concerned about the “difficulty” of operating in Indonesia and the region due to the recent prosecution against Newmont. The U.S. Embassy in Jakarta even warned that the Indonesian government’s role in this case would deter investors. Again, there is the demand that developing countries trade health for development. The case places Indonesian President Susilo Bambang, who has repeatedly emphasized the need to attract foreign investors to the country, in a delicate position. Indonesia’s Mining Association chairman, Benny Wahyu, questions how a country can “invite people to invest if the government is pursuing cases like this[.]” However, this hesitation may simply be a way to influence the Indonesian government and its prosecution of Newmont. TNCs are multi-billion-

267. Id.
268. Id.
270. Weissbrodt & Kruger, supra note 167, at 920.
271. Id.
272. Civil Suit Withdrawn, supra note 83. See generally Donnan & Hidayat, supra note 153. Some business analysts have sharply criticized the Indonesian government’s pursuit of the case “as unduly harsh and likely to discourage investment.” US $543m Suit Against Newmont Halted, supra note 83.
273. Anjani, supra note 91.
276. Id.
dollar companies with enough money to threaten developing countries that rely on investments for growth. With the money that TNCs have, they can influence poorer countries by offering them development in exchange for their environment and health.

Indonesia has an abundance of natural resources, which are prime targets for TNCs like Newmont. Unfortunately, many corporations are willing to deplete another country's resources before depleting their own. Furthermore, although international standards are becoming more common, most are still "soft law" and developing countries' standards are less stringent than those regulating industrialized countries.

Companies such as Newmont seem to dismiss even binding national law. Newmont has a record of violating the U.S. Environmental Protection Agency's standards in its local operations and apparently disregards any sort of voluntary obligations. The international community should not assume Newmont will quietly acquiesce to "soft law" like the Norms.

This problem is one significant reason why an international set of binding regulations is absolutely necessary. Governments confronting economic power and pressure of multibillion-dollar companies can be assisted by the Norms in identifying and applying the minimum international standards for corporate contact on their land. The Norms are a step in the right direction, but they are not binding. The Norms do not have adequate monitoring and verifying methods, however, they could easily be, and need to be, strengthened.

Furthermore, there is still no mandatory enforcement other than what states choose. There are multiple mechanisms available to aid in enforcement. Technology such as satellite surveillance can spot illegal activity, which would help countries stop illegal water dumping. A study of Brazil, Mexico, Indonesia, and the Philippines found that countries need more stringent methods to detect, arrest, prosecute, fine, and convict perpetrators. The Norms could fill this void by creating stricter monitoring and more severe penalties. In order to

277. Perlez, supra note 93.
278. The U.S. reliance on Middle Eastern oil versus tapping into Alaska's oil reserves or drilling off the California coast are good examples of a country's reluctance to use their own resources, when a cheaper alternative is available.
279. See supra Part III.A for a discussion of Newmont's environmental record in the United States.
280. See generally Weissbrodt & Kruger, supra note 167, at 922 (articulating the development and application of the Norms as an effective means of monitoring TNCs).
281. Environmental Crimes, supra note 23, at 244.
282. Id.
protect developing nations from being exploited, a set of international regulations is crucial.

The Norms give state governments a stronger foundation on which to stand when demanding businesses stop harming the environment. However, the Norms cannot protect indigenous people in developing countries when they seldom see their day in court. Many potential plaintiffs never have an opportunity to present their case due to lack of resources—primarily, the finances it takes to go up against a TNC. With economic pressure and threats by TNCs, many plaintiffs never get to present their claims. TNCs are powerful and can coerce citizens to drop any claims against them. The executives at TNCs also have the ability to easily persuade people because they appear to be educated, successful individuals. For the Norms to be most effective, it must be presumed that individual TNCs will adopt the Norms and cases will actually be brought to enforce them. To make such presumptions is not very realistic; therefore, binding law that protects people and enables cases to be pursued is essential. 283

If every nation is forced to abide by the same laws, investors will not be able to pick and choose a country to invest in based on whether or not that country prosecutes companies who destroy the environment. TNCs would not be able to evaluate which country would allow for the largest profit based on its weak environmental standards, lack of prosecution for polluting the environment, or harm to the health of its people. Countries would no longer be forced into trading health for economic development. Furthermore, it is not reasonable to require non-governmental organizations, like Earthworks, to file suit. Multibillion-dollar companies have an unfair advantage over non-profit organizations. A uniform set of binding principles is necessary to level the playing field.

Once a set of binding law is available, countries will be alleviated of the pressure to determine whether or not they should prosecute. Such laws would place the responsibility and enforcement in the hands of the international community. Developing countries searching for employment opportunities, development, and better lives for

their citizens would no longer be forced to choose jobs and economic development over health and the environment.

VI. CONCLUSION

The U.N.'s *Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights* ask that TNCs act in ecologically responsible ways rather than causing undue harm to the air, water, and land of their host countries. Because the *Norms* are the first code of conduct to address TNCs directly, the *Norms* represent a significant stride and will have an impact on international environmental law.

However, the *Norms* are simply not enough. For-profit degradation of the natural resources on which indigenous people depend for sustenance must be stopped. Only the creation and enforcement of binding international laws will stop the degradation. Mere voluntary obligations are not sufficient to compel environmentally responsible behavior from a corporation that consistently demonstrates a marked disregard for the health and safety of indigenous people in pursuit of its own bottom line. The actions of Newmont Mining Corporation in Buyat Pantai clearly show the need for more than non-binding guidelines and discretionary state enforcement.

The *Norms* are insufficient in several areas. They allow states to set their own standards and enforcement mechanisms. States should not be put in the unfair position of feeling compelled to trade clean air and water for the economic "progress" TNCs bring. A set of binding international principles is necessary to ensure states act in the best interest of their people and environment. TNCs must be prevented from using their substantial economic influence and political pressure to persuade individual states not to enforce environmental guidelines or prosecute infractions. Choice should not be involved in situations with such dire costs.

Instead, the international community must unite to develop a set of regulations that are binding on TNCs. A binding set of law would alleviate pressure on individual developing countries and mandate that all states follow a uniform set of standards, rather than one set for industrialized countries and one for developing nations. TNCs should not have the option to choose to operate in one country versus another based on its weak environmental standards.

The *Norms* lead activists closer to their ultimate goal. However, it is binding international environmental regulation that will have the power to truly protect human rights and benefit every citizen of every
nation, including those of Buyat Pantai. Only then will nations be able to both protect their environment and foster their economy. As Stephen Mills, the director of the Sierra Club’s International Program expressed, “no country or community should be pressured into accepting that its children will be poisoned in exchange for development.” 284

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284. Sierra Club Press Release, supra note 274.

* J.D. candidate, December 2005, California Western School of Law; B.S. 2000, University of Wisconsin. I thank Professor Richard Finkmoore, Tiffany Hawkins, and William Schmidt for their thoughtful comments on draft versions of this Comment. I dedicate this Comment to the people of Buyat Bay: to give them a voice, to tell their story, and to hopefully help to prevent such tragedies in the future.