

Research Report



United Nations Environmental Programm

**The Question of holding multinational
corporations accountable for
environmental degradation in
developing countries**

1. Background Information

Multinational corporations (MNCs) are some of the biggest contributors to environmental

damage in developing countries. Many operate with little oversight, using up natural resources,

polluting land and water, and often getting away with it because local governments either don't

have strict laws or can't enforce them properly.

For developing nations, enforcing environmental regulations is already tough due to corruption,

lack of funding, and economic reliance on foreign investments. As a result, many corporations

prioritize profit over sustainability, leaving local communities to deal with pollution, habitat

destruction, and long-term health effects.

2. Challenges

Weak enforcement of environmental laws due to lack of funding and political instability.

No binding international agreements that hold corporations accountable for environmental harm.

Economic dependency on MNCs makes it difficult for host nations to impose strict regulations

without risking investment losses.

3. Proposed Solutions

3.1 Establish Legally Binding International Agreements

Establish legally binding agreements through the UN to hold corporations accountable for

environmental damage.

Implement penalties like heavy fines or trade restrictions for companies that violate sustainability policies.

3.2 Strengthen Local Governance

Provide technical and financial support to help developing nations enforce environmental laws.

Create legal aid programs for affected communities to challenge corporate practices.

3.3 Encourage Sustainable Practices

Implement global carbon taxes on emissions-heavy industries.

Offer incentives to corporations investing in renewable energy and sustainable technologies.

4. Helpful Links

https://assets.worldbenchmarkingalliance.org/app/uploads/2020/09/Impact-of-multinationals-in-developing-countries.pdf?utm_source=chatgpt.com

<https://thefactfactor.com/facts/management/international-business/multinational-companiesand-developing-nations/22154/>

<https://www.unep.org/resources/report/business-case-sustainability>

<https://www.oecd.org/env/>