

Independent Study Title : Balancing of Interest between Foreign Investment and Human Rights: An International Law Perspective
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ABSTRACT

Since 1980s foreign investment has grown dramatically. According to many beneficial factors including cheap labor costs, cheap raw materials, abundant natural resources and market expansion, developing countries have become the most interesting target for foreign investment.

It is very true that foreign investment brings along with it some benefits to the developing countries as well, for example it creates job for local population, it helps to eradicate the poverty and it accelerates the economic growth for the host countries. These are certain reasons why the interest of foreign investment must be protected under international law.

However, it is also very true that in many cases, foreign investment also gives a reverse impact on the local people of the host countries. It creates a so-call “race to the bottom” phenomenon. And that reverse impact is human rights violation.

While an extreme concept of human rights protection would hinder foreign investment, an omission or an ignorance of the idea and merely focusing on the economic growth would certainly be unacceptable among international community in this era. Therefore, finding a fine balance of the two interests would be the most valuable answer. And that is the objective of this research. The key way to balance the interest of foreign investment and the interest of human rights, besides the legal tool, is a comprehensive co-operation between the involved parties namely the states, business sectors, civil society, international organizations and media under the principle of “protect, respect and remedy”.