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Visiting Professor's Report — Research visit to the Centre of Excellence on BHR at FECAP

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From 2nd to 7th November 2025 I visited the FECAP Business School Jean Monnet Centre of Excellence on Business and Human Rights on the invitation of Prof. Cláudia Marconi and Rafael Miranda. The visit gave me the opportunity to engage with the people at the Centre and the students. During the visit I gave three lectures which are briefly summarized in this visit note.

The Global Governance of the Trade—Sustainability Nexus: Developments and Challenges

The lecture explored how international trade and sustainable development have become increasingly intertwined, and how the governance of this "trade–sustainability nexus" has evolved over time. It approached the topic step by step, beginning with the historical and conceptual foundations of sustainable development, moving to the rise of global trade and its environmental and social implications, and then examining the wide variety of governance instruments—public, private, and hybrid—that have emerged to manage these complex interactions. Throughout the lecture, the goal was to help students understand not only the mechanisms used today but also their limitations, their political context, and the evolving challenges that shape them.

The discussion began with the concept of sustainable development, which has long provided the normative foundation for linking economic and social progress with environmental protection. This concept reached global prominence with the 1987 Brundtland Report, which defined sustainable development as meeting "the needs of the present without compromising the ability of future generations to meet their own needs." Students were reminded that sustainable development rests on three pillars—economic growth, social equity, and environmental protection—and that achieving all three simultaneously has never been easy. Earlier scientific warnings, such as the 1972 Limits to Growth study, already illustrated how exponential economic and population growth would inevitably strain ecosystems. Later, the United Nations' Sustainable Development Goals (SDGs) translated these concerns into a comprehensive global agenda. The lecture thus set the stage by showing that sustainability is not merely an environmental concern, but a deeply interconnected set of global priorities.

Having established this foundation, the lecture then shifted to the second major component of the nexus: international trade. Over the past several decades, the world has witnessed an extraordinary expansion of trade flows, driven by rapid liberalization, declining tariffs, improved transportation, and the emergence of global value chains. Graphs presented during the lecture illustrated the dramatic rise in world trade since the 1990s, highlighting how deeply economies have become intertwined. Trade has long been considered a powerful engine of economic growth, and numerous studies and institutions—including the WTO—have promoted this idea.

But increased trade brings sustainability challenges. Here the lecture introduced three wellknown theoretical effects that help explain trade's environmental consequences. The scale effect describes how economic growth expands total production, which can increase resource use and pollution simply because more goods are being produced and transported. The composition effect refers to how trade reshapes what countries produce. If specialization leads countries toward more environmentally intensive sectors, environmental pressures can increase. Conversely, if specialization shifts production toward cleaner industries, trade can reduce environmental stress. The technique effect captures how trade can bring new, cleaner technologies into countries, enabling more efficient production and potentially reducing environmental harm. These three effects interact in complex ways, meaning that trade can have both positive and negative environmental outcomes depending on context.

Students were then introduced to a fourth dimension: the allocation effect, which is tied to global value chains. As firms fragmented their production processes across borders, they gained the ability to locate production stages in countries with lower labor or environmental standards. This “outsourcing” of environmental and social risk has become a defining feature of globalization. While it can create efficiency gains, it also allows companies to shift negative externalities to jurisdictions with weaker governance. This becomes especially problematic when supply chains involve forced labor, illegal logging, pollution-intensive production, or other harmful practices. Images shown in the lecture—such as examples of seafood harvested with forced labor or hazardous waste dumped in developing countries—illustrated the human and ecological consequences of these practices.

After demonstrating the complexity and risks inherent in the trade–sustainability relationship, the lecture turned to the central question: how do policymakers and other actors attempt to govern this nexus? Students learned that the governance landscape is remarkably diverse, ranging from multilateral trade agreements to unilateral regulatory measures and voluntary private initiatives.

The first major mechanism discussed was trade agreements, many of which increasingly include sustainability provisions. Environmental and labor provisions have expanded over time and now cover a wide range of issues—climate change, biodiversity conservation, freshwater governance, forest management, and core labor rights. The lecture explained the evolution of these provisions, using data showing the rising number of agreements with environmental clauses. Labor provisions were linked to International Labour Organization (ILO) conventions, including the 1998 ILO Declaration on Fundamental Principles and Rights at Work, updated in 2022, which defines universal rights such as freedom of association, elimination of forced and child labor, nondiscrimination, and safe working conditions. The inclusion of these principles in trade agreements signals an effort to promote global labor rights through economic relationships.

The lecture then examined the European Union’s model of Trade and Sustainable Development (TSD) chapters, which have become an integral part of EU freetrade agreements since 2011. These chapters rely heavily on cooperation, dialogue, and monitoring. They include institutional mechanisms such as Subcommittees on TSD, civilsociety advisory groups, and domestic advisory groups (DAGs) that represent labor, business, environmental organisations, and other stakeholders. These bodies meet regularly to review implementation and provide advice. Students learned that while the EU model is consultative and participatory, it has been criticized for lacking strong enforcement mechanisms.

The next major instrument covered was the European Union’s Generalised Scheme of Preferences (GSP). Unlike trade agreements, GSP is a unilateral system through which the EU grants preferential market access to developing countries in exchange for commitments to key human rights, labor, environmental, and governance conventions. Lists of UN and ILO conventions presented in the lecture demonstrated the breadth of obligations that GSP beneficiaries are expected to uphold. The idea is to use the EU market as leverage to encourage better governance practices abroad. However, research shows that compliance is uneven, and enforcement remains limited.

From public instruments, the lecture moved to marketaccess sustainability regulations, such as the EU's Deforestation Commodities Regulation (EUDR). This regulation targets commodities like soy, palm oil, cattle, cocoa, coffee, and wood, which are major drivers of global deforestation. Students were shown data illustrating how EU consumption contributes significantly to global forest loss. The EUDR requires companies to demonstrate—through due diligence and geolocation data—that products placed on the EU market do not originate from recently deforested land. This represents a new style of traderelated environmental regulation: unilateral, productbased, and focused on corporate rather than state compliance.

The lecture then delved into the world of private governance, emphasizing that public regulation alone cannot govern global supply chains. Private governance includes firmlevel commitments such as zerodeforestation pledges, certification systems, and voluntary sustainability standards (VSS). Students were introduced to the "global governance triangle," which illustrates how states, firms, and civil society share governance roles. The lecture described how many companies adopted zerodeforestation commitments in response to NGO pressure, especially from organizations such as Greenpeace. By 2017, nearly 500 firms involved in forestrisk commodities had such pledges.

Voluntary Sustainability Standards (VSS) such as Fairtrade, Rainforest Alliance, FSC, and RSPO were presented as another central pillar of private governance. These standards set sustainability criteria, verify compliance through auditing, and enable traceability along supply chains. Figures in the lecture showed a dramatic rise in the number of sustainability standards over recent decades. Students learned how VSS are created, how certification works, and how these systems function as rulemaking arenas outside traditional government settings.

The lecture also explained how public and private governance interact. States often rely on VSS in regulatory settings. For example, the EU's Renewable Energy Directive recognizes certain certification systems for verifying sustainable biofuel production. Freetrade agreements increasingly reference VSS, and some agreements—such as the EFTA–Indonesia FTA—use VSS directly as tariff differentiation factors. Governments may also use VSS in public procurement, export promotion, or as conditions for accessing specific markets. This hybrid governance model reflects the reality that public institutions often lack the capacity to monitor sustainability globally, and thus rely on private mechanisms.

Having mapped the governance tools, the lecture then examined their effectiveness. Research findings presented showed that the impact of sustainability provisions in trade agreements is mixed: some quantitative studies detect small positive effects, while case studies often show minimal impact. The lack of strong enforcement mechanisms appeared to be a major reason. Findings on GSP+ also indicated limited compliance, again attributed to weak enforcement. In contrast, studies on VSS found more promising results, especially regarding environmental outcomes such as deforestation reduction. However, the effectiveness of VSS was shown to depend heavily on context, commodity type, supplychain structure, and the support systems available to producers.

The lecture then moved to the broader political environment, noting that the era of broad trade liberalization was fading. Students were introduced to the concept of “slowbalization”—a period characterized by slower growth in trade, rising geopolitical tensions, and weakening support for open markets. The lecture highlighted an increase in tradedistorting measures such as tariffs, export restrictions, subsidies, and technical barriers to trade. Sustainability regulations themselves have become politically contested, with some governments rolling back commitments or attacking measures such as due diligence requirements.

Despite these challenges, the lecture concluded with some reasons for optimism. New “minilateral” or “plurilateral” agreements, such as the CPTPP and RCEP, were presented as emerging models of cooperation among smaller coalitions of willing countries. Even more innovative was the Agreement on Climate Change, Trade and Sustainability (ACCTS), which focuses explicitly on environmental goods, fossilfuel subsidy reform, and ecolabeling. Meanwhile, demand for private governance continues to rise, with growing uptake of certification systems globally.

The lecture ended by emphasizing that trade and sustainable development are deeply connected and must be managed together. Many tools exist to govern this nexus, but their effectiveness remains uneven. Students were encouraged to understand both the opportunities and the limitations of these mechanisms, and to recognize that future governance will require creativity, cooperation, and resilience in the face of political uncertainty.

Toward a Corporate Duty for Companies to Respect Human Rights in Their Global Value Chains? The Rise (and fall?) of Human Rights Due Diligence

This lecture examined the evolution of corporate responsibility for human rights within global value chains, focusing on the rise— and possible fall—of human rights due diligence as a regulatory approach. It began by situating the discussion in the reality that corporaterelated human rights violations had remained widespread and persistent. A series of wellknown cases illustrated the diversity of harms and the struggles that victims continued to face when seeking justice.

Among the examples discussed were cases such as Danzer, where managers of the company had been allegedly involved in abuses committed by security forces against forest communities in the Democratic Republic of the Congo. The lecture also referenced the case brought against RWE, in which the company’s contribution to climatechangerelated harm suffered by a Peruvian farmer became the basis for a groundbreaking legal challenge. Other cases, such as Trafigura’s dumping of hazardous waste in Côte d’Ivoire, Boliden’s export of contaminated materials to Chile, Xstrata’s alleged complicity in violent repression of protests in Peru, and Vedanta’s toxic effluent releases in Zambia, further demonstrated that companies could be directly responsible for abuses, complicit in abuses by state actors, or implicated through insufficient oversight of subcontractors and suppliers.

These examples, the lecture stressed, demonstrated that despite the globalization of production and the increasing complexity of supply chains, mechanisms to hold companies accountable had remained weak. Only a small proportion of victims managed to obtain remedy, and even fewer succeeded in holding parent companies legally responsible. This persistence of harm and lack of accountability formed the basis of the broader challenge the lecture sought to address.

The presentation then explored why victims so rarely obtained justice. A range of legal, practical, and procedural barriers continued to hinder accountability efforts. Legally, victims frequently lacked access to functioning justice systems in the countries where the harm occurred. Furthermore, the doctrine of separate legal personality and the intricate structures of multinational corporations made it difficult to attribute responsibility to parent companies. Establishing causality in complex, transnational supply chains was equally difficult, as was determining jurisdiction when the defendant operated in multiple countries. In many cases, the applicable law was that of the country where the harm occurred—often developing countries with weaker protections and lower procedural standards.

Practical and procedural barriers compounded these difficulties. Victims often lacked access to evidence, could not afford litigation costs, and faced threats or intimidation. Language barriers, cultural differences, and the absence of mechanisms for collective action added further obstacles. The lecture emphasized that these barriers collectively created what many scholars and practitioners had identified as a structural accountability gap.

From this diagnosis arose the question of what could be done to improve accountability and prevent future abuses. The lecture argued that achieving these goals required both the removal of legal barriers and the development of mechanisms that would help identify and mitigate risks before violations occurred. It was in this context that the concept of human rights due diligence emerged as a promising instrument.

The lecture next introduced the UN Guiding Principles on Business and Human Rights (UNGPs), adopted in 2011. Although the UNGPs were voluntary, they had quickly become the global benchmark for defining corporate human rights responsibilities. Drafted by John Ruggie during his mandate as UN Special Representative, the UNGPs did not create new legal obligations but synthesized existing standards and provided a coherent framework for understanding what responsible business conduct required. They also highlighted gaps in existing regimes and proposed ways to strengthen them.

Structured around three pillars—Protect, Respect, and Remedy—the UNGPs affirmed that states had a duty to protect individuals from abuses committed by third parties, including companies; that businesses had a responsibility to respect human rights, which required them to avoid causing or contributing to harm and to demonstrate how they did so; and that victims should have access to effective judicial and nonjudicial remedies. Within this framework, human rights due diligence emerged as a central concept: a riskbased approach through which companies were expected to identify, prevent, mitigate, and account for their adverse impacts.

The lecture then discussed what due diligence meant in practice. It referred to an ongoing process that required companies to establish effective management systems, adopt and communicate relevant policies, engage with suppliers, integrate expectations into contracts, and set up grievance mechanisms. It required companies to identify and assess risks throughout their value chains, to report the findings to senior management, and to design mitigation strategies. Companies were expected to conduct independent audits at key points in their supply chains and to publicly report on their due diligence measures. This process was not intended to be a oneoff compliance exercise but rather a continuous cycle of evaluation, engagement, and improvement.

Following the conceptual foundations, the lecture shifted to a discussion of the increasing number of regulatory initiatives inspired by the UNGPs. Several countries had adopted mandatory due diligence laws, though their approaches varied significantly. Some, like the Dutch Child Labour Due Diligence Act, focused on specific issues, while others, like the French Duty of Vigilance Law, adopted a broad approach covering human rights, environmental, and healthandsafety risks. The German Supply Chain Due Diligence Act applied to large companies and, in certain cases, mediumsized businesses active in highrisk sectors.

The lecture compared these laws against the UNGPs, looking at their objectives, scope, and reach. It noted that many of them applied only to large companies, despite the UNGPs stating that all enterprises bore human rights responsibilities. Furthermore, some laws applied only to segments of the supply chain—particularly those involving established business relationships—while others required companies to consider their entire supply chain.

The presentation then turned to the European Union's Corporate Sustainability Due Diligence Directive (CSDDD), which had represented the EU's most ambitious effort to codify mandatory due diligence at scale. The directive sought to require large companies operating in the EU to identify, prevent, and mitigate adverse human rights and environmental impacts across global value chains. As initially proposed, it applied to companies with at least 500 employees and €150 million turnover, with lower thresholds for highrisk sectors. It covered both direct and indirect business relationships, established a harmonized civil liability regime, required directors to oversee due diligence, and mandated climate transition plans aligned with the Paris Agreement.

However, the lecture explained that political pressures had led to the introduction of the 2025 Omnibus simplification package, which significantly altered the directive. The thresholds were raised to 1,000 employees and €450 million turnover—with later negotiations suggesting an increase to 5,000 employees. The timeline for implementation was postponed, and the scope of value chain coverage was narrowed to direct partners, unless risks in indirect tiers were already known. Several of the directive's core accountability mechanisms—including strong civil liability provisions, representative actions by civil society, and directors' duties—were weakened or removed. Even the climate plan requirement was diluted, as companies were no longer obliged to implement the plan.

The lecture concluded by drawing attention to the volatile political climate surrounding the directive. Very recent developments, such as public statements by German Chancellor Friedrich Merz expressing his desire to "cancel" the directive altogether, had thrown its future into uncertainty. These developments illustrated the significant backlash that due diligence regulations faced and raised the possibility that the CSDDD might be adopted in a heavily diluted form, or potentially not at all.

In closing, the lecture underscored that corporate human rights violations remained a serious societal concern and that victims still struggled to obtain remedy. The UNGPs and the broader concept of due diligence offered a coherent framework for strengthening prevention and accountability. However, the political contestation surrounding due diligence laws suggested that significant challenges remained. Ensuring meaningful corporate accountability would therefore require ongoing engagement, vigilance, and a willingness to refine and defend regulatory frameworks in the face of resistance.

Comparative Case Study: An Introduction to Qualitative Comparative Analysis (QCA)

The lecture introduced Qualitative Comparative Analysis (QCA) as a methodological approach designed to bridge the divide between case-oriented and variable-oriented research traditions. It presented QCA as particularly well suited for addressing the causal complexity common in business and human rights (BHR) research, where outcomes are rarely driven by single variables acting independently. The session explained how QCA complements qualitative case studies and quantitative statistical methods, and it guided students through a structured, ten-step process for designing, conducting, and interpreting a QCA study.

The lecture began by situating QCA within broader social science research strategies. Students were reminded of the conventional distinction between quantitative and qualitative methods and, more importantly, between variable-oriented and case-oriented approaches. Variable-oriented research typically examines the average effect of independent variables on outcomes across many observations, treating individual cases as interchangeable. Case-oriented research, by contrast, focuses on understanding why specific outcomes occur in particular cases, often using rich qualitative data and process tracing. While case studies provide depth and contextual insight, they face challenges such as limited generalizability, selection bias, and difficulty isolating key causal factors. QCA was introduced as a middle path that preserves the integrity of cases while enabling systematic cross-case comparison.

The lecture then outlined the core logic of QCA. Rather than estimating net effects of individual variables, QCA treats each case as a configuration of conditions and examines how combinations of conditions are linked to outcomes. Traditionally based on crisp sets with binary coding, QCA compares cases to identify patterns of multiple conjunctural causation. Outcomes are understood as being produced by jointly sufficient conditions rather than single necessary causes. Equifinality—the existence of multiple pathways leading to the same outcome—is treated as an expected feature of social reality. These features align closely with BHR research, where, for example, different mixes of NGO pressure, market exposure, institutional context, and organizational capabilities can lead firms to adopt similar human rights practices.

To clarify the nature of causal complexity, the lecture discussed three dimensions. Conjunctural causation refers to conditions working in combination rather than independently. Multifinality captures the idea that the same condition can contribute to different outcomes depending on context. Equifinality highlights that distinct combinations of conditions can produce the same outcome. Students were encouraged to see BHR phenomena—such as corporate participation in multi-stakeholder initiatives, adoption of due diligence, or improvements in supply chain labor standards—as classic examples of such complexity.

The second half of the lecture walked through a ten-step procedure for conducting a QCA study. First, researchers must clearly define an outcome that varies across cases. Second, they select cases that include both positive and negative instances of the outcome, with careful attention to the unit of analysis. Case selection can be iterative and often benefits from a "most similar systems, different outcomes" logic. Third, researchers define a manageable set of explanatory conditions guided by theory and prior research, addressing the challenge of having many potential causes but relatively few cases.

Steps four and five involve calibrating the data and constructing a data matrix, typically using binary coding in crisp-set QCA. The lecture illustrated this with an example of firms joining the Fair Labor Association, using conditions such as NGO pressure, institutional embeddedness, public listing, and prior CSR capabilities. This process forces conceptual clarity and strengthens research design by requiring explicit operationalization of key concepts.

In step six, the data matrix is transformed into a truth table that lists all logically possible combinations of conditions and the outcomes associated with them. This shift from cases to configurations is central to QCA's logic. Step seven addresses contradictions, where the same configuration leads to different outcomes. Rather than being problems, contradictions serve as diagnostic tools that prompt researchers to refine theory, add conditions, or reconsider case selection.

Step eight introduces logical minimization, the core analytic procedure of QCA. By comparing configurations that differ on only one condition but yield the same outcome, researchers derive simplified Boolean expressions representing causal pathways. Step nine focuses on interpreting these solutions by identifying necessary and sufficient conditions and assessing consistency and coverage. This allows researchers to articulate clear causal "recipes" rather than vague claims that everything matters.

The final step emphasizes returning to the cases. QCA results should be complemented with in-depth case analysis and process tracing to unpack mechanisms and strengthen causal inference. The lecture concluded by highlighting practical considerations, software options, and the overall value of QCA for BHR research. By offering formal tools for medium-N, case-oriented comparison, QCA enables scholars to manage complexity, identify multiple pathways to outcomes, and produce findings that are both theoretically rigorous and practically relevant.

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Axel Marx is Deputy Director Leuven Centre for Global Governance Studies, an interdisciplinary research centre at the KU Leuven. He has managed over 80 funded research projects including multi-team and international European projects and acted as a consultant to several national and international organizations including the European Parliament, the European Commission, the Committee of the Regions, International Labour Organization, International Trade Centre, United Nations Industrial Development Organization, United Nations Forum on Sustainability Standards, UNCTAD, OECD, IDEA, Worldbank, the Belgian, Dutch and German Governments and several private actors. His academic publications (200+) have appeared in several international peer reviewed journals. He has published inter alia in ANNALS of the American Academy of Political and Social Science, World Trade Review, Business and Politics, Global Policy, Ambio, Journal of Environmental Policy and Planning, International Labour Review, Journal of World Trade, Journal of World Trade and Investment, Regulation and Governance, European Political Science Review, Political Research Quarterly, Field Methods, Journal of European Integration, Applied Economic Perspectives and Policy, Global Public Policy and Governance, Politics and Governance, International Journal of Human Rights, Journal of Human Rights Practice, Oxford Bibliographies in Sociology, Development: the Quarterly Journal of the Society for International Development, World Bank Legal Review, Sociological Methodology, Sustainability Accounting, Management and Policy Journal, Sustainable Development, Globalizations, Asia-Europe Journal, International Development Policy, Research in Sociology of Organizations and Journal of Socio-Economics. He recently co-edited a Research Handbook on Global Governance, Business and Human Rights (Edward Elgar, 2022). He was guest co-editor for special issues in International Labour Review (2016), Global Policy (2017, 2023),Sustainability (2019, 2020) and Journal of European Integration (2022). He developed a Massive Open Online Course on the Sustainable Development Goals and Sustainable Trade on the EdX-platform and launched an EdX Professional Certificate on Global Sustainability Governance. As a guest lecturer he taught at several universities. He is currently the co-chair of the Academic Advisory Council of the United Nations Forum on Sustainability Standards, a member of the Evidensia Research Council, a member of the steering committee of the ILO Labour Provisions in Trade Agreements Hub and a member of the Jean Monnet Centre of Excellence on Business and Human Rights at FECAP Business School (Brazil), a pioneering and dynamic hub dedicated to advancing the critical research field and policymaking agenda of Business and Human Rights in Brazil. His research interests include voluntary sustainability standards, sustainable development, sustainable trade, human/labour rights, global governance, corporate social responsibility, governance through trade, EU trade policy and comparative case methods.