Conflict of Laws and Corporate Environmental Irresponsibility in the Developing World

—Remedying Choice of Law Rule for Environmental Damage (summary)

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The international community has witnessed the repeated occurrence of toxic disasters caused by transnational corporate groups in developing countries. To address corporate environmental abuse, the victims could initiate transnational liability litigation. However, taking a systemic approach to analyse choice of law rules in Vietnam, the United States, and the European Union Member States, which are examples of the developing host state and the developed home states, this paper reveals that the current conflict of laws system fails to contribute to the collective efforts in addressing corporate ecological harm and protecting the ecosystem. Instead, by mixing the balance of interests with justice, the current conflict of laws system designates the law of the place of injury, that is, the law of developing host state with laxer environmental standards and liability, to determine the liability of the transnational corporate groups.

In perceiving the importance of natural ecosystem on the existence and well-being of humanity, it is essential to remedy the current choice of law rules on environmental damage. To do so, this paper argues that conflict of laws should move beyond its tradition and realise its potential in assisting the international community in the process of seeking the desirable value of environmental sustainability. In line with this argument, this paper proposes a multilateral choice of law rule on environmental liability which could serve as a model for states to consider and adjust in accordance with their specific context. This paper also consider the proposed multilateral choice of law rule in the context of Vietnam.