

Company case study plan

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each issue will include issue statement, arguments and evidence, conclusion and possible steps to take

Company: Amazon

Issues:

1. Tax Avoidance
- 2. Warehouse Abuses**
- 3. Security and privacy issue**
4. environment

1. Tax Avoidance

Ethical issue

Amazon was founded in Seattle by Jeff Bezos in 1994. It was created to take advantage of the loopholes in online shopping that do not have to collect sales tax, which was only a requirement for physical stores at the time. In the United States, Amazon hardly pays any federal income tax. It avoids retaining any profits for many years by reinvesting all its earnings into itself and aggressive tax planning.

Arguments and evidence:

According to Matthew Gardner of the U.S. Institute of Taxation and Economic Policy, Amazon does not pay federal taxes on US\$5.6 billion in US profits and has paid US\$8.2 billion in profits in the past five years. The 11.4% tax rate is approximately one-third of the salary payable.

In addition, Amazon is also very good at confrontation between state and local governments, requiring large subsidies to establish Amazon facilities in its area. Good Jobs estimates that Amazon has received at least \$1.6 billion in tax incentives

Across the pond in the UK, Amazon paid 4.6 million pounds in taxes in 2017 alone by selling in Luxembourg, a famous tax haven. Nearly 75% of Amazon's total revenue in the UK in 2017 was registered through its Luxembourg subsidiary, accounting for £6.88 billion of UK sales.

Duty and consequences perspective:

Taxes are very important. Moreover, when the big enterprises do not pay, they are especially important. Taxes redistribute funds so that all citizens have access to the services they need (such as education and health care), and solve problems such as poverty and income inequality by ensuring that the most vulnerable groups can meet their needs for free. When high-income earners or large companies do not pay taxes, it means that everyone has nothing to do, and it poses a risk to the community from decreasing revenue available to government.

Conclusion and possible steps to do:

Paying tax is not only obeying the business law, but also for the good of society. Avoiding tax may be legal but is never ethical. From my arguments above, Amazon has the ethical issue of massive and aggressive tax avoidance. They reduce tax avoidance and pay tax accordingly.

Potential sources:

<https://newrepublic.com/article/147249/amazon-big-tax>

<https://www.newsweek.com/behind-amazons-tax-strategy-494325>

<https://ethicalunicorn.com/2019/01/12/how-ethical-is-amazon/>

<https://www.goodjobsfirst.org/amazon-tracker>

<https://www.theguardian.com/sustainable-business/avoiding-tax-legal-but-ever-ethical>

2. Warehouse Abuses

Ethical issue:

Amazon is found to set extreme high targets for warehouse workers, and set extreme strict rules for break with less money compared to other warehouse workers.

Arguments and evidence:

Employees are strict to break time as in peeing in bottles out of fear of being disciplined or terminated for 'wasting time' going to the toilet, so that they deliberately decide not to go to the toilet and do not drink water so they don't have to pee at work.

In 2013, CNN reported that the average annual income of Wal-Mart's warehouse workers was about \$40,000, while the annual income of Amazon's warehouse workers was approximately \$24,300, which is less than \$1,000 above the official federal poverty line for a family of four.

In warehouses in the UK, there are many records showing that employees are experiencing increased depression, anxiety and suicidal thoughts, as well as being bullied and harassed.

Duty and consequences perspective:

Amazon in this case, is not respecting the basic human rights of the employees and not providing protection to its employees. Furthermore, they are cutting the salary of workers which from the company perspective will lose attractions to workers and not treating them fairly.

Conclusion and possible steps:

From arguments and evidence above, it is clear that Amazon is pushing warehouse workers to work under extreme conditions and setting strict break rules and not protecting them from bullying and harassment and even lead to depression, anxiety and

suicidal thoughts. To redress these ethical issues, amazon could improve the working enjoyment and increase the salary and provides physical and mental protection to workers

Code of conduct:

Potential sources:

<https://www.theguardian.com/technology/2020/feb/05/amazon-workers-protest-unsafe-grueling-conditions-warehouse>

<https://www.theverge.com/interface/2020/4/1/21201162/amazon-delivery-delays-coronavirus-worker-strikes>

<https://theintercept.com/2018/04/19/amazon-snap-subsidies-warehousing-wages/>

<https://www.businessinsider.com/amazon-warehouse-workers-have-to-pee-into-bottles-2018-4?r=US&IR=T>

<https://static1.squarespace.com/static/5a3af3e22aeba594ad56d8cb/t/5ad098b3562fa7b8c90d5e1b/1523620020369/Amazon+Warehouse+Staff+Survey+Results.pdf>

<http://money.cnn.com/2013/07/30/news/companies/amazon-warehouse-workers/index.html>

<https://static1.squarespace.com/static/5a3af3e22aeba594ad56d8cb/t/5ad098b3562fa7b8c90d5e1b/1523620020369/Amazon+Warehouse+Staff+Survey+Results.pdf>

3. Security and privacy issue

Ethical issue:

There are many reports saying amazon echo is data from users more than they should collect. And it is reported that amazon is hiring employees and paying external contractors to listen to recordings to improve accuracy where users personal data may be leaked through recording. There are reports show that the setup of amazon echo enables amazon to know what you are searching for and listening to and even the message you sent to others

Arguments and evidence:

According to matt(2019), amazon hired thousands of people worldwide to listen to the voice captured from amazon echo to give assist to echo smart assistance. They are hired to listen to the voice and feed the transcribed text back to amazon echo to help it better response to commands

According to Dorian(2019), an Amazon customer in Germany was mistakenly sent about 1,700 audio files from someone else's Echo, providing enough information to name and locate the unfortunate user and his girlfriend.

Duty and consequences perspective:

Amazon have the duty to protect user personal information and inform the user what kind of data they will be collecting before collecting user data. From the consequence perspective,

after amazon has collected massive user personal data, there is chance that these data to be leaked to someone else, which would cause severe privacy data leak issue.

Conclusion and possible steps:

Amazon should figure out a way to restrict the amount of data collected by smart assistant and should definitely not leaking out users' privacy information

Potential sources:

<https://theconversation.com/amazon-echos-privacy-issues-go-way-beyond-voice-recordings-130016>

<https://www.theguardian.com/technology/2019/oct/09/alexa-are-you-invading-my-privacy-the-dark-side-of-our-voice-assistants>

<https://www.bloomberg.com/news/articles/2019-04-10/is-anyone-listening-to-you-on-alexa-a-global-team-reviews-audio>

4. Environment

Ethical issue:

Amazon who acts as the world's biggest e-tailer brought up a severe environment concern, there will be massive amount of packaging and shipping material wasted in the process of online shopping.

Arguments and evidence:

According to Mary(2020), the advocacy organization Amazon Climate Justice Employees' Organization started in 2019 and lasted until 2020, and it has issued constant warnings to the company. The organization accused Amazon of not taking sufficient action to combat climate change. Recently, the team issued statements from more than 350 Amazon employees. Although the company prohibits unapproved public comments on internal business practices, they still sign their names and titles.

Duty and consequences perspective:

Companies like amazon have corporate environmental responsibility which involves energy efficiency and savings, waste management, travel and transportation, sustainable procurement, sustainable events, environmental management systems. They should operate within the range of regulation and government policy.

Conclusion and possible steps:

There is strong evidence showing that amazon is operating in a way that could result in harming the environment. To avoid this, they could develop a more sustainable way of packaging and transporting.

Potential sources:

<https://www.theguardian.com/technology/2020/jan/27/amazon-workers-climate-protest>

https://www.vox.com/recode/2020/1/26/21082650/amazon-employees-protest-policy-climate-change-amazon-employees-for-climate-justice?_c=1

<https://www.vox.com/recode/2020/1/2/21046886/amazon-climate-change-fired-activists-sustainability-walkout-pledge-carbon-emissions-activism>

<https://techcrunch.com/2019/06/17/climate-justice-and-environmental-ethics-in-tech-with-amazon-engineer-rajit-iftikhar/>

<https://searchaws.techtarget.com/feature/Amazons-environmental-impact-delivers-climate-change-concerns>

<https://amazonemployees4climatejustice.medium.com/amazon-employees-share-our-views-on-company-business-f5abcdea849>

<https://therising.co/2019/07/19/amazon-prime-is-convenient-but-its-terrible-for-the-environment/>