Multinational corporations are companies that have business operations in at least one country other than their home country and generate revenue outside of their home country (Chen,2024). While multinational corporations contribute to economic growth and innovation, they also face scrutiny and accountability for their impact on social, cultural, and environmental dimensions. These corporations have a huge influence on societal norms and values as many individuals support and stand by them. In the case of societal justice issues comes the question of moral responsibility on whether these corporations are obligated to observe and respond to social justice issues in the countries they wish to operate in so as to maintain their profitability. The aim of this essay is to argue whether multinational corporations are obligated to observe social injustices and how these actions could affect their profitability.

Firstly, different brands have different views on what they support, and some of the views that they support may result in them losing or gaining revenue. An example is how multiple brands recently left Russia due to the invasion with Ukraine, as According to AFP (2023) ‘Dozens of brands like Adidas, H&M and Zara have shut up shops in Russia since the conflict in Ukraine began last year, while Western sanctions have cut off access to foreign goods’. Taking a stance on leaving Russia, allowed these brands to emphasise how they stand against social injustices even on the expense of their profitability by demonstrating solidarity with global values of justice, peace, and human rights.

On the other hand, staying in a country with so much controversy could ruin the brands' reputation as many individuals might choose to withdraw their support thereby negatively impacting the brand’s profitability. Therefore, by taking a stance and leaving Russia, these brands can protect their reputation and maintain the trust of their customers thereby benefiting the business profitability. Therefore, I agree that multinationals are obligated to respond to social injustices as this could affect their profitability due to people choosing to rather support the alternative substitute brand.

In addition, addressing social justice issues is not just a moral obligation for multinational corporations but is also essential for the sustainability of the business. Companies that address social justice issues are better positioned to attract more consumers thereby positively benefiting the business in terms of profitability.

However, as different brands have different views on what they support, this might also mean losing revenue. An example is how in the recent years Marvel released the movie Doctor Strange and was asked to change the scenes which included a gay character by the Saudi Arabia censors. According to Vivarelli (2022) 'Marvel's “Doctor Strange in the Multiverse of Madness” won’t be playing in Saudi Arabia and several other Arab countries due to the inclusion of a gay character’. Marvel refused to act on the requests of Saudi Arabia and so the movie was banned in Saudi Arabia as movies that contain homosexuality are not permitted in this region. The benefit of Marvel taking a stance on this ban is to show how they protect and support the rights of homosexual people around the word thereby making a statement that people should not be discriminated against due to their own sexuality. In addition, gay people continue to be treated unfairly so when Marvel took a stance and rejected Saudi Arabia’s request, this allowed the people in the minority to be somewhat seen. As a result, Marvel’s profitability was negatively impacted by this ban. This shows how Marvel was determined to do what they perceived to be right regardless of how their profitability was negatively impacted by this ban.

In conclusion, multinational corporations have a moral obligation to observe and respond to social justice issues, even if doing so could affect their profitability. By taking a stance on social justice issues, Multinational corporations can demonstrate their commitment to ethical values, protect their reputation, and ultimately contribute to a more equitable society.

Referencing

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