

Final Exam Essay

Introduction

Multinational corporations (MNCs) often take advantage of vulnerable populations in developing countries, and engage in unethical practices like child labor. This essay will analyze these issues, explore the role of Corporate Social Responsibility (CSR), and review the steps made by Nike, Reebok, and Nestlé in addressing their previous behaviors.

a. Unethical Business Practices in Hiring Underage Children

Hiring underage children and putting them to work in harsh conditions is unethical because it exploits their vulnerability, violates human rights, and disregards labor laws. In the case of Nike and Reebok in Asia, these companies were accused of employing children in sweatshops under terrible conditions, often paying them insufficient wages. Similarly, Nestlé's involvement in Western African cocoa plantations revealed child labor practices where children worked long hours in unsafe environments with little to no pay.

Such practices are unethical because they prioritize profits over the welfare of individuals, and deny children their right to education and a proper normal childhood. Ethical business practices should promote social equity, but these corporations have violated important human rights, and exposed their lack of liability and responsibility towards the communities they operated in.

b. Corporate Social Responsibility (CSR) and Business Sustainability

MNCs can safeguard the sustainability of their operations by adhering to a strong Corporate Social Responsibility (CSR) strategy. CSR involves integrating ethical, social, and environmental considerations into business operations. By addressing labor issues and ensuring fair wages and safe working conditions, companies are able to build trust with stakeholders, improve reputation of the brand, and also secure long-term profitability.

For example, MNCs that prioritize ethical labor practices can often attract socially conscious consumers and investors. CSR also reduces risks associated with legal penalties, public protests, and boycotts, ensuring that businesses can operate sustainably in global markets. When companies engage in ethical sourcing, community development, and education programs, they also contribute to the welfare of their workers and the broader community, creating a relationship that is mutually beneficial.

c. Progress Made by MNCs to Address Unethical Behavior

Significant progress has been made by companies like Nike and Nestlé to address their unethical practices. Following public protests, Nike has implemented its "Transparency 101" program, which included regular audits of its factories, enhanced training for workers, and the publication of the details of the supplier. These steps have reflected a commitment to transparency and ethical labor standards.

Similarly, Nestlé also joined initiatives like the International Cocoa Initiative (ICI) to tackle child labor in cocoa production. The company introduced programs to educate farmers about child labor laws and also invested in community-based projects to support education and alternate means of living for children.

While these steps have marked great improvements, there are still some challenges that remain. Critics have argued that the systems for monitoring and enforcing rules still need better supervision.

d. Supporting Sources

To support these arguments, references from the following sources are included:

1. **Friedman, M.** (2007). *The Social Responsibility of Business*. This text discusses the implications of CSR and its role in business sustainability.
2. **Kolk, A., & van Tulder, R.** (2002). *Child Labor and Multinational Conduct: A Comparison of International Business and CSR*. This article provides insights into the practices of MNCs like Nike and Nestlé.
3. **Smith, C., & Lenssen, G.** (2009). *Mainstreaming Corporate Responsibility*. This book delves into strategies used by MNCs to address labor ethics and align with sustainable practices.

Conclusion

MNCs hold a moral and ethical responsibility to maintain labor standards and prevent exploitation. By following the CSR strategies and by addressing previous unethical behaviors, companies not only rectify their mistakes but also ensure the sustainability of their operations. Continuous improvements and accountability are needed for these corporations to regain public trust and maintain their position in the global market in the long run.