

What Are the Existing Labor Problems of Multi-National Enterprises - Problems with MNE's from Various Perspectives

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Abstract: In this document, I will discuss the existing problems of MNE's and their solutions.

1. Introduction

The expansion of MNEs as a result of economic globalization has raised high hopes for solving the employment shortage in developing countries.

MNEs account for half of the world's exports (and 49% of imports) and contribute 28% of the world's GDP [1]. However, MNEs are often the focus of controversy, with major problems sometimes being pointed out. This is because the rule of law is weak in some countries, and civil society has been calling for MNEs to be held accountable in order to encourage responsible behavior by MNEs in these countries.

This paper will discuss five issues that need to be pointed out in multinational corporations.

2. First existing MNE's problem

~Over time~

Labor is one of the most expected forces in MNEs.

However, there are cases where MNEs force workers to work excessively.

According to ILO regulations, MNEs are encouraged to progressively reduce the total number of hours worked in a normal week from 48 to 40, taking into account national conditions and practices and the conditions of the specific business sector, in order to avoid a reduction in wages [2].

Further, for overtime, this limit may be up to 48 hours, but such overtime must be an exception to the recognized rules or practices of the establishment.

Furthermore, international labor standards limit normal (before overtime) hours to a maximum of 8 hours per day and a maximum of 48 hours per week [3].

However, in a medium-developed country like this, MNEs may be required to work long hours, long, long overtime, and other overtime hours that are contrary to these labor laws. This is a major problem for MNEs in hiring workers because overtime hours are basically not converted into salary. Since the company does not disclose these overtime issues, it is not clear how many MNEs are actually forcing their workers to work overtime. It is believed that this is due in large part to the fact that the company is "under foreign control."

In addition, in MNEs where forced labor and child labor may take place, there are many possibilities to overwork them by ignoring their human rights.

3. Second existing MNE's problem

Discrimination

The second major problem faced by companies such as MNEs that set up markets abroad and employ local residents and others is discrimination.

"The OECD Guidelines for Multinational Enterprises" clearly state that companies should not discriminate against workers on the basis of race, color, sex, religion, political opinion, nationality, extraction, social origin or other status [4].

This is one of the characteristics of MNEs that cannot be completely eradicated in the way they work and produce results with people of different races, colors, genders, religions, political opinions, nationalities, extraction, social origins, and other statuses, and it is an issue that needs to be considered in order to compensate the human rights of workers. For example, if you have a base of operations in a developing country, and then you have a base of operations in another developed country, and you don't give workers in the developing country a salary commensurate with their working hours because the profits in the developing country were low, but you give workers in the developed country a higher salary because they were able to earn more profits, this could be a problem as discrimination. There is also the possibility of discrimination. In addition, if a company discriminates against workers based on their social status from a historical point of view and forces them to work excessively or at low wages, it does not guarantee their human rights, which can be a big problem.

According to the ILO MNE Declaration, companies are expected to build relationships with workers and avoid supporting, encouraging or participating in disguised employment practices [2]. A disguised employment relationship is one in which an employer treats an individual as a non-employee in such a way as to conceal the individual's true legal status. There is strong evidence that there is a high level of exploitation with regard to the violation of basic human rights, and that women are particularly vulnerable [5]. There is no evidence that MNEs are any worse at stopping sexual harassment and abuse than domestic companies, but one could argue that these are definitely harder to regulate. In particular, discrimination issues may need to be strictly regulated.

4. Third existing MNE's problem

~ Low wages ~

The third major problem for MNEs is low wages. The third major problem for MNEs is low wages. Wages are the salaries given to workers by companies, and these are commensurate with the hours worked, occupation and position in the company. Many previous empirical studies in Japan have shown that exporters and multinational enterprises (MNEs) tend to pay higher wages [6]. However, many people in developing countries are willing to work in any profession, no matter how low the wage, and as a result are often hired at low wages that are not commensurate with the hours they work. Also, many companies can hire workers at lower salaries by operating in developing countries, which may be their goal. Especially those facts require the host state or home state to control and regulate the salary statements from the companies. Employers with good technology and work organization can succeed in reducing working hours by increasing revenue per hour while remaining competitive. However, given the competitive pressures faced by certain companies, the challenge of raising wages to curb workers' demands for more hours is best addressed on an industry-wide or national scale.

Today, 92 percent of the world's countries have a minimum wage, while 8 percent of the world's countries have no minimum wage [7]. If MNEs set up companies in these countries, it is not certain that these workers will be paid, so the wages paid by MNEs to workers need to be well managed by society.

5. Fourth existing MNE's problem

Forced labor

The fourth problem faced by MNEs is forced labor. MNEs, especially those with companies in developing countries, can force their workers into forced labor. Forced labor refers to work that is forced upon workers by others, such as companies, factories, or relatives. It is often associated with physical or mental assault, intimidation of people who do not want to work, as well as human

trafficking and child labor. According to statistics, 25 million adults and children are currently engaged in forced labor worldwide.

Multinational as well as national enterprises should take immediate and effective measures within their own competence to secure the prohibition and Multinational as well as national enterprises should take immediate and effective measures within their own competence to secure the prohibition and elimination of forced or compulsory labour in their operations.

This is how the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy defines it.

In addition, Governments should take effective measures to prevent and eliminate forced labour, to provide to victims protection and access to appropriate and effective remedies, such as compensation. Governments should develop a national policy and plan of action to prevent and eliminate forced labour, to provide to victims protection and access to appropriate and effective remedies, such as compensation and rehabilitation, and to sanction the perpetrators of forced or compulsory labour. This shall involve systematic action by the competent authorities. This shall involve systematic action by the competent authorities and, as appropriate, in coordination with employers' and workers' organizations, as well as with other groups. This shall involve systematic action by the competent authorities and, as appropriate, in coordination with employers' and workers' organizations, as well as with other groups concerned.

This shall involve systematic action by the competent authorities and, as appropriate, in coordination with employers' and workers' organizations, as well as with other groups concerned [8]. However, governments in developing countries and other poor countries still find it difficult to investigate these facts, and there is still a possibility that MNEs are violating this international regulation. Therefore, there is a need for more international cooperation on these issues.

6. FIFTH existing MNE's problem

~ Child labor ~

The fifth labor issue faced by MNEs is child labor.

With the adoption of the Sustainable Development Goals (SDGs), the international community has pledged to eliminate child labor by the year 2025 [9]. However, 152 million children are currently engaged in child labor around the world, and this is a major problem. Furthermore, child labor is a particular problem in developing countries, and in the least developed countries, it is estimated that more than one in four children (ages 5-17) is engaged in work that is considered harmful to their health and development. [10]

Thus, while statistics on child labor in the world today are available, the lack of data on the proportion of child labor in the domestic market and among MNEs means that there is no evidence of how many MNEs are involved in child labor issues. However, in today's world where there are 152 million child laborers, undoubtedly some percentage of them are MNEs.

- Work which exposes children to physical, psychological or sexual abuse;
- Work underground, under water, at dangerous heights or in confined spaces;
- Work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
- Work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to health;
- Work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health;
- Work under particularly difficult conditions such as work for long hours or during the night or work; - where the child is unreasonably confined to the premises of the employer. Where the child is unreasonably confined to the premises of the employer [9].

These practices are listed in Article 3 of Recommendation No. 190 of the International Labour Organization (ILO), but it is not known whether these issues are actually being fully regulated or investigated, and there is a need for companies to regulate them.

7. Conclusion

These factors led me to believe that the lack of common and consistent restrictions and penalties across the world for MNEs, which are difficult to regulate by law, should be improved. It is still unclear how many MNEs are violating international treaties in many parts of the world. The reason for this is that the responsibility of MNEs is not well documented internationally and there are few institutions to investigate. While accepting the benefits of MNEs, we believe that it is necessary to emphasize their responsibilities and the enforceability of international regulations.

These disadvantages of MNE's cannot be completely avoided due to the nature of MNE's. However, after a thorough discussion of the advantages of MNE's, it is necessary to develop more regulations in order to protect basic human rights.

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