

Analysis of the Advent of Multinational Corporations in Developing Countries: Case Study of Nike Factories Expansion in Vietnam

Authors : Khue Do Phan

Abstract : Nike has been confronted by the press with their harsh working conditions, underpayment and highly-labor intensive requirement to their manufacturing workers and hiring of underage workers in Vietnam, Nike's largest production center. To analyze this topic critically through an international relations perspective, theory of dependency will be used to criticize the notion of exploitation of resources from developed countries towards developing countries. Theory of economic liberalism will be used to support the notion private property, the free market and generally capitalism as beneficial to both developing and developed countries. Workers are mentally, physically and sexually abused in the factories. In addition to this, their working conditions consist of improper training, lack of safety equipment, exposure of chemicals (glues and pants), their average wage is below the minimum wage in their country; the workers have to work around 60 hours or more a week. Even Nike says that the conditions are regulated often to make sure the workers get a voice to have their work rights and safe working environment. The monitors come to analyze the factories but in the end talk to the employers, whom are the direct abusers to the employees. Health benefits are rarely granted to the employees; they are forced to pay their bills first then the company will reimburse them later. They would also get in trouble for using the bathroom, taking a lunch break or sick days off because this would mean it would decrease their hours of work, leading to an even lower wage and a really angry employer. Of course with the press criticizing Nike's lack of respect for human rights and working rights, Nike has been working on policy making and implementation to deal with the abuses. Due to its large chains and a great number of outsourcing host countries, the changes that Nike wish or attempt to make have not be in effect as quickly nor spreading to all countries it holds accountable for in its outsourcing factories.

Keywords : dependency theory, economic liberalism, human rights, outsource

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