



United Nations
General Assembly

General Assembly

TOPIC A:

The Environmentally Destructive Growth of Multinational Organizations

Undersecretary:

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INTRODUCTION

The current UN 2030 Agenda for Sustainable Development has as a goal to fulfill all of the 17 Sustainable Development Goals (SDGs), with its 169 qualitative and quantitative targets by the date established in the agenda. This 15-year plan was adopted by all United Nations members, who pledged to provide the economic and political means to reach the Goals within the established 15-year time frame. The impact that these goals have in today's society can be divided into four sectors: people, planet, prosperity, and peace, which are denominated the "four Ps". Although UN members are trying to adhere to the working plan needed to reach Sustainable Development, there is a large gray area in a branch that impacts all four of the mentioned sectors: multinational companies.

BACKGROUND RESEARCH

As stated by Professor A. A. Lazarus in a research paper for Columbia Business School, a multinational company is a "business organization whose activities are located in more than two countries and is the organizational form that defines foreign direct investment. This form consists of a country location where the firm is incorporated and of the establishment of branches or subsidiaries in foreign countries." (Lazarus, 2001). The overall impact that these companies have worldwide is quite significant, yet the amount of data regarding the implementation of SDGs in their framework is rather limited. The effects caused, both positive and negative, from multinational companies can be divided into three main areas: poverty and inequality (SDGs 1-10), energy and climate (SDGs 7-13), and peace (SDGs 16). Moreover, partnership can be added as a fourth impact sector that is also relevant in the path to fulfilling all 17 SDGs.

In recent years the impact that multinational companies have had in creating a pro-poverty and inequality trade network has brought the attention of many consumers and organizations who are trying to eradicate the previous. Last June, Amazon saw itself in the spotlight after receiving public backlash from the massive amount of fired employees that just happened to occur after a series of claims were issued in which the company was accused of providing unethical working conditions for its employees. Given the pandemic, the number of purchases made through Amazon increased almost exponentially, however, as the company's wealth increased the sanitary and working conditions deteriorated. Amazon employees stated that the health measures taken to protect employees were not adhering to the guidelines provided by governments and the World Health Organization; additionally, workers were asked to stay for extended shifts, with no

breaks or financial compensation. The number of injuries sustained on Amazon facilities "were found to be three times the national average for warehouses, based on the company's injury reports to the Occupational Safety and Health Administration (OSHA)." (Sainato, 2020). This grabbed the attention of nine U.S. Senators who issued a letter to Amazon owner Jeff Bezos inquiring for an explanation and report of the working conditions of the company. However, Amazon is not the only multinational company facing claims and scrutiny about unfair labor practices, since companies such as Google and Apple have also been subjected to such claims, which hinder the path towards fulfilling, at the very least, the first 10 SDGs.

Another trade sector that is responsible for a considerable number of unethical labor practices, as well as the vast majority of environmental pollution, are fast fashion companies. According to studies the amount of greenhouse gases that retail and footwear stores produce, 8.1% of global emissions, is equivalent to the amount of emission the European Union makes yearly. The exponential growth that this industry is having presents a great risk for the environment since according to the United Nations Framework Convention on Climate Change (UNFCCC) the manufacturing sector will increase by 60%, representing a threat to the 2030 Agenda. Companies like Zara, H&M, Forever 21, amongst others, have contributed to the creation of thousands of jobs with sub-poverty wages, as well as the extinction of “Once-thriving rivers in China, India, Bangladesh, [which] wrecked by wastewater effluent from factories, have transformed into biologically dead zones replete with cancer-causing chemicals.” (Chua, 2019). In addition to “Tiny plastic microfibers, shed by synthetic garments during laundry, [...] inundating our water supply and food chain.” (Chua, 2019). Not to mention the impact on flora and fauna that multinational corporations have with the unethical and socially irresponsible use of raw materials and resources.

Furthermore, besides the impact that these multinational companies have on the “people” and “planet” sectors, they indirectly create direct threats for work made towards peace. It is no secret that certain regions of the world have war looming just around the corner due to water and food shortages. This is especially true for regions in Africa, the Middle East, and South Asia, which are the most common regions for MNC plants.

UNITED NATIONS INTERVENTION

Since the late 1970s the United Nations along with its specialized agency the International Labour Committee, have made attempts to create an ethical working framework to which MNCs must adhere. This would ultimately provide fair working conditions to employees and laborers. Nevertheless, these attempts had been blocked by the private sector, until the June 2014 resolution was adopted which created a legally-binding framework to regulate the activities of multinational companies. As of 2017, a draft has been in progress, which would further restrict and regulate labor conditions for multinational companies by the United Nations Human Rights Council (UNHCR). In regard to environmental policies the United Nations

Environmental Program (UNEP), has worked alongside companies to create an environmentally responsible framework, however, many of these policies are not enforced by both companies and countries. Additionally, efforts by UNEP in 2019 to create resolutions were thwarted by the crashing of a flight containing 157 UNEP delegates, all of whom perished.

POINTS TO CONSIDER

- Listed above were just some of the biggest multinational corporations who have consciously neglected policies and frameworks regarding sustainable development.
- The UN projects that in the next ten years, multinational corporations will increase their productions by 50-60% which poses a risk both to the world population, as well as to the environment.
- The frameworks and policies that exist specifically for multinational corporations are quite limited, and their effective implementation is minimum.
- There is scarce research on the activities that multinational corporations, apart from yearly reports that these companies give to specific governmental and non-governmental bodies, from International Business (IB) research.
- Many of the environmentally and socially responsible campaigns companies have been making aren't that impactful as they are advertised. An example is McDonald's campaign to substitute all their straws for recyclable straws; in reality, these straws aren't recyclable or compostable either.

QUESTIONNAIRE

- A. What is my country's position?
- B. What are my country's policies?
- C. What can my country do to solve this issue?
- D. Which countries can my delegation work with?
- E. What are three possible solutions?

USEFUL LINKS

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