**SUMMARY AND CONCLUSIONS - Chapter 9:** **Human rights and ethical business**

Human rights have come more into focus for international business as globalization has deepened and competitive advantage has become a strategic imperative. Companies are constantly on the lookout for ways to reduce costs. Using cheap labour is accepted as a legitimate strategy, but there has been growing ethical criticism as well as accusations of circumventing relevant law. Mostly, cheap labour is found in developing and emerging countries. Exploitation of workers is now increasingly seen as the responsibility of western brand owners whose products are made in outsourced factories. However, as we have seen, legal liabilities do not mirror moral responsibilities. MNEs are seldom connected sufficiently directly with contractors’ operations to be found legally liable in national law. On the other hand, they are criticized on moral grounds, and also on the basis of the norms of international law.

Human rights for international businesses do not start at the entrance to the factory or mine. They pervade the working and living environment of workers. Increasingly we see the damage of human rights violations spill over into the conditions in which workers live, with impacts on families and societies. These issues are not confined to developing and emerging countries. This chapter has emphasized that the attractions of cheap labour – and the social consequences – are highly visible inside developed western economies such as the US and UK. These countries pride themselves on individual freedoms and democratic values, but here, too, the living wage and worker voice are precarious. Global companies espouse the importance of employees as stakeholders, but in practice tend to see employees, especially in low-skilled jobs, in terms of costs. Their executives, meanwhile, receive remuneration in multiples of millions. While shareholders see the benefits of maximizing shareholder value, they are also aware that a poor human rights record can lead to unrest, loss of production, falling share price and reputational damage. Ideally, companies would turn their attention to human rights on ethical grounds. They feel they can fend off ethical criticism because they are successful financially and are confident they can withstand legal challenges. But with lawsuits mounting against companies for human rights abuse, who knows what company will be next?