

Multinational Corporations

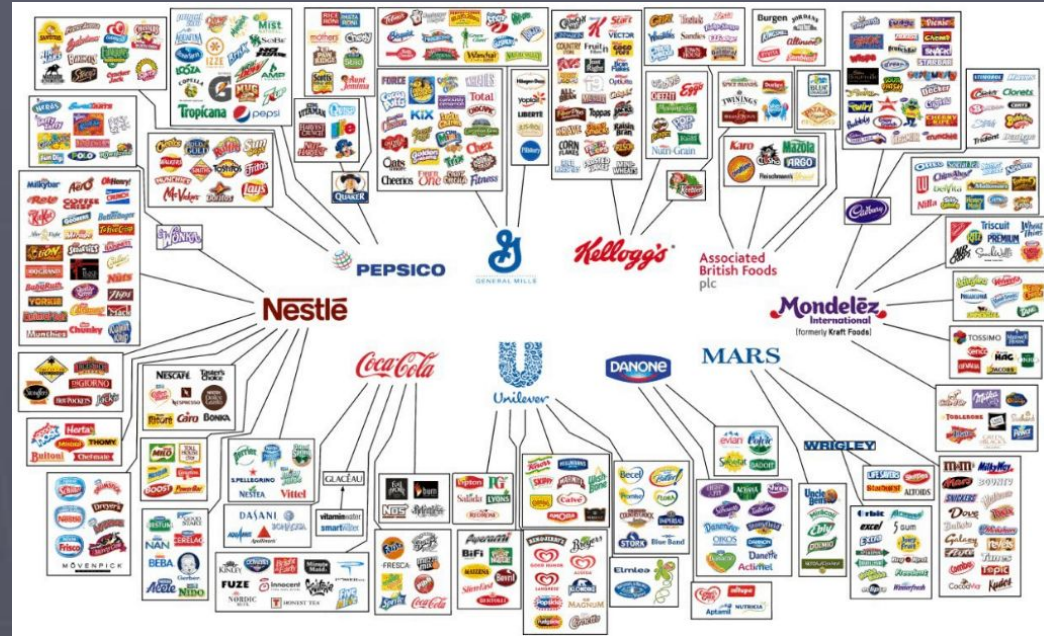
International Business Structure and its Impact on
the Environment

Defining Multinational Corporations

Corporations with international reach in terms of building supply chain and market

- May maintain subsidiaries in other countries

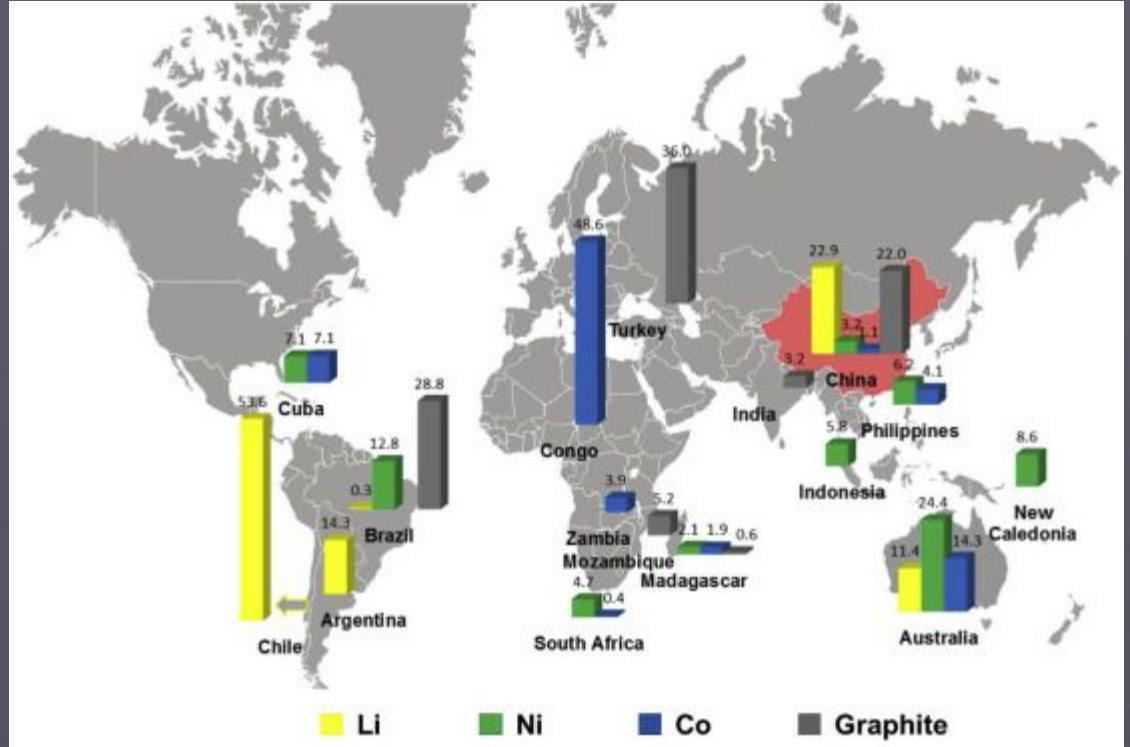
Rely on complex international agreements and interstate cooperation to maintain ability to do business



Global Supply Chain

Global Economic Structures have made it so the world's More Developed Countries often rely on the world's least developed countries for raw materials

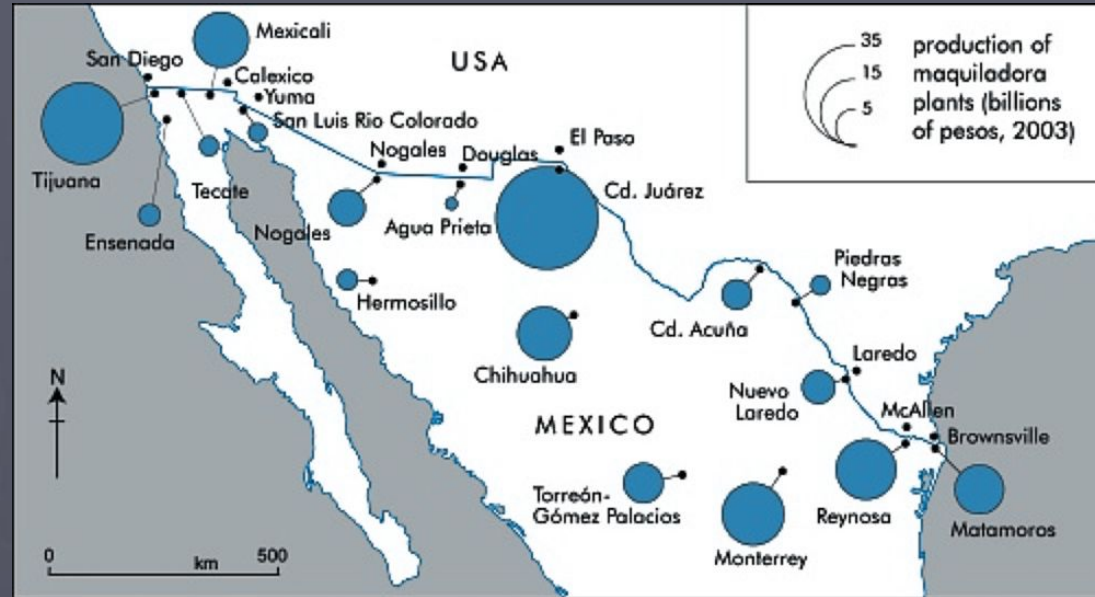
- Distribution of resources for Lithium-Ion Batteries



New International Division of Labor

To minimize costs and maximize profits companies will locate production facilities in countries with lower minimum wages and benefits and ship parts or final product to market

- Difference between Cars Made in America and Assembled in America



What this means for the Countries

LDCs become dependent upon MDCs for their economies, often times sacrificing economic development or democratization in favor of preserving investment by foreign corporations.

- Example: Banana Republics

MDCs become dependent upon LDCs for the supply of low-cost goods and raw materials, that would otherwise be too expensive to produce in native industries

- Example: iPhone production at Foxconn

What this means for the Environment

Countries end up sacrificing their own environmental health in favor of maintaining close ties with foreign corporations who may care little about long-term effects.

- Can always move on to a new location when environmental regulations become too strict
- Should be in company's best interest to preserve means of production

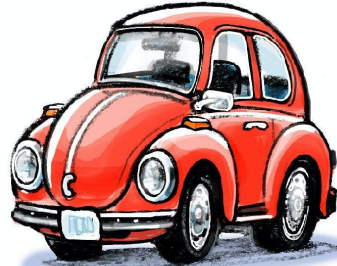


Changing Business Climate: Public Shaming Case Study - VW

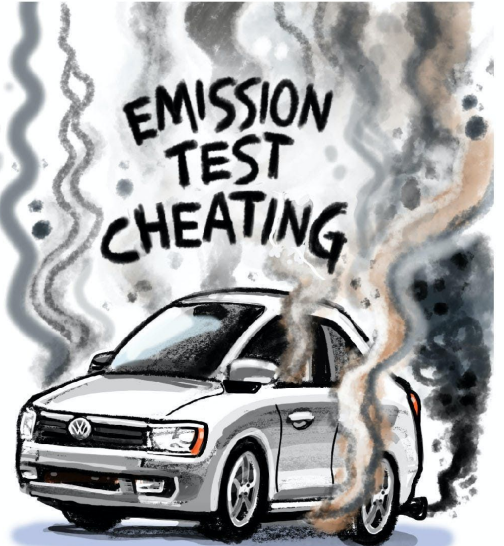
In 2015 VW had been found to be using devices to cheat on emissions testing in the US

- Resulting in shakedown at VW, Indictments for top executives, over \$10 billion in fines, and international shaming

STAR TRIBUNE
STK



VW Beetle



VW STiNKBUG

Changing Business Climate: Certified B Corporations

International certification for businesses who maintain transparency, and the highest standards of welfare for employees, accountability, and environmental consciousness

