

Business ethics: the employment of children under the age of 18

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As permitted by Vietnamese law and labor regulations, Vietnamese subcontractors are permitted to employ children between the ages of 15 and 18 within their factories. This fact has infuriated children's rights activists in the United States (U. S.) who feel that Nike is exploiting children in Vietnam to increase revenue. These activists protest the employment of children under the age of 18, and argue that children would have an opportunity to attend school and further their education if they are not forced to work.

An opposing view of this argument is that children who accept employment within Vietnamese factories are doing so out of their own free will and feel fortunate to be earning an income to help contribute to the welfare of their family. Furthermore, secondary education in Vietnam is not free as in the U. S. ; therefore, children who accept employment are most likely in a financial deficit and would likely not be able to afford to get a secondary education even if they had the time to attend.

Utilitarian moral philosophy suggests that you should act in a way that generates the greatest benefit for the greatest number of people. Applying the utilitarian model to each of the prominent stakeholders from above gives a clear depiction of the pros and cons for both alternatives. A. Alternative #1: Continue to hire/employ underage workers For Alternative #1, in which Nike continues to hire and employ underage workers, there are more quantifiable positive outcomes than negative.

Positive outcomes include increased income for Vietnamese workers and their families and reduced prices of Nike brand products, which is beneficial

to both consumers and shareholders. There are several negative outcomes from continuing to employ children workers, which include Nikkei Corporation, Nine's CEO, and U. S. Global images remaining under scrutiny. Additionally, and most importantly, choosing to continue employing children in factories will likely to cause a consumer backlash, reducing overall product sales.

Alternative #1 : Continue to hire/employ underage workers Increased income for children's families Nine's public image suffers * Reduced prices for consumers U. S. Global image remains tarnished * Increased shareholder earnings* Reduced sales / consumer backlash *Increased revenue for Nikkei Increased scrutiny for CEO b. Alternative #2: Ban underage employment Applying the utilitarian model to Alternative #2, banning underage employment in Nine's factories, produces a negative quantifiable outcome. If Nikkei announced that it would no longer hire children, the corporation's public image, as well as the image of the U.

S. N general, would improve, and Nikkei is likely to increase and expand its and increased consumer product costs) outweigh the positives for Alternative #2. Alternative #2: Ban underage employment Nine's public image improves * Increased poverty in Vietnam U. S. Global image improves * Costs of products increases Customer base expands Vietnamese children subjected to more harsh work environments Alternative favored: The Utilitarian Model, as displayed in the balance sheets above, favors Alternative #1, which is that Nikkei should continue to hire and employ underage workers. . Golden Rule Model The Golden Rule Model reflects the

alternative that each of the key stakeholders would choose if given the choice: Key Stakeholder Alternative #1 Alternative #2 Employed/eligible Vietnamese children Yes No Families of employed/eligible Vietnamese children Yes No Nikkei Corporation Yes No Other outsourced companies Yes No Consumers Yes No Nikkei CEO yes NO No Alternative favored: Alternative #1 is the clear choice for all of the key stakeholders using the Golden Rule Model. 3. Kantian Model a.

Children in Vietnam are often depended upon in their society to go to work and ran an income in order to provide food and shelter for themselves and their families; therefore, they would argue for their right to do so by choosing Alternative b. Nikkei Corporation and other multinational companies are entitled to run their in which they operate. Nikkei would prefer Alternative #1 . C. Children's rights activists would argue that these child workers have the right to education, and that are prevented from doing so by being " forced" to work.

These advocates for the Vietnamese children would be in favor of Alternative #2, banning all child labor in Nikkei factories. Alternative favored: The Kantian Model illustrates three significant societal values or rights that would be affected, with the majority in favor of Alternative #1 . 4. Enlightened Self-Interest Model Nikkei Corporation would view Alternative #1 , continuing to employ children in their overseas factories, as the most economically beneficial option.

This alternative will reduce prices for consumers, increase shareholder earnings, and increase revenue for Nikkei. These benefits exceed the risks associated with Alternative #1, which mostly involves tarnished images of Nikkei and its CEO. Alternative favored: Since the benefits to the decision maker (Nikkei) outweigh the harm caused to all other stakeholders, the Enlightened Self-Interest Model favors Alternative #1 .

Moral Models - Best Fit The Utilitarian and Golden Rule Models are the most effective in determining which alternative is the best choice: Utilitarian Model: Alternative #1 has three (3) quantifiable pros vs.. Only one (1) con, whereas Alternative #2 zero (0) quantifiable pros as opposed to one (1) con. Golden Rule Model: All six (6) of the key stakeholders in this decision would benefit from Alternative #1 .

Moral Models - Not a Good Fit Whereas the Utilitarian & Golden Rule Models clearly demonstrate that Alternative #1 is the best choice for all key stakeholders, the Kantian and Enlightened Self-Interest Models are not as convincing because they reflect the views of only a small portion of all stakeholders: Kantian Model: Alternative #1 positively affects two (2) out of three (3) social values or rights, whereas Alternative #2 only positively affects one (1). Comparisons within such a small sample size are not as convincing as the Utilitarian and Golden Rule Models.

Enlightened Self-Interest Model: Although the most prominent stakeholder, Nikkei, would be positively affected by Alternative #1 , and said benefit outweighs any harm caused to all other stakeholders by choosing this

alternative, the model advocates for the benefit of a single entity. The Utilitarian and Golden Rule Models take into consideration a larger portion of all stakeholders who would be affected by this decision. Nikkei has been employing children in overseas factories for decades, during which time it has endured many years of ridicule and criticism for doing so.

Nikkei should try to improve its image to the public by taking the initiative to educate opponents of child labor with regard to the cultural differences between third-world countries and the U. S. They should specifically address the issue that it is not only the norm for children in those locations to work, but also that it is often a crucial for their survival. Additionally, Nikkei should enlighten critics about the educational norms of these children, emphasizing that most children over the age of 15 are not able to attend school because it is extremely costly and not enforced.