

Critical essay on cadbury



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Cadbury's Corporate Social Responsibility Businesses these days are much different from how it was in previous generations. Nowadays, society impacts that corporation has is not only about economic power, instead it has also gone into corporate social responsibilities. Cadbury is an international company that is the second largest confectionary company in the world. (Factbox: British confectioner Cadbury 2010).

Therefore, they have a bigger impact to affect both positively and negatively on the society as they have a bigger influence and power on the society due to their dominance in market share. In this essay, it will go in depth about the performance of Cadbury in relation to its corporate social responsibility. This essay will explain and argue a balanced argument about the negative and positive impact Cadbury has today on its society by analyzing their "Cadbury Community" programme and their association with child labour.

Negative Social Responsibility of Cadbury According to a documentary called "Slavery" on the BBC, it documented cocoa beans production and how it is related to child labour, in the documentary, it focused on Cadbury, aiming at them about that negative social responsibility that they have. The reason for child labour in the cocoa production is because of the prices that are set on the cocoa beans is very low when it is sold. For example, farmers are only selling their cocoa beans for only a mere sum of money, therefore they would want to gain more profit.

The only way to do that is to get cheaper labour so that their expenses are not so high which would result in higher revenue earned at the end of the day. Since child labour is one of the cheapest labour in the world, it is the top choice for labour to keep cost down would be child labour. In a brighter light,

not everyone was affected by the low priced cocoa beans. For example, Cadbury was still able to employ many people around the world and still kept their product prices down to continue attracting their customers.

However, Cadbury was later seen as a supporter of child labour. Reason being, Cadbury were purchasing the cocoa beans from the farmers that were using child labour for their cocoa beans production. This in turn makes Cadbury a supporter of child labour as well as they are purchasing the beans from the farmers which encourages them to continue that they are doing. The consumers later came into conclusion that the low prices of Cadbury's chocolate were not worth the children's hard cheap labour in the developing countries.

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The world's largest cocoa producer, Cote d'Ivoire has given the possibility of Cadbury to demand the cocoa beans at a very low price. (World Cocoa Production. n. d.) As they are the largest producers, they have more control of the cocoa prices around the world. To further exaggerate how much farmers of the cocoa production are getting paid, an example would be, for every kilogram of cocoa beans that a farmer harvest, they are getting paid almost the same amount of how much a bar of chocolate consumers pay for consumption. Which in most cases, would be a range of a dollar to two dollars. (Olivier. 2012. . This is not following their policies that Cadbury should be following under their code of conduct (Our Business Principles. 2008.). In the document, it states that it is their responsibility, both corporate and social to make sure that there are proper and ethical practices to manage the business. Ethical issues such as human rights, ethical trading <https://assignbuster.com/critical-essay-on-cadbury/>

and employment practices are considered when business is done in Cadbury. However, that is not much of the case when Cadbury is purchasing low and unfairly priced cocoa beans from the farmers. This is against their ethical values of ethical trading.

Reason being, as mentioned above in this essay, by purchasing the beans at such a low cost, it is encouraging the farmers to hire more child labourers in order to keep their cost of production down and to gain more revenue earned. The stakeholders that are mostly affected would be the children that are forced to work at the farms to harvest the cocoa beans. Working at the farms does not only mean long working hours with very little pay, it also means that they might get beaten often due to carelessness at work or not meeting the expected weight of cocoa beans.

It also means that they might not even get paid after working long hours with no food (Cocoa Campaign. n. d.). By the year 2003, Cote d'Ivoire, which is the world's largest cocoa producing nation, had about 109, 000 child labourers (Country Reports on Human Rights and Practices. 2003). Out of the 109, 000 children, more than half of them were said to be working on their own farms owned by their parents. The rest of the children, which consists of about 10, 000 of them, are working as slaves or are being trafficked.

By working on the farms, it means that the children are not given a chance to go to school to increase their knowledge or to further their education. This would therefore result in a vicious cycle of people depending solely on cocoa farming in order to earn enough money to meet their basic needs. For example, when a child is forced to work on the farms, he will not be able to attend school to gain knowledge to have a chance to get out of the country

to work. Since he is stuck on the farm, he will grow up only with the knowledge on how to harvest cocoa beans.

His main concern would be to maintain the farm and to earn more money for his family. In order to earn more money, it means that he has to harvest more cocoa beans. Therefore, he will need more help at the farm. Therefore, he will want to get as much help from his children to increase the cocoa beans production. This would continue in a cycle. Cadbury did try to solve the problem that they have made by sourcing their cocoa beans from Ghana, the second largest cocoa producer instead of from Cote d'Ivoire. However, many people still are uncertain about their true motives to really solve the problem created.

Reason being, back in 2001, the Chocolate Manufacturers Association (CMA) which consisted of large chocolate confectionary companies such as M, Cadbury and Mars Inc. decided to make a promise that their cocoa beans production would be free of child labourers by 2005, July. The commitment was made to the Cocoa Industry Protocol (CIP) (Protocol for Growing and Processing of Cocoa Beans and Their Derivative Products. 2001.). Although some large chocolate confectionary companies signed the CIP, none of them were able to meet the criteria of the commitment.

Therefore, the dateline was extended and the percentage of their cocoa beans to come from childfree labourers was also reduced. Cadbury has recently self publicized that their products are now labeled as 'Fair Trade Certified' (About Fairtrade n. d.) which means that in general perception, a minimum price is to be directly paid to the cocoa producers which would hopefully reduce child labour. However, this is not the case reason being,

when farmers are paid the minimum sum of money for their cocoa beans through the Fair Trade premiums, they will still have to minus off the a huge sum of their profit.

So what exactly are reducing the farmer's profit? They are the administrative expenses, operating costs, business reinvestments and other social costs (Fairtrade Certified: Frequently Asked Questions - Advanced n. d.). Therefore, at the end of the day, cocoa farmers are still earning very little. This was just a spin doctoring made by Cadbury to change the public's perception of Cadbury's wrong doings. Positive Social Responsibility of Cadbury Cadbury does not only have negative corporate social responsibilities, instead, they are doing well in their work for the local communities around the world.

Cadbury has donated some of their profits back to the community. Although this is just a mere 1% of their profit before tax, it is still something as some other companies are not even contributing back to the society at all (Working Together to Make a Difference in the Community n. d.). Cadbury also has a community that helps in the society's health, welfare, enterprise, education and environmental sustainability. For example, Cadbury's " Miles for Smiles" event involves employees to walk between their two factories and raise funds for to raise funds for the less fortunate.

Adding on, Cadbury has also donated to charities, sponsored to countries to help with their developments, developed programmes to help the less fortunate around the world. All these work was done voluntarily by Cadbury. Therefore, it displays the positive side of their company's social responsibility to give back to the society. Conclusion Although Cadbury has

done many negative impacts on the society, they had their fair share of making the world a better place by contributing back to the society as much as they can.

Some of the public might still find that Cadbury has a lack of empathy towards ethical issues such as child labour. This might affect Cadbury's reputation as this would be a hard point to erase from the consumer's mind. Which means that no matter how much positive things that Cadbury does, at the back of the consumer's mind, they will always remember the negative impact that Cadbury had caused that is now hard to resolve. And although Cadbury is trying hard to contribute back positively to the society, the public might see it as a way for Cadbury to advertise themselves more.

Therefore, in order to keep up the good reputation and try to convert more of the public to view them positively, Cadbury has to keep up with their moral integrity and ethical guidelines, which is seen as a positive action by the public. Work Cited About Fairtrade. n. d. <http://www.fairtrade.com.au/about> (accessed August 31, 2010) Cocoa Campaign. n. d. <http://www.laborrights.org/stop-child-labor/cocoa-campaign> (accessed August 30, 2010) Country Reports on Human Rights and Practices. 2003. <http://www.state.gov/g/drl/rls/hrrpt/2003/27723.htm> (accessed August 30, 2010)

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