

Anomalous cases will demonstrate multinational activity in situations of internal conflict can exacerbate human rights violations, emphasizing an aspect of multinational involvement often downplayed.

Multinational engagement in countries suffering human rights violations are indirectly and directly perpetuating and supporting repressive regimes, profiting from injustices, and exploiting the instability of the situation. Multinational activities may or may not serve to provide police and military with tools of repression, politically legitimate existing repressive regimes, comply with restrictive and discriminatory legislation, and expand business enterprises which may contribute to an existing volatile situation. In human rights conflicts there may already exist a division between the wealthy and the poor. The imposition of MNCs serves to exacerbate underlying tensions by supporting a system of inequalities and indirectly providing capital, political legitimacy, and other materials for regimes to pursue their repressive policies. The situations in Chile, South Africa, Sierra Leone, Liberia, and Sudan are just a few examples demonstrating the adverse effects of multinationals on internal conflicts and situations of severe human rights violations.

In September 1973, a military coup removed Allende from government and set the stage for a repressive military regime in Chile that would dominate until 1990.<sup>7</sup> The Pinochet government committed enormous human rights atrocities characterized by the extensive use of disappearances, extrajudicial detentions, arbitrary arrests, and the brutal torture of men, women and children. All leftist parties were outlawed, media censored, civil rights suspended, and political opponents tortured and murdered. In 1975 the Pinochet government embarked on an economic program of free market capitalism and privatization of the economy,<sup>8</sup> accompanied by a new Labor Code that restricted the activities of unions and the rights of workers. The liberalization of foreign investment and the opening of the economy to international market forces, served as incentives for multinationals to operate in Chile. The benefits of economic growth were concentrated in the hands of the upper classes and state elites, creating a decline in living standards for the majority of the population.

By virtue of multinationals operating in Chile they provided undeserved legitimacy and international respectability to a regime that repressed Chilean opposition and violated human rights.<sup>9</sup> David Carleton has conducted empirical studies on the relationship between export-oriented industrialization and incidences of repression in Latin America. Similar to the Hymer thesis, he claims the shifting of production facilities by MNCs to Third World nations creates a new international division of labor that is closely tied to the repression of labor rights. The first hypothesis is that MNCs strategically seek to operate in repressive nations, attracted by the "docile and powerless labor force."<sup>10</sup> This is the repression as cause argument, alleging multinationals take advantage of repressive situations. The second hypothesis states that MNC presence enhances repression, or repression as effect argument. Increasing industrialization continues to exploit the labor force leading to political opposition and pressures on the state for

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<sup>7</sup> Donnelly, Jack. International Human Rights. (Boulder: Westview Press, 1998), pg. 37.

<sup>8</sup> Ibid., pg. 42.

<sup>9</sup> Gladwin and Walter, Multinationals Under Fire. pg. 167.

<sup>10</sup> Meyer, Human Rights and International Political Economy. pg. 178.