

challenge.³ The debate has focused on whether the involvement of MNCs with governments and countries in conflict have supported human rights violations or served to counter them. Often it is very difficult to attribute a direct causal relationship between multinationals and repression due to the complexities of situations and the interrelationships between economic, political, and social variables.

There are two theoretical schools of thought regarding MNCs, development and human rights. The first view holds that MNCs operating in less developed nations directly promote economic and social rights, and indirectly support civil and political rights. This derives partly from developmental theories, which finds a positive linkage between economic development and human rights. To the extent that multinationals are stimulating economic growth, then they must also be enhancing economic and social rights. The protection of civil and political rights is less direct. The argument follows that economic growth stimulates the formation of new social classes within civil society that gradually breakdown repression and foster conditions favorable for human rights. For example this argument has been put forth with regards to apartheid in South Africa. Through acceleration of the economy, industrialization will empower blacks with the knowledge, confidence, and expectations to pressure the state for social change making it increasingly difficult for the state to maintain the status quo. Multinational corporate activities can increase rates of economic growth by providing investments for governments to improve infrastructure and social services, influencing practices of local firms, assisting in programs of education and community development, and catalyzing progressive labor practices. Multinationals have stressed that by influencing human needs it will subsequently ameliorate human rights conditions.

The second view holds that MNCs directly contribute to violations of human rights or at a minimum have a potential impact on human rights. The most elaborated theoretical support for this position is found in the work of economist Stephen Hymer.⁴ The Hymer thesis posits development via MNCs as a force that creates violations of human rights based on the organizational structure leading to a system of unequal distribution of wealth.⁵ Hymer identifies three levels of the MNC organization from "on the floor" operators to top managers creating a national division of labor spread globally. This system of international domination can lead to the deterioration of political, civil, economic and social rights.⁶ MNCs may use counterinsurgency and oppressive measures in order to control populations, thus directly or indirectly violating human rights for the purpose of perpetuating the MNC system. Generally the data on increases in foreign direct investment by MNCs have shown an improvement in the welfare, civil and political rights of less developed nations. While this appears to discredit Hymer's thesis, it does not imply that multinational presence is always uniform and beneficial.

³ Gladwin, Thomas N. and Ingo Walter. Multinationals Under Fire: Lessons in the Management of Conflict. (New York: John Wiley & Sons, 1980), pg. 130.

⁴ Meyer, "Human Rights and MNCs: Theory versus Quantitative Analysis," Human Rights Quarterly. Vol. 18 (1996), pg. 377.

⁵ Meyer, William H. Human Rights and International Political Economy in the Third World. (Westport: Greenwood Publishing Ltd., 1998), pg. 91.

⁶ Meyer, William H. Human rights and International Political Economy in the Third World. pg. 93,