

Analysis of Coca-Cola Company Violation of Employees' Rights Case

Xiaofei Chen *

Nanjing Foreign Language School, 210018, Nanjing, China

* Corresponding Author Email: 1811571117@mail.sit.edu.cn

Abstract. As a privately held firm, the Coca-Cola firm seeks to maximize profits by lowering labour expenses. Many Coca-Cola employees were fired as a result of the decreasing labour cost, and the working conditions for those who remained at the firm deteriorated. All of the aforementioned claims demonstrated that the rights of the employees had been disregarded. To defend the interests of the workers, the trade union Sinaltrainal went on strike. Coca-Cola was so incensed by this behaviour that it even endangered the workers' lives. While the firm hired people to set fire to Sinaltrainal's headquarters, they murdered union members and forbade additional employees from joining Sinaltrainal. The union attempted to file a lawsuit, but it failed due to the absence of a law with legal effect and the specificity of Coca-Cola's structure. This article gives a case study of human rights abuses by Coca-Cola and seeks to address the problem. The article identifies two possible solutions, strengthening regulatory organization responsibility and international law as well as using social media to spread out and put pressure on this MNE. In addition, this article evaluates each method's effectiveness and gives corresponding advantages and disadvantages.

Keywords: Labour rights violation; Risks; Legal Protection.

1. Introduction

In 1940, The multinational company Coca-Cola established a division in Colombia. Meanwhile, there is a union organisation, named Sinaltrainal, that aims to protect the rights and the lives of employees in the food industry in Colombia. The presence of Coca-Cola in Colombia has consequences for the environment, health, and other areas. However, the most significant aspect of Coca-Cola's history in Colombia is the continuous violation of labour and trade union rights, which has resulted in the killing of at least ten union members and connections to paramilitary groups. On August 10, 2004, Coca-Cola revoked the bylaws of Sinaltrainal, with the agreement of the Ministry of Labour, making it harder for outsourced workers to join, Coca-Cola also tries to obtain permission from the judiciary to lay off labour leaders but finally failed [1].

The strategy employed by the Coca-Cola Company involved intimidating labour by blaming them for illegal activities to dissuade them from joining Sinaltrainal or remaining a member of the organization. The company's management engages in organized efforts to discredit members of Sinaltrainal by spreading photos of workers and their families, making false accusations that union members are responsible for property destruction and vandalism, and forcing employees to view materials that depict Sinaltrainal members as guilty party. As a result of their involvement in criminal cases that allege unionists committed offences such as slander, calumny, property damage, conspiracy to commit crimes, rebellion, and terrorism, among others, at least 12 leaders of Sinaltrainal have been wrongly imprisoned. This has caused moral and material harm and put the lives and reputations of several Sinaltrainal members at risk [1].

Coca-Cola employed military tactics to suppress protests and limit the freedom of assembly. In December 2010, the police utilized armoured vehicles to remove workers who were associated with Sinaltrainal, a subcontracted group that had refused to move distribution vehicles. Coca-Cola representatives accompanied by police visited the homes of these workers to issue notices of dismissal. Over the years, numerous employees of Sinaltrainal who worked at Coca-Cola bottling plants received death threats, and some were forced to become homeless due to the company's refusal to relocate them. Among them, eleven were killed, and in 1996, Isidro Segundo Gil was killed in the

factory on the day when Coca-Cola and Sinaltrainal started negotiations regarding Sinaltrainal's demands. The same attackers set fire to Sinaltrainal's headquarters and destroyed its equipment [1].

2. Reasons for Labour Rights Violation

2.1. Conflict Between Coca-Cola and Sinaltrainal

As a privately held company, Coca-Cola seeks to maximize profits, mostly by reducing production costs, especially labour costs. Sinaltrainal is a trade union representing the interests of workers, providing its members with information about the labour market and negotiating on behalf of its members on issues such as pay, working conditions, and hours. So, the conflict between Coca-Cola and Sinaltrainal was unavoidable.

Sinaltrainal union leaders have access to company documents such as *el Corrientazo*, *Plan Pandrino* and *Dia D* which indicate that Coca-Cola views the union as a hindrance to reducing labour expenses because it is against the practice of subcontracting. Approximately 70% of the entire workforce, which includes seven thousand workers from the producing process, are subcontracted. Many of the front businesses used for this subcontracting are owned by Coca-Cola itself, including FL Colombia S.A.S, OXXON, Atencom S.A.S. and Imbera. They mimic straight employment contracts to avoid paying benefits covered by collective bargaining agreements, which can lower the labour cost of production. Sinaltrainal opposed the "positive human resources plan" which was a method used by the company to undermine the trade union (which currently only has 287 members) and terminate the collective labour agreement. The plan involves exerting illegal pressure on workers to force them to relinquish their employment contracts. Meanwhile, Coca-Cola closed 11 Femsa bottling plants in 2003, resulting in hundreds of workers being laid off. This was caused by the growing working hours and faster working progress. In March 2004, members of Sinaltrainal began a hunger strike to stop the mass layoff of employees [1]. This strike reduced the productive capacity of Coca-Cola and increased inefficiency.

Coca-Cola aimed to sustain its profits and generate sufficient funds for expansion, hence, the company sought to eliminate any impediments to its growth, particularly the interventions made by the Sinaltrainal trade union. Therefore, they employed various means to dismantle this union, regardless of whether these methods violated labour rights or not.

2.2. Actions of the Organisation Due to the Limitations of Laws

In 1940, Coca-Cola established a division in Colombia, because Indega S.A. bottling company has been given authorization from Coca-Cola to operate a franchise in some parts of Colombia. In 1995, Panamco Beverages acquired the bottling companies of Indega S.A. And 25% of its share belongs to Coca-Cola. In May 2003, Panamco was bought by Fomento Mexicano S.A. by the franchise of Coca-Cola Femsa S.A. This time, 31% of its share was kept by Coca-Cola. This corporation held the franchise for Colombia and operated in most Latin American countries as a result [1].

Coca-Cola manufactures and sells its goods while maintaining ownership of the brands, financial control, and a seat on the board of directors of local businesses through this offshore legal framework. Additionally, it manages all operations including raw materials, supply, manufacturing, labour laws, and distribution, shielding itself from responsibility for any abuses of human rights committed. This helped Coca-Cola when it was accused on On March 31, 2003. The District Court of the US refute the allegations because the illegal activities either occurred abroad without having a significant genesis in America or occurred in America but were too far removed from the harm [1].

In April 2006, Coca-Cola was considered to be guilty of the violation of workers' rights and of trying to damage Sinaltrainal by the Colombia chapter of the Peoples Permanent Tribunal [2]. It was a huge problem and drew a lot of international attention. Due to the presence of international pressure, a US organisation, the Carter Center, started a negotiation in 2007 with the two parties, Coca-Cola and Sinaltrainal. However, this organisation didn't provide any actual effects. They are just purposely delaying the time, attempting to lessen the strain of the claim brought against it and determining the

terms of any upcoming settlement. Sinaltrainal submitted a complaint to the ILO Committee on Freedom of Association, citing numerous instances of labour rights Infringement by Colombia's Coca-Cola company. However, these recommendations stemming from the complaint were not implemented due to their non-binding nature. In 2008, To assess the situation in Colombia, the ILO conducted a study tour. However, it did not evaluate the following historical facts: homicides, threats of homicide, assaults, attempted kidnappings, attacks on the union, mass layoffs, and damage to the environment. And did not accept or take into consideration of evidence provided by Sinaltrainal [1].

All the statement above shows the fact that Coca-Cola continued to get away with violating labour rights in Colombia. These are because of the law's limitations and the inactions of organisations. A legally enforceable international regulation is lacking to regulate the actions of MNEs and their impact on labour rights. And a regulation that allows victims to access justice as well as get the provision of redress. Meanwhile, some authorities simply delay treatment instead of using their authority to find out the truth and correct the situation.

3. Solving Methods and Their Effectiveness

Labour rights are significantly important. In the past, human civilization has advanced and developed as a result of the advent of labour rights as a right. Social progress is inextricably linked to the establishment of the right to labour and its subsequent status as a crucial component of human rights. The socialization and universalization of production are the primary causes of it. Workers cannot have self-sufficient lives like in agrarian cultures because of the different divisions of labour in society; instead, they must engage in social labour, do labour, and get paid to maintain their fundamental needs. Therefore, the only way to ensure workers' fundamental survival is to grant them the right to labour. However, the relationship between labour and capital is uneven, so the enormous dominance of capital can quickly turn workers' freedom into dependence on it, placing them perpetually at a disadvantage against capital. Therefore, there is an urgent need to address human rights violations. In the following papers, there are descriptions of ways of dealing with this problem.

3.1. Contribution Made by the Social Media

The term "social media" indicates that people or groups are connecting online to share various forms of content, including ideas, photos, and videos. It functions as a medium for people to create social links or bonds with others who share similar interests, backgrounds and real-life connections [3].

Social media may play a role in preventing human rights violations from Coca-Cola. When employees' rights are not protected, they can get the word out by sharing their experiences on social media or by accepting interviews from authoritative journalists. It is important to note that everything the worker says must be true, not exaggerated or falsified. Secondly, workers can call on people around them to retweet the interview on social media so that more people can see it. The reputation of Coca-Cola has been influenced. Now workers need to wait quietly for things to fester, and if the case of violation is serious, public opinion will be biased towards the workers and pressure will be put on Coca-Cola to face up to the human rights violations. If Coca-Cola sends representatives to negotiate with the worker whose human rights have been violated, the worker should be prepared in advance and be wary of possible life-threatening actions by this company. During the negotiation, social media can facilitate communication between stakeholders, including employees and Coca-Cola. This can help individuals report human rights violations and ensure that these concerns are addressed by the company. Meanwhile, the government can use social media to do an educational campaign to introduce how important labour rights are and how to protect labour rights. So that employees can realize and recognize the occurrence of violations of labour rights, which will help them better protect their rights. In addition, by sharing information and knowledge about human rights violations and advocating for change, social media allows its users to help push Coca-Cola towards greater accountability and transparency. Coca-Cola can also negotiate with the trade union, reaching conflict

prevention. Operational and structural methods are used to avert conflicts. The distinction is that structural measures, such as having a working legal system, effective governance, and providing for fundamental human necessities, are meant to promote long-term peace and stability. Operational prevention, on the other hand, focuses on circumstances where violence is about to occur and provides tactics for previous intervention, like preventative diplomacy or the deployment of forces [4].

Normally, the higher the level of credibility of social media, the more efficiently things can be solved. This is because information from reliable sources is more likely to spread, according to earlier research on the topic [5]. When a reliable source spreads a piece of information, its likelihood of being true rises; this, in turn, encourages more people to spread the information [6]. Good social media can make more people aware that this particular company has behaviour violating human rights. Social media can be used to increase the awareness of the public about labour rights violations as well as the actions which multinational companies contribute to them. This can help increase pressure on companies to change their behaviour and adopt more ethical practices. When workers know that Coca-Cola may violate their labour rights, they will not consider joining this company to protect their rights. At the same time, the original employees of Coca-Cola may resign for fear that they will be the next to have their rights violated and go to a more secure company. As it's a listed company, the shares will be affected as well. Shareholders have less trust in Coca-Cola because public opinion is not on the company's side, and shareholders may sell their stocks to minimize losses. At this time, the supply of stocks in the stock market increases, resulting in a surplus, and the value of stocks falls, which has a huge impact on the company. By knowing this knowledge, Coca-Cola will be sensitive to the negative impact of human rights violations. So to avoid these negative effects, they will try their best not to violate the rights of employees.

However, speaking out through social media may not be effective. Thousands of new information are posted on the Internet every day, and the information flow is updated every day. So this sharing of unequal treatment may only cause a short-term discussion, and it will not last long and achieve the effect of putting pressure on Coca-Cola. And some social media that the workers choose may not be famous, so the audience is of a small scale, and few people will know about this violation and can't make a significant impact. Therefore workers should choose appropriate social media to fight for their interests. At the same time, the power of individuals is very small in front of the entire enterprise, and it can even be said to be insignificant. Coca-Cola can manipulate public opinion and make the company a victim by accusing workers of unwarranted crimes. Coca-Cola also has enough funds to fight the public opinion war with individuals compared with the workers. Then, social media may invade the privacy of employees, thus making it impossible for them to continue living smoothly [7].

3.2. Improving International Legislation and Strengthening Regulatory Organisation Responsibility

Because of the offshore legal framework of Coca-Cola, the firm can easily be avoiding liability for the human rights violations committed. The lack of punishment faced by Coca-Cola for their violations of human, labour, and trade union rights in Colombia highlights the necessity for a legally enforceable global agreement that can regulate the actions of multinational corporations and their effects on human rights. Such an agreement would also ensure that victims receive justice and reparations. The persistent elimination of trade unions and the rise of unstable working conditions caused by MNEs can only be halted through a legally binding international agreement. This would prompt legal, social, and political pressure on such corporations to end these practices and hold those responsible for harassing Colombian trade unionists accountable in Colombian courts. Meanwhile, Supervisory Organizations should ask the United States government to fulfil their obligation of ensuring that transnational corporations within their borders do not violate human rights, especially when operating in other countries. If violations occur, victims should have access to justice. CETIM specifically requests that the US government take action to stop Coca-Cola from continuously infringing on human, labour, and trade union rights in Colombia and guarantee justice and compensation for the victims. This organisation can also call on the Colombian government to ensure

the protection of human rights, particularly labour and trade union rights and freedom of peaceful association. They can ask the government to take immediate action to guarantee the safety of Sinaltrainal's trade unionists and put an end to Coca-Cola's repeated violations of human rights in Colombia. This organisation also demands justice and compensation for the victims and urges two Special Rapporteurs to closely monitor the situation and visit Colombia [1].

Legislative bodies and supervisory agencies should cooperate to test each regulation's feasibility in implementing supervision. During the supervision process, for reasonable regulations, the legislature should deeply consider the punitive measures if the law is violated; for unreasonable regulations, the legislature should solicit opinions from all over the world and improve the laws and regulations through questionnaire surveys or research meetings. The entire legislative process needs to be open and transparent, and the views of the beneficiaries of the law—workers—should be sought. After collecting the opinions of the employees, the legislative body should conduct discussions within the organization, and the members of the organization actively contribute their opinions and test and strive to achieve the optimal situation. Even if the legal system is in the process of continuous improvement, it still has legal force. Therefore, no matter how far the rules are revised, the company should strictly follow legislation provisions in the current state. Through the foundation of regulation and the inspection of supervisory agencies, companies will have awareness and regulate their behaviour. Because they will be penalized if they break any of the rules. Hence they are less likely to violate human rights, and labour rights can be protected.

However, there are many countries in the world, and each country's culture, development process, and situation are different, so it is very difficult to establish a set of international labour protection that applies to all countries. And Traditional interstate liability for transgressions of international law, which is based on reciprocal commitments, does not, however, perfectly meet the requirements of the human rights framework. The ILC expanded the definition of "injured state" in situations where a breach pertains to multilateral treaties or customary international law created or upheld to safeguard human rights and fundamental freedoms [8]. So some situations that are violations of labour rights for the workers in a particular country may not be labour rights violations in the eyes of citizens of another country. Therefore, it will take a lot of effort to achieve a regulation that is satisfactory to all countries [9]. Multiculturalism has been incorporated into international legal standards [10]. This not only needs to be balanced between different national situations but also needs to respect the unique culture of some countries. Meanwhile, enforcing international labour protection law is a daunting task at both the national and international levels. Numerous nations face limitations in implementing plans due to inadequate national laws, financial resources, and organizational capabilities. There are several unclear factors in the context that limit the implementation of actions or plans on a global scale. So it is difficult to estimate whether this method can be successful.

4. Summary

Due to Coca-Cola's breaches of human rights, the union had to take action to defend its members. However, Sinaltrainal's efforts hindered Coca-Cola's expansion, therefore the corporation went to considerable measures to kill trade union members and forbid its employees from becoming members to remove barriers to its expansion strategy. Coca-Cola also hired people to set fire to the union's administrative building. Due to the off-shore legal framework of Coca-Cola and the lack of a valid international treaty, the union's attempt to sue Coca-Cola was unsuccessful. The significance of this study is to propose a cause analysis and a solution for Coca-Cola infringement cases. The suggestion includes social media responsibilities, international legislature and supervisory organizations. Social media should help to spread the violation case to put pressure on Coca-Cola. The legislature and the supervisory body should cooperate to test the effectiveness of each regulation during the supervision and then improve each regulation. However, there are some unfinished aspects of this study that future work needs to be improved in the suggestions section. The effectiveness of the suggestions needs to be derived through actual practice.

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