

Which model of poverty justifies the participation of electronic industry to address conflict minerals & promote sustainable mineral sourcing practise: a case study of Samsung in DRC.

1. Introduction

The authors of the book "Electronic Devices and Circuit Theory," Robert Boylestad, define the electronic industry as "the sector of the economy that deals with the development, manufacture, and distribution of electronic devices, components, and systems." The demand for rare earth and other minerals is increasing as electronic gadgets like smartphones and televisions become more sophisticated (National Mining Association spokeswoman: Carol Raulston). Additionally, various people have diverse interpretations of what is meant by a "human rights culture." Philosophers who advocate for human rights believe that people are endowed with certain fundamental and unalienable rights as a result of their humanity, as well as similar values like mass education, self-actualization, respect for others, and the desire to improve others' well-being in Confucian As of 2019, (A. Clapham)

Additionally, the ethical perspectives of universalism, utilitarianism, and cosmopolitanism will be examined in relation to human rights. By carefully reading this material, one may determine what constitutes a violation of human rights. This will aid in comprehending whatever situation the people of the DRC are in as a result of the sourcing of conflict minerals.

Based on the belief that all people are members of a community of fate and share universal human values that transcend the boundaries of nation-states, cosmopolitanism advocates for such a community. Human rights safeguard people in such a society as individuals, not as residents of certain states (W. Moka-Mubelo, 2016).

The utilitarian believes that most of the time, violating human rights reduces overall happiness, which is why those rights must be upheld (A. Gibbard, 1984).

On the one hand, universalism promotes that there is an internal connection between the very concept of human rights, with its strong suggestion of the equal worth of all humans, and a common standard of protection, with everything that implies by way of universals (Waldron 1987). This is because most people who take human rights seriously believe that they are an objective of moral truth.

Conflict minerals (CM) are termed “conflict” as profits arising from the sales of these minerals contribute to the financing of armed forces in conflict-prone areas, which are often connected to social and human rights issues such as forced labour (European Commission, 2017; Islam and van Staden, 2018). Components manufactured from tin, tantalum, tungsten and Gold (3TG) as well as Cobalt are critical for the electronics (B. Barume, U.Naeher, 2016).

The electronic industry is addressing the issue of conflict minerals because the supply of such minerals which are prominently needed in the electronic devices are linked to human rights abuses and poverty in conflict-affected regions, majorly, in Africa. Consequently, in 2016, at least 29 electronics companies were sourcing minerals from mines in the DRC and neighbouring countries that were linked to human rights abuses (Amnesty International). Hence the presence of electronic industry in conflict minerals seems to be utterly, complex yet prominent. This justify the participation of Electronic industry in addressing the issue of conflict resource and their corresponding responsibility in address and solving the issue.

This essay have preferred electronic industry as it encapsulates all the challenges, where, the case study of Samsung in DRC will be studied. The U.S. Congress approved a landmark rule in 2010 known as Section 1502 of the Dodd Frank Act, which mandates that publicly traded U.S. firms to investigate their supply chains and see if any components may come from the Democratic Republic of the Congo and disclose their findings to the U.S. Securities and Exchange Commission (Global Witness, 2017). As a result, several MNCs with US roots, like Dell, Microsoft, Apple, and Intel, who, according to Amnesty International, have contributed to the conflict minerals, were required to follow this rule. Therefore, whatever initiative they might have made may have been affected by this new law. Any of these companies may introduce selection biases into this paper if they were chosen as a case study.

2.1 Case Study : Samsung in Democratic Republic of Congo (DRC)

a.) Historical Background leading to human rights violation and elevation of poverty

Natural resources in the DRC are among the richest in the world and are frequently used by the electronics sector (Xin Song: 2015). Laurent Kabila, the rebel commander, conducted a successful military takeover against Mobutu's government in 1996 with support from Uganda and Rwanda. The boom in consumer electronics and the increasing price at this time brought the minerals in Congo to the attention of the world (N. Jameson, 2015). As the industrial mining sector waned under Mobutu's rule, oversaw a boom and intensification of artisanal mining with unofficial trading (Geenen 2012).

The World Bank estimated the poverty rate to be 63.6 percent in 2012 (World Bank 2015). Approximately 87.7% of the population relies on less than US\$1.25 per day, according to a 2010 estimate by the United Nations Development Programme (UNDP 2013). As a result, many people join armed organisations out of necessity in regions where they can provide a livable salary (Michael Pecht, 2015).

Pogge contends that the global economic system's structural injustice—which favours affluent nations and multinational businesses at the cost of poor nations and their citizens—is the root cause of poverty worldwide. (Pages 23–36, "World Poverty and Human Rights"). Such unfairness may be seen in the DRC, where global businesses are exploiting DRC's mineral riches without providing sufficient payment or making investments in the local economy. This perpetuates poverty and deprives the citizens of the DRC of their basic human rights, including the right to education, health, and economic opportunity which can be seen as a clear violation of Pogge's cosmopolitanism theory.

According to John Rawls' theory of justice, it is crucial to make sure that everyone, regardless of social standing or economic circumstance, has access to fundamental goods and opportunities like education. However, in the case of the DRC, the vast majority of the population lives in poverty and lacks access to education and employment, indicating that any wealth or resources are not being distributed fairly.

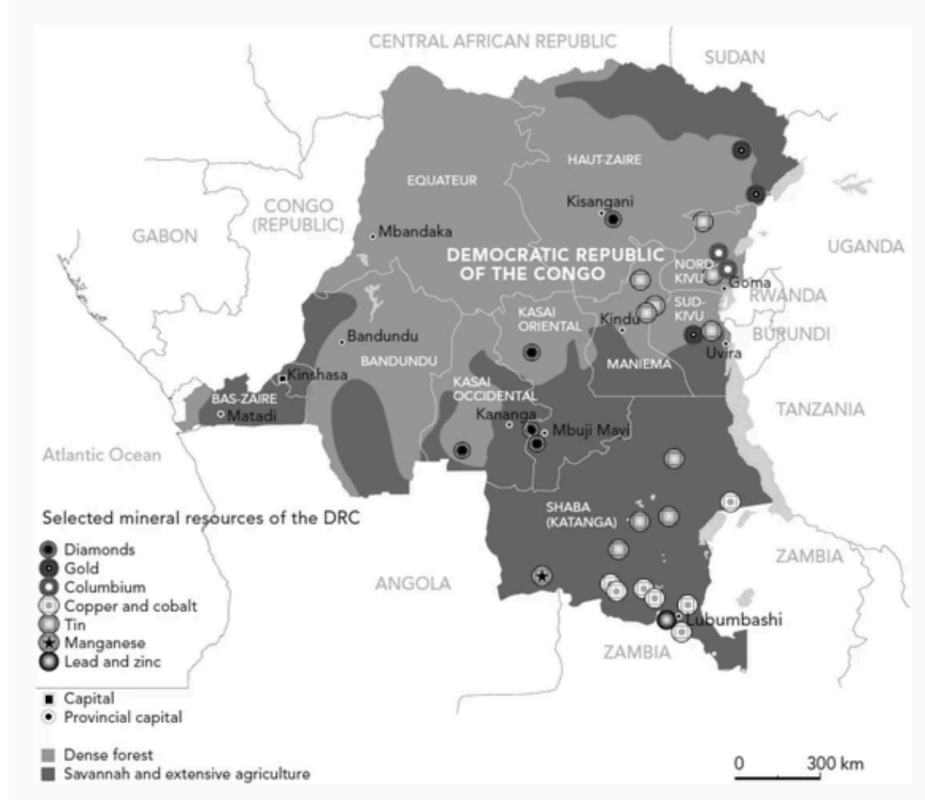


Fig 1.1 from: *Conflict Minerals in Electronic Systems: An Overview and Critique of Legal Initiatives* .

Every day in the DRC between the ages of 15 and 49 women were sexually assaulted in 2007, with the bulk of these victims living in the eastern DRC (Peterman et al. 2011). This represents around 0.04 percent of the total female population. A large number of the armed groups were also present in the eastern DRC, where they continue to engage in serious violations of human rights, including mass murder (GAO 2012). In its 2008 report, the United Nations Group of Experts on the DRC asserted an obvious causal connection between the trade in minerals within the DRC and the country's human rights violations.

b.) Involvement of Samsung in DRC 's human rights violation and poverty level.

The African nation produces more than 50% of the world's cobalt, some of which comes from artisanal miners in the southern and eastern region of the DRC (Amnesty International, the African resource watch).



POTENTIAL DRC COBALT SUPPLY CHAIN According to publicly available information

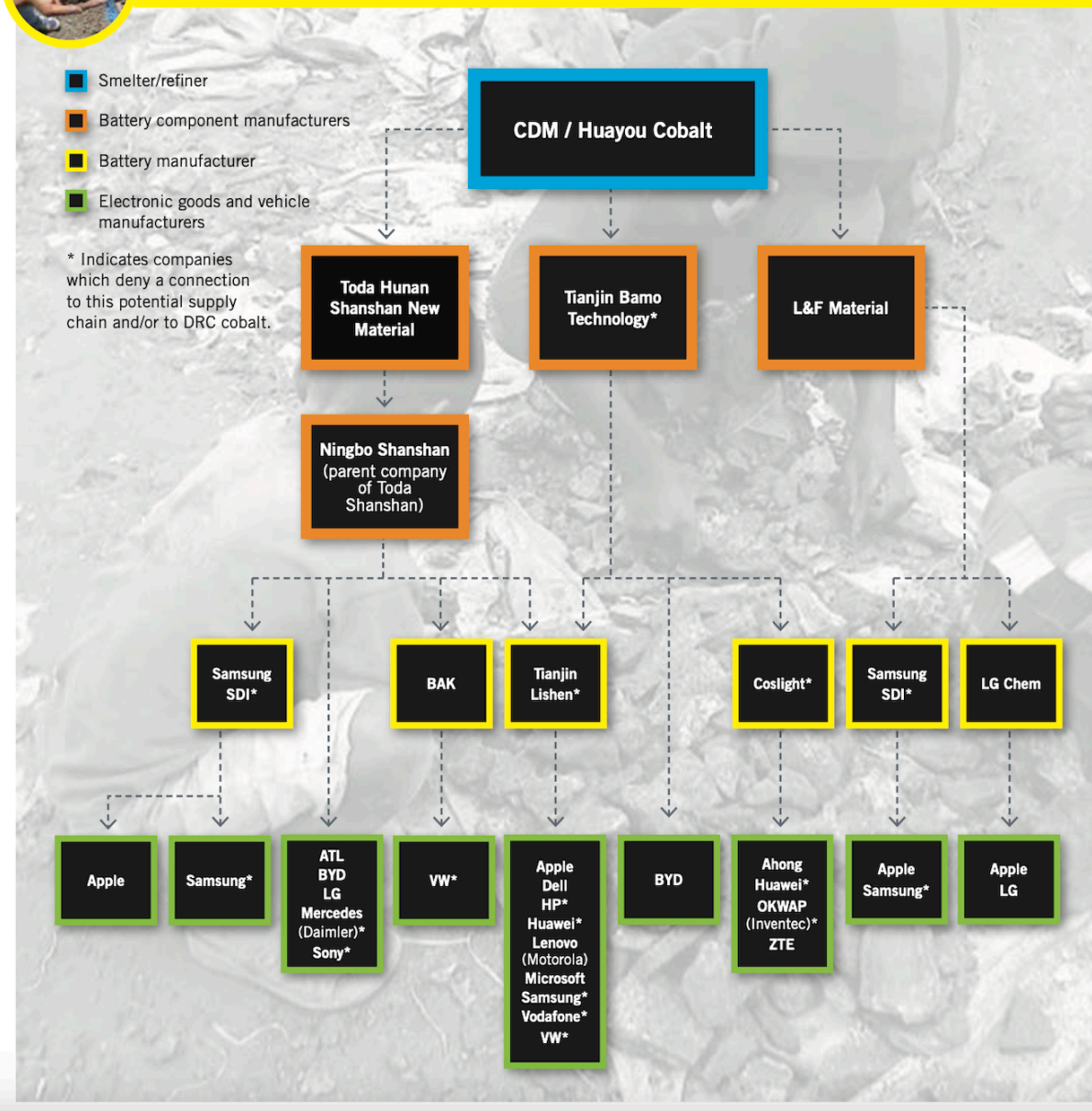


Fig 1.2 Photo credit: Amnesty International

Cobalt from artisanal miners in the southern DRC that employ children is mostly purchased by Congo Dongfang Mining International (CDM). Huayou Cobalt (Amnwaty International), which is situated in China, owns CDM as a subsidiary. The investigation states that 16 consumer brands were either direct or indirect clients of the suppliers of battery component makers. Among them, were Apple, Samsung, Dell, HP, Lenovo, LG, Sony, Microsoft, and Vodafone. Samsung is entirely dependent on its major suppliers and their independent enforcement of a sustainable supply chain because they are not creating any presence in the DRC themselves (Daniel Krummel, 2021).

c.) Labour Ethics through the Prism of Deontology/ Universalism & utilitarianism

This essay will also induce the application of ethical theories - deontology/ universalism and utilitarianism to justify that how these theories are conflicting in DRC because of the lives of the people there, as it do not match the standards advocated in universalism and utilitarianism.

I. Deontology/ Universalism

Deontological ethics, also known as universalism, evaluates the moral and status of an action based on principles such as justice, rights, or fairness, as opposed to the consequentialist view (Weiss, 2014).

First, this ethics of an action is based on the issue of whether it adheres to a maxim whose validity would be acknowledged by every person, without exception, at any time in the past, present, or future, and from which, at the same time, you would want it to become a universal rule (The Universal rule of Nature Formula). It is being supported in this instance by the 'dangerous working conditions of DRC labourers'.

Although Kant's maxims do not directly address human rights, they both place a strong emphasis on ideas like dignity, freedom, wellbeing, and autonomy (Van Staveren, 2007). Meanwhile, working in bad condition violated the general concept of well being as it causes permanent damage to body and mind (Radfar et al., 2018). Secondly, Kant's theory suggest that all individuals affected must not be threatened in their freedom and dignity (Sullivan, 1997).

II. Utilitarianism:

According to utilitarianism, enriching five lives by a certain amount is five times better than improving one life by the same amount. Utilitarian ideas are comprised of four aspects: consequentialism, welfare, impartiality, and aggregationism (Henry Sidgwick, 1874).

According to consequentialism, achieving desirable results is the only thing that is ultimately important from a moral standpoint. According to this viewpoint, human resource mining in the DRC may boost money and provide jobs, but it also results in breaches of human rights, such as child labour and forced labour. People's lives in the DRC are contradictory to consequentialism.

According to welfarism, an outcome's value is only based on the well-being of the people involved (utilitarianism.net). Thus, to welfarism, actions are considered morally right or wrong based on their impact on the well-being of individuals. Egalitarians believe that inequalities in income, wealth, and power are morally unjustifiable and that society should strive to reduce these inequalities. Egalitarians argue that even if an unequal distribution of resources increases overall well-being, it is still morally problematic because it undermines the equal value and dignity of individuals (John Rawls). Hence some some philosophers reject welfarism.

Impartiality is the view that a given quantity of well-being is equally valuable no matter whose well-being it is. Well-being of individuals in the DRC is equally valuable as the well-being of individuals in any other part of the world, and that their suffering from poverty, violence, and human rights violations deserves the same moral consideration as anyone else.

"Aggregationism is the view that the value of an outcome is given by the sum value of the lives it contains". But it may ignore or downplay the negative impact of the industry on the lives of the people in the DRC who are subjected to human rights violations, forced labor and child labour (Henry Sidgwick, 1874)

2.2 Addressing Poverty through the Prism of Capacity, Complicity and Connection model:

A.) Capacity model

"St. Thomas Aquinas: "whatever a man has in superabundance is owed, of natural right, to the poor for their sustenance"

~St. Thomas Aquinas (Philosopher)

Peter Singer is renowned for having presented a compelling argument, mostly based on this notion, for a significantly increased commitment to the reduction of global poverty (Melinda Gates, 2012). He contends that if an individual or group has the potential to prevent a negative thing from happening, it should be a moral obligation to do so without incurring equal harm to themselves (5-6).

Singer's foundation in ethical reasoning allows us to remove ourselves from the immediate emotional pull (e.g., our own predicament or that of our fellow citizens) and instead understand how important the benefit of others is from a more universal viewpoint (Peter Singer: 85-95, 2015). Singer's capacity model is based on the utilitarian concept.

Samsung's decision to implement sustainable mineral sourcing practices in the DRC may not be based on a genuine commitment to ethical principles such as utilitarianism or the equal consideration of interests. Rather, it may be a result of external pressures, such as legal sanctions or negative publicity.

In 2008 awareness about conflict minerals from non-profit organizations drew attention of various companies. In 2010, Market changes spurred as Dodd-Frank 1502 was enacted addressing conflict minerals in Democratic Republic of Congo (T. Mueller, 2015). In this light, Samsung set a basic policy of providing consumers with products that go through a legitimate and ethical distribution process. Samsung Electronics is not covered in the scope of the Dodd-Frank Act directly but the legislation applies to Samsung's corporate partners. Therefore, Samsung also abides by Section 1502's disclosure requirement (A. Chou, 2017)

From this perspective, Singer's capacity model, may reject Samsung's actions. If Samsung only implemented sustainable sourcing practices because they were found guilty of sourcing conflict minerals, and not out of a genuine commitment to ethical principles, then their actions may not align with Singer's model of capacity.

B.) Complicity model:

Here, Pogge's 'relational cosmopolitanism', is implied, which holds that all humans should have (roughly) the same entitlements in virtue of the existence of particular types of social relations at the global level (Thomas Pogge).

According to Thomas Pogge, ordinary residents of prosperous nations engage in an unfair global system that damages the global poor. When one realises that the global order truly damages the global poor on whom it is imposed, one is obliged to infer that participating in and profiting from it violates one's negative duty not to harm others (S. Daskal, 2013). Despite the fact that this is a negative responsibility, Pogge necessitates positive action as

well, either to pay for the harms and to strive towards changes that would prevent the global order from imposing harm in the future (S. Daskal, 2013).

B.1) Relevance

Samsung began the 'Cobalt for Development Project' to identify ideas for improving the work environments of small cobalt mines and the living standards of local mining communities (Samsung Mineral report 2021). As of December 2021, the initiative had provided safety instruction and protective gear to 14 artisanal mining cooperatives. In addition, the initiative provided agricultural and financial training to local inhabitants and aided in the establishment of 72 micro-businesses (Samsung Mineral report 2021).

Samsung Electronics Africa has opened its Digital Village in the Kasenga village. The Digital Village will offer communication technology, as well as education and health services. The Digital Village exemplifies their forward-thinking approach to investing in people and communities. This will help small enterprises to prosper and harness energy, among others (Bill Kim, MD of Samsung's Doc Branch). Nonetheless, it indicates a feeling of restitution for their wrongdoing in the DRC.

As a result, the complicit model appears to be appropriate since it corresponds to Pogge's proposed model. As a wealthy firm, Samsung has participated in an unfair global order that damages DRC's poor.

According to UN Global Compact, company size has the most significant influence on sustainability performance because of greater financial and knowledge resources. Comparing Samsung's activities to pre-existing standards of conduct and other industry players' actions like Intel or LG, Samsung meets but does not exceed expectations (A. Chau, 2015). Hence, while the complicit model is still applicable to Samsung, their efforts are not sufficient or satisfying enough compared to other companies in the industry.

C.) Connection model:

The connection model, proposed by Iris Marion Young, suggests that structural injustices are not solely the responsibility of individual actors who contribute to unjust outcomes but are also the result of institutional and systemic practices. In the scenario of Samsung's mineral supply chain in DRC, the company's efforts to resolve conflict minerals and improve

labour conditions may be assessed using the connection model. Because, according to this concept, responsibility does not mean finding fault or being answerable for a previous wrong; rather, it refers to actors carrying out tasks in a morally suitable manner and ensuring that specific outcomes occur (H. Richardson, 1999).

According to the Amnesty International study in table 1.2, Samsung is undoubtedly linked in conflict minerals, which have led to systemic injustice in the DRC. Samsung conducted audits on the use of conflict minerals in its supply chain. Unfortunately, more than 601 smelters were found to be sourcing in 2005 from conflict mines.

C.1) Sustainable mineral sourcing practise by Samsung

In 2008, Samsung Electronics adopted a conflict minerals policy and established a task force to assess its supply chain for the presence of conflict minerals (Kim, 2019). It pursues this principle through five key actions as explained in the table 1.3. Some 3,000 of its global suppliers pledged to abide by its conflict-free policy. As of April 2014, only 3 per cent of suppliers used tantalum in their products sold to Samsung.

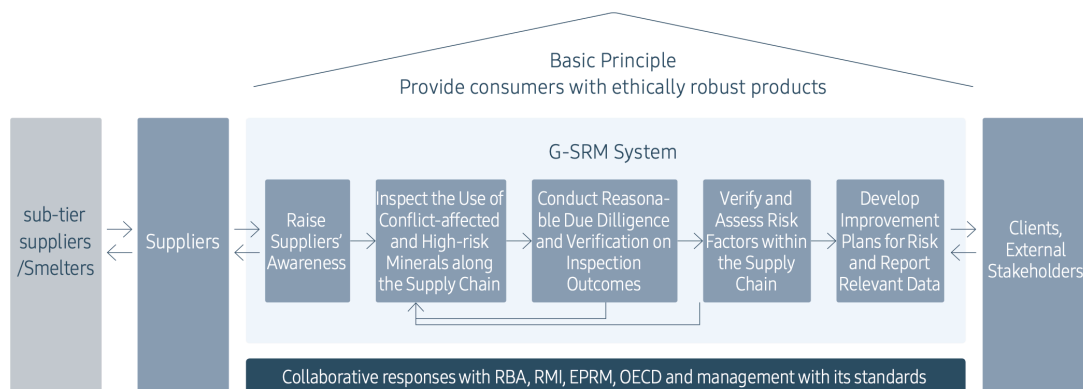


Fig 1.5: source SAMSUNG ELECTRONICS' RESPONSIBLE MINERALS REPORT 2021

Samsung's measures against conflict minerals included coordination with other governments, industry entities, and non-profit organisations as a member of the Electronic Industry Citizenship Coalition (EICC). This entails buying only from authorised smelters (Samsung Electronics, 2014).

As a member of the RMI (Responsible Mineral Initiative), Samsung Electronics works to trace the origins of minerals used in the worldwide supply chain. To that purpose, they

created the Conflict Minerals Reporting Template (CMRT) and the Cobalt Reporting Template (CRT) to survey their suppliers and improve information collection and disclosure.

C.2) Relevance

Samsung's conflict minerals policy and establishment of a task force to assess its supply chain is consistent with the connection model's emphasis on agents' carrying out activities in a morally appropriate way. Furthermore, Samsung's audits on the use of conflict minerals in its supply chain and collaboration, as well as its purchase of only certified smelters, can be interpreted as actions aimed at ensuring that the structural progress involved in its mineral sourcing practises does not contribute to poverty and human rights violations in the DRC. Thirdly, Samsung's engagement in multi-stakeholder partnerships such as RMI and the European, EPRM, as well as its pilot initiative named "Cobalt for Development" might be viewed as further efforts targeted at decreasing poverty and human rights violations in the DRC.

Such initiative taken by Samsung can be seen as consistent with the connection model. Samsung is taking responsibility for its contribution to the structural processes involved in its mineral sourcing practices . Therefore, it can be concluded that the connection model is the also the appropriate model to evaluate Samsung's initiatives with regards to conflict minerals in the DRC.

D.) Conclusion-

From in-dept scrutinisation of capacity, complicity and connection model, we can analyse that the connection model has a supreme hand in the case of Samsung's sustainable mineral sourcing. Because, it is forward looking and it recognises the complex and systemic nature of structural injustices and emphasises the need for collective responsibility and action to address them.

However, most of the initiatives seems out of fulfilling their negative duties of not causing any further harm. While these initiatives are important and useful, they may be seen as a more backward-looking approach to addressing the issue, and may not fully meet the

demands of the complicit model, which calls for more proactive and transformative action to address systemic injustices and inequalities.

Thus Connection and complicit model both seems to be in place. It can be said that Samsung is inclined for serving its negative duties which is an advocacy of complicit model, but at the same time, the wrong doing are being solved through the change in unjust structure , that is, connection model.

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