

## What Should We Do About Sweatshops?

Admit it. You like cheap clothes. Americans, on average buy 64 items per year, and at no time in our history have they been cheaper. We may try to ignore it but there is a cost on the other end: sweatshops. According to the US General Accounting Office, a sweatshop is defined as a business that "regularly violates wage or child labor laws and safety or health laws." Clothing made by sweatshops can be cheap and trendy, but comes at the expense of workers. Last April, for example, an eight-story building in Bangladesh that housed five garment factories collapsed, killing more than a thousand workers and calling international attention to the hidden costs of "fast fashion."

Traditionally economists have argued that sweatshops are an inevitable part of the process of a nation's development. These economists often use the Asian economies of Japan, Hong Kong, and South Korea as shining examples of nations which abandoned their sweatshops practice as their economies grew. Traditional economist also argue that sweatshop wages are higher than the nation's norm and workers freely choose to work in these conditions. Voluntary exchange occurs only when all participating parties expect to gain. Yet more recent economic studies have demonstrated flaws in this line of thinking. First, a significant number of these sweatshop jobs involve workers who have been captured. Secondly, sweatshops aren't just an issue due to long hours and poor wages but the characteristics of the jobs themselves such as unsafe working conditions, the inability to organize collectively, and abusive working conditions. Finally, countries like Bangladesh are no longer emerging from their sweatshop periods as promised by history.

Meanwhile, duty-based ethicists argue that sweatshops are wrong in that the inhumane workplace conditions violate natural human rights. So the "good" outcome for U.S. consumers and higher wages for poor workers are irrelevant because something more important is at stake. According to this view, economics process must respect basic human dignity and human rights.

Virtue-based ethicists aren't concerned with cheap prices of consumer products but with the development of character. Cheap products might simply contribute to materialism and the degradation of important cultural values. Sweatshops may not be consistent with the opportunity for people to develop a virtuous character.

1. What responsibility do Western Multi-National Corporations have to ensure the health and safety of the workers who manufacture the clothing they sell?
2. Which response is better: the Walt Disney Company's decision to stop manufacturing in Bangladesh or Loblaw's decision to stay in Bangladesh and push for tougher safety standards? Why? If you were CEO of one of these companies what would your response be?
3. Do we as consumers have any responsibility for the workers in other countries who make our clothing? If yes, how do we exercise that responsibility? What can or should we do? Listen to the following report and state the ethical and wrong about her personal choice: <https://soundcloud.com/youth-radio/rethinking-fast-fashion>

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What can we as an international community do? Clearly functioning legal institutions within a nation are a requirement to end the worst of sweatshop abuses. Afterall FOXCON in China is a notorious sweatshop while its peer in Indiana is a fully functioning mechanized American industry with high labor standards. The problem is that in developing economies any attempt to reform sweatshops through government regulation runs into Gresham's law: weak regulators will drive out strict regulators. Consider this example: If Vietnam established strong labor standards for protecting worker rights, this could lead textile companies to close factories in Vietnam and reopen them in Cambodia where regulations are weaker. Strict but piecemeal regulation of labor cannot succeed as long as capital is freely mobile.