

The effect that sweatshops have on the economy essay sample

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In recent discussions of economics, a controversial issue has been whether sweatshops should be shut down in foreign countries. On one hand, some argue that sweat shop labor should cease to exist in foreign countries because of the poor conditions in which these employees work in including the following; working 10 hours a day seven days a week for less than a dollar an hour, being denied vacation time and bathroom privileges and being required to work when sick and or injured. On the other hand, some argue that sweatshops should be shut down because a lot of American jobs are being out sourced to foreigners due to American companies building more sweat shops in third world countries. My own view is that sweat shops should not be shut down in foreign country because our economy, as well as theirs, depends on this cheap labor. Common sense seems to dictate that if a company supports sweatshops, the best way to go against them is to boycott their products or protest until they get their point(s) across.

However, many Americans don't understand the delicate balance of foreign economies. According to an article posted in the New York Times titled China, the Sweatshop. The gross domestic product per person trebled over the last 10 years, to \$7, 200. Furthermore, the share of the population living on less than a dollar a day fell to 16 percent in 2005, from 36 percent in 1999. This shows that sweatshops are actually improving the overall economy of china and helping to lift the Chinese citizen out of poverty If we become more successful at eliminating sweatshops in foreign countries then thousands of people in these nations will lose their jobs. Some may argue that's great that sweatshop employees are losing their jobs. Sense the start of the recession, unemployment in the United States has been on the rise. In

fact, Julianne Pepitone, a staff reporter for CNN Money reports that “ A total of 43 states reported rising jobless rates in December and that the unemployment rate is expected to peak in the first quarter of 2010”. As a result Americans will have a hard time providing for their families and many of them will have even benefits such as healthcare stripped.

The last thing that Americans want to hear is that they lost their jobs because they were outsourced to employers in third world countries. Of course some people reading this paper will disagree with the assertion that outsourcing of jobs and the creation of sweatshop factories is the same thing. However, according to The U. S. General Accounting Office sweatshop is defines as “ an employer that violates more than one federal or state labor law governing minimum wage and overtime, and child labor”. When companies such as Wal-Mart relocate their jobs to places like China or when major companies move their telecommunication department to India even though some of the jobs are the same ones, we’re doing in the U. S., they are still getting paid less than a dollar a day for long hours. They also receive no benefits and vacation and are subjected to abuse by employers just like in sweatshop factories. Thus, by definition sweatshop and jobs being outsourced to third world countries is the same thing. People in third world countries livelihood depend on the jobs’ offered at sweatshops, and without them they are unable to put food on their plates and provide for their families.

However demanding that companies stop the use of sweatshops is actually doing more harm than good... For instance, as the New York Times reported

in its May 16, 2000 edition, " a typical worker in a Nike factory in Vietnam makes ... more than twice the country's average annual income." As bad as these sweatshop factors may seem they are actually one of the best options those citizens who reside in third world countries have to choose from.

Clearly, this shows that removing sweatshops will have a negative impact on the lives of these people. Third world countries are not the only ones affected by sweatshop labor, Americans are also. In the United States they are over 33 million citizens living below the poverty level, many of them relying on large retail stores such as Wal-Mart. For example, at Wal-Mart Customers actually benefit because they can buy products in bulk at cheaper prices versus limited quantities at inflated prices thus, providing a way for the impoverished to live. Yet, little do people know that the reason behind the everyday low prices at Wal-Mart is because of sweatshop worker being paid low salaries to produce the products we purchase. The consequences for America's economies can be just as severe as in third world countries.

If sweatshops are removed then the Americans living in poverty will not have everyday low prices at Wal-Mart and as a result those citizens would have to resort to crime such as prostitute selling drugs and robbing people in order to make ends meet. Instead of American protesting to remove sweatshops in third world country, Americans should instead protest for better working condition instead. Such as, demanding that sweat shop employer get one day out of the week off. This would most likely appeal to corporation that build sweatshops because workers are working ten hours a day seven days a week and at some point they are going to get exhausted. thus, not being able to perform as well in the job that they are doing.

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Furthermore, at least if they get one day off they will at least be able to continue being productive at the job there doing, have time to spend with family and most importantly have time to rest. Many Americans who are anti sweatshop would probably object to this however, I feel like if we do protest for this it would have a greater chance of being regulated. One more human right is better than one less right? In conclusion, getting rid of sweatshop labor is not the best option for solving our problem. Addressing the problem in a different way would be more beneficial for both American and third world countries. Yes the working conditions are very horrible. However, sweatshop is a necessary evil because the country in which these sweatshops are located depends on them economically as well as the untied states economy