

# The pauper labor argument essay examples

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Pauper labor argument is a view that has been presented in that a country with high wages loses when it imports from another country, which has low wages since it will presumably low wages in such a country. However, the view ignores the aspects of low and high productivity in a country, in the determination of the wages paid in any country. The countries with high productivity will have a competitive edge over the countries with low productivity, hence gaining from the trade. The concept states that when a country imports goods from an economy where the workers are lowly paid, it affects workers standards of living in such a country

The pauper labor argument is a fallacy and a myth. This can be justified based on the fact that, the argument does not consider productivity of a country. In addition, arguing that trade would make the workers worse off for countries with lower wages is baseless since the absence of trade would make the workers worse off. This is due to the fact that extinction of exports would lead to loss of the labor force as production would decline. Denying exports is an action that condemns the poor people to continue being poor. In the same aspect, there have been accusations that multinational organizations are exploiting citizens in developing countries. However, according to empirical data it has been proved that the pauper labor argument is wrong. For example, in researches conducted by various organizations and researchers establish that multinational organizations pay more than 44% above the average wages for blue collar jobs. In addition, it has been observed that wages of domestic companies taken over by foreign owned companies increased more than those of domestic companies. The weekly median earnings have been among the measure that has been

used in measuring the standards of living of the people. The average median weekly earnings of the top ten American trading partners have fallen dating back from 1990. On the same case, economists and analysts have stated that US workers have not enjoyed any income gains in the past decades. For example, it has been estimated that the median income has increased by a mere 3% from the 1980's. A deeper demographic analysis of the increments in median weekly earnings in the US indicates that, for the white men, their median weekly earnings have increased by a mere 15% from 1980 to 2005. On the other hand, the non-white men weekly wages increased by 16%. The white women weekly wages increased by 75% while non-white women increased by 62%. However, there have been concerns on how the median income in the demographics has increased tremendously but the overall weekly median income has remained unchanged.

This makes it difficult to determine whether the pauper labor argument can be withheld as one of the factors affecting the wages paid for workers in US. The overall median income has not changed significantly, but the wages across different demographics have changed significantly. The value of benefits received by the workers has increased overtime estimated to have grown faster than the incomes. In addition, the median income only accounts for the median income and does not show the explosion of income, as a result of high paying jobs. Therefore, it has been difficult to determine whether the pauper labor argument has affected the wages in United States.

## **Works Cited**

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