

Assessing the  
positive and negative  
impacts of  
sweatshops  
economics essay



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“ Ability is of little account without opportunity” (Quote Garden). This quote made by Napoleon, the emperor of France, certainly describes the conditions necessary to succeed in every aspect of life, ranging from the employment to the personal. Indeed, individuals in the developed world have a great deal of opportunities from enjoyment to occupational activities. Unfortunately, those in the developing nations, including Bangladesh, are not given this luxury. Because I do have extended family that resides in Bangladesh, the question of how they live their lives with the different options available in that nation intrigues me. Having parents that were raised in Africa revealed that the education system in developing countries is extremely different. In fact, when my parents attended school in the 1960s, the highest level of education available to them was high school. They were not provided with the means to excel further, which would have greatly hindered their careers if they had chosen to continue living in Africa. Similarly, Bangladeshi citizens do not have access to the same level of education that we in the Western nations take for granted due to their increasing poverty. In fact, the majority of the population does not even have a proper primary school education. Shafiq points out that that 51. 7% of urban fathers, 61. 8% of urban mothers, 68. 8% of rural fathers and 79. 6% of rural mothers have not completed primary school education (Shafiq 2008: 145). One may ask how these individuals are able to support their families. The answer lies in employment at factories or “ sweatshops”, which are commonly found within third world nations (Siddiqi: 2009). There has also been a growing concern with the amount of workers who are children, lacking a primary school education. In urban areas, 32% of girls are employed in household services, whereas 37% of boys are involved in trade, hotel and restaurant sectors (Salmon 2005: <https://assignbuster.com/assessing-the-positive-and-negative-impacts-of-sweatshops-economics-essay/>)

37). Nevertheless, it has been noted by several economists that sweatshops are positive figures, increasing the foreign direct investment and providing employment for individuals in those less developed countries. Furthermore, sweatshops allow the poor countries to have a market in other prosperous nations, such as Canada, Japan and Australia (Salman 2009, 139). Ultimately, this paper will explore both the positive and negative impacts of sweatshops and will determine if there are indeed advantages that could be seen in contrast to numerous disadvantages, focusing specifically on the lack of education among Bangladeshi male and female children.

According to the World Bank 1, 109, 100 male children and 914, 530 female children did not attend school in 2008 (The World Bank). The trend is shown to be slowly increasing, making it certain that the numbers will rise drastically within the subsequent years. Evidently this is due to child employment in sweatshops, with both sexes working approximately 26 hours per week if over 10 years of age and 18 hours per week from ages 5 to 9 (Salmon 2005: 37). However, what is a "sweatshop" and how does poor education relate to this concept? A sweatshop is defined as a place of work where the employers disobey labor laws to employ child laborers and ignore health and safety standards, overworking the employees and paying only the minimum wage (Miller 2003). Therefore, this definition not only applies to the common perception of the garment factories, but also to other types of employment, ranging from the private sector to factory workers. In fact, the agricultural sector employs the largest amount of child laborers, 58 % of boys and 42% of girls aged 10 and above (Salmon 2005: 37). In addition, it should be noted that there is additional unpaid labor that children are

required to complete in their families, such as various household chores (ibid: 38). The importance of child laborers cannot be stressed enough, and in poor households, their income constitutes 50% of the family's income (ibid: 46). Therefore, there is a strong linkage between the employment and lack of education, due to the necessity of child labour to ensure that the family has basic provisions. One can argue that the most rational approach would be to actively protest as a large group to raise the minimum wage, and lower the number of hours of an employee, but would this method succeed? From the amount of power wielded by the multi-national corporations, due to their large profits, it is clear that change will not take place, and Bangladesh will continue to have large amounts of foreign investment in the economy.

Surprisingly, according to economists, the involvement of Western corporations is not all negative. They have three main reasons to believe that companies benefit the workers of the third world other than increasing employment opportunity. Firstly, they state that the association between a worker and an employee is an exchange relationship, meaning that the both parties benefit from the contract (Powell, Skarbek 2006). They also maintain that the employee enters into the job themselves, resulting in no forced labor (Miller 2003). In fact economist Lucy Martinez's Mont who discusses the issue of manufacturing clothing in Honduras states, " people choose to work in shops of their own free will, because those are the best jobs available to them" (ibid). Likewise, this reasoning can be applied to Bangladesh, where citizens choose to work in sweatshops with long hours and sometimes grueling tasks because it is the best option available.

Secondly, the Academic Consortium on International Trade (ACIT), a group that supports the use of sweatshops, stated that they pay higher wages than domestic employment in the area (ibid). This allows citizens to earn that maximum amount possible in order to slightly increase living standards. Finally, economists argue that all sweatshops are not necessarily exploitive, and that each job is categorized by its own set of conditions (ibid). This makes it impossible to define all sweatshop labor as oppressive. Ultimately, this proves that there are arguments that do support the advancements of sweatshops around the globe. However, the accuracy of these statements can be questioned.

Unfortunately, the three arguments mentioned above do have various flaws that undermine their precision and fail to justify the advantageous reasoning for sweatshops in Bangladesh. The cruel oppression experienced by all workers puts unjust fear and possible health risks on the workers, which is not experienced by the employer. This is now an extremely unfair exchange. Furthermore, the concept of choice given to the workers is also proven untrue as in some situations factory workers are locked into the vicinity using barbed wire, demonstrating the despicable treatment of the sweatshop workers (ibid). In addition, the statement made by ACIT is indeed true, and is not contested by other individuals, but it is not complete. The ACIT admits that if subcontractors are involved, the pay is significantly lower (ibid). For example, the average pay for a garment worker in 2006 was 13 cents per hour (Powell, Skarbek 2006). Thankfully this price has now increased because of new laws, but still these workers are only paid 50 dollars for the entire month (BBC News). However there is also the issue of the different

conditions experienced per worker. Although it is true that some employees have harsher job conditions, it can be agreed that all sweatshop workers experience horrible circumstances as a group, thereby eliminating the final argument. Overall, from this analysis, there are increasing disadvantages to sweatshop labour.

From a feminist point of view, females are thought of to be working in the garment industry with little authority and subject to the employer's treatment, with no human rights. However, is this true? In reality, it has been proven that female figures can gain freedom in certain areas, and gain administrative control, such as supervising cash resources (Siddiqi: 2009). In addition, sweatshops do have other positive aspects as they provide citizens with a secure method in which to obtain their employment. This was contested when international bodies boycotted goods, due to the Harkens bill in 1993, which prohibited children from working in factories (Salmon 2005: 33). This resulted in the dismissal of 50, 000 children, forcing them to find jobs in a less secure environment with a lower wage, such as brick breaking or rickshaw pulling (Siddiqi: 2009). From this example, it can be determined that it is actually more damaging to contest the policies of sweatshop owners. Paradoxically, the conditions set by the transnational corporations in regards to employment help benefit citizens, allowing them to purchase food that they need in order to survive. Unfortunately, because these people have not developed any other skills, it can be accurately predicted that they will not be able to find any other higher paying job. The lack of education is a significant roadblock that limits their capacity to excel in the job market. In addition, because of the permanence of the factory

oriented employment, there is a feeling of security, preventing individuals from venturing out in the job market. The desperation for money is extremely significant, but without a formal education of any sorts, is there any escaping the poverty stricken lifestyle? Regrettably, the answer seems to be a continuation of this current low standard of living.

Outrageously, the foreign companies also manage to get special benefits from the host country, in this case being Bangladesh. Because all the third world countries are in a similar situation, all requiring foreign direct investment to stimulate at least some aspect of their economy, a “race to the bottom” occurs, where the companies have the power to choose where their factory will be located (Salman 2009). With all the competition, countries start to give up basic rights, such as those of minimum wage and regular work hours, which then leads to the exploitation that the workers experience. Among the ridiculous benefits are numerous years of tax holiday, meaning that no tax is being paid (ibid). In addition, these companies do not benefit local institutions and do not bring with them technology that is used by the population (ibid). The lack of education, combined with the lack of skilled labour creates conditions where there is no ladder of success. Unfortunately, the foreign direct investment is needed for the economy of Bangladesh, which is currently infused with corruption, leading to a lower increase of GDP and sustaining poverty, which could have potentially decreased by 25% (ibid).

Additionally, there is an overwhelming amount of evidence to show that sweatshops are detrimental to education, which is only one area of a child's life that is compromised due to employment. Unfortunately, because of the <https://assignbuster.com/assessing-the-positive-and-negative-impacts-of-sweatshops-economics-essay/>

poverty of the nation, not many schools have the infrastructure and the qualified professionals required to have an effective educating environment. For example, a young boy when being interviewed stated that the “ school was like a cowshed” and that “ teachers were not regular either” (IRIN: 2007). There were “ no separate toilets for girls”, indicating a serious need for renovation, both to the teaching staff and to the school in general (ibid). However, the main question is who actually attends school? From a 2000 evaluation, 80% of children under 10 attend school, but of those who hold employment, only 21% are able to attend (Salmon 2005: 38). Furthermore, a study by Najeeb Shafiq states that boys often have a higher attendance rate, because they return more for the family (2008: 138). Once the girl has been married, all her profits are then received by the husband, but a boy in the family will continue to support his parents, even in old age (Shafiq 2008: 139). However, this view is contested, as girls do attend school on a more regular basis. Shafiq states that although profits are indeed redirected to the husband rather than the father, the requirements for marriage have changed, allowing the females of the household to provide financial assistance for the family over a longer period of time (ibid). In addition, there have been several programs implemented to encourage female participation in school, including Food for Education, which provides food in exchange for sending children to primary school (ibid). Furthermore, the Female Secondary School Assistance Programme provides cash in exchange for sending females to secondary school (ibid). However, it must not be forgotten that there are other factors, such as cultural elements that must be included. Muslim women, for instance, are forced into the “ purdah”, involving the use of the veil, the prohibition of coeducation and the

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involvement in the upkeep of the household (ibid). Nevertheless, this shows the advancement of education that will hopefully continue. Indeed, this is only the beginning, and in order to have a high ranking job, one must attend high school and university. Most individuals that have primary education will most likely not advance to this level, securing peoples who will always need work involving factories or sweatshops to subsist.

Thankfully, progress has been made in the area of schooling to work around the employment of children. UNICEF Bangladesh has created a program in urban areas, whereby children attend school for 2.5 hours a day before they start their day job (UNICEF). This allows the children an opportunity to attend classes while also keeping the much needed employment. Children the age of 10 to 14 attend various centers where this class is held, and by 2008, 6,646 centers had opened with an enrollment of 166,150 students (ibid). Indeed, UNICEF's role has bridged the gap allowing for all children in urban areas to experience an education. The constant encouragement to attend school is extremely important, especially considering an increase in the primary school dropout rate rising to 47% (IRIN: 2007). The problem is not with the number of schools, but with the child's ability to balance time, with the occupation being the main concern.

In conclusion, this analysis has provided mixed results about sweatshops, the most prevalent being that they are indeed a negative influence in Bangladesh. Nevertheless, there are positive aspects which are extremely important to consider, like the employment that they provide for the people and the economic activity they inspire, but other than that there are no advantages to their placement in third world nations. There are, however, an <https://assignbuster.com/assessing-the-positive-and-negative-impacts-of-sweatshops-economics-essay/>

overwhelming amount of disadvantages ranging from their human exploitation to their impacts outside the workplace. Such an example would be education, which is one of many aspects lost to a child living in a third world country that their Western counterparts would undoubtedly receive. Clearly, education is now becoming more emphasized, with the various programs implemented to ensure that children receive at least a proper primary school education. Although this is a significant step, there must be more education initiatives to ensure that third world children could potentially have a chance at a greater future. Even small improvements, such as strategic placing of the UNICEF centers to target rural areas as well as urban areas would provide a much wider scope of access. From this point onward, it is evident that the only road to success for third world populations would be with the role of educational programs. Perhaps, if the multi-national corporations could enforce this need, then more children and even adults could attend more of these sessions. In addition, if the corporations were to train employees to operate skilled machinery, then there would automatically be higher wages for those skilled employees, who could pass on this ability to other friends and family. These are all possibilities that should be explored in order to create a more balanced world where even those in less developed nations could have an opportunity to have an education and provide better for their family by using this education within the sweatshop employment available to them.