

# Research paper on sweatshop labor in the 21st century

[Literature](#), [Russian Literature](#)



## Introduction

“Sweating” was an original 15th century term which was a metaphor for a severe labor exertion (Wilson, p. 1). This term got to be associated with garment work during the 1830’s (p. 1). The “sweatshop” was initially defined in the 1890s. It became popular during the 19th century as a “system of subcontracting by which rival manufacturers distributed work to contractors. These contractors, then, turned to other rival contractors and subcontractors to complete the jobs. Since fast work was required and the products were anticipated, the contractors and subcontractors would “sweat” as much labor from their workers. Under this system, the workers were exploited and their work conditions were degrading. Immigrants, children and women were exploited (p. 1). At the onset of the 20th century, sweatshops were relegated to foreign workplaces where the products are manufactured (p. 1).

During the 1960’s, sweatshops became conducive due to trade restrictions. In the next decades, the manufacturing of garments and other products overseas became the trend. The Cold War also allowed the proliferation of the Caribbean sweatshops (Encyclopedia of Management, p. 1). After the Cold War, garment trade restrictions loosened and this led to the free-market of sweatshops (p. 1). In the neo-liberalist economic system of the 1980’s, sweatshops became a global practice (Bunting, p. 1). American clothing lines moved their production to the Caribbean, Latin America, Asia, and India (p. 1). It only transferred the sweatshops from the western territories to the developing nations. The global competition has forced these western

garment manufacturers to expand their sweatshops in the poorest regions of Asia, Africa and South America (p. 1). Rigid competition and the sourcing out of the cheapest labor intensified in the 21st century.

Sweatshops, in general, pertain to work conditions characterized by occupational hazards, long hours of work and relatively low wages. They also apply rules which are restrictive to the workers' rights and welfare i. e. limited rest hours, severe penalties, among others (Barnes, p. 72). In the context of globalization, more and more major or global companies have transferred their production overseas in order to avail of the remarkably low labor costs. The sweatshop situations in the garment industry have been globally criticized by various governments, activists and human rights advocates (Encyclopedia of Management, p. 1).

## **21st Century Sweatshops: A Closer Look Through the Garment Industry**

The garment industry is vulnerable for exploitation because there is low barrier to enter, a condition favorable for the global economy. Garment business only needs small capital, machinery and a supply of labor in order to operate. It does not require a special skill. Since developed economies with higher wage standards and comprehensive trade regulations would not take foreign garment contracts, the developing economies would embrace foreign contractors and subcontractors (p. 1).

In the first place, they are not hampered by strict trade policies and they can still lower their already low wages (by international standards). International trade organizations and their policies also hinder the developing countries'

regulation of their garment industries. They are even encouraged to reduce or erase their trade restrictions. Thus, a favorable condition for sweatshops exists. In developed economies with labor standards, the chain of contracting and subcontracting also allows some loopholes to evade the labor laws. Since most of these workers are immigrants, women and children, the governments are somehow lenient in upholding the right labor practices (p. 1).

The globalization of economies, especially of the retail industry makes it conducive for foreign clothing companies to take sweatshop labor (Hartman, p. 12). In order to remain in global competition, garment manufacturers shut their eyes off the malpractices and they still patronize sweatshop labor for their own survival in the fierce competition. Hence, sweatshops exist as part of the whole global economic process and development. Developing economies, with little skilled labor force and scant capital, tend to allow these hazardous arrangements and malpractices to continue. They even believe that if they eradicate these sweatshops, their national economy will be negatively affected (p. 13).

As such, garment manufacturers are always able to source out their goods in the manufacturing plants outside the United States. These overseas sweatshops flourish with so many factories catering to these American clothing lines. Big brands such as Banana Republic, Converse, DKNY, Gap, Kathie Lee Gifford, Land's End, Levi's, Liz Claiborne, Marks and Spencer's, Next, Nike, Ralph Lauren, and Wal-Mart sell products from sweatshops in Central and South America and Asia (Barnes, p. 73). The main reason is

because these developing countries have a steady and available supply of cheap labor.

Gap Inc. is a top global clothing brand which has more than 3,000 stores throughout the world, specifically in the United States, Canada, United Kingdom, Japan, France, and Ireland (Gopal, p. 3). Aside from these chains of Gap retail stores, Gap also owns Banana Republic and Old Navy. It earned \$14 billion in revenue for fiscal year 2011 (Gap Website, p. 1).

In the 1990's, the company was involved in a sweatshop issue when it was alleged to be producing garments at the expense of its workers' safety and well being (Gopal, p. 5). The working conditions of Gap fitted into sweatshops. The workers manufacturing their clothes were said to be receiving very low wages. They were also described to be working in an unsafe environment where harsh punishment, sexual harassment and abuse, and physical abuse existed (p. 5). In various reports, it was evidenced that Gap illustrated a pattern of abuse in its forty three factories across three regions (p. 6). Gap workers were reported to be beaten, verbally abused, sexually harassed, etc. The Gap workers' union was also reported to be harshly repressed (p. 7).

Gap's salaries were so low such that workers are trapped into poverty. A Gap garment only costs a few dimes and the company could even double their salaries without any adverse effects on their income. The website also noted that Gap workers in El Salvador all lost their jobs when they initialized a trade union called STIT (Textile Industry Workers Union) (Bunting, p. 1). Gap

pulled the garment contracts from their factory and those workers who supported the union were blacklisted by Gap from the whole export-processing zone in the country (p. 1).

In another documented incident, the Indian government raided Gap factories in New Dehli, India in 2007. Allegedly, children as young as ten years old were working under these Gap factories (p. 1). It was also reported that three people were found dead in another Gap factory in India in 2007 (p. 1). These employees were said to have been prohibited to leave when they became gravely ill during their shifts.

According to Krantz (p. 1), Indian children have been found working in “really vile sweatshops for more than 16 hours a day.” This is twice the normal working hours of American workers. It was even reported that if these children slowed down on work or if they cried, they were threatened or beaten (p. 1). The Indian children were forced to work in hazardous and filthy conditions.

It was reported that these Indian children were sold to the Gap sweatshops by their families. They were originally from Bihar and West Bengal. They also mentioned that they were not being paid since they were just considered trainees. They could not also leave the factory as their families have already advanced their payments (p. 1). Reports have it that these children were not fully clothed; they ate mosquito-covered rice and they were forced to sleep on a roof and use over-flowing latrines” (p. 1). They usually work for around 2.50 an hour and often pay is taken out or refused. The factory’s guards

supervise their work and slow workers are beaten by rubber pipes. Oily pieces of clothes were put in the mouths of those who cried after being beaten.

While Gap denied the allegations on sweatshop labor, it was confronted by various lawsuits concerning these sweatshop issues. It was also part of a settlement from a sweatshop related lawsuit hurdled against twenty-two companies using sweatshop labor in Saipan (Gopal, p. 7). It is a US territory along the South Pacific. The Gap has also been linked to sweatshops in at least six countries.

Its sweatshop labor issue cannot be plainly put to rest because Gap is the biggest, branded clothing retailer in the United States. Hence, its clothing prices establish the trends for its competitors all over the world. In principle, the global company has set out the ideal guidelines for hiring factory workers through its Code of Vendor Conduct adopted in 1996 (Barnes, p. 74). Gap also monitors its factories as part of their social responsibility efforts.

Another clothing brand which became notorious for using sweatshop labor is Nike, the global brand for shoes and apparel. While Nike markets millions of shoes and apparels every year, it is purported to be producing all of its products overseas. Nike contracts and subcontracts its products through factories all over the world, especially in developing countries like Asia (Oxfam Website, p. 1). At present, Nike continues to practice “out-sourcing” or operating and owning manufacturing facilities wherein their shoes and apparels are produced. Nike manufactures its products from 50 countries in

over 900 factories (p. 1). It was estimated that at least 800, 000 workers in these factories, located primarily in Asia (p. 1). Nike has been identified with sweatshop labor since the 1990's. This is because of their low wages and dismal working conditions.

Nike was charged with producing goods in sweatshops across developing countries, mostly from China, Vietnam and Indonesia where the bulk of their products are made. These countries offer very cheap labor. However, many complaints were hurled by the Nike workers in these countries. Aside from low pay and extended work hours, Nike is also reported to commit human rights violations such as the use of child labor in manufacturing plants, physical, sexual and verbal abuses from supervisors, hazardous work conditions, exposure to toxic chemicals, and lack of safety precautions and training in terms of machine usage.

While other shoes and apparel companies are also using sweatshop labor, the critics and activists groups circled on Nike because they believe that it is a leader in the industry and it has more social responsibility than the others (Hartman, p. 23). Nike is a multi-billion global company which has been in the industry for thirty-two years (p. 22). It sits as the “ premier footwear industry in the U. S.” (Moskowitz, Levering, & Katz, p. 95). By being a global leader in the whole industry, it sets the trends for apparel and shoe products. Oppositionists see them as a hallmark cases since Nike can alter their overseas labor practices for other brands to follow. By focusing on Nike, activists can put positive pressures on other small garment manufacturers. Lastly, the changes that Nike is mandated to implement will not have a



negative impact in their overall profitability. The company can still earn billions of dollars while providing the right wages and safe working conditions for their workers all over the world.

Nike's Code of Conduct opines its opposition to child labor and that the global leader has set the age requirement of its factory workers to sixteen years for apparel and eighteen for footwear. However, many under aged workers are seen working in their factories (p. 97). Physical abuses in their factories were reported to consist of striking the head, pinching or being punished by standing, kneeling or running under the sun (p. 98). There were also reported cases of sexual molestation of Nike workers by their factory supervisors. Vietnamese workers were also reported to be exposed to a reproductive toxin, Toulene. This exposure is said to be at 177 times more than the legal limit (p. 98). They were also exposed to several chemicals and glue and they have no proper safety orientation nor equipment.

Generally, Nike was accused for its below living standards wages.

Vietnamese workers were said to get only \$37 US dollars a month. This is way below the minimum wage of \$45 US dollars a month (p. 98). The workers' overtime was summarized to have totalled to more than 600 hours annually, which is more than 400 hours above the instituted limit in Vietnam for an annual overtime (p. 99). This happens because the workers are forced to extend their working hours due to the threat of losing their jobs. They are also forced to work since they fear of not being able to support their families.

In China, it is normal for workers to work an average of 10 to 12 hours a day before declaring an overtime of another two to four hours (Bunting, p. 1). In Indonesia, Nike has raised the salaries of its workers to above the minimum wage since this was mandated by the government. While this was a welcome news, Indonesian worker's wages are still about half of the required living standards wages in the country (Ibid.). These workers have long initiated a protest against the global company when they staged massive strikes in 1997. About 10, 000 Nike workers walked out from their factory work ((Oxfam Website, p. 1).

Many international organizations have stood up against the sweatshop practices of Nike. It includes the Oxfam Community Aid Abroad, Global Exchange, the Workers Rights Consortium (WRC), among others. They stage intense protests against Niketown stores, give flyers, hold sit-ins, and refrain from buying Nike products to raise the public's awareness. These groups aim to achieve the following: Nike's reforms of their manufacturing practices, average living wages for workers, more occupational safety and training, reduction of the total number of labor hours, and to practice transparency in their factory production (Oxfam Website, p. 1). Various universities have also joined the Workers Rights Consortium. They ensure that their universities' garments are not produced through sweatshops.

Nike has considerably reformed its sweatshop practices and have made various positive changes way back the 1990s (p. 1). It has upgraded the Indonesian wages to above industry rates. It has also provided safety measures in their Vietnam factories and has reduced the toxic chemicals

from their production sites by substituting it with safer ones. Nike has also improved the open air system in their factories. However, many organizations and observers still feel that the global leader has a long way to go to significantly alter their sweatshop practices.

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