

# **The Impact of Large Corporation Sweatshops on It's Laborers**

By: Cameron R. Jandreau

Submitted in Partial Fulfillment of the  
Requirements for the Diploma  
in the  
Global Studies Program

Watkinson School  
January 27, 2020

## I. Introduction

A sweatshop is a workplace in which workers are employed at low wages and under unhealthy or oppressive conditions. "Sweating" became common in the 1880s, when immigrants from Eastern and Southern Europe introduced cheap labor to the United States and Central Europe. In the 20th century, rapid industrialization saw the emergence of sweatshops throughout parts of Latin America and Asia, a trend that escalated with increased demand for consumer goods in the West and reduced barriers to international trade<sup>1</sup>. Such social and economic conditions are necessary for sweatshops to be possible: a mass of unskilled and unorganized employees, often including children, management systems that ignore the human factor of labor, and lack of accountability for poor working conditions or inability of governments to act on behalf of workers. The sweatshop exploitation would often be of women and children. The erratic employment would result in poor quality final products. When trade is brisk, extremely long hours are worked in seriously overcrowded workrooms. When trade is sluggish, subcontractors whose labor costs are much lower than those of factory employers typically fire employees without thought. One of the early goals of the factory and minimum wage legislation was to improve conditions for workers. While legislation regulated sweatshops in most developed countries by the middle of the 20th century, the system still exists in many Asian countries, with large numbers of people engaged in homework and small factory shops. "Homework" is broken down to literally, work done at home and contract development in the homework

---

<sup>1</sup> Ross, Robert J. S. *Slaves to Fashion: Poverty and Abuse in the New Sweatshops*. University of Michigan Press, 2006

scheme, members of the family shall be paid for the work performed in their own home or apartment, which has been converted into a small factory. In contracting, individual workers or groups of workers decide to do a certain job at a certain value. Laborers in sweatshops may genuinely be reliant on their work due to socioeconomic situations, in which they have no better option and hidden behind a corporation's shadow, thus making it hard to have government intervention for labor rights. This is due to sweatshops being strategically placed by corporations in places where any form of labor is a necessity for said community. This is the case with many major corporations/institutions, who would rather be able to mass-produce the product for a fraction of the cost, then sell it at their set price.

## II. Laborer Perspective

Sweatshops around the world are staffed by the newest waves of legal and illegal immigrants of the late 1960s and early 1970s from China, Korea, Southeast Asia, Mexico, the Dominican Republic, and Central and South America. These workers join those earlier arrivals whose jobs were created by the growth of U.S.-based international garment production. Some of the largest names in clothing and fashion have been criticised for their abuse of labor. Nike was deeply humiliated in 1996 when a *US* magazine published a photograph of a young Pakistani boy stitching a Nike football together. The following year it was revealed that workers were exposed to toxic fumes up to 177 times the Vietnamese legal limit at one of their contracted factories in Vietnam.<sup>2</sup> In a report by the *New York Times*, At Zongtex Garment Manufacturing in Phnom Penh, Cambodia, which makes clothes

---

<sup>2</sup> Wazir, Burhan. "Nike Accused of Tolerating Sweatshops." *The Guardian*, Guardian News and Media, 19 May 2001

sold by the Army and the Air Force, the United States Military has also been found guilty of sweatshop scandals, an audit carried out this year found nearly two dozen underage workers, some as young as 15<sup>3</sup>. One final corporation that should be highlighted is GAP. After a damaging child labor scandal in India, GAP was forced to rebuild its reputation by announcing a package of measures tightening its commitment to eradicate the exploitation of children in the manufacture of its goods. For example Bhuwan Ribhu of Bachpan Bachao Andolan, a nongovernmental organization based in Delhi. Is an organization which is dedicated to helping ban child labor. The organization is currently caring for the 14 children, all thought to be under the age of 14, who were removed by police from the sweatshop where the GAP clothes were made at the end of October. GAP's official statement said the vendor from whom GAP ordered the children's clothes had employed a rural community center to do the embroidery work, but this body had subcontracted the work to a workshop in Delhi where children were employed<sup>4</sup>. GAP has huge contracts in India, which boasts one of the world's fastest-growing economies. But over the past decade, India has also become the world capital for child labor. According to the UN, child labour contributes an estimated 20 per cent of India's gross national product with 55 million children aged from five to 14 employed across the business and domestic sectors. Although GAP may be one of the best-known fashion brands with a public commitment to social responsibility, but the employment [by subcontractors ultimately supplying major international retail chains] of bonded child slaves as young as 10 in India's illegal

---

<sup>3</sup> Urbina, Ian. "U.S. Flouts Its Own Advice in Procuring Overseas Clothing." *The New York Times*, The New York Times, 23 Dec. 2013,

<sup>4</sup> Gentleman, Amelia. "GAP Moves to Recover from Child Labor Scandal." *The New York Times*, The New York Times, 15 Nov. 2007,

sweatshops<sup>5</sup>. In all three cases, a eastern Asian country is being taken advantage of. In addition to this it is evident that the sweatshop system which grasps off the necessities of the workers. For example, there was an interview with Manik (sweatshop worker) in GAP's sweatshop scandal, who works for free, claims to be unconvincingly 13. Manik states that he would like to work there. "I've got to sleep somewhere, he says, looking behind him furtively. I'm changing, the boss tells me. Staying here is my job. I learn to be a man and to be a worker. Finally, I'm going to make money to buy my mother's house"<sup>6</sup>. This in itself only proves show the exploitation of workers in their given communities. It is clear in this one case that GAP does not really see what goes on behind their production. It is completely unethical to employ children first of all. But paying slave wages (in this scenario nothing at all) is completely unacceptable for someone who is trying to build a possible future. This is only one example of what is behind the manufacturing of the clothing we might wear day to day. The large corporation sweatshops also have unhealthy working conditions and abusive practices incorporated as well. In the *New York Times* report referencing Zongtex Garment Manufacturing, it was mentioned that "Sometimes people soil themselves at their sewing machines," one worker said, due to restrictions on breaks in the toilet. The agencies exert less oversight of foreign suppliers than many retailers, they added. And there is no law prohibiting the federal government under unsafe or abusive conditions from buying clothes produced overseas. Daniel Gordon, a former senior federal

---

<sup>5</sup> McDougall, Dan. "Child Sweatshop Shame Threatens GAP's Ethical Image." *The Guardian*, Guardian News and Media, 28 Oct. 2007

<sup>6</sup> McDougall, Dan. "Child Sweatshop Shame Threatens GAP's Ethical Image." *The Guardian*, Guardian News and Media, 28 Oct. 2007,

public procurement official who now works at the George Washington University Law School, said that the government is most worried with getting the best price <sup>7</sup>.

### III. Conditions and Wages

In Bangladesh, in 4,825 garment factories there are about 3.5 million employees producing goods for export to the global market, mainly Europe and North America. The workers would receive 3,000 taka per month, far below what is regarded as living wages. At the current exchange rate 1 Bangladeshi Taka equals 0.012 United States Dollars. Bangladeshi factory workers face appalling conditions. Many are forced to work seven days a week, 14-16 hours a day. However, more than 400 employees have died since 1990, injuring several thousand more in 50 big factory fires. In the Garment Worker Diaries project, a collaborative research project between Fashion Revolution and Microfinance Opportunities that over the course of last year interviewed 540 garment workers each week, 40 percent of workers had seen a fire in their factory. To make our clothes, people risk their lives every day<sup>8</sup>. Sexual harassment and discrimination are common and many women workers have indicated that employers do not respect the right to maternity leave<sup>9</sup>. This in itself is the result of large corporations trying to expand their industry, and recklessly disregarding the effects that the sweatshops which they are essentially employing. The workers are performing their labor under essentially no protection. This is proven by the abuse and barely receiving much to any pay at all. Especially in the current

---

<sup>7</sup> Urbina, Ian. "U.S. Flouts Its Own Advice in Procuring Overseas Clothing." The New York Times, The New York Times, 23 Dec. 2013,

<sup>8</sup> Hendriksz, Vivian. "5 Years On: What Effect Has Rana Plaza Had on Garment Workers Lives?" Fashionunited, Fashionunited, 27 Jan. 2020

<sup>9</sup> "Sweatshops in Bangladesh." War on Want, 23 June 2015

environment they are living in it can be safely assumed their community is not in the best state. But the sweatshop labor builds reliance from its workers who do not have much to even provide themselves with. Forcing them to continue to live off the very little they receive from the subcontractors which run the shops. The workers even seem to be bound to their work because some subcontractors provide them a place to stay at the factory, almost as a bribe to continue working for the company. These incentives are the building blocks for an unfair economic system that only benefits these large companies, these companies have not much to lose besides their pride. GAP and Nike are already such large global corporations that even despite protests against their unethical uses of sweatshops will not stop the billions of dollars that will flow in every year. It would make sense for these multi-billion dollar companies to look the other way for as long as possible until it's addressed that their practices for the creation of their merchandise is unethical. Basic ethical practices shouldn't cost much more money for brands, she says. Labor costs account for 1 to 3 percent of the retail price of an item. The Fashion Revolution found a € 29 t-shirt's labor cost to be 18 cents and charging employees a decent living wage will carry labor costs up to 45 cents<sup>10</sup>. This gives these corporations a perfect incentive to form a reliance on sweatshop labor. The cheap cost in production for a swift profit once sold in stores across the world is a strategic system that not only works but almost flourishes<sup>11</sup>. The system creates a relationship that binds the workers to the sweatshops. Workers are attracted to sweatshops because they are in need of labor and pay. Sometimes it is not always the case. In substitution the subcontractors let the workers sleep in the factory. This

---

<sup>10</sup> Young, Robin, and Allison Hagan. "The Environmental Cost Of Fashion." WBUR, WBUR, 3 Dec. 2019

<sup>11</sup> Meyers, C. D. "Moral Duty, Individual Responsibility, and Sweatshop Exploitation." *Journal of Social Philosophy*, vol. 38, no. 4, Winter 2007

opportunity in certain scenarios is a bargain, especially for the children who are working and to not have a home to go back too. Thus, building a bond of trust with the company and the worker. The company needs the sweatshop labor to maximize profits while the laborers need the work and occasional pay in order to maintain a way of living.

## **IV. Conclusion**

In conclusion, major corporations are trying to expand their market, while carelessly ignoring the consequences of sweatshops that they are effectively hiring. The employees are doing their jobs under no protection whatsoever which is demonstrated by the violence and has not received a lot of money at all. Particularly in the current environment in which they live, their culture can be safely assumed not to be in it's not in the best state. The workers, who don't even have much to provide themselves with are being forced to continue living off the very little they earn from the subcontractors who operate the shops. Thus proving that laborers in sweatshops may genuinely be reliant on their work due to socioeconomic situations, in which they have no better option. Both the laborers and the corporations build a reliance on the labor to a point where they are sort of inseparable. Although the effects of sweatshop labor are intolerable and unethical, the workers themselves are gravitating to these subcontractors because they need to work to maintain some sort of living/lifestyle. This often comes in the form of a very substantial wage or housing compensation which meant that they would stay in the factory to sleep. This forges a somewhat inseparable connection with the laborers and the company. Robert Mayer describes this relationship between the laborers and the companies perfectly in his



Journal of Social Philosophy in which he says in “Every exploitative relationship begins with an initial inequality that makes the taking advantage possible. That initial inequality grows as a result of the exploitation”<sup>12</sup>. Sweatshop employers are rapists, too, for there are stories of owners and supervisors extorting sex from their employees in exchange for work. “The moral responsibility of discretionary exploiters is simple: they should not exploit. This type of taking unfair advantage is “prima facie” unacceptable. Discretionary exploiters cannot plead necessity as an excuse for what they do.”<sup>13</sup>. The clear truth of sweatshops is that they are completely unethical, allowing multi-billion dollar companies to go unchecked to an extent and purely collecting the benefits of a system that traps its workers into harsh work environments, sexual harassment, and pitiful wages. Is it a coincidence that companies like GAP, Nike, and H&M are taking advantage of developing countries like Thailand, India, Cambodia, etc. and the adults and children who do not have the necessary resources to provide for a healthy life, nor have the opportunities to find high paying jobs. It seems as if sweatshop labor is inevitable for these workers.

---

<sup>12</sup> Mayer, Robert. “Sweatshops, Exploitation, and Moral Responsibility.” *Journal of Social Philosophy*, vol. 38, no. 4, Winter 2007, pp. 605–619.

<sup>13</sup> Mayer, Robert. “Sweatshops, Exploitation, and Moral Responsibility.” 2007