

OL-326-J6162 Social Environment of Business 20EW6













# 7-1 Discussion: Sweatshops

n this discussion, you will read and respond to an article from *The New York Times* on weatshops: Two Cheers for Sweatshops. Also, the following two resources will provide more packground information to assist with the discussion. Read the article In Many Chinese Factories, Loss of Fingers and Low Pay and watch the video Apple Chinese Factory Foxconn Nightline.

In your initial post, address the following:

- After reading the articles, did your impression of sweatshops change? Explain.
- Do you agree or disagree that sweatshops are a vital part of the global economy? Explain and consider the impact of globalization in your response.
- If you were the CEO of a corporation, would you consider using sweatshops as part of your strategy? Explain why or why not. Consider the concept of a CSR filter as you respond to this question.

In responding to your peers, think about how their arguments compare and contrast with your arguments and identify any new information learned from reading their posts.

To complete this assignment, review the Discussion Rubric document.

#### **Rubrics**



Discussion Rubric: Undergraduate

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# 7-1 Discussion Sweatshops

Warren Smith posted Aug 12, 2020 1:21 PM

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Hello Classmates and Professor Williams,

I must be honest, I have never given a lot of thought about sweatshops. Reading the articles, however, I learned about sweatshops and understood how they work; this is really upsetting and it can be considered as cruel and unethical. No one should ever have to work for extremely long hours and get a salary below the minimum wage. I am more disappointed that a company like Apple would allow its employees to work illegally and underpay them. I understand production, but I must say that since reading about sweatshops, I would have to disagree with them. There are 17-year-old workers who come from other cities to earn a living, maybe because of their culture or to support a family. These employees work long hours and are paid lower than the minimum wage to help a company by producing the merchandise they will sell. I cannot imagine what would happen if the media or human rights groups found out about this. How much bad publicity would a company get? I saw a video where comedian John Oliver talked about how sweatshop workers were treated, the company that was exposed got some negative feedback, and people stopped buying their products or labels dropped them (HBO, 2015). If I were the CEO of a company, I would not use a sweatshop; I wouldn't want any underage workers to work so much and so hard that they wouldn't be able to complete their studies or attend college, and even be underpaid. Plus, I would give my company a bad name if it became public that I were using a sweatshop. I am not sure how much of a CSR could be implemented, considering that the sweatshop was hired to make the product. Maybe offering free merchandise to the employees monthly, offering night classes, and having a social gathering quarterly.

Oliver. 2015. Video. Fashion. Retrieved from <a href="https://youtu.be/Vdlf4fihP78">https://youtu.be/Vdlf4fihP78</a>

Best,

Warren

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Last post **yesterday at 1:49 PM** by Peter Stevenson

### **Discussion 7**

### Two Cheers for Sweatshops

Sweatshops as defined by the *New York Times Magazines* as a factory that violates more than two or more labor laws. Sweatshops are frequently characterized by poor working conditions, long working hours, lack of benefits to workers, and child labor (Kristof et al., 2000). The magazine illustrates the story of youths working in factories across Asia for long hours a day while receiving payments as low as \$2 in a day while the working conditions are hazardous.

#### In Many Chinese Factories, Loss of Fingers and Low Pay

The article illustrates stories of different workers in many factories across China working under devastating conditions such as noisy environments, dangerous machinery, and exposure to harmful chemicals. According to the article, workers lose or break 40,000 fingers annually on jobs with no compensation. Employees work over 16 hours a day while receiving less than the minimum wage (David, 2008).

### **Apple Chinese Factory Foxconn Nightline.**

The video addressing this matter produced by Bill Weir ABC News available at the linkhttps://www.youtube.com/watch?v=g7ztskPBQRA on his investigation on Apple Chinese Factory Foxconn Nightline, many employees are youths who come from poor villages to work in the company with the hope of making \$2 an hour. Employees have to work for long hours to take the right amount of wages and salaries home at the end of the day. Suicide cases were very high in the company in addition to an explosion due to highly flammable dust killing many people.

After reading the articles, my impressions of sweatshops changed since many factories violate labor laws by making employees work for very long hours in poor working conditions with minimum wages. I agree that sweatshops are a vital part of the global economy since they absorb very many unskilled people to work in the factory by creating job opportunities in the production of goods. Thus, they are increasing trading opportunities and enhancing communication systems, thus allowing many countries to participate in the international market. If I were the CEO of a corporation, I would consider using sweatshops as part of my strategy to offer job opportunities to many people, both skilled and unskilled, under fair working conditions. I will consider it with the help of a CSR filter that helps the corporation be socially accountable to itself, employees, stakeholders, and the public.

#### References

- David, B. (2008). CHINA: In Chinese Factories, Lost Fingers and Low Pay | corpwatch.

  Corpwatch.org. Retrieved 10 August 2020, from <a href="https://corpwatch.org/article/china-chinese-factories-lost-fingers-and-low-pay">https://corpwatch.org/article/china-chinese-factories-lost-fingers-and-low-pay</a>.
- Kristof, D, N., WuDunn, & Sheryl. (2000). Two cheers for sweatshops. *New York Times Magazine*, p. 70. Retrieved 10 August 2020, from.
- Weir, B. (2020). *OL-326: Apple Chinese Factory Foxconn Nightline* [Video]. Retrieved 10 August 2020, from <a href="https://www.youtube.com/watch?v=g7ztskPBQRA">https://www.youtube.com/watch?v=g7ztskPBQRA</a>.

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# 7-1 Discussion: Sweatshops

Amy Bilsland posted Aug 12, 2020 6:59 PM Subscribe

Hello Class,

I am certainly very torn into two pieces after reading these articles. I have been able to travel around the world on missional trips helping in lower and impoverished areas. I have not personally seen a sweat shop, however; I have been to some of these places and have seen their living conditions. After reading the two articles, Two Cheers for Sweatshops and In Many Chinese Factories, Lost Fingers and Low Pay, I do not feel any better about what they represent. However; by watching the Apple Chinese Factory Foxconn Nightline show, it was a much better scenario than other sweatshops.

It is very difficult because I do believe and agree that sweatshops are a vital part of the global economy, but at what cost? These individuals are human beings and in most of their situations, they are being grossly overworked and underpaid. However; if the sweatshops were not there, in some countries they may not have any kind of work to do at all. In one of the articles, it discussed how a mosquito net costs \$5 in Cambodia. The lady only had one mosquito net, and began caring for additional children who could not all fit under the one. She had stated that if there would have been an option to work at a sweatshop she would have. She wasn't as concerned about how dangerous it would be working in the conditions to ensure the children could all sleep under a net. As much as I hate the idea of the sweatshops, I know that they play a huge role in the global economy, and could have a huge impact on globalization. The companies and governments worldwide would be affected in addition costs would drastically rise. After watching the Nightline clip, even though Foxconn may pay less than other places, the appearance they give is very clean and a somewhat decent place to work. However; they live in small living quarters, work long days, nap when they can during breaks, and they are away from their families. If Foxconn were not an option in China, the cost of Apple products could potentially skyrocket due to less people working for lower pay.

If I were the CEO of a corporation, I think it would be very difficult for me to use a sweatshop as a part of my strategy. I do completely understand that it is providing jobs for individuals across the globe, but as I said earlier, at what cost? What that would mean is that things may

be a little higher, yet could be American made which would provide more jobs for Americans. The CSR would be very important for me to incorporate to remain socially accountable to the business, the public, and the stakeholders. It would be important to be very aware of the impact the corporation was having on the economy as well. I know that I would not be able to fix the world, but I also feel that everyone can do some, some can do more, and few have the platform to do much. ...we ALL can do our part to help see everyone as a human being and as an equal. Sweatshops do not always offer that same opportunity. We should be thinking of ways we could provide other options in those countries to offer jobs. There has to be a better way!

Amy Bilsland

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# 7-1 Discussion: Sweatshops

Cherry Killingsworth posted Aug 12, 2020 3:36 PM

**☆** Subscribe

Hello class:

All my life I have conjured the image of a small, darkly lit building somewhere in Asia with people crammed in them as my idea of a sweatshop. Up until now, I have had no idea how far

off I was. maybe somewhere in Asia, there is a sweatshop similar to what I had imagined, but in at least one of the cases, I was way off. In the Nightline video, I was at least surprised to see a large, well-lit facility.

What we perceive as a sweatshop here in the USA, is just another factory in China or Taiwan. Seeing young people lining up in droves to get a coveted job at Apple, even bringing suitcases to immediately move into one of the \$17.50 a month dorms that are shared between 7 people. The sad reality of long hours and being away from family and not being able to make friends. According to Nightline, the suicide rate is lower than the Chinese average.

Not all are like Foxconn.

Resources

OL-326: Apple Chinese Factory Foxconn Nightline. Retrieved from https://www.youtube.com/watch? v=g7ztskPBQRA

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Last post **6 hours ago** by Amy Bilsland

# **Sweatshops and CSR**

Peter Stevenson posted Aug 11, 2020 11:48 AM Subscribe

One of the things that I like about being in college is that I get to read articles that help me learn something or expand my view of an issue. To be honest, I had not really considered what a sweatshop was to carefully before this point other than I felt they were bad and should be eliminated where possible. A good example of this is detailed in a 2019 New York Times article that exposed a company called Fashion Nova for running sweatshops in Los Angeles to make many of their items (Kitroeff, 2019). To my

mind there is no excuse for this, the sweatshops should be closed, and the company held accountable.

While I guess we can slice and dice sweatshops in many different ways, I think that one way to do this is to see if the workforce is coerced of if they want to be there. Coercion to work somewhere is a negative while willingness to work somewhere is a positive, prison labor is a negative however is someone walks 500 miles in search of a job and expects to work 12+ hours a day once they have one (Barboza, 2008), then who am I to say he can't. The fact is that many countries are not like the USA and lack fundamental infrastructure to make or enforce basic industrial safety regulations or worker rights. The most some countries have is cheap labor, and while the conditions inside these factories may be abhorrent to us here in the USA, they could also be way better than the other options available for these workers. With a steady demand for the kinds of goods these factories can produce, wealth is undoubtedly transferred to the areas where the work is performed and will permeate the economy to the benefit of many. While it is undoubtedly true that some factory owners and unscrupulous managers will siphon off money or generally abuse their employees, it is possible to address some of these issues over time and further improve the economy of the area.

Improvement happens over generations, not overnight so while it may be better to engage than not, there are still numerous ethical and societal concerns to address before engaging with these kinds of factories. For example, it is possible to incorporate CSR principles and money into ensuring that the lives of people producing items for your company are enriched, or at least protected and I see it as a moral imperative that should you use sweatshop labor then you should work to improve the conditions there. The basic premise of economics is that people do whatever makes financial sense for them, so if you incentivize the wrong things you get poor results. This can be seen clearly with the Deepwater Horizon explosion where executives received multi-million dollar bonuses for an outstanding safety record. The fact is they were financially incentivized to minimize or not report safety issues because this gave them millions of dollars in bonuses. The same theory could be applied here so, as Barboza noted in his 2008 article, many people lose fingers working in Chinese garment factories. One obvious goal would be to reduce the number of people getting hurt however this just lends itself to managers not reporting that people are getting hurt and ultimately does little to change conditions on the ground. My thought would be that part of the CSR budget would go to sponsoring safety improvements at the companies who supply my

company's products, and also for the companies that supply them. In order to reduce corruption, it should be possible to require unannounced audits as part of the quality agreement, and that those inspections apply equally to the distributors of goods that are sent to my company and also to their suppliers. The managers of the distribution company would be responsible for ensuring that the allocated funds are used for making these identified safety improvements and once satisfactory progress has been made towards this goal, then the managers would receive a bonus. As a way to double check that improvements are actually being made, it may be possible to partner with a NGO and receive information that way too.

I believe there is a moral imperative to improve the lives of people if you can, and I personally think that this imperative applies to people outside of the United States just as much as for people in the United States. There are risks associated with giving business to foreign companies that offer cheap labor rates however I think the key is what you are prepared to do as a company to address abuses. A good example of this was reported by the Associated Press where, on receiving reports that workers were being mistreated at a major supplier's plant, Apple took numerous steps to ensure those workers received the money they were owed and took many other steps to help them too (Kinetz, 2020). In contrast, when Ivanka Trump was informed of similar problems with her Chinese suppliers, she denied using them. Neither Ivanka Trump or Apple may come away from these issues unscathed (a risk of using sweatshops in the first place), but if I had made a choice to use them I would want a robust policy to make working conditions better where I could.

### References:

Barboza, D. (2008). In many Chinese factories, loss of fingers and low pay. Retrieved 11 Augustt 2020, from https://search-proquest-com.ezproxy.snhu.edu/docview/318881776/fulltext/3DBA77D9DF24332PQ/1? accountid=3783

Kinetz, E. (2020). Apple vs. Ivanka Trump: Competing ethics collide in China. Retrieved 11 August 2020, from https://www.chicagotribune.com/nation-world/ct-apple-ivanka-trump-ethics-collide-in-china-20180125-story.html

Kitroeff, N. (2019). Fashion Nova's Secret: Underpaid Workers in Los Angeles Factories. Retrieved 11 August 2020, from

https://www.nytimes.com/2019/12/16/business/fashion-nova-underpaid-workers.html

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Last post **6 hours ago** by Amy Bilsland

## SWEATSHOPS visit theworldcounts.com

Donnetta Chance posted Aug 12, 2020 10:44 PM Subscribe

Hello Class..

My view did not that much after reading these articles. The video did give me a new perspective and remind me that each shop is different. My views on sweatshops has been negative for years because of an article that I read in my first SNHU class. I am referring to the fire known around the world as the fire was instrumental in the establishment of OSHA safety measures and the labor laws that we have today in the United States. I was not shocked at all about the information that we read in the articles. It was interesting to see the working and living conditions that the workers are faced with daily versus how they were living when they were home. I could not imagine being motivated to work at a place that has nets to keep me from jumping off a building.

OSHA celebrates 40 years of protecting workers, we also remember the labor pioneers, safety advocates, community leaders and ordinary workers whose vision for a stronger America laid the foundations for the laws that keep workers safe and healthy today. The 100th anniversary of the Triangle shirtwaist factory fire, which killed 146 workers in a New York City garment factory, marks a century of reforms that make up the core of OSHA's mission. Use this page to learn more about a tragic event that led to a "general awakening" that continues to drive OSHA's commitment to workers.

### "The worst day I ever saw"

One hundred years ago on March 25, fire spread through the cramped Triangle Waist Company garment factory on the 8th, 9th and 10th floors of the Asch Building in lower Manhattan. Workers in the factory, many of whom were young women recently arrived from Europe, had little time or opportunity to escape. The rapidly spreading fire killed 146 workers.

The building had only one fire escape, which collapsed during the rescue effort. Long tables and bulky machines trapped many of the victims. Panicked workers were crushed as they struggled with doors that were locked by managers to prevent theft, or doors that opened the wrong way. Only a few buckets of water were on hand to douse the flames. Outside, firefighters' ladders were too short to reach the top floors and ineffective safety nets ripped like paper (osha.gov)

WARNING: DO NOT CALL ME OUT ON IT BUT I HAVE CONFLICTING VIEWS BECAUSE SWEATSHOPS PROVIDE BETTER LIVES FOR THE PEOPLE WHO WORK FOR THEM IN SOME CASES. I AM ALL FOR MAKING A BETTER LIFE FOR YOUR FAMILY BUT I DO NOT HAVE TO SUPPORT YOU.

Do you agree or disagree that sweatshops are a vital part of the global economy? Explain and consider the impact of globalization in your response.

Talks about sweatshops make me thing about the things that I buy. Is it worth having these things considering how it was made? In the video it appears that the workers are young but not minors and they chose to work there so it must be better than their alternative. We could only see the people that work for Apple. How are others who make products for companies like Walmart Corporation living? What are there ages? Sweatshops are not right but it is all that they must better the lives of their families. What happens to these people if they were to outlaw and shut down all sweatshops? The items that they make are all around our homes today. Products that are commonly produced in sweatshops include clothing, shoes, toys, electronics, carpets, chocolate, and coffee. Products from sweatshops are exported on a larger scale. To illustrate, the clothing industry in Bangladesh accounts for 80% of the country's exports and around 40% of its industrial workforce. Sweatshops are not all the same. In Honduras, the workers earn 13 US dollars per day and 44 percent of the country's population live on less than 2 dollars a day. (the world counts)

If I were CEO of a company would not use a sweatshop. I would market and promote the MADE IN THE USE brand. This may mean that I would never be able to achieve the wealth that the Walton's and many other have. However, I would sleep good at night. I lean more towards the ideas against globalization because it is greed and takes food from the mouth of our families when companies outsource. The World Counts has interesting information including a counter that shows that as of 7:00 on August 12<sup>th</sup> 194,756,0681 sweatshop hours are hours of child labor and the profit in US dollars earned up to the same hour is 92,397,284,566. They refer to it as profits generated by slaves. They call it that workers are working long hours for low wages, in many cases illegal unsafe conditions.

### Reference:

OSHA.gov: The Triangel Shirtwaist Factory fire retrieved from <a href="https://www.osha.gov/aboutosha/40-years/trianglefactoryfire">https://www.osha.gov/aboutosha/40-years/trianglefactoryfire</a>

**TheWorldCounts.com:** People & Poverty/Slavery&Sweatshops Income in US dollars Retrieved from <a href="https://www.theworldcounts.com/challenges/people-and-poverty/slavery-and-sweatshops/sweatshop-workers-conditions">https://www.theworldcounts.com/challenges/people-and-poverty/slavery-and-sweatshops/sweatshop-workers-conditions</a>.

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### **Discussion 7**

Rachele Riel posted Aug 12, 2020 10:47 PM 🔀 Subscribe

 After reading the articles, did your impression of sweatshops change? Explain.

As an Asian-American and having hardworking parents that migrated from the Philippines my impression of sweatshops remained the same. I don't see anything wrong with sweatshops in other counties. Though \$1.78 U.S. Dollars may sound drastically low in America when the U.S. dollar is converted to another countries currency it may be a lot and enough for them to live on. (Weir, 2016)

Just like any job here they too want to be able to live and provide for their family. Their country laws and standards aren't as strict as it is here, but in due time— it may evolve to better working standards. I remember helping out a cousin of mine that asked for help with dental work, and needed to get a tooth fixed. All she needed was

\$100 and that money converted to 5,840 pesos. That's when I learned that the U.S. dollar is a lot stronger than we think in other countries.

 Do you agree or disagree that sweatshops are a vital part of the global economy? Explain and consider the impact of globalization in your response.

I agree with sweatshops from a global economic standpoint are vital. I think that it really stinks that they don't have regulated laws or restrictions when it comes to age limits, but these most are third world countries trying to make ends meet.

Sweatshops have been vilified by many outsiders looking in, but what the don't realize is that the income made is helping to improve millions of lives.

 If you were the CEO of a corporation, would you consider using sweatshops as part of your strategy? Explain why or why not.
 Consider the concept of a CSR filter as you respond to this question.

If I were a CEO of a company that had a successful product, I would use a sweatshop. I'd be providing jobs and helping to change people's lives. I would definitely consider a more reasonable wage and safe work atmosphere. Coming from America and knowing how important regulations and safety and even employee retention is important, it would help me to see the company as a whole. I wouldn't worry about "fast money" as long as I had a quality product.

I'm sure the dream to do such is easier said than done, and there are many factors to take into consideration like labor, supplies, import and exporting fees, but as long as I had the right financial guru that is diverse and come up with a reasonable livable wage in another country and still can sell the product here in the U.S.A. that's semi profitable, I could accept that.

### References:

Weir, B., 2016. Apple Chinese Factory Foxconn Nightline. [online] ABCNews.com. Available at: <a href="https://www.youtube.com/watch?v=g7ztskPBQRA">https://www.youtube.com/watch?v=g7ztskPBQRA</a> [Accessed 13 August 2020].

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Reflect in ePortfolio

Task: Reply to this topic

Starts Aug 8, 2020 11:59 PM

Discussion Rubric:
Undergraduate