Q1: How does the paradox of sweatshop labour affect the moral responsibility to improve conditions for sweatshop workers?

In this essay, I will argue that the paradox of sweatshop labour does not affect the moral responsibility to improve conditions for sweatshop workers. While the improvements shown to negatively affect workers by the paradox are not helpful alone, the duty of care/ moral responsibility of employers to their employees, and the overall need to find a way to improve conditions remains the same.

The economic case for sweatshops

The economic case against improvements in sweatshop conditions is essentially a consequentialist argument based on a number of economic studies on the introduction of a minimum wage & higher standards within sweatshops, and its effect on their employees. The 102 studies reviewed by Neumark and Wascher found strong evidence that an introduction of a minimum wage “increases the risk that the least-skilled workers will be fired from existing jobs, or have greater difficulty in being hired for new jobs.”(Sollars and Englander, 2016, p17), These least skilled workers being those usually in the most desperate situations, to begin with. Rather than working to redistribute wealth from the rich to the poor, this redistribution instead comes from within the most impoverished communities/families; meaning that younger teen family members who were key sources of income are fired to pay for the minimum wage of more skilled working family members. Therefore some economic philosophers such as Gindling suggest that “ minimum wages “could be part of a comprehensive poverty-reduction package but should not be the only, or even the main, tool to reduce poverty.””(Sollars and Englander, 2016, p18). The main line of economic thought which I will discuss in this essay is that developed by Powell and Zwolinski, whose argument follows: "

(P1) Sweatshops are better for workers than the available alternatives.

(P2) Regulating sweatshop labor will lead to a decrease in sweatshop employment.

(C) Therefore, regulating sweatshop labor will be harmful to workers" (Sollars and Englander, 2016, p16)

In essence, the economic case argues that sweatshops are the best option for employees and that to take this away would in fact do more harm.

An interpretation of this argument by economist Daniel Klein, suggests that the statement "Third World workers working for American companies overseas are being exploited"(Klein 2010) is an unenlightened one, that by choosing to work for these American companies, which are their best option, they intentionally enter a mutually advantageous partnering rather than an exploitative one. It could then be inferred from this that there is no moral responsibility, either from businesses or individuals to improve sweatshop conditions.

Powell and Zwolinski similarly infer several points from their conclusion which support this theory, firstly that while the situation sweatshop workers find themselves in societally is not a good one, this does not mean sweatshops exploit their workers, or that "any kind of special moral responsibility or fault"(Powell and Zwolinski 20112, p155) can be placed on sweatshops and their owners unless they are actually "causally responsible for the unjust background conditions in a fairly direct way." (Powell and Zwolinski 2012, p173). With this in mind they further argue that to force MNE's (multinational enterprise) to subsidise for an injustice they did not create will simply force the company to take their business elsewhere; so while they recognise that MNE's in virtue of entering a relationship with these sweatshop workers do in someway generate a duty of care, “it is implausible to hold that those new obligations are not waivable, even when one party regards the other’s waiving of the obligation to be a necessary precondition for entering into the relationship and the other party strongly prefers the relationship without the obligation to no relationship at all ”(Powell, Zwolinski, 2012, p469). Powell and Zwolinski argue that taking this preference away from workers, in fact, infringes on their autonomy. A further inference Powell and Zwolinski makes is that those who campaign against sweatshop labour should only do so when they have come up with a wider solution “ We challenge [critics] to demonstrate what economic mechanisms would aid the universal adoption of higher wages and better working conditions. Until they can persuasively argue for such mechanisms, we call on them to join us in denouncing all legal mandates for higher wages and better working conditions and to advocate only for voluntarily adopted company policies.” (Powell and Zwolinski, 2012, p471). They argue that by campaigning against sweatshop labour, and choosing to protest through consumption of ‘ethically sourced’ products you cannot do any good but simply threaten workers livelihoods and undermine their preference, with no viable alternative by investing in products mainly produced by “wealthy first-world union workers while decreasing the demand for products made in poorer countries and thus harming the employment prospects of the poorer third-world workers” (Powell and Zwolinski, 2012, p459). These arguments from Powell and Zwolinski seem to make two claims when it comes to moral responsibility to improve sweatshop conditions, firstly that MNE’s cannot be held morally responsible for background injustices, and secondly that as individuals our moral responsibility has to be to respect the autonomy of the workers, rather than try to ‘improve’ conditions in a way which will do more harm than good.

What then is the paradox?

Looking at the economic case the paradox follows, P1) It is wrong to harm people, P2) Sweatshops are harmfully exploitative, Sub conclusion) Sweatshops are wrong & we should regulate them into stopping exploitation, Conclusion) however, regulating them or shutting them down harms employees more. So far we can see that as far as the effect it would have on moral responsibility to improve sweatshop conditions, supporters of the economic argument suggest that our moral responsibility is to do nothing, and that to impose change and a duty of care onto these sweatshops would be disastrous.

Critiques of the economic argument

The Kantian objection suggests that it is immoral to use workers as a means to an end. To treat their workers with basic respect employers should treat their workers as an end in themselves. To do this MNE's (multinational enterprise) should at least "adhere to local labor laws, refrain from coercion, meet minimum safety standards, and provide a living wage for employees" (Priess 2014, p60).

Priess disputes the economic case, arguing that it ignores important morally relevant factors, instead of basing the idea of employee welfare as their willingness to take a job. This derives mostly from Klein's inference that as employees volunteer to take sweatshop jobs, as they are equal or better than their alternatives, meaning that the relationship is mutually beneficial and therefore not exploitative. Priess argues that in this inference Klein makes an "elementary philosophical error" (Priess, 2014, p57), as he conflates rational choice with a voluntary one, leading to a false conclusion that workers have a reasonable choice, making the enterprise mutually beneficial.

Priess makes two main claims against the economic case, 1) sweatshops are in fact “exploitative if they take advantage of societal or historical injustice”(Sollars and Englander 2016, p22), this being an area which the economic case either ignores or dismisses; 2) even if the economics are sound there is no reason for the philosophy to be effected.

Priess takes his first view as a follow up from Janet sample who suggested that "one important form of exploitation involves taking advantage of injustice" (Priess, 2014, p61); this suggests that sweatshops use the non-choice workers face due to the desperation of their situation, forcing them to accept working conditions and wages which no person with a truly free choice would accept. These conditions are the cause of background political and economic injustices, such as a lack of health care, education, financial security and physical safety. Priess argues this is something most economic case advocates ignore, remaining “wilfully obtuse”(Preiss 62) to the conditions workers face. The exception to this is Powell and Zwolinski who in essence argues that the background injustices MNE workers face should not be the responsibility of the sweatshop to fix and to suggest otherwise would make MNE’s unviable, taking away the favoured job choice of said workers, and that to take this choice away takes away the workers autonomy.

This argument relies on that rational/voluntary conflation which suggests that a relationship is not exploitative if it is rationally chosen, Preiss argues is not a choice at all, a workers “desperation, and the fact that she would waive almost any right or obligation to accept an offer given that desperation, does not entail that the offer is not exploitative, or that employers don't acquire additional ethical obligations by entering into exploitative relationships”(Priess, 2014, p64). Priess suggests that this preference to keep the best option of a bad bunch says nothing about the workers' view, and if they do view it as exploitative, all it says is that they need the money.

To Powell and Zwolinski's argument that MNE workers should be able to wave their human and legal rights in the name of preference satisfaction, Priess highlights that if put into the extreme, a worker in desperation may still enter a job, giving this waver even if they know the employer to terrorises their employees, this non-choice leaves most employees with no other alternative. Priess' argument seems to suggest that despite the economic case sweatshops due to their exploitative nature cannot be seen as workers best option, and so far more regulations should be made, although what these may be seems to be left unanswered. However, if we look at the standard of respect given by Priess to 'adhere to local labour laws' perhaps here is where we can draw a solution, through institutional change, which includes MNE's cooperation to ensure these background injustices are lessened.

To further this point Wertheimer gives an interesting definition of the types of exploitation there are,

Wertheimer states:

"An exploitative transaction is one in which A takes unfair advantage of B. A engages in harmful exploitation when A gains by an action or transaction that is harmful to B where we define harm in relation to some appropriate baseline. A engages in mutually advantageous exploitation when, in relation to the same baseline, A gains unfairly or excessively by an action or transaction that is beneficial to B" (Sollars and Englander, 2016, p23-4)

It could therefore be argued that sweatshop labour takes the form of the last 'mutually advantageous exploitation if we find that MNE's gain unfairly or excessively. This then creates a need to define a fairness clause, for which sollar and Englander suggest the example of

surplus profit distribution; if an employer were to take more than half of said profit it would be exploitative to the workers, and vis versa.

One criticism of this given by Snyder suggests the example of Little Debbie and Billionaire Bill. Little Debbie has a small business, who due to her low-profit margin, cannot afford to pay her workers a living wage. Billionaire Bill has a big business, with a big profit margin, he pays the same as Debbie and lives lavishly off the profit. According to Wertheimer's definition, Debbie is morally ok, but Bill is not. However this means that there is no "decent minimum"(Sollars and Englander, p25) living standard, which goes against our intuition that there should be some level which paying your workers below is morally problematic, "Snyder argues that by virtue of the employment relationship, employers have a perfect duty of beneficence to their employees (PDBE)"(Sollars and Englander, 2016, p25).

Against Snyder: however Snyder's point fails to see that while Wertheimer theory doesn't establish a decent minimum, that isn't its purpose; it aims to define exploitation, which even a living wage could still be. Sollar and Englander give the example of Big Debbie, who is as privately as rich as Bill is from his company, but her business would still collapse if she paid a living wage. However if according to Snyder it is the employee/ employer relationship that constitutes PDBE then as big Debbie could pay more, then she must, despite her making a loss. The issue raised here with this logic is "why virtually any relationship that a wealthy person has with a poor person does not create a perfect duty."(Sollars and Englander, 2016, p25). However if allow big Debbie not to have PDBE, the duty cannot come from wealth or employee/employer status, but instead the unequal division of profits by Billionaire bill.

Therefore when applied to Powell and Zwolinski's defence of sweatshops, according to Wertheimer's definition even if workers have agreed to an exploitative job, this consent does not make the exploitation go away. The exploitation remains as those MNE's take a huge percent of the overall profit, and so it could be suggested that we must have a moral responsibility to regulate sweatshops, opposed to doing nothing as the economic case suggests.

2)

Finally, in response to Powell and Zwolinski's argument that critics of sweatshop labour shouldn't be critics of sweatshop workers rational choice without a better solution, Priess argues that "even if the economic case demonstrates that the actions of consumers or political actors concerned with regulating sweatshops serve to remove a valued choice from sweatshop workers, this does not reduce the workers' autonomy in the Kantian or republican senses." (Sollars and Englander, 2016, p22). For Kantians, to treat people as a means rather than an ends takes away their free choice as rather than being on an equal footing with their employer they are instead no more than tools of their employers' ambition. Linking this to Powell and Zwolinski's republican argument for respecting sweatshop workers the preference and rational choice to work for MNE's, Priess argues that this is incoherent as for republicans a person can only make free choices if they aren't dominated. As there cannot be such a thing as freedom to be dominated, if the definition for freedom is the extent to which a person Is held accountable for their actions, it is clear that if an individual is dominated and coerced into action it cannot be a free act. Therefore "For the republican to claim, as Powell and Zwolinski do, that we ought to respect individual freedom to be dominated, is not simply wrong, but actually incoherent."(Priess, 2014, p72); and so both Republicans and Kantians can disregard the relevance of the economic case when protesting the existence of exploitative MNE's as workers do not make their choice to work for them freely. From this, it would appear Priess would argue that far from it being wrong for individuals to protest and petition for change, even if positive change is not possible right now, the theory of individuals having a moral responsibility to try to change conditions for sweatshop workers remains the same.

Conclusion:

Currently, it can be said that increased wages & standard of care for workers negatively affects sweatshop workers as it leads to decreased employment rates. However, as shown by Priess the theory of our individual moral obligation to try to improve standards remains unaffected by the paradox. Sweatshops are for the most part exploitative and do create harm to their workers in their own right, the MNE business which intentionally use sweatshop labour to financially gain hugely definitely lack moral integrity, however as long as they are operating within the law it is possible to argue that they are doing their bit. It seems to make a lasting change there has to be institutional change to fix the background injustices which force workers into such exploitative jobs, the duty of care cannot purely be put onto companies.

Reference list

Klein, D. (2010). Are You Smarter Than a Fifth Grader? *Self-identified liberals and Democrats do badly on questions of basic economics.*.

Mulligan, T. (1986). A critique of Milton Friedman's essay ?the social responsibility of business is to increase its profits? *Journal of Business Ethics*, 5(4), pp.265–269.

Powell, B. and Zwolinski, M. (2011). The Ethical and Economic Case Against Sweatshop Labor: A Critical Assessment. *Journal of Business Ethics*, [online] 107(4), pp.449–472. Available at: http://benjaminwpowell.com/scholarly-publications/journal-articles/powell-and-zwolinski-the-ethical-and-economic-case-against-sweatshop-labor.pdf.

Preiss, J. (2014). Global Labor Justice and the Limits of Economic Analysis. *Business Ethics Quarterly*, [online] 24(1), pp.55–83. Available at: https://www.cambridge.org/core/journals/business-ethics-quarterly/article/div-classtitleglobal-labor-justice-and-the-limits-of-economic-analysisdiv/86BBA90E7D859A3FE1F6D87840102AA7.

Sollars, G.G. and Englander, F. (2016). Sweatshops: Economic Analysis and Exploitation as Unfairness. *Journal of Business Ethics*, 149(1), pp.15–29.