

Economics 233b
Sweatshops in The World Economy
Spring 2011

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Office Hours: T., Th. 3:30 – 4:30
F, 11:00 – 12:30

COURSE DESCRIPTION

A century ago, when immigrants from eastern and southern Europe came to the United States, they often found jobs as sewers and stitchers in the garment industry, working long hours in unhealthy and dangerous conditions for little pay. These sweatshop conditions have returned to the United States, especially in the factories of the apparel industry, and spread across the global economy. Today, sweatshop workers, whether working in a Los Angeles barrio, a Bangkok slum, or an export-zone of South China or El Salvador make our t-shirts and sneakers and toys.

This course engages students in the controversy regarding sweatshops and their role in the global economy. We ask why sweatshops have returned to the United States, the richest economy in the world. We also ask what role the spread of sweatshops in the developing world played in the alleviation and perpetuation of poverty and the "immiseration" of "liberation" of factory workers. We will read pieces written by economists praising sweatshops and their role in economic development as well as stinging critiques of factory work and sweatshops. Using electronic and printed resources, including worker's testimonies and economic analyses of export factories, we look closely at examples drawn from the apparel industry and the athletic footwear industry in Los Angeles and New York City, El Salvador, Indonesia, Mexico, Viet Nam, and especially China.

The course pays special attention to what we should and can do about sweatshop labor about sweatshops in the developing and developed economies. We will ask if international labor standards, including calls for a "living wage" have been effective in alleviating sweatshop conditions. We also ask what is the social responsibility of transnational corporations and examine if corporate codes of conducts and the recent self-monitoring efforts of corporations such as Reebok and Mattel have been effective ways to regulate sweatshops. In addition, we will assess the impact of social movements – first-world anti-sweatshop movements led by consumers, religious groups, and students and third-world workers' and poor peoples' movements – have had on sweatshop conditions and examine our role in that movement.

Finally our readings bring out the divisions not only between economists and political economists about what to do about sweatshops but also the differences between anti-globalization forces – trade unionists, feminists, non-government organizations, and other social activists – from the Global South and from the Global North about bettering working conditions and alleviating world poverty.

REQUIRED BOOKS

Beyond Sweatshops: Foreign Direct Investment Globalization in Developing Countries by Theodore H. Moran.

Can Labor Standards Improve Under Globalization? by Kimberly Ann Elliot and Richard B. Freeman

Slaves to Fashion by Robert J.S. Ross

Articles available on onCourse

COURSE REQUIREMENTS

Class Participation – This class participation should occupy a major portion of our time. Class will be an opportunity for each of us to try out new ideas, to learn from each other, and to develop our critical facilities. All of this is possible only if each of us is willing to participate actively in our class discussions. Part of your grade will be based upon the quantity and quality of your class participation. This is just as much a requirement for the course as any written assignment.

While effective class participation requires more than just showing up, you certainly can't be a regular participant in our class discussions if you don't show up. I will expect you to attend each class. **Missing more than two classes will lower your final grade.**

Readings, Discussion Questions, and Quizzes – To get the most out of class time, we must come to class prepared, having read, or even re-read, the assigned material. Each class will begin with our questions from the readings. Also, to help analyze the readings, I will ask you to complete occasional discussion questions on our readings, especially those outside your required books. You will submit your discussion questions to me by email prior to class. There will also be periodic quizzes on the reading assignment for class.

Papers – You will complete two essays addressing different themes of the course as the required formal writing. The essays will be between 1500 and 2000 words and due different times during the semester.

Your first essay will address the question what is a sweatshop. Your second essay will present the results of your library study of working conditions and economic conditions in the clothing, footwear, and toy industries in various countries of the global economy. We will organize teams of students by industry, country and corporation to make these reports. You will present the class with copies of your annotated sources and a handout that summarizes your work. You will turn an annotated bibliography of ten sources and a summary of your findings and recommendations about what to do about sweatshops based on your findings and our readings and class discussions.

Mid-term and Final Exam Essays: You will have a mid-term and final exam that will ask you to write essays that explore the themes we develop during the semester. **The Final Exam is pre-scheduled for Tuesday, May 10 at 2:00 PM.**

Course Grading – Your grade for the course will be determined by:

Essays and Report	30%	Class Participation, Discussion Questions, Quizzes	20%
Mid term	25%	Final Exam	25%

Classroom Expectations

1. Students are expected to attend class regularly, to come to class prepared, and to be ready to participate actively in class.
2. Students will bring hard copies of the assigned readings to each class.
3. Please arrive for class on time and remain in class for the entire period.
4. Students must abide by the Wheaton Honor Code. All violations of the Honor Code will be reported to the College Hearing Board.
5. Cell phones and other electronic devices must be turned off or turned to silent during class. Texting is not permitted during class.
6. Laptop use in class must be solely for course purposes and with the permission of the instructor.

Course Outline and Reading Schedule (Subject to Change)

- Jan. 27 **Introduction to Sweatshops and the Anti-Sweatshop Movement**
Feb. 1, 3, 8 *Can Labor Standards Improve Under Globalization?*, intro.
 Beyond Sweatshops, ch. 1.
 “High Tech Misery in China,” National Labor Committee,
 Feb. 2009, pp. 1-8.
 “The Price of A Cheap Shirt,” by Joseph McCafferty, *Chief*
 Financial Officer (CFO), August 2005.
 “Thai Slave laborers freed in El Monte, become citizens,” by
Teresa
 Watanabe, *LA Times*, 8/14/08.
 Watch clips 3, 4 &5 from “Made in L.A.,” available at
 www.pbs.org/pov/madeinla/video_classroom4.php
 www.pbs.org/pov/madeinla/video_classroom3.php
 www.pbs.org/pov/madeinla/video_classroom5.php
 “The Rise of Chinese Labor,” *The Wall Street Journal*, 6/9/10.
 “Chinese Workers Stand Up,” by Miller, *Dollars & Sense*,
 Sept./Oct. 2010.
 “On What Could Workers of the World Unite?” by Ajit Singh and
 And Zammit, South Centre, 2000.
 Excerpt from *The Corporations* and its interviews.
- Feb. 10, 15 **What is A Sweatshop?**
 17 *Slaves to Fashion* ch. 1 “What is a sweatshop and App.
 “The Economics of the Sweatshop,” by Piore and “After the
 Year of the Sweatshop: Postscript,” by Ross, both from *No Sweat*,
 edited by Ross.
 Which of these are Sweatshops?. *Business Week* 10/02/00, *South*
 China Morning Post, 12/19/03, *Los Angeles Times* 5/30/00, *Los*
 Angeles Times, 7/2/00, *Confronting the Gloves Off Economy*,
 pp. 13-16; *New York Times*, 8/29/96, *New York Times*
 5/14/95, *The Columbus Dispatch (Ohio)*, 10/18/01. *Newsweek*
 5/15/00, *This Magazine*, Sept-Oct 2004, and *USA Today*, 11/26/02.
- Feb. 22, 24 **U.S. Sweatshops: From Triangle, to their Disappearance, to their Return**
March 1 *Slaves of Fashion* ch. 2, “The Shirt,” p. v.,
 “Budgets of the Triangle Fire Victims,” in *The Triangle Strike and Fire*,
 by McClymer, pp. 107-109.
 “The Big City: A 1911 Fire as Good TV, Bad History,” *New York Times*,
 10/18/1999.
 Slaves To Fashion, ch. 3, ch. 4, ch. 7, ch. 9.
 Video: New York: A Documentary Film, *The Power and the People*.
- March 3, 8 **Economists Debate Sweatshops and the Antisweatshop Movement**

- 10, 12
1. A Defense of Sweatshops and critique of the antisweatshop movement
 - "In Praise of the Maligned Sweatshop" by Nicholas D. Kristof, *New York Times*, June 6, 2006
 - "Academic Consortium on International Trade (ACIT) Letter to University Presidents."
 - A Defense of Sweatshops" by Weidenbaum All in *Child Labor and Sweatshops* edited by Williams, 1999.
 - "In Praise of Cheap Labor," by Paul Krugman, *Slate* 3/27/97.
 2. Indictment of Sweatshops and Defense of the Antisweatshop movement
 - "Scholars Against Sweatshop Labor Statement."
 - Contours of Descent* by Pollin, pp. 156-163.
 - "Why Economists are Wrong About Sweatshops and the Anti-Sweatshop Movement," by Miller, *Challenge*, Jan./Feb. 2003.
 - "Nike to the Rescue? Africa needs better jobs, not sweatshops," by Miller, *Dollars & Sense*, Sept./Oct. 2006.
 3. Women's rights and Sweatshops
 - Trading Away Our Rights*; by Oxfam UK, October 2003, Chapter 1: "Employed, Yes -- but precariously," pp. 16-31.
 - "The Rise of Bangladesh Garment Industry: globalization, women workers and Voice,:" by Fauzia Efran Ahmed, *NWSA Journal*, Summer 2004.
 - "Labor Standards, Women's rights, Basic Needs" by Naila Kabeer, in *Global Tensions* edited by Beneria.

March 24

Mid-Term Exam

March 29, 31
April 5, 7

Direct Foreign Investment and The Race to the Bottom

- Slaves to Fashion*, Ch. 5, ch. 12.
- In Defense of Globalization* by Bhagwati, ch.10 "Wages and Labor Standards at Stake?"
- "Multinational Enterprises and the Prospects for Justice," by Debora Spar and David Yoffie, *Journal of International Affairs*, 52, Spring 1999, pp. 557-581.
- "Labour Standards and the 'Race to the Bottom,'" by Singh and Zammit, *Oxford Review of Economic Policy*, Vol 20, no. 1.
- "Threat Effects and the Internationalization of Production," by Burke and Epstein, in *Work and Well-Being in the Age of Finance*, edited by Ghosh and Chandrasekar, 2003, pp. 1-13, 15.24, 33-37.
- Beyond Sweatshops*: ch. 2, ch. 3.
- "Behind the Brand Names," by Sarah Perman et al, *ICFTU Report*, Dec. 2004, pp. 4-14, 21-30, & 37-45.
- VIDEO: Global Village or Global Pillage (Global Exchange).

April 12, 14 **Corporate Responsibility and Corporate Codes**

Can Labor Standards Improve Under Globalization? ch. 2, ch. 3:
Beyond Sweatshops, ch. 6:

“Terms of Engagement,” from Levi Strauss & Co.; “Global Manufacturing Principles,” from Mattel, Inc.; and “The Reebok Human Rights Production Standards.”

“Compliance: How much success? Reebok and Human Rights,” *Oxfam Magazine*, 2004, No. 1, pp. 28-30.

“Secrets, lies, and sweatshops,” by Roberts & Engardio, *Business Week* 11/27/06

“I’ll tell you what I want: Women workers and codes of conduct,” by Ruth Pearson and Gill Seyfang in *Corporate Responsibility & Labour Rights*, edited by Jenkins, Pearson, and Seyfang, 2002.

“The Era of Corporate Rule,” by Naomi Klein, *Corporate Watch*.

April 19, 21 **Labor Standards**

Beyond Sweatshops, ch. 4.

Can Labor Standards Improve Under Globalization?, ch. 1, ch. 6.

“Labour Standards and poverty reduction,” Department of International Development, UK government, May 2004, pp. 11-16, 29-31.

China's Workers Under Assault, ch. 9.

“Working at home in India,” “Typology of Street Vendors,” “The Bellagio international Declaration of Street Vendors,” “Street Vendors in Mexico City,” *Women and Men in the Informal Economy: A Statistical picture*, ILO, 2002, pp. 48, 50, 51.

“Collective Action for Informal Sector Workers in India, *Labour Standards*

and poverty reduction, Department of International Development, UK p. 18.

April 26, 28 **The Living Wage Debate;**

Beyond Sweatshops, pp. 52-57.

Contours of Descent by Pollin, review pp. 156-163.

Issue Brief: Living Wage,” Business for Social Responsibility, CSR Resources, Issues Briefs, pp. 1-7.

Ann Harrison and Jason Scorse, “Improving the Conditions of Workers? Minimum Wage Legislation and Anti-Sweatshop Activism,” *California Management Review*, October 2005.

May 3, 5 **The Antisweatshop Movement**

Beyond Sweatshops, ch. 9.

Can Labor Standards Improve Under Globalization? ch. 7.
Slaves To Fashion, ch. 11, ch. 13.

HELPFUL WEBSITE LOCATIONS

Behind the Swoosh: Sweatshops and Social Justice

Presentation of Educating for Justice Leslie Kretzu and Jim Keady describing the month spent in an Indonesian factory workers' slum living on \$1.25 a day, a typical wage paid to Nike's subcontracted workers. Along with personal accounts of lived solidarity, the presentation includes the latest information on Nike's labor and environmental practices that EFJ-sponsored teams researched in Indonesia from 2000 to the present.

<http://www.educatingforjustice.org/sweatshops.htm>

Co-op America's solutions for a global economy: Sweatshops

A national non-profit education organization that works to promote a socially responsible market place.

<http://www.sweatshops.org/>

Cornell University, International Labor Relations School, Triangle Shirtwaist Fire Page

Contains pictures of and commentary on the fire and its aftermath.

<http://www.ilr.cornell.edu/trianglefire/>

Corporate Watch

Bills itself as the watchdog of the web when it comes to corporate irresponsibility. Of interest are its Nike expose page and its newsletter Blood, Sweat, and Shears.

<http://www.corpwatch.org/>

Fair Labor Association

Garment Industry Association that emerged from a White House organized anti-sweatshop

meeting. Its members include Kathie Lee Gifford, Liz Claiborne, Reebok, and other corporate giants and its fair labor guidelines demand that member corporations open their plants to inspection by external monitors and that members pay the prevailing minimum wage, not a living wage.

<http://www.fairlabor.org>

Fair Labor Standards Act Advisor

These standards emerged from the labor struggles of the 1930s and the New Deal and were

enacted in 1938. They include the minimum wage, time and a half for overtime, and the prohibition of homework and child labor.

<http://www.dol.gov/elaws/flsa.htm>

Feminists Against Sweatshops

This feminist web site points out that women make up 90% of sweatshop laborers in the global economy. Their frequently asked questions section is especially helpful.

<http://feminist.org/other/sweatshops/sweatfaq.html>

Global Exchange

One of two leading groups in the U.S. anti-sweatshop campaign. Their site contains Information on global economy as well as corporate reports such as Nike Update.

<http://www.globalexchange.org/>

International Labor Organization (ILO)

Official international labor and human rights organization known as the authors of International Labor Conventions and for its studies of the informal sector.

<http://www.ilo.org/public/english/index.htm>

Mattel's Corporate Responsibility Page

Mattel, the toy company, one of the largest contractors of toys producer in the developing world, recently published a study of conditions in the factories of their subcontractors.

<http://corporate.mattel.com/about-us/corporate-responsibility.aspx>

National Labor Committee (NLC)

One of the two (along with Global Exchange) leading Human and Workers Rights organizations in the U.S. anti-sweatshop campaign. Headed by Charles Kernaghan, the NLC has conducted successful campaigns against Kathie Lee Gifford/Wal-Mart and the Gap and has recently turned its attention to East Asia, especially China.

<http://www.nlcnet.org/>

NikeBiz/Labor Index

Nike's social responsibility webpage that contains: Nike's response to student protests, Nike's take on the labor conditions in its factories in China, and an explanation of Phil Knight's (the CEO) decision to no longer donate to the University of Oregon after it to joined the Worker's Rights Constorium.

<http://www.nikebiz.com/crreport/content/about/1-4-8-guidelines-and-principles-index.php?cat=governance-accountability>

Nikewatch: Are Nike Factories Sweatshops?

Sponsored by Community Aid Abroad, Oxfam, Australia, a complete website dedicated to a campaign to get Nike to upgrade its code of conduct.

<http://www.oxfam.org.au/explore/workers-rights/nike>

Smithsonian Institution Exhibit, Between A Rock and A Hard Place:

The controversial Sweatshop in America exhibit of the Smithsonian containing long pieces

on the history of U.S. sweatshops, the garment industry, and the El Monte case as well as the global production game.

<http://americanhistory.si.edu/sweatshops/>

Sweatshop Watch

A coalition of labor, community, civil rights, immigrant rights, women's, religious and student organizations and individuals committed to eliminating sweatshop conditions in the global garment industry. See What is a Sweatshop under garment industry.

http://www.change.org/sweatshop_watch

UNITE! Union Home Page

The Union of Needletrades, Industrial and Textile Employees has taken a leading role among U.S. unions in the fight against sweatshops.

<http://www.unitehere.org/index.php>

United Students Against Sweatshops (USAS)

An international coalition of students devoted to stopping sweatshop labor. It reports

On the USAS-directed Sweat-Free-Campus Campaign which demands that colleges

Initiate codes of conduct that go beyond the standards set by the Fair Labor Association.

<http://usas.org/>