

For God so loved the world, that he gave his only Son, that whoever believes in him should not perish but have eternal life. --John 3:16

Jesus said to him, "I am the way, and the truth, and the life. No one come to the Father except through me."--John 14:6

So now faith, hope, and love abide, these three; but the greatest of these is love.--
1 Corinthians 13:13

Sins destroy you. Jesus saves you. God blesses!

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operate. It was rejected because there will be little incentive for company to move their manufacturing abroad.

2 "living wage" standard: an international corporation should, at minimum, pay a "living wage." But it is hard to pin down what "living wage" means operationally. According to DeGeorge, a living wage should "allow the worker to live in dignity as a human being."

3 Donaldson's test: Thomas Donaldson believes that "It is irrelevant whether the standards of the host country comply or fail to comply with home country standards; what is relevant is whether they meet a universal, objective minimum." The test

provides as follows:” the practice is permissible if and only if the members of the home country would, under conditions of economic development relevantly similar to those of the host country, regard the practice as permissible.” But this test is vulnerable to Bernard Shaw’s objection to the Golden Rule “we should not do unto others as we would they do unto us, because their tastes may be different. It also complicates matter by introducing counterfactuals and hypotheticals.

□4□**Classical liberal standard:** a practice is ethically acceptable if it is freely chosen by informed workers. For example the standard of world bank “the appropriate level is therefore that at which the costs are commensurate with the value that informed

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the other counts. Even where the charges are accurate, it is not self-evident that the practices in question are improper or unethical.

Wages and conditions: even the critics of international sweatshops do not dispute that the wages they pay are generally higher than-or at least equal to-comparable wages in the labor markets where they operate. The critics of sweatshops acknowledge that workers have voluntarily taken their jobs, consider themselves lucky to have them, and want to keep them. But critics said what matters is companies should treat workers like human beings and pay them a living wage.

Immiserization and inequality: different from what critics said, in fact, many of those

countries that host international sweatshops have experienced sharp increases in living standards-for all strata society. Real wages rose, poverty fell. And income inequality remained at low to moderate levels. The increased demand for labor resulted in the bidding up of wages as firms competed for a scarce labor supply. Even ILO notes that the most successful developing economies, in terms of output and employment growth, have been “those who best exploited emerging opportunities in the global economy.”

In fact, while inequality in the West has been growing, it has been shrinking in the Asian economies. They are the only economies in the world to have experienced high

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lower incomes in the informal sector (3) less investment and so slower economic growth (4)reduced exports (5) greater inequality and poverty,

Conclusion: the case for not exceeding market standards

The attempts to improve on market outcomes may have unforeseen tragic consequences. We saw how raising the wages of workers in international sweatshops might wind up penalizing the most vulnerable workers (those in the informal sectors of developing countries) by depressing their wages and reducing their job opportunities in the formal sector.

Bypassing the market in order to prevent exploitation may aggravate these conditions.

Above-market wages paid to sweatshop workers may discourage further investment and so perpetuate high employment.

The experience of east Asian economies suggests that the best cure for the ills of sweatshops is more sweatshops. But most of the well-intentioned policies that improve on market outcomes are likely to have the opposite effect.

If the preceding analysis is correct. It is ethically acceptable to pay market wage rates in developing countries. The appropriate test is not whether the wage reaches some predetermined standard but whether it is freely accepted by informed workers.

Not only is it ethically acceptable for a company to pay market wages, but it may be

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