

The Case For Sweatshops

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Picture this. Ten-year-old children get up before dawn every morning and go to work. They are paid by the piece, not by a guaranteed hourly wage. They get no benefits. And they work seven days a week, year-round, with no vacation unless they can find someone to take their place.

Aren't you glad you don't live in a country where children work under such harsh conditions? Actually, you do. In fact, some of you probably had this job while you were growing up. The country is the U.S.; the job is newspaper delivery.

Those of us who delivered papers when we were kids were glad we had the opportunity to make pocket change and would have been angry at anyone who tried to persuade our employers not to hire us.

Think how much angrier we would have been had we depended on those jobs, not for spending money, but for our very livelihood. That is how angry some people in Third World countries and in the U.S. have a right to be at Labor Secretary Robert Reich and at the National Labor Committee (NLC), an organization funded by U.S. labor unions that tries to intimidate American companies and consumers who wish to buy goods made with low-wage labor. The NLC hit the jackpot late this spring when it shamed talk-show host Kathie Lee Gifford for lending her name to clothing made in a Honduran 'sweatshop,' where some workers were paid 31 cents an hour. Gifford quickly joined the crusade, testifying before Congress and persuading other celebrities to withhold their names from product lines made by low-wage child laborers.

But neither Gifford nor Reich nor the NLC seems to have asked what happens to the children who lose their jobs. The answer, simply, is that they are worse off. This follows from the most important principle in economics: Exchange benefits both buyer and seller. Work, other than slave labor (which does persist in rare cases and is, of course, unequivocally evil), is an exchange. A worker chooses a particular job because she prefers it to her next-best alternative. To us, a low-

paying job in Honduras or in Los Angeles's garment district seems horrible, but for many adults and children, it's the best choice they have. You don't make someone better off by taking away the best of her bad options.

Sure enough, workers in Honduras see the maquila (factory) as a good option. One apparel worker in Honduras told the New York Times: 'This is an enormous advance, and I give thanks to the maquila for it. My monthly income is seven times what I made in the countryside.' Sweatshops, in short, are a path from poverty to greater wealth. Of course, it would be nice if a poor teenage Honduran's parents could afford to send her to school, but they can't, so those teenagers are doing the best they can by working. Take the 31 cents an hour some 13-year-old Honduran girls allegedly earn at 70-hour-a-week jobs. Assuming a 50-week year, that works out to over \$1,000 a year. This sounds absurdly low to Americans, but not when you consider that Honduras's GDP per person in 1994 was the equivalent of about \$600.

Should you feel guilty for buying clothing made in Honduras, Vietnam, or Bangladesh, remember this: You're helping the workers who made it--and who were unlucky enough to have been born in a poor country. The people who should feel guilty are Reich and the NLC, who push policies that hurt the very people they claim to care about.