Abstract

Throughout the 1990’s the presence of global sweatshops has continued to expand and encompass every realm of daily life. More and more corporations have continued to move their manufacturing production to countries that have lax labor laws and few restrictions on the environment. This paper seeks to provide insight on why corporations continue to transcend boundaries; a historical review of the Industrial Revolution and how it is parallel to the current conditions faced in the Third World; brief background information on the three corporations analyzed; and an analysis of three corporations’, Nike, The Gap and Disney, Codes of Conduct and their social responsibility pages, all found on their websites. This study analyzes the ways in which these three companies rationalize their manufacturing practices in the global sweatshop industry, using the sociological conceptualization of C. Wright Mills. The focus of the paper is on the areas of low wages, excessive hours, and unsafe working conditions, including health and safety, and ventilation. The paper concludes with a call to action to those interested in stopping the ever present oppression and exploitation of global workers.
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INTRODUCTION

Sweatshops have become an undeniable reality in today’s global economy. Sweatshop labor is responsible for the shoes we wear, the clothes we wear and many other products, on which we rely everyday. Without a doubt, many people everyday face the harsh reality that their lives are held cheap in the eyes of the corporate capitalist. Therefore, as corporations continue to search for the cheapest labor around the world, the presence of sweatshops continues to expand. The term “Race to the Bottom,” coined by Jeremy Brecher and Tim Costello, refers to the practices of large corporations transcending national boundaries in pursuit of the nation which will provide workers at the lowest rate with fewest restrictions on work conditions, wages and the environmental impact. As this trend continues, workers around the globe are being exploited in large numbers as corporations search for new places to maximize their profits and minimize expenditures.

Although many people feel that sweatshop labor and practices are exploitative, many of the corporations socially construct explanations to account for the reason why their goods are manufactured in Third World sweatshops. It is important for this type of study to be conducted to examine how corporations rationalize their behavior. The purpose of this study is to focus on a few companies to find out their responses to the questions and concerns people have posed regarding their manufacturing practices. I will limit the research to the garment and shoe industries.
CHAPTER 1: BACKGROUND

A. Industrial Revolution

Sweatshop conditions, as currently are in the Third World, are not new. In fact, the inhumane conditions, low wages and long hours can date back to at least the Industrial Revolution in the United States. According to Miriam Ching Yoon Louie:

the term ‘sweatshop’ was initially coined during the industrial revolution in the 1880s and 1890s to describe the subcontracting system of labor. The sweatshops that served larger companies were run by middlemen who expanded or contracted their labor forces depending on the success or failure of different clothing fashions. The middlemen’s profits were tied to the amount of labor they could ‘sweat’ out of their workers—most often women and children—through low wages, excessive hours, and unsanitary conditions (Louie, 2001).

The current conditions mirror and reflect those of the Industrial Revolution. Many of the workers were young women. Most of these workers had recently migrated to the United States from Europe and were in search of work. Struggling to assimilate to a new culture, these women were easy targets. Furthermore, with the thousands of new arrivals, a surplus labor force had been created. Therefore, the workers, as they do today, had to endure the inhumane conditions in order to survive. Otherwise, their existence as an employee would be terminated.

Women have always worked. Whether it was in the public sphere or the private sphere, women have and continue to work. Prior to the Industrial Revolution, for most women, especially that of white women, their “assigned role fit neatly into a set of societal expectations of the home” (Kessler-Harris, 1982). However, with the emergence of the Industrial Revolution, women’s traditional work began to change. In fact, as “A History of Women in America,” states: “From the start of the Industrial Revolution
women were needed to mass-produce the goods they had once produced for their families. Manufacturing was done both in the home and in factories. In general, married women who needed to earn wages worked at home while single women were hired to work in factories” (Hymowitz and Weissman, 1978). Society accepted that women could earn money by sewing. This reinforced a portion of their traditional roles and did not deviate from the “Cult of Domesticity.” The “Cult of Domesticity” upheld four principles for a “True Woman” to adhere to: submissive, pure, pious and domestic. The notion that women could earn money sewing reinforced her domestic ability. As Alice Kessler-Harris writes:

Some of the longest and most vicious battles in our past have been fought over issues that touched on the home and the family. A women’s ability to work for wages was, and perhaps still is, such an issue. What would be the effect of her won wages on woman’s independence—on her desire to marry?—asked traditionalists. How would wage work alter her ability to fit comfortably into the home if she married? How would it alter her sense of herself, her willingness to play carefully designated roles? Would it result, as Karl Marx warned in the midst of the British industrial revolution, ‘a new form of family and new relations between the sexes?’ (Kessler-Harris, 1982).

Even though many women deviated from the constraints of the home, many women were propelled back into their designated sphere. There was a “domestic ideology” created to restrict women to their “proper” place. This ideology outlined why a woman’s work inside the home was so important. The ideology stated: “‘The home was the bulwark against social disorder, and woman was the creator of the home…she occupied a desperately necessary symbol and center of the one institution that prevented society from flying apart.’ Social order, then, ‘required a family structure that involved the subordination of women’” (Kessler-Harris, 1982). One minister stated to factory women that their place was to be in the home. He stated:
The nobler task of moulding the infant mind; it is for you to give their character to succeeding ages; it is yours to control the stormy passions of man, to inspire him with those sentiments which subdue his ferocity, and make his heart gentle an soft; it is yours to open to him the truest and purest source of happiness, and prompt him to the love of virtue and religion. A WIFE, A MOTHER! How sacred and venerable these names! What nobler objects can the most aspiring ambition propose to itself than to fulfill the duties which these relations imply! (Kessler-Harris, 1982).

Therefore, women from more affluent families were trapped in the home, creating an even wider gap between rich and poor. This gap between the rich and poor allowed the industry to exploit those at the bottom of the social hierarchy. The owners were aware that the women who worked in the factories were disproportionately poor women. The owners understood that these women would adhere to their demands in order to retain employment, because they desperately needed the job and the money it provided. Therefore, the only justification for women to work was extreme poverty. These rigid gender roles became institutionalized and created a class division that left poor women feeling deviant and ashamed of their class status. Although they had to work in order to sustain life, these poor women felt the sting of a society that could not provide an income any other way, but also a society that did not support the notion that work was the only way for them to survive.

Just as gender roles played a crucial role in shaping the lives of women, they also placed tremendous pressure on men. Society prescribed roles to men that created the masculine image as the “bread-winner.” Man was to support the family. Men who failed to do so and their wives had to find a way to supplement the income, were scrutinized by society. Alice Kessler-Harris points out, “the idea that women should be able to stay at home—the better to mother their children—justified hard work, long hours, and
economic exploitation for male workers” (Kessler-Harris, 1982). As long as men fulfilled their gender role as “bread-winner,” society accepted them. These gender roles placed on both sexes created a sex/gender system. This sex/gender system institutionalizes the expectations society holds for each gender, often resulting in a feeling of entrapment for both genders.

As the Industrial Revolution began to establish itself, textile mills began to flourish. New England, especially Massachusetts, became the central locus for these sweatshop-like factories. Just as the current trends in the Third World, textile mills in New England employed disproportionately young girls, ranging in age from sixteen to twenty-five. In fact, “employers continued to recruit women actively, offering agents as much as three to four dollars for each new worker they brought into the mills” (Kessler-Harris, 1982). Women became the pulsating heart that kept the industry alive. Needless to say, “women continued to be the source of cheap labor in small-goods production” (Kessler-Harris, 1982). The Industrial Revolution was the starting point in history that created the system of exploitation. Using women, who were to be submissive to men, allowed for the industry to dominate these workers to a higher degree than they would have men. Women were seen as having a secondary status, which also allowed them to be paid far less than a man. Most of the factories paid their female workers as little as they could. Since they knew most of the workers were extremely poor, they paid them just enough to survive. In fact, “In 1836 the National Laborer estimated women’s wages nationwide and in ‘every branch of business’ at no more than 37 ½ cents a day; in 1845 the New York Tribune calculated $2.00 a week as the wage for nondomestic labor” (Kessler-Harris, 1982). Moreover, “until the late nineteenth century women’s wages
customarily ranged from one-third to half those of men” (Kessler-Harris, 1982).
Therefore, the owners and operators of the factories during the Industrial Revolution took
advantage of the surplus labor force of women, paid them less than their male
counterparts and oppressed them.

Furthermore, the women and girls who worked in the factories during the
Industrial Revolution were dehumanized and viewed as machines. The mills “demanded
twelve to thirteen hours of labor a day, six days a week, and each worker had to agree to
work for at least one year. Girls ten years old and younger worked this twelve-to
thirteen-hour day. They were called ‘doffers’ because they replaced used doffers or
bobbins on the spinning wheels” (Hymowitz and Weissman, 1978). Since these young
girls spent between 12 and 13 hours a day laboring at the mills, there was not much time
for anything else. As Catherine Beecher wrote: “The 13-hour work day left eleven free
hours in a mill girl’s day. Eight of these were needed for sleep; that left a total of three
hours for mending, sewing, shopping, recreation, social intercourse, and breathing fresh
air” (Hymowitz and Weissman, 1978). This type of lifestyle had a negative effect on
many of the workers. Orestes Brownson stated: “The great mass [of mill girls] wear out
their health and spirits and morals, without becoming one whit better off than when they
commenced labor” (Hymowitz and Weissman, 1978). In the article, “Among The Poor
Girls,” Wirt Sikes describes the conditions of one sweatshop in April 1868 as:

The workroom. Faugh, how it smells! There is no attempt at ventilation. The room is crowded with girls and women, most of whom are pale and attenuated, and are being robbed of life slowly and surely. The rose which should bloom in their cheeks has vanished long ago. The sparkle has gone out of their eyes. They bend over their work with aching backs and throbbing brows; sharp pains dart through their eyeballs; they breathe an atmosphere of death. Madame pays her girls four dollars a week. She herself lives in as fine a style as the richest lady she serves.
As is the case today in the Third World, women were to remain silent about their work conditions. If these young girls became conscious of their work conditions and began questioning these conditions, their positions were immediately terminated. As awareness was raised concerning the factory conditions, people began to actively voice their concerns. In fact, there was a group of people, referred to as Reformers, who did not believe that the factories were serving their worker’s interests. These Reformers felt that the mills were created out of capitalism. In fact, “a few owners, explained these reformers, had gained control of the means of production and used this control, not for the welfare of workers, but for their own gain. Whenever profits fell, workers were thrown off the job or their wages were slashed, so that owners could make up the loss and guarantee themselves and their backers a substantial profit” (Hymowitz and Weissman, 1978). This created what is known as polarization. Polarization occurs when there is concentration at two opposing extremes. In other words, there was a concentration of wealth at the top of the social hierarchy, where the capitalists or owners of the mills occupied. While the workers were concentrated at the bottom of the social hierarchy, earning low wages for long hours.

Even though these conditions prevailed in the textile industry, women became more aware. Many of the factory workers formed a social network and began to protest the policies of the mills. “In 1828,” according to Hymowitz and Weissman, “400 women in Dover, New Hampshire, walked off their jobs, protesting the fines they were charged for lateness. This was the first strike by women and the second recorded strike of factory workers in America (the first had been called several months earlier by children who
worked in the mills of Paterson, New Jersey)” (Hymowitz and Weissman, 1978). This was a new type of action for workers to take against the oppressive forces of the owning class. The above was the first of many strikes the women held throughout the 1800’s, which sparked a movement among workers throughout the United States to take similar measures to create more humane working conditions. In 1836, women began to protest the mills after having their wages decreased. Nearly “1,500 Lowell workers marched through the town singing:

Oh isn’t it a pity, such a pretty girl as I
Should be sent into a factory to pine away and die
Oh I cannot be a slave
Oh I will not be a slave
For I’m so fond of liberty
I cannot be a slave (Hymowitz and Weissman, 1978).

This chant the women sang clarifies that these women were class conscious. In other words, they realized what positions they held on the stratified ladder of society. These women were able and willing to take a political stance against the owning class to represent their oppression. They understood that if they all walked out in protest that the factories could not continue operating. They were able to become political and develop their voices in a society that traditionally and continued to silence women. A society that still upheld the beliefs that women were to be isolated to the private sphere and the public sphere was a male domain. These women deviated from the societal norm of submissive women and created a political and economic movement of unionization in the United States that continues today.

Furthermore, the women workers were able to create, in 1845, the Female Labor Reform Association. They campaigned for a ten-hour workday, which they thought would create healthier employees. As they campaigned to restructure the operation in the
mills, they stated: “We think that it would be better if the hours for labor were less, --if more time was allowed for meals, if more attention was paid to ventilation and pure air in our manufacturies, but we say, the remedy is not with us. We look for it in the progressive improvement in art and science, in a higher appreciation of man’s destiny, in a less love for money, and a more ardent love for social happiness” (Hymowitz and Weissman, 1978). Sarah Bagley, a member of the Female Labor Reform Association, stated: “The great and leading object of the 10 hour movement is to give the laborer more time to attend to his or her mental, moral and physical wants—to cultivate and bring out the hidden treasures of the inner being—to subdue the low, the animal nature, and elevate, ennoble and perfect the good, the true and the God-like which dwells in all the children of the common Parent” (Kessler-Harris, 1982). Imagine the courage it took for these women, who were more than likely socialized to be submissive, to gain the strength and the voice to become politicized against the system that oppressed them, but also gave them a wage. Although these women generated a movement and created a labor union, the Female Labor Reform Association collapsed. Owners began to terminate anyone who was caught organizing groups of women to protest the factories. As long as the workers were under a false consciousness, then the employers or owners were satisfied with their production. In this situation, false consciousness would mean that the workers would view their jobs as that: a job. This job provided sustenance that was needed now and for the future. However, once these women gained a consciousness and realized their positions were operating under exploitation, they began to question the owners and demand changes. These demands created uneasiness for the owners and a realization that
they needed a new workforce that would be willing to work under any condition—they needed a desperate, destitute workforce. The answer was immigrants.

As immigrants migrated to the United States, the capitalists viewed this as a means to terminate the positions of native-born workers. Since native-born workers had become conscious of their condition, new immigrants coming to a new world would be more willing to work in the factories under the same conditions, then would native-born workers. Therefore, the factory demographics shifted from nearly 100% native-born females to nearly one half immigrants within five years. America was perceived to be the “land of plenty” and the “land of opportunity.” Many people who migrated here had dreams of a better life, a life different from that of what they would have had in their native countries. However, when these immigrants found employment in the factories, their idea of America as a “land of opportunity” shattered. Most immigrants were given jobs that prohibited upward mobility. Jobs that paid as little as possible. With the emergence of so many immigrant workers into the factories, the image of the factories as good, respectful and a starting point and a preparation point for future families, shattered. The workers had been stigmatized as poor and disgraceful.

The Industrial Revolution in the United States created a system of labor, based on exploitation of workers, that still prevails today. Capitalists in the 1800s used a surplus labor force to generate large profits. The workers were caught in a situation of oppression, which provided no real solution. The conditions of the Industrial Revolution mills and factories can be revisited in the global economy in the Third World. Women today, as was during the Industrial Revolution, continue to disproportionately fill the low-paying positions at the bottom of the social hierarchy. As Nike, The Gap and Disney
state that their corporation has no control over what goes on inside the walls of the factories used to manufacture their products, sweatshops that operated during the Industrial Revolution also excused their participation. The owners of the Triangle Shirtwaist Factory, for example, used the fact that they employed subcontractors to run their factory as an excuse. According to an article “Sweatshops and Strikes before 1911:” “Subcontractors could pay the workers whatever rates they wanted, often extremely low. The owners supposedly never knew the rates paid to the workers, nor did they know exactly how many workers were employed at their factory at any given point” (www.ilr.cornell.edu/trianglefire/narrative2.html). Long hours, low wages, and unsanitary conditions, as were in the Industrial Revolution, are a reality in the factories that produce the goods the American consumer market now utilizes. Until policies are developed that restrict the conditions that continue in the Third World, the history of sweatshops will be revisited throughout underdeveloped nations.

B) Nike, Disney, and the Gap

One corporation has a long history within the sweatshop industry: Nike. According to the article, “Putting the boot in,” by Sharon Beder, Nike has been under scrutiny for several years for its labor conditions in the Third World. In fact, Beder states: “By 1997 Nike had become a symbol of sweatshop labour in the Third World and was the target of several protests outside store openings and by students against their universities’ links with the company. In October 1997 anti-Nike rallies were held in 50 cities and 11 other countries” (Beder, 2002, p. 25). Even though Nike’s participation in the Third World had been questioned, the corporation itself disagreed. Beder states:
“CEO Phil Knight claimed that working conditions in Asian factories had improved drastically since Nike had begun business 25 years before. He said that if a shoe factory worker had gone to sleep just 10 years earlier and woken up in the late 1990’s they would have thought that they had died and gone to heaven” (Beder, 2002, p. 25). This is a form of ideological social control. Ideological social control is a mechanism used to “brainwash.” Here Phil Knight is attempting to diminish the harsh realities faced by millions of workers everyday in Indonesia, by stating that the conditions have improved greatly. However, in this statement Knight avoids the questionable behavior, by excusing the existing conditions as being better now than they were ten years earlier.

Needless to say, there have been efforts made by many human rights groups to make advances in Third World manufacturing factories. Oxfam Community Aid Abroad released a report “We Are Not Machines,” summarizing the conditions in the Nike factories in Indonesia. The report acknowledged the improvements Nike has made within the factories, but found them to be lacking in meeting the basic needs of the employees. The report found these continuing conditions within the factories:

- **WAGES:** With full time wages as low as $US2 a day, workers live in extreme poverty and those with children must either send them to distant villages to be looked after by relatives or else go into debt to meet their basic needs.
- **FREEDOM OF ASSOCIATION:** Workers have reason to fear that active union involvement could lead them to be dismissed, jailed or physically assaulted.
- **WORKING CONDITIONS:** Workers report that although there has been some reduction in the physical and psychological pressure under which they work, they continue to be shouted at and humiliated and to work in dangerous conditions. ([www.caa.org.au/campaigns/nike/reports/machines/summary.html](http://www.caa.org.au/campaigns/nike/reports/machines/summary.html))

After Nike received the report, outlining the conditions that prevail in their
Indonesian factories, the company responded by stating: “We take any concerns raised about factories where Nike product is produced very seriously. Nike is well aware of the issues raised in the report (based on interviews with 35 workers) because we engaged in a transparent assessment of our Indonesia operations with an independent entity, the Global Alliance for workers and Communities, that involved interviews with 4,000 workers” (www.nike.com/nikebiz/news/pressrelease).

The response continues to outline the work the Global Alliance has conducted within the factories, but fails to mention that Nike is a big contributor to the Alliance. In fact, according to an article “Just Stop It,” produced by the Oxfam Community Aid Abroad, Nike and The Gap, another company that manufactures its product in sweatshops, formed the Global Alliance. Therefore, Nike is able to monitor the types and kinds of questions the interviewers ask the employees and monitors what is printed from the interviews themselves. In fact the article states: “The Global Alliance represents an attempt by Nike an the Gap to shift the focus of the debate away from campaigners’ demands for decent wages and independent monitoring of factory conditions. The Alliance is at this stage only working with 21 of Nike’s 700 contract factories and by its own admission is not monitoring whether human rights and labour standards are maintained in these factories” (http://www.caa.org.au/campaigns/nike/faq.html).

Moreover, Oxfam Community Aid Abroad states:
The 4,000 workers who participated in the Global Alliance's multiple-choice, short-answer interviews were not asked whether factory management allowed unions to operate in a free and democratic manner, nor whether there had been any victimisation of active union members. As for the 450 workers who participated in the Global Alliance's focus groups, we do not know whether they were asked about these issues because, although the focus group research was completed more than a year ago, the Global Alliance is yet to release its analysis of all the data. In contrast, Oxfam Community Aid Abroad asked workers about these issues and reported what they said (www.caa.org.au/campaigns/nike/dialogue/index.html).

Below is an outline of both the positive steps Nike has made within the sweatshops and the problems that remain to be fixed.

Positives steps include:

- reforms which now enable workers to obtain sick leave.
- reforms which have significantly reduced the frequency of sexual harassment.

Ongoing problems include:

- workers are still shouted at when they work too slowly, and in some factories they are still humiliated by having their intelligence insulted or being compared to animals such as dogs or monkeys.
- it is extremely difficult for workers to take legally mandated annual leave.
- respiratory illnesses associated with inhaling vapours from toxic chemicals are still occurring, albeit less often.
- at the Nikomas Gemilang factory workers are still losing fingers in accidents involving cutting machines.
- at the same factory workers who want to claim legally mandated (unpaid) menstrual leave must still go through the humiliating process of proving they are menstruating by pulling down their pants in front of (female) factory doctors


Nike is a Transnational Corporation. This means that Nike will move from one country to another, if necessary, to ensure that the manufacturing practices are the
cheapest. For example, according to Community Aid Abroad, Nike moved from South Korea to Indonesia for cheaper labor practices. The CAA states:

In 1989 more than half of Nike's sneakers were made in South Korea, which was then ruled by an authoritarian government. As South Korea became a democracy and workers gained wage increases and union rights, Nike shifted production to Indonesia and China. Barely 2% of Nike's sneakers are now made in South Korea. In 1996, when Indonesia was ruled by the dictator Suharto and the only legal union was run by the government, 38% of Nike's sneakers were Indonesian-made. Since then Suharto has fallen, Indonesia has taken its first faltering steps toward democracy and workers have been able to form their own unions. In the process Indonesia's share of Nike's sportshoe production has fallen to 30%. According to the Wall Street Journal this could fall further to 26% since Nike ceased ordering from the PT Doson factory in October (www.caa.org).

The graph below illustrates Nike’s pattern of transcending boundaries in search of the cheapest labor throughout the 1990’s. First, examine on the graph the pattern of South Korea. It appears that more than 50% of Nike’s shoe production occurred in South Korea during 1990. However, it is apparent that Nike shifted its production to other regions throughout the 1990’s away from South Korea. By the end of the 1990’s, the production in South Korea plummeted to about 1-2%. Indonesia, on the other hand, produced less than 10% of all production at the beginning of the 1990’s, peaking around 1996. According to the article, “Nike and Indonesia—Time to End the Race to the Bottom,” produced by Oxfam Community Aid Abroad, however, Nike began to reduce production in Indonesia. In fact, the article states:

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Therefore, it is obvious that the Nike Corporation will migrate to any nation that promises cheap labor and an abundant supply of laborers. Moreover, as Nike continues to transcend, the degree of exploitation of the workers becomes intensified.

![Graph showing the percentage of labor costs in different countries from 1990 to 1998.](chart.png)


Like Nike, the Gap is a transnational corporation. The Gap is the largest apparel industry in the United States. The company was able to make nearly $13 billion in 2001 alone. In fact, according to behindthelabel.org, “Gap executives estimate that the company's Gap, Old Navy and Banana Republic chains already pocket 5 cents out of every U.S. dollar spent on apparel” (www.behindthelabel.org). With such a large percent
of the apparel market, the Gap is able to pay a living wage to their global workers. However, the current trends suggest that the company only pays $0.25 an hour to their global workers, while the CEO Millard Drexler is worth nearly $40 million. According to the Global Exchange, “in three years of discussions with anti-sweatshop groups, Gap has refused to take a serious look at the wage question. In a meeting with the company, we convinced Gap to agree to the statement that no worker making products for Gap should live in poverty, but Gap still refused to take the next step and accept responsibility for ensuring that workers are paid the necessary living wage” (www.globalexchange.org).

To examine the extent of Gap’s participation in the global sweatshop industry, the following gives explicit details of the sweatshop conditions around the globe:

In Saipan, a US territory replete with sweatshops, Gap does the most business of any company on the island—over $200 million a year, contracting in six factories. Whereas these companies import without tariff or quota restrictions and label their clothes 'Made in the USA,' they do not adhere to US labor laws. Workers and the anti-sweatshop groups UNITE, Global Exchange, Sweatshop Watch and the Asian Law Caucus filed a billion dollar lawsuit against Gap and 17 other retailers for labor abuses in Saipan. The sweatshop problem undoubtedly extends beyond Saipan. In Russia we were notified that Gap pays factory workers just 11 cents/hour and keeps them in slave-like conditions. Workers from Macao contacted the Asia Monitor Resource Center in Hong Kong complaining of abusive treatment by factory managers, who forced them to work excessive overtime and cheated them out of their pay. A delegation from the National Labor Committee in June 1999 reported that Honduran Gap factory workers are subjected to forced pregnancy tests, forced overtime, exceedingly high production goals, locked bathrooms, and wages of $4/day, which only meet 1/3 of their basic needs. The workers said that if they tried to organize a union or even become more informed of their rights, they would be fired. They had never heard of Gap's code of conduct. In Indonesia, 700 workers went on strike in July, 1997 protesting miserable wages and the factory management's refusal to recognize their independent union (www.globalexchange.org).
Activist groups like the Global Exchange work daily to create change within the Third World sweatshop industry. An article is posted on the Global Exchange’s website from the San Francisco Chronicle, “Clothiers fold on sweatshop lawsuit,” outlines how the Gap and several other retailers doing business in Saipan finally settled the lawsuit against them. The article states: “The deal creates a $20 million fund to pay back wages to workers and create a monitoring system to prevent labor abuses” (www.globalexchange.org). Furthermore, the deal states that:

-- Code of conduct: Companies agree to comply with basic employment standards, including extra pay for overtime work, safe food and drinking water.--Monitoring: A panel of three retired judges will be set up to oversee a program of factory monitoring, which the parties tentatively agreed would be carried out by the International Labor Organization, a U.N. agency. The inspectors will conduct unannounced inspections of the factories and investigate worker complaints. The judges can order payment of back wages, establish cures for violations found by the monitors and, in worst cases, place manufacturers on probation for repeated noncompliance with the code of conduct. -- Compensation: An estimated 30,000 current and former garment workers in Saipan are eligible to share about $6.4 million for unpaid back wages. -- Repatriation: Workers who want to return to their home countries will be eligible for up to $3,000 in travel and relocation costs (www.globalexchange.org).

Although the Gap settled on this lawsuit and agreed to pay the workers back wages, it is obvious that the company needs to implement better policies and begin paying a living wage to their workers.

How does Disney compare to Nike and the Gap? Disney has proven that its manufacturing practices are no better or more socially responsible than those of the Gap and Nike. The Hong Kong Christian Industrial Committee (HKCIC) went to China to examine the working conditions inside Disney factories. The committee conducted a
report by interviewing several factory workers. What the committee found was devastating.

Workers at one factory reported that they regularly work 16 hour days, seven days a week during peak production times despite Chinese labor laws that establish a maximum 49 hour work week. In one factory, employees couldn't afford to go home for the Chinese New Year because they hadn't been paid in three months. Workers at all the investigated factories complained of working mandatory overtime for minuscule wages; at one factory, workers are paid only ten cents above their standard wage for five hours of overtime. And at all the factories, workers are forced to pay the management "deposits" and "entrance fees" just to be able to work; at one factory, workers lose their deposit if they do not stay at the factory for at least two years, and at another workers must pay a monthly "tool deposit" (www.globalexchange.org).

The living wage in China is 87 cents per hour. Many of the Disney workers are making as little as 13.5 cents and up to 36 cents an hour. Obviously this is far from the 87 cents necessary to maintain existence. This is simply one example of many of how Disney’s manufacturing practices are parallel to that of other large corporations that continue to exploit large numbers of global workers daily.

CHAPTER 2: THEORETICAL BACKGROUND

A) Karl Marx

Karl Marx, an economist, philosopher, and sociologist, tried to explain society by the use of a social hierarchy or ladder of classes. This ladder examined the roles of the upper class and the lower class, in relation to their status and power on the rungs of society. Class struggle and power were Marx’s main concern and area of emphasis in his research to try to explain society. Marx believed that through the course of history, class status was apparent. Moreover, as long as societies exist under a capitalist society, new forms of struggle and hardships will prevail. For as long as the ownership in society
becomes concentrated into the hands of so few of the population, creating enormous power to exploit, degrade and oppress the lower classes, struggle for some will persist.

Throughout history there has been evident pattern of master versus servant, super power versus the powerless. With the emergence of capitalism came the separation of people by class. Capitalism can be viewed as a form of social control, dominant social control, as well as ideological social control. The workers, as in the Third World, are under direct social control since they are working for the owning class, it is required that they do what is asked of them in order to sustain employment. At the same time, the workers are influenced by ideological social control, in that they have been brainwashed into believing that this corporation has given me a job, regardless of the circumstances, and is therefore, justified. Marx primarily focused on two social classes: the Bourgeoisie and the Proletariat. The Bourgeoisie class, according to Marxist theory, consisted of the owners and operators of the capital, or product and land, while the Proletariat class, or working class, sold their selves to wage labor to produce the capital for the Bourgeoisie.

Furthermore, Marx believed that Capitalism was formed from the fall of feudalism. Therefore, he felt that capitalism would fall too. He felt the only way that true harmony could come from a society is if inequality was destroyed. By destroying inequality, Marx believed that ownership of private property and divisions of the classes would have to be abolished. Communism, according to Marx, was the only way that societies would be able to run. A communist society would grant equal opportunities for everyone, with no competition, fighting or collaborative inequities to lower groups.

The emergence of Capitalism forced people into two sections of society, the owners and the workers. It created a portion of the population, which had to adhere to
the demands of the powers above. The working class found itself trapped in a system, where labor had to be sold in a labor market, at a rate set by the upper class. According to Marx, in “The Communist Manifesto,” the workers are “daily and hourly enslaved by the machine, the foreman, and above all, by individual bourgeois manufacturer himself” (Marx, 1848). Workers would work a full shift, which produced their salary and doubled the profit of owners. This is what Marx referred to as surplus value. Therefore, the more the wage laborer works, the better the corporation profits.

Moreover, Marx firmly believed that if production is high, then the profit of the owners is high. With an increase in profit, there is an increase in wages. However, the rise in wages versus the rise in capital for the owners is at a disadvantage for the working class, meaning, that the profit exceeds the amount of the wages paid out by a disproportionate amount. The Bourgeoisie and/or corporations will continue to maximize their profits, while continuing to search for innovative outlets to minimize their expenditures, especially wage labor expenditures. Marx believed that although the proletariats were able to increase their financial intake by working, but they have sacrificed their position in society. These types of corporate patterns of exploitation continue to widen the gap between the rich and the poor. Therefore, the bourgeoisie class continues to ascend the social ladder, while the proletariat class descends the same ladder, with more and more people trickling down, while so few are at the top. The idea that there is a concentration of wealth at the top of the social hierarchy and a concentration of poverty at the other end of the social hierarchy is referred to as polarization. When viewing polarization in terms of stratification, it is important to note
that although there is concentration at both ends of the hierarchy, only a few people occupy positions at the top.

Marx blamed the bourgeoisie for ripping the “life blood” from the lower classes. He felt that all morals and values of society were torn from the people because the only way to survive was with monetary substance. According to Marx, the Proletariats find themselves in a situation that they “live only as long as they find work, and who find work only so long as their labor increases capital” (Marx, 1848). This reinforces what is occurring in the Third World. The sweatshops do provide some money to the workers, but as soon as they begin to fail at their tasks, they are fired and a new, younger version is brought in to take the place of the recently terminated. It is important to note here that most corporations have factories in countries where poverty, unemployment and hunger rates are astronomical. In these countries, there is a surplus labor force. Therefore, if one worker is not fulfilling the orders given by the factories, then someone else will be hired that can meet the requirements. Since this is the case in many situations, Marx felt that workers could not fully realize their human potential. George Ritzer points out in his book “Classical Sociological Theory,” that: “Although Capitalism solved some of these problems, it was too oppressive an environment to allow most people to develop their human potential” (Ritzer, 2000). Therefore, human expression was oppressed due to the ideology that monetary value equaled success. This results in an intensification of the constraints on the Proletariat, because only the Bourgeoisie can fully express their potential if money can buy opportunity. As Marx acknowledged, the Bourgeoisie is the power behind society, but it would not survive without the Proletariat class struggling to produce the goods in exchange for a wage.
Moreover, the bourgeoisie is in constant battle with competitors, striving to gain consumers with the lowest possible price, while still receiving a profit. Therefore, new technologies and innovations must continue to be made in order to keep production up, but keep the cost of the finished product at a reasonable, lower price than the competitors to attract buyers. Each company must therefore find a way to have the cheapest, fastest way to produce their goods. As new forms of production are created, i.e., machines, wages and manpower decrease. This results in an even wider gap between the classes and leaves the working class with a wage that tightens the amount of resources to buy necessary commodities.

Furthermore, as soon as the other competitors all begin to use the same mode of production, new faster, easier, cheaper forms must be made to keep sales up. This trend continues until there is an exhaustive amount of inventions to be made and no more job opportunities available for the working class, resulting in a high unemployment rate and homelessness. As the new forms of labor begin to take over jobs, they also begin to take over companies that cannot compete any longer. The larger, more productive companies begin to buy out the smaller, weaker companies, until there are only a few companies remaining to sell the products. As the companies begin to merge together to create larger, more powerful companies, monopolies form and the working class faces more economic hardships, because of the elimination of jobs with company mergers. Moreover, with high rates of unemployment, many of the people cannot afford to buy the products because of the monopolies. Monopolies are able to create a price for products and keep them high because there are no competitors to challenge the elite companies.
When examining class struggles, it is interesting to examine the two types of consciousness: false consciousness and class consciousness. Marx states that there is a theory of “Class in itself,” which means that this class suffers from false consciousness. False consciousness is a state where the class, which is represented, is not aware of its economic existence. Marx believed that the Proletariat class was a class in itself. According to John O’Neill in his book “The Poverty of Postmodernism,” “Marx demonstrated that the capitalist system of social exchange and division of labour produces a class which recognizes itself only in the conditions of its own dehumanization” (O’Neill, 1995). This illustrates the false consciousness behavior on the Proletariats part, because they see this dehumanization as the only means to survival, not exploitation. However, he felt that when the subordinate class became aware of its class status they will begin to question the way the system works and the unequal distribution of wealth. On the other hand, Marx believed in a “Class for itself,” which means that the class is aware of its economic existence. The Bourgeoisie class, Marx argued, was aware of its economic gains by exploiting the working class. Although the Bourgeoisie class was aware of the economic gains using waged labor does not necessarily mean that this class was class consciousness. Perhaps this class is not aware of the extent to which the Proletariat class was being exploited or to what degree they suffer from financial difficulties; Therefore, making the Bourgeoisie class just as vulnerable to false consciousness as the Proletariat class.

Marx believed that Capitalism would lead to its own destruction. When examining his theory on class struggle between the Bourgeoisie and the Proletariat, it is easy to understand what Marx meant by the above statement. If the current trends in the
Third World continue, the job market in the United States will diminish, while at the same time narrowing the consumer culture, leaving nothing in its path but the concentration of wealth at the top of the social hierarchy.

B) C. Wright Mills

In this study, I will focus on C. Wright Mills vocabulary of motives. Mills describes a motive as “a complex of meaning, which appears to the actor himself or to the observer to be an adequate ground for his conduct. A satisfactory or adequate motive is one that satisfies the questions of the act…” (1972: 396). In other words, in this study, corporations use the use of vocabulary to explain their actions and respond to concerns. Moreover, Mills states that people use words, such as excuse, justification and disclaimers to “account” for their behavior. An excuse acknowledges that the action is wrong, but that he/she/they are not responsible for the action. An excuse made by corporations may entail a statement that claims that they abide by Codes of Conduct or they do not own the factories; therefore, they should not be held responsible. Justifications refer to actions that are wrong, but that there is good reason behind the act and they should not be considered as totally wrong. For the purpose of this study, corporations can use justifications as a way to state that their employees may not be employed otherwise. In other words, corporations justify their corporate behavior as a means to employ people, regardless of the work situation. Disclaimers provide a way for people to present their behavior to other people in a way that takes the negative connotation off of themselves. Corporations may use a disclaimer by stating: “We know that our manufacturing conditions appear to be inhumane, but….”
CHAPTER 3: METHODOLOGY

A) Selection of Data

In order to select the data for the purpose of this study, I chose three corporations, Nike, the Gap and Disney, to analyze. In order to collect the data necessary to complete this research, I examined documents off of each company’s website, which included a socially responsible page and their Codes of Conduct. The question raised was: “Do corporations use excuses, justifications and disclaimers to rationalize their participation in Third World sweatshops?” By examining these documents, it provided a way to obtain information in each companies’ own words. However, there were some problems with the data that generated some limitations. Since the questionable companies stated the information used in this study, it is difficult to know whether or not the information has been fabricated and/or censored in order to create a false consciousness among the reader. Furthermore, since it is written and not oral, face-to-face data, it may be written in such a way to confuse or divert the reader’s attention away from what is really occurring inside the factories. It is important to note that the analysis of the data was conducted simultaneously with the data collection.

To conduct the research, I have employed a content analysis. The purpose was to seek themes throughout the company’s own words to analyze the extent to which companies use excuses, justifications and disclaimers to rationalize their participation in the global sweatshop industry.
B) Definitions of Key Concepts/ Operationalization of Concepts

There are some operational definitions that will be discussed throughout the paper. For example, the terms globalization, social control, direct social control, ideological social control and exploitation will be used frequently. The term globalization, as defined by Jeremy Brecher and Tim Costello in their book *Globalization From Below: The Power of Solidarity*, refers to the ways in which employers began “seeking new economic opportunities, creating new institutions, trying to outflank political and economic opponents” (Brecher & Costello, 2000). Furthermore, globalization is created out of the “re-commodification of labor’ in which workers have increasing lost all rights except the right to sell their labor power” (Brecher & Costello, 2000). For the purpose of this study, globalization will represent a type of imperialism, where the companies transcend borders to exploit, dominate, and control global workers for the purpose of gaining large profits.

Another concept is social control is a way in which people behave according to the society in which they live. There are rules and norms in which people’s behavior is constructed and regulated. There are two different types of social control: direct social control and ideological social control. Direct social control, as defined by Dr. Lynda Ann Ewen, in her book, *Social Stratification And Power in America: The View From Below*, is “the coercive and sometimes violent negative sanctions used when individuals do not accept the ideologies and norms of society” (Ewen, 1998). Dr. Ewen coined the term ideological social control, meaning “control over individuals by using their beliefs that it is good and right that they should be controlled” (Ewen, 1998). For the purpose of this study, direct social control will refer to the ways in which corporations will place
sanctions on the workers to generate as much production as they possibly can. Ideological social control will refer to the ways in which the companies are able to create a false consciousness among the consumer market.

Exploitation, according to Marx’s “labour theory of value,” it means to “denote the extraction of surplus value, or the difference between the value of what a worker receives in wages and that which is produced and appropriated by the capitalist” (Marshall, 1998). Throughout this study, exploitation will be viewed as the ways in which the corporations drain the life-blood out of the workers by working them an excessive amount of time day to day for little money.

CHAPTER 4: ANALYSIS

With the emergence of the global economy, corporations became more liberated to exploit nations and their natives. Although these corporate actions create an uproar among protestors, who find their manufacturing practices to be harsh, corporations use excuses, justifications and disclaimers to rationalize their existence in the Third World. According to an article “Feminists Against Sweatshops,” “Large corporations almost always use contract manufacturing firms to produce their goods. In this way, corporations can separate themselves from the production of their own goods and try to claim that the working conditions under which their goods are produced are not their responsibility” (Given, 2001). I have chosen three corporations to analyze throughout this study: Nike, Gap Inc., and Disney. All three are big contributors to the global economy. Nike has their products made in nearly 800 factories in over 50 different nations; The Gap’s products are made in nearly 3,600 factories in over 50 nations; and
Disney states that they participate in over 50 nations, but did not include how many factories produce Disney products. Although they are three different corporations, they have many similarities in the way they run their businesses in the Third World.

First, it is important to understand that two of the companies, Nike and the Gap, use an excuse that completely takes any responsibility that they might have, away from these corporations. Nike states: “Nike is committed to being a responsible corporate citizen. We work strenuously to improve the lives and working conditions of all workers. We don’t own these factories, but we take pride in our relationships with them” (www.nike.com). Here Nike is able to use an excuse to account for its behavior. Even though the company realizes its labor practices are considered questionable, the company can say that they don’t own these factories, therefore, should not be held responsible for the type of actions those who run the factories engage in. As Nike, The Gap states that it does “not own the factories that make our clothes” (www.gap.com). The Gap, therefore, uses the same excuse Nike does to account for its questionable behavior. Both of these companies have been under scrutiny for a long time for their participation in the global sweatshop industry, resulting in any excuse they can find to correct their images.

To begin analyzing the patterns of excusing, justifying and disclaiming their participation in the global economy, all three corporations follow a Code of Conduct to manufacture their products. Nike and Disney have one Code of Conduct, but the Gap has two codes, a Code of Vendor Conduct, which outlines what the factories have to adhere to, and a Code of Business Conduct, which outlines what the workers, managers and owners of the factories must abide by when producing the Gap’s goods. All three state that they provide, to the factories, a translated version of their codes to accommodate the
workers, managers and owners. Nike’s website states: “To help ensure the Code is understood and applied, Nike introduced factory-wide training and education programs. Through this essential step, we move closer to our goal for contract manufacturers spread around the world to understand and adequately meet the Code’s obligation” (www.nike.com). Even though this sounds like Nike is taking the initiative to improve the working conditions in their factories, it is nothing more than a way to excuse what is occurring inside the factories. However, by implementing a Code of Conduct and placing the responsibility of enforcing the Code on the manufacturers, or the factory owners, Nike is able to shift the blame off of them; resulting in the manufacturers being scapegoats for the industry.

Even though all three companies admit that they have educated their workers, including those who actually run the factories, on the code, Disney and The Gap differ from Nike in the way that they want their codes enforced. Whereas Nike has the manufacturers enforce the code, Disney and The Gap feel that it is the responsibility of the workers to report any violations of the code that they witness or know about. In fact, the Gap states: “It is your responsibility to raise questions, make appropriate disclosures and bring potential problems to the Company’s attention” (www.gap.com). Therefore, the company excuses any violations since they feel that they have raised awareness throughout the factories on what is and is not considered a violation. Resulting in the fact that it is the responsibility of those who work in these factories to control and monitor whether or not the policies in the code are being met. The Gap also feels that since it is the worker’s responsibility to report violations, that if they do not report them they have no one to blame but themselves. This reinforces the theory of “blaming the victim.” For
the purpose of this situation, the theory of “blaming the victim” implies that since the workers are usually the victims of the violation and they are the ones blamed for the overlooked violation that it simply is their fault.

The Gap also is able to further excuse their corporation, or more than likely blame the workers, if there is a code violation, because the company provides what they refer to as a “code hotline.” This hotline is available to anyone who works within the walls of the factory, to report any violations, whether it is dealing with an issue of health and safety, sexual harassment, etc. and is anonymous to the furthest extent possible. Even though the company provides this anonymous service to their workers, it provided no information on how readily available access to this hotline is, how it work, if it works or even how widely utilized it is.

Furthermore, not only does the company have a Code of Vendor Conduct to operate under, The Gap has employed 90 people, which they refer to as Vendor Compliance Officers (VCOs), which monitor the factories. The Gap website states: “These employees evaluate and monitor facilities on a daily basis and have a broad range of duties, from conducting detailed health and safety inspections, to inspecting sewing machines for safety guards, to reviewing payroll records and interviewing workers” (www.gap.com). If these VCOs are suppose to monitor, make changes and help guide the factories in the right direction, then why does the company feel that 90 people will suffice? These 90 people are responsible for nearly 3,600 factories. When the numbers of factories and the number of VCOs are compared, it is easy to understand that each worker will spend far less than 40 hours per year on each factory, that is if each worker goes into a factory as individuals and not as a group. Therefore, the monitoring process
for each factory will not even equal that of one workweek, as measured in the United States.

Although these VCOs sound like the Gap is taking social responsibility, this type of action can be used as a disclaimer. According to the Oxford Dictionary of Sociology, a disclaimer is a way to “cover those situations in which people ‘want to ward off the negative implications of something they are about to do or say’” (Marshall, p. 695, 1998). For example, The Gap may use a disclaimer that may resemble the following statement: “We know the factories in which our products are manufactured are not perfect, but we have employed VCOs to help to remedy the problem.” Just as the following, actually stated by the corporation, serves as a disclaimer: “We live in an imperfect world — human beings make mistakes” (www.gap.com).

Moreover, all three companies display their codes within the factories, where employees have access to it. This generates another excuse for the companies whenever there is a violation to not hold them accountable for the mistake. Nike also provides a wallet-size copy of the code for each employee in his or her native language. By supplying each worker with this wallet-size version of the code, Nike does not have to monitor for violations, because employees should be able to recognize them and decide to report them.

As far as violations of the codes are concerned, all three companies outline what they do when the factories are not in compliance. Nike suggests that in cases that do not abide by the Code can result in the termination of the relationship between Nike and the factory. But, before the corporation terminates or fines the factory owners or managers for a code violation, there are many steps prior to this type of action that the factories are
taken through to correct the problem. Nike uses a disclaimer here to avoid any negative connotations about their corporate behavior. Nike states that violations of codes occur everywhere, but Nike takes “rigorous steps to work with those owners and managers to help correct those deficiencies, Nike and the factory work together on plans of action to bring the factory into compliance, using specific timelines and target actions If training, education and consultation are not sufficient, factory management is still in violation can impose fines” (www.nike.com). After these steps, if the factory still is not operating within the parameters of the code, then Nike may put the factory on what they refer to as “formal probation.” Nike does not state the average duration for a “formal probation.” If this probation time does not fix the problem, then Nike has the option to terminate their business relationship. But, Nike states: “Those situations are rare, and the factory is given adequate notice to raise standards to compliance” (www.nike.com). It is apparent that the Code of Conduct is simply a mechanism of ideological social control. Nike uses this code to brainwash human rights groups, protestors, and even their employees into believing that they are putting forth effort to fix the problems that have been addressed in the past and continue within the industry. However, this is simply a way for Nike to avoid any negative reactions from the public, to keep their corporation out of the spotlight. If Nike is willing to go through this many stages to bring the factory up to code, then the company is not taking anything seriously, but the profits these factories are generating.

When examining some of the Gap’s responses to the questions generated from people questioning the Code, it is apparent that the Gap has the code also as a form of ideological social control. By stating they have these rules in which they have created
and wish their products were made under, they are able to convince those who are interested that they are concerned and making an effort to remedy the problems that still exist. For example, the Gap states: “If we pulled our business the moment we discovered a violation, we believe some vendors would be less inclined to openly discuss and reveal the challenges they are facing in complying with our Code” (www.gap.com). This reinforces the notion of ideological social control. The company states that by allowing the factory to discuss the problems, future business conducted there, benefits. However, this is simply an excuse to continue Gap’s business relationship with a factory, which has violated Gap’s code. If the company took the code seriously, then every violation would be punishable, rather than compromising and negotiable.

The company said it uses words “like ‘shall’ and ‘must’ instead of words like ‘should’ or ‘may’” (www.gap.com). The company believes if they use words that promote seriousness or strictness that the manufacturers will be more willing to follow the guidelines proposed throughout the code. Furthermore, The Gap stresses the importance of the manufacturers following the code, because if not they will terminate the relationship between them. The Gap threatens on their website to withdraw production in the Third World if the manufacturers fail to adhere to the Code. However, this is simply an advance justification on The Gap’s part for the actions taking place in the factories. With the above clause stated on the website, the company is protected if it falls under questioning.

When examining Disney, the company has similar policies on how they deal with violations. Disney states:

When our factory audits, or information otherwise brought to us by third parties, reveal noncompliance with our Code, we seek to work with the
factory concerned to remedy the situation. In most cases, we encourage the facility to develop a remediation plan to bring its operations into compliance with the Code so that manufacturing of Disney merchandise can continue. In cases where the operators of a particular facility do not develop such a plan, or fail to implement it, we will terminate our authorization of use of the factory for Disney merchandise. Except in cases of egregious violations, however, our preference is to try to bring a facility into compliance, rather than terminate it (www.disney.com).

Disney, like Nike and the Gap, excuses their continued relationship with the factory, based on the hope that the factories will eventually come into compliance. All three companies continue a relationship with factories that make repeated violations. However, not one of the companies state that employees get chance after chance to come into compliance with the codes.

It is apparent that companies have these Codes of Conduct as a means of cooperation with people who may question their behavior. If these companies took their codes seriously, then a few violations could be remedied, but excessive violations would lead to termination of the business relationships. Although all three of the companies state that they ultimately end the relationship, it seems that these corporations allow several violations before even trying the first step to compliance. How many violations does it take in order for these companies to terminate their relationship? This would be an interesting statistic, because not one of the companies provided any information on the extreme or the count of violations the factories had participated in. Obviously, with Nike especially, the factories have several chances before the termination.

These companies offer disclaimers to remove the negative connotations attached to their participation in the global sweatshop industry. For example, Disney states: “The economic, social and political factors that can contribute to adverse working conditions in
factories around the world are obviously too broad and powerful for any one company to overcome” (www.disney.com). By stating this, it is apparent that Disney acknowledges that the working conditions are questionable and perhaps inhumane, but they also admit that the problem is too big to fix. Therefore, they do not feel that it is their sole obligation to remedy the problems.

From the Gap’s standpoint, it is also difficult, if not impossible, to create change within factories that host several other companies at the same time. In other words, the Gap states that it is the responsibility of “labor rights groups and human rights activists to communicate with all the retail customers at a factory” (www.gap.com). This would be a way, according to The Gap to ensure that there would be a consensus within the factory of what fundamental needs need to be met. This is a way to disclaim what their corporation is doing. By stating that all retail customers need to be examined, the gap is disclaiming it by saying that although their practices appear to be questionable, all the other retail customers are participating in the same ways, therefore, they need to be questioned as well. This acts as a diversion for the Gap. Anyway that the company can shift the focus off of itself and onto someone else will be beneficial to the company’s future success.

Moreover, The Gap disclaims its questionable behavior by stating that no company in the World maintains full compliance all the time. Therefore, the Gap’s motive to continue its production, regardless of the fact that their factories operate under inhumane conditions, results in the fact that other companies are doing the same thing, so basically “why not?”
Now it is important that this study examines how these corporations rationalize low wages, excessive hours, child labor, unsafe working conditions, including health and safety, and ventilation.

**Low Wages**

To begin, how are corporations allowed to exploit numerous people around the globe? Each company stated that the wages paid to the workers meet the minimum wage of the country where the factory is located. In other words, if the factory is in Indonesia, more than likely, the company is paying no more than $60.00 a month to each worker, in U.S. dollars. This is a poverty wage, not a living wage, but these corporations are justifying these wages, because they do meet the country’s minimum wage level. Nike is the only company which offered a “FAQ” link on their website. According to the “FAQ” section, Nike states that they can justify the wages of their worldwide workers because: “To the extent we can, we work to ensure the people contributing to Nike's success story are paid fairly. Our primary focus in this regard is the supply chain of manufacturing, where those with the lowest skills and least oversight have their jobs” ([www.nike.com](http://www.nike.com)). Furthermore, Nike states: “Nike contract factories are paid a fair wage, which often combines cash with allowances for meals, housing, transportation, health care and some production bonuses. Nike contract factories set the cash wage for entry-level workers using the standards set by local governments or trade unions in each country” ([www.nike.com](http://www.nike.com)). The companies use justifications in this case, because even though the wages seem low, that it is the country that set the limit, not the corporations.
**Excessive Hours**

Disney states: “Except in extraordinary business circumstances, manufacturers will not require employees to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by local law or, where local laws does not limit the hours of work, the regular work week in such country plus 12 hours overtime. In addition, except in extraordinary business circumstances, employees will be entitled to at least one day off in every seven-day period” (www.disney.com). Here Disney is using both excuses and justifications to explain the excessive hours their workers work. They use the excuse that where it is allowed that workers work more than 48 hours, it is regulated by the nation’s law, rather than expected by the company itself. They use a justification to explain if the worker is worked more than the 60-hour limit (both with regular and overtime) that it is out of an “extraordinary business circumstance” and really out of corporate hands. Furthermore, if the workers do not receive their one-day off a week, Disney also justifies it by stating that it is because of an “extraordinary business circumstance.” Disney does not address how many weeks out of a year they experience an “extraordinary business circumstance,” but it probably happens routinely. The Gap states that they do not “require, on a regularly scheduled basis, a work week in excess of 60 hours” (www.gap.com). However, they also state that they “operate in full compliance with the laws of their respective countries and with all other applicable laws, rules and regulations” (www.gap.com). Therefore, the company is able to justify any week that would require more than the usual 60-hour workweek, by stating that the company is in full compliance with each country’s laws. Also, the Gap reserves the right to change its overtime policy, as the company deems necessary. The
company justifies these changes by stating in the company code that employees will know “about any changes affecting your employment as soon as possible” (www.gap.com). Just as the Gap, Nike complies with all local laws to account or justify the excessive hours each employee must work in one week. Nike also operates on a 60-hour week. Nike justifies the amount of overtime each worker must work by making it a condition at the time of hire.

Child labor

Child labor has been one of the most controversial aspects of sweatshop labor. How does each company account for this issue? To begin, the Gap states: “Factories shall employ only workers who meet the applicable minimum legal age requirement or are at least 14 years of age. Factories must also comply with all other applicable child labor laws” (www.gap.com). Therefore, the Gap is able to excuse the practice of child labor by stating that legal minimum age restrictions are put into effect by particular country and not by the company itself. Also, the Gap states: “The factory maintains official documentation for every worker that verifies the worker’s date of birth. In those countries where official documents are not available to confirm the exact date of birth, the factory confirms age using an appropriate and reliable assessment method” (www.gap.com). Although this may be true, the company does not describe the types of assessment tests it administers. Furthermore, the company is able to excuse itself again, by stating that the factories maintain the documentation on the employee’s date of birth.

Disney excuses the practice in much the same way as the Gap. Disney states: “Manufacturers will not use child labor. The term “child” refers to a person younger than 15 (or 14 where local law allows). Manufacturers employing young persons who do not
fall within the definition of “children” will also comply with any laws and regulations applicable to such persons” (www.disney.com). Disney addresses the issue of child labor within their Code of Conduct with the three sentences above. The company does not make any references nor does it mention child labor anywhere else or in any other manner than what is stated above. Within these three sentences, it is apparent that the company shifts the responsibility of child labor from the company onto the manufacturers. This shift in responsibility allows the company to excuse it.

As for Nike, the company has a different stance on child labor. The company had a negative experience with child labor in Pakistan in the mid 1990’s. Although the company acknowledges and admits this experience, the company does not give any details of what happened. However, Nike does state: “We abhor child labor. Where we find it, we take careful, responsible steps, and redouble our efforts to make sure it doesn't happen again” (www.nike.com). Furthermore, Nike has implemented a child labor policy within its Code of Conduct that states that the company will only employ people 16 and above for apparel production and 18 and above for shoe production. However, Nike created a “grandfather” clause stating that anyone working in the factories 14 and above, would not be terminated, but all new hires would have to meet the age requirements. Although this sounds like Nike is taking the initiative to improve the standards of sweatshop employees, the company does not state how it enforces this policy to make sure the factories stay in compliance. Regardless of the companies’ policies, it is apparent that the companies excuse their behavior regarding child labor.

**Working conditions**
Disney and the Gap justify the working conditions within their factories by stating that the factories meet the minimum requirements that the countries have set in place. Disney states:

Manufacturers will provide employees with a safe and healthy workplace in compliance with all applicable laws and regulations, ensuring at a minimum, reasonable access to potable water and sanitary facilities, fire safety, and adequate lighting and ventilation. Manufacturers will also ensure that the same standards of health and safety are applied in any housing that they provide for employees (www.disney.com).

Although Disney justifies working conditions by complying with local laws, the company also is able to excuse the behavior by stating that the manufacturers provide the working conditions. Therefore, if the factories are not in compliance with the Code, it is because the manufacturers are not conforming to the regulations. Using words like adequate, sufficient and minimum proves the company is doing anything to minimize expenditures, even if that means possibly compromising an employee’s health and safety, to maximize the company’s profits. The Gap’s Code of Conduct is similar to Disney’s. The Gap states:

Factories shall comply with all applicable laws and regulations regarding working conditions. Work surface lighting in production areas—such as sewing, knitting, pressing and cutting—is sufficient for the safe performance of production activities. The factory is well ventilated. There are windows, fans, air conditioners or heaters in all work areas for adequate circulation, ventilation and temperature control. Dormitory facilities meet all applicable laws and regulations related to health and safety, including fire safety, sanitation, risk protection, and electrical, mechanical and structural safety. The living space per worker in the sleeping quarters meets both the minimum legal requirement and the local industry standard” (www.gap.com).

Just as Disney, the Gap uses words like adequate, sufficient and minimum to justify the working conditions within the factories. Moreover, instead of using manufacturers to
place the blame on, the Gap uses the word “factories” to excuse any violation of the Code.

Again, Nike attempted to create a new program to monitor working conditions. The program, MESH (Management of Environment, Safety and Health), “was expanded to encompass all non-product management issues, including manufacturing practices, community affairs, environmental management and health/nutrition programs. It employs extensive educational forums conducted with our contract footwear manufacturers to help them develop, implement, and monitor the MESH program” (www.nike.com). Even though the program states that it encompasses every aspect of working conditions, the only area that Nike went into detail about was air quality within the factories. As far as Nike’s website is concerned, the only information on the testing of the MESH program, was centered around air quality. Not to say that air quality is not important, but the information did not go beyond that to include information on sanitation, fire safety, etc. Therefore, the program is questionable and further information needs to be provided.

With all this in mind, it is apparent that the companies analyzed continue to use excuses, justifications and disclaimers to rationalize their existence in the global sweatshop industry. These excuses, justifications and disclaimers provide a way for the corporations to create a false consciousness among the consumer market. This false consciousness assumes that products are cheaper because of the global sweatshop industry, when in all reality it is simply a way for corporations to maximize their profits and minimize their expenditures.
Conclusion

Although this study provided a tool for those interested in how companies rationalize their participation in the global sweatshop industry, it is necessary that further research be conducted. Because of the limitations posed throughout this study, it is important that others interested in the topic seek alternate ways to obtain information from the corporations themselves. Further research in the area of speaking with an actual associate involved face-to-face with the corporation questioned would be beneficial and necessary to further this type of study. It is important that activists and others interested in abolishing the ever-increasing exploitation of global workers express to companies that are involved, their thoughts and opinions on how to reverse the current trends and create more socially responsible ways to manufacture their products. The call to action is for everyone interested to speak out and let your voice be heard. Everyone needs to come together and make demands to the companies that without a living wage and proper working conditions the global sweatshop industry will continue to be questioned and those involved will continue to be scrutinized.
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