

Research on Sweatshops from the Perspective of Corporate Social Responsibility

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Abstract: Economic globalization brings opportunities as well as challenges to business and labour, and labour rights violations related to sweatshops are one of them. With the human rights movement, more and more social organisations are joining the anti-sweatshop movement. In this context, governments have also been deemed to need to collaborate and take action to ban the sale of products manufactured under sweatshop conditions. This essay will address the anti-sweatshop movement from the perspectives of sustainable supply chains and corporate social responsibility. After analysing the reasons that influence the formation of sweatshops and the importance of the need to eradicate them, the essay will argue that by doing so various governments can effectively promote awareness amongst businesses of their need to adhere to corporate codes of conduct and fulfil corporate social responsibility, and as a result these corporations will have the potential to safeguard labour rights and promote their own sustainable development and social justice.

Keywords: Sustainable development, Social justice, Anti-sweatshop movement

1. Introduction

The phenomenon of economic globalisation, which has been observed since the 1970s, has had a significant influence on many aspects of labour, including labour processes, labour institutions, labour rights, and the labour movement. The emergence of sweatshops has drawn attention to the challenging circumstances faced by workers worldwide. The multinational anti-sweatshop movement has witnessed an alliance of trade unions in North America with human rights, consumer, religious organisations, and others since the second half of the 1990s [1]. The movement has turned its attention towards famous brand-name corporations, subjecting them to criticism, and using the influence of customers and the media to advocate for the implementation of corporate social responsibility (CSR) practices. Furthermore, the movement urges these corporations to develop corporate codes of conduct within their worldwide production systems. It also advocates for the establishment of various monitoring mechanisms to ensure the effective implementation of these codes. The ultimate goal is to eliminate sweatshops on a global level and advance principles of economic and social equality, democracy, and equality. This essay seeks to critically examine the importance of the anti-sweatshop movement from the lenses of sustainability and social equality. Additionally, it will look at the rationale behind advocating for governmental measures that ban the sale of products manufactured under sweatshop conditions. The anti-sweatshop movement will draw support across multiple theoretical frameworks in this essay, which includes corporate codes of

conduct, sustainable supply chains and corporate social responsibility (CSRs). Finally, the essay suggests that to achieve sustainable business development and promote social equality, governments should consider collaborating to ban the trade of products manufactured under sweatshop conditions.

2. The historical context surrounding the development of sweatshops and the challenges associated with their abolition

2.1. The historical context surrounding the development of sweatshops

The significance and necessity of a united effort by governments to ban the trade of products manufactured under sweatshop conditions can only be adequately understood if the causes that influence the formation of sweatshops are understood, as well as the reasons for their persistence, which affects the sustainability of corporations and social equality. The phenomenon required government intervention because, in the context of globalisation, it undermined the legal rights of labour. The term "sweatshop" was first used in the 1890s to describe the working conditions commonly found in garment manufacturing facilities within the United States [2]. Since the 1970s, driven by the "neo-liberal" ideology and accelerated by advancements in high-tech industries, capital has been increasingly spanning national boundaries through international trade and outward foreign direct investment, which has led to the establishment of a global production system. The concept of "sweatshops" has emerged as a result of the outsourcing of manufacturing processes from developed countries and newly industrialised regions in Europe and the United States to developing countries in Asia, Latin America, Africa, and so on [3]. This change is mainly caused by the gradual rise in labour costs in the aforementioned developed regions, prompting manufacturers to seek out regions with abundant labour resources. The development of "sweatshops" came about as a consequence. The mainstream media and researchers have thoroughly investigated a number of issues, it is listed that these include forced labour, child labour, extended working hours, uncompensated overtime, occupational accidents and illnesses, corporal punishment, sexual harassment, and poor pay [4].

2.2. Challenges associated with abolition of sweatshop

When investigating the challenges that corporations can be adopted to eliminate sweatshops, it becomes apparent that the challenges come from the inherent characteristics of capitalist development. These characteristics prevent the prioritisation of labour rights and interests, as profit maximisation, which has become a crucial goal for corporations and results in the devaluation of workers' labour. Sweatshops first emerged as a means to circumvent collective bargaining requirements, and thus decrease workers' wages per unit of output to try to maximise surplus value [5]. Currently, sweatshops mainly operate within low-cost labor-intensive companies. The setup of management systems in corporations have a focus towards the pursuit of improved interests, prioritising the expansion and progress of the organisation. However, this approach often results in insufficient consideration and regard for the rights and interests of employees. Consequently, this imbalance becomes an incentive for the growing number of sweatshops. The origins of this phenomenon can be linked to the exploitative practices used by capitalists inside the capitalist system. As the international market expands, this phenomenon subsequently expands on an international level.

Furthermore, the distribution of jurisdiction relating to the sweatshop issue remains ambiguous within the framework of international law [6]. It is primarily because of the fact that the signatories to international human rights legislation are sovereign countries. It therefore poses challenges in implementing these laws to transnational corporations. The lack of clearly defined binding processes poses challenges in establishing clear of responsibilities and obligations for multinational corporations, which will weaken the basis for strong accountability. Although countries are not now

required by international human rights law to regulate the extraterritorial activities of corporations based within their territory or jurisdiction, doing so is generally not prohibited as long as there is a recognised basis for jurisdiction.

Besides, despite the dedication of international human rights experts to safeguard international human rights and the development of relevant contractual agreements, the establishment of binding norms for the successful enforcement of multinational corporations' human rights obligations has remained unresolved. This lack of mandatory standards has caused more challenges in tackling the sweatshop issues. The Universal Declaration of Human Rights (UDHR), which the United Nations General Assembly adopted on December 10, 1948, does not have an inherent enforceable effect as an international convention [7]. However, it served as the foundation for the development of two mandatory human rights agreements: the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR). It is introduced that Article 2 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) establishes the entitlement of individuals who are citizens of States parties to the right to work, the right to be provided with fair and favourable working conditions, and the right to receive equal compensation for work of comparable value, as well as equal opportunities for promotion, statutory holidays, the ability to participate in trade unions, and the right to strike [8]. Nevertheless, these articles do not include explicit and obligatory provisions outlining the necessary measures to ensure the effective realisation of these rights. A combination of these factors has contributed to the widespread existence of sweatshops within the global economic framework, which affects the sustainable growth of the global economy and the goal of social equity.

3. Double Movement Theory: The Necessity of Anti-Sweatshops

The Double Movement Theory posits the significance of anti-sweatshop movements. Karl Polanyi's theory of the "double movement" in market society provides an important analytical framework for understanding the revolt against sweatshops [9]. This framework sheds light on the ethical aspects of social conduct and the political role of governance. The theory's implications on social and ethical norms, and the political function of government, present a comprehensive explanation for the necessity of governmental intervention in banning the sale of products manufactured under sweatshop conditions. According to Polanyi, the advent of the global industrial revolution has led to the commodification of labour, land, and money inside growing markets [10]. In response, societies have attempted to safeguard themselves by establishing a range of institutional systems that are integrated into powerful social institutions. Polanyi also proposed the concept of embeddedness as a means of explaining the coherent influence imposed by political, social, and moral norms on the dynamics of market trading relationships [11]. The rise of the anti-sweatshop movement can be conceptualised as the establishment of two different alliances that comprises a wide range of actors, and each focused on different spheres of influence: the economic market and the social realm. In the realm of the market, many entities, such as investors, branded merchants or operators, contract manufacturers, accounting and auditing firms, and other stakeholders collaborate in accordance with the principles of the self-regulating market and the pursuit of profit optimisation. Within the scope of social dynamics, a collective comprised of trade unions, human rights organisations, labour rights advocates, student groups, consumer associations, and non-governmental organisations focused on corporate social responsibility, functions with the objective of market regulation and achieving the goals of both economic and social equality.

The progress of the anti-sweatshop movement may be attributed to the interaction, conflict, and mutual transformation of the two logics of market and society. This development revolves around three key themes: code-making, code-monitoring, and labour empowerment [12]. The supporters of the anti-sweatshop movement are dedicated to promoting the adoption of corporate codes of conduct

and multi-stakeholder codes as means to mitigate the negative impacts of sweatshops on the human rights of workers and achieve the goals of social equality. However, the efficacy of these codes is subject to inspection because of the lack of enforceable laws or collective bargaining agreements. In response to this issue, the anti-sweatshop movement has turned its attention to the development of effective inspection processes with the goal of facilitating the enforcement of the code. The improvement of inspection procedures has led to increased transparency and democratic practices within the enforcement process of codes. Nevertheless, it is impracticable to conduct inspections on all factories in the global production system. The movement centred around the promotion of labour empowerment and the promotion of workers to participate in the implementation of the code actively. The anti-sweatshop movement highlights the involvement of various stakeholders, including large market companies, social actors, and governments, in the global manufacturing industry. It suggests the necessity for governments to play a role in macro-regulating the market. Sweatshops are the consequence of a corporation's failure to comply with codes of conduct, current inspection mechanisms lack effectiveness in penalising and preventing labour rights violations; it is recommended that governments take action by implementing measures, such as financial restrictions, to prohibit the sale of products manufactured under sweatshop conditions [13]. This approach aims to stimulate corporations' recognition and reflection of their violations against labour rights, and consequently encourage them to align with the anti-sweatshop movement. By doing so, governments can contribute to the advancement of social justice as well as the realisation of sustainable development goals.

4. Sustainable Supply Chains: A Focus on Corporate Sustainability

If governments implement a ban on the sale of products manufactured in sweatshop conditions, companies will be obligated to think about reducing the production or sale of such products at the very beginning of the supply chain. Additionally, they will need to prioritise safeguarding and preserving of workers' rights, and move forward with their sustainable development efforts. The concept of a sustainable supply chain includes using effective management strategies and ethical governance principles to deal with the environmental, social, and economic consequences related to the entire life cycle of goods and services. It involves carrying out processes for evaluating and managing social, environmental, and economic benefits, and managing potential risks. The objective is to effectively manage the flow of logistics, information, and finances, as well as the distribution of products or services, in order to meet stakeholder requirements and enhance the organisation's core competitiveness.

It covers a range of activities, such as surveys, assessments, and audits conducted on suppliers, focusing on areas such as human rights and labour management. Furthermore, frequent evaluations and reviews are carried out on suppliers with whom they already have business partnerships. Within this particular setting, there is a growing expectation for major corporations to develop effective and sustainable supply chain policies. As indicated by the aforementioned definition, labour, being a key partner in the sustainable development of a corporation, should also be guaranteed the safeguarding of their legal rights. The placing of importance of sustainable supply chains can be seen as a key internal factor that will contribute to the progress of sustainable enterprise development [14]. These corporations, commonly referred to as sweatshops, often disregard the collaboration and coordination among members of the supply chain, putting first their own survival and growth. It is especially apparent that worsening global ecological conditions, the decreasing supply of natural resources, and the growing diversity of interests. As a result, many different social issues, including labour rights issues, arise occasionally. Sweatshops have been proven to have negative impacts on many different factors, the mental and physical health of consumers and employees, social cohesion and equality, environmental impact, sustainability of supply chains, and consumer purchasing behaviour are listed

[15]. Therefore, it is essential for governments to consider carrying out strategies that ban the trading of goods manufactured under exploitative labour conditions. It involves urging corporations to stop the production or sale of such product, and meanwhile fostering sustainable supply chains that safeguard labour rights and foster social equality.

5. Corporate Social Responsibility (CSR): the Obligation Corporations Need to Fulfil

Corporate Social Responsibility (CSR) refers to the ethical and moral obligations that corporations have towards society and the environment. It involves the voluntary actions taken by corporations to cope with societal issues. With the increasing social awareness of human rights, corporations feel obligated to assume social responsibilities that include the safeguarding of labour rights [16]. If governments implement bans on products manufactured by corporations that participate in labour oppression and violate labour rights, it is more likely that these corporations will engage in self-reflection regarding their unethical social practices and subsequently take on appropriate measures to improve the working conditions within their sweatshops. Consequently, this would contribute to the improvement of social justice and facilitate the achievement of sustainable development goals for these corporations. It is pointed out that the emergence of the corporate social responsibility movement in developed countries in Europe and the United States has been observed since the 1980s [17]. This movement covers many different aspects, including labour and human rights. As an outcome, the public has changed their focus from only considering product quality to considering multiple factors, such as occupational health and labour protection. Some non-governmental organisations, such as those engaged in social responsibility, human rights, and public opinion, have repeatedly called for the integration of social responsibility with trade. Trade, on the other hand, is largely dominated by governmental bodies, so those enterprises that effectively practice their CSR should have their trade regulated by governments [18]. CSR is closely related to the corporate production code movement mentioned earlier, and in 2002, the United Nations officially launched the UN Global Compact. The Compact requires all businesses to follow responsibilities in four areas, including human rights and labour. Therefore, the production or trade of products manufactured through sweatshops implies that these corporations are not fulfilling their social responsibilities properly. From this angle, therefore, countries should take action to ban the sale of products made under sweatshop conditions and to urge these enterprises to be socially responsible.

6. Conclusion

It has been demonstrated that corporations need to ban the production or trade of sweatshop products from the perspective of corporate codes of conduct, sustainable development, and corporate social responsibility, and that governments need to play an economic and political role in agreeing to allow any corporation to do so. The anti-sweatshop movement is a socially important movement by social organisations against the exploitation of labour from the standpoint of sustainable development and social justice. As this is a phenomenon born of globalisation, governments should work together to reduce the negative impacts of this phenomenon. Because such bans encourage more corporations to realise that they should adopt corporate codes of conduct and fulfil corporate social responsibility, they are more likely to achieve sustainable development in the near future, and they will contribute to wider social justice. In conclusion, governments should consider collaborating to ban the trade of products manufactured under sweatshop conditions. The main method used in this research was literature collection; no other quantitative data collection or analysis was carried out due to restrictions of various types, however, the literature was accurate and highly relevant and was able to support the completion of this essay.

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