

The Ethical Dilemma of Globalization

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Abstract

This paper argues that globalization is a process that thrives on exploitation and the quest for surplus value, which makes it difficult to make ethical considerations for its participants. Specifically, we ask whether it is possible to protect human and environmental rights during times of turmoil and economic imperialism. As the United States and other industrialized nations continue to offshore in search of new surplus labor and lower regulations, where do we ethically draw the line regarding the protection of human rights and environmental rights? The aim of the paper is to consider how we can ethically promote fair labor standards, pay, and conditions regardless of where value is produced.

Keywords : Globalization, Exploitation, Economic Imperialism, Ethics

Globalization is a process that thrives on exploitation and the quest for surplus value. Navigating questions of ethical considerations is therefore problematic. However, is it possible to protect human and environmental rights during times of turmoil and economic imperialism? As the world globalizes and we begin to offshore more of our goods, how do we ensure that we pay workers a fair wage with decent working conditions while protecting their environment? As the United States and other industrialized nations continue to offshore in search of new surplus labor and lower regulations, where do we ethically draw the line regarding the protection of human rights and environmental rights? This paper asks how we can ethically promote fair labor standards, pay, and conditions regardless of where value is produced.

Corporate greed is a large contributing factor as to why business practices are the way they are (Abney-Korn&Cassiman&Fleetham, 87). Corporations are wanting to make the most amount of money possible. To do this, they must increase their profit margin by lessening the cost of labor and not putting a significant amount of resources into protecting the environment surrounding their production. The truth is that it is expensive to be fair to your workers, to dispose of hazardous material properly, and to reduce the carbon footprint of a company. The United States has a significant amount of regulations when it comes to labor and environmental practices that can be quite costly for the corporations but help to provide a safe working environment “free of recognized, serious hazards” as stated in the Occupational Safety and Health Act administered by the Occupational Safety and Health Administration (United States Department of Labor).

These laws are important elements of our democratic tradition. We make it our duty to protect our people—so why do we fall short on protecting the people of the countries in which we offshore production? Some argue that values between countries differ and that we are providing less developed or poorer nations with jobs that they may otherwise not have had. It is important to help other countries by providing them with opportunities, but should this occur at the expense of others? Another argument is that some money is better than no money that may have otherwise been their reality. American companies do not necessarily need to pay their offshore workers the same salaries that are required for minimum wage laws in America. That amount of money may be worth much more in other countries, but it is important to ensure that we are paying our workers a livable wage regardless of the country in which they possess citizenship.

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This is currently an issue that corporations are struggling with in the United States as the cost of living is increasing quicker than the federal minimum wage. This is an opportunity to potentially have a minimum wage calculation that takes into account GDP, cost of living, etc. in each country in which we offshore. This would ensure that the workers are getting paid a living wage for the work that they do in their country. Many of the human rights violations that occur regarding business practices in other countries are typically indirect violations. They explain this as “cases in which corporations aren’t the primary perpetrators, but rather aid and abet human rights abuse committed by third parties such as host governments or suppliers and contractors in the company’s value chain” (Wettstein, 755). Some American corporations may not be intending to fall short on safety or fair wages but their supply chain may be so spread out that they may not have direct control over their order of operations. This is another opportunity for corporations; shorten their supply chain or hire individuals to monitor their practices more thoroughly.

Wettstein states in his article that it is the duty of organizations to put pressure on the host governments where they do business to enforce fair working conditions for their people. He goes on to say that pulling out of a country because of this is not necessarily the best option though. This is because it only hurts the people more than helping them by depriving them of greater opportunity for work. He states, “refusal to make use of their leverage in such situations may be interpreted as a sign of moral support and approval, which is frequently interpreted as a sign of moral complicity” (Wettstein, 756). A well-known example for unfair labor practices in a large corporation is Walmart, who have been publicly ridiculed for their unfair pay and working conditions both in the United States and abroad. This has escalated to where a Walmart Chinese Workers’ Association (WCWA) has been formed in the hopes to promote “job security and real collective bargaining rights” for their workers. These workers, throughout their supply chain, feel that Walmart has not been working in the best interests of their employees (Chen). Large corporations like Walmart have a strong bargaining power and have the ability to create real change for their workers but they have been known to take advantage of the power they have. Many different brands know that by boycotting Walmart’s exceptionally low offers for their goods it puts them at a disadvantage because their products will not be sold at a major retailer. This causes a trickle-down effect. If Walmart is not willing to pay companies a fair price for their goods, they do not make as much money and are not able to invest as much back into their businesses in the form of fair wages and working conditions. The difficulty with this is that there is only so much money in the company so Walmart would potentially have to choose between paying their direct suppliers fair wages or paying the brands they supply fair wages. This is a potential argument from a business perspective; the money would likely have to come from the top salaries and trickle down. In 2014, the Chief Executive Officer of Walmart, Doug McMillon, made \$25.6 million which is roughly 1,133 times the median salary for Walmart employees which is \$22,591 (Che). The decisions of large retailers directly affect the actions of the companies whose brands they sell.

In an analysis on the effect of globalization, it is stated that “this global development is sometimes viewed as being responsible for disenfranchisement, exploitation, and other forms of human rights abuses. On the other hand, improvements in human rights are sometimes attributed to the spread of liberal ideas, which is one of the key dimensions of globalization” (Dreher, Gassebner and Siemers). It is clear that there are many positive effects to globalization such as the spread of new ideas, as stated, and the development of new opportunities and growth within different countries. Globalization is a key component to the concept that our world is shrinking and people from all over the world are becoming closer than ever before. Globalizing has the opportunity to be an excellent force to push further growth for other countries, but it must be done so responsibly; without exploiting the labor of less developed countries (LDCs). When American companies offshore their labor into countries with less regulations for that sole purpose, they’re not helping the country to grow, they’re exploiting their people. An important factor to take into consideration is intention. If an American corporation has good intentions to provide opportunities for individuals in LDCs, they will likely be more willing to work toward fair practices. Often times, companies are not even aware of what is occurring in their facilities abroad. They may not have an individual that is monitoring for their practices to ensure health and safety standards are up to par. Abney-Korn, Cassiman, and Fleetham state in their article that, “if it is the work of science to construct the laws of nature, it is certainly the work of imagination to deconstruct the laws of society and nature so that we may begin a process of constructing a world that prioritizes our own definitions of justice, equality, and freedom” (Abney-Korn&Cassiman&Fleetham, 93). Many may disagree with this statement though, as value systems vary so much between countries and it is difficult for one nation to impose a ‘correct’ system upon another.

Globalization's negative environmental impact is undeniable and it is contributing to pollution in a variety of different ways. Help Save Nature's website addresses the positive impacts that it has had on our society and lifestyles when they say, "it has ushered a new era in the economic prosperity and has opened up vast channels of development." Globalization has improved the lives of countless people from around the world and has brought countries closer together than ever before, but in the process has made a large negative impact on the environment. Many activists have drawn attention to globalization increasing consumption in general (Facts About Globalization and its Alarming Impact on the Environment). Increased consumption leads to more things being produced, and ultimately polluting landfills. Most things that are consumed today come in some sort of packaging or possess a tag. If the items are purchased online, the amount of packaging that will eventually find its way to a landfill or an ocean only increases from there. Not to mention the various mediums of transportation that were used to bring the item to the consumer's doorstep. The garbage that is eventually dumped into the ocean, and the chemicals that come with it, is beginning to kill off the underwater sea organisms and is leading to more of them being placed on the endangered species list (Facts About Globalization and its Alarming Impact on the Environment).

Globalization has also allowed the consumer to purchase and eat food that were produced around the world and that may not have been available in the climate which they live. Although this can be seen as a benefit, and allows for more choice and variety when it comes to food, it also causes fresh foods to be transported as quickly as possible to reach its final destination. All of this increase in transportation has put a fairly large strain on the supply of non-renewable sources of energy including gasoline. The fumes that are emitted from the aircraft carrying the goods have begun to deplete the ozone layer. The increased need for oil has caused an increase in fracking which has attributed to many major oil spills in recent years (Facts About Globalization and its Alarming Impact on the Environment). According to the United States Department of Energy, in an average year, roughly 1.3 million gallons of oil is spilled into our waters. This number only increases with every major oil spill that occurs (FAQ: The Science and History of Oil Spills).

The idea of the 'Race to the Bottom' is very well known in economics and international relations. Essentially it is the concept that countries begin to lower their standards in order to increase business in their country resulting from the pressures of increasing competition. This results in countries allowing lower wages and poorer working conditions in order to increase business within their nation. This is where the name 'Race to the Bottom' comes in; it is a race between nations to lower their standards in order to increase business within their country. Blanton and Blanton conducted a study regarding this concept and it states "most countries seem convinced that inward foreign direct investment is beneficial for their local economies and the race is on" (Blanton & Blanton, 268).

Globalization does have its positive effects such as providing opportunities and jobs in other countries and it shrinks the world by bringing nations closer together. In a collection of studies conducted by Flaten and Soysa they found that "globalization may enhance prospects for social progress, not social resistance and political violence as skeptics claim" (Flaten&Soysa, 622). It opens nations up to new ideas and allows them to grow and develop through engaging with others. In some cases, American corporations will come into LDCs and provide better wages and working conditions than most of the jobs offered there provide.

Globalization should be used to bring fresh ideas to the table and to further growth in developing countries. It should not be used to exploit labor through low wages and poor working conditions, or to avoid environmental laws and regulations. It also should not be used for tax breaks as that is taking advantage of the LDCs that globalization is intended to support. Globalization has the potential to do great things for the world if used ethically and with fair practices for all of the parties involved. The world is shrinking and it is important for organizations to be looking out for the good of the people from around the world, and be less focused on increasing profits and racing to the bottom.

In my opinion, the United States, as a highly-developed and wealthy country, has the opportunity to make a big difference in the world through offshoring, but only if done so responsibly. We make a valiant effort to treat our citizens with respect and protect their rights by requiring them to be upheld in the workplace. As we venture our business into other countries, it is important that we do not lose sight of where our values lie. What makes America a great country is the opportunity that we provide for individuals to flourish and grow, and ultimately remain safe. We have a multitude of rules and regulations that companies are required to uphold in order to be able to remain in operation. I find it difficult to understand that when we offshore business, we allow these regulations to no longer be important. Exploiting the labor of other country's citizens does not make America great- it makes it unfair.

We must also remember that by hurting the environment across the world, it will eventually come back and hurt us. Our actions have repercussions, and other countries will begin to outcompete us in greatness if our values are only superficial. Greatness comes from the heart of your values and exhibiting them in every aspect of your life- that is the direction that America must begin to move in if we want to stay an excellent nation.

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