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Two Cheers for Sweatshops

By Nicholas D. Kristof and Sheryl WuDunn

It was breakfast time, and the food stand in the village in northeastern Thailand was crowded. Maesubin Sisoipha, the middle-aged woman cooking the food, was friendly, her portions large and the price right. For the equivalent of about 5 cents, she offered a huge green mango leaf filled with rice, fish paste and fried beetles. It was a hearty breakfast, if one didn't mind the odd antenna left sticking in one's teeth.

One of the half-dozen men and women sitting on a bench eating was a sinewy, bare-chested laborer in his late 30's named Mongkol Latlakorn. It was a hot, lazy day, and so we started chatting idly about the food and, eventually, our families. Mongkol mentioned that his daughter, Darin, was 15, and his voice softened as he spoke of her. She was beautiful and smart, and her father's hopes rested on her.

"Is she in school?" we asked.

"Oh, no," Mongkol said, his eyes sparkling with amusement. "She's working in a factory in Bangkok. She's making clothing for export to America." He explained that she was paid \$2 a day for a nine-hour shift, six days a week.

"It's dangerous work," Mongkol added. "Twice the needles went right through her hands. But the managers bandaged up her hands, and both times she got better again and went back to work."

"How terrible," we murmured sympathetically.

Mongkol looked up, puzzled. "It's good pay," he said. "I hope she can keep that job. There's all this talk about factories closing now, and she said there are rumors that her factory might close. I hope that doesn't happen. I don't know what she would do then."

He was not, of course, indifferent to his daughter's suffering; he simply had a different perspective from ours -- not only when it came to food but also when it came to what constituted desirable work.

Nothing captures the difference in mind-set between East and West more than attitudes toward sweatshops. Nike and other American companies have been hammered in the Western press over the last decade for producing shoes, toys and other products in grim little factories with dismal conditions. Protests against sweatshops and the dark forces of globalization that they seem to represent have become common at meetings of the World Bank and the World Trade Organization and, this month, at a World Economic Forum in Australia, livening up the scene for Olympic athletes arriving for the competition. Yet sweatshops that seem brutal from the vantage point of an American sitting in his living room can appear tantalizing to a Thai laborer getting by on beetles.

Fourteen years ago, we moved to Asia and began reporting there. Like most Westerners, we arrived in the region outraged at sweatshops. In time, though, we came to accept the view supported by most Asians: that the campaign against sweatshops risks harming the very people it is intended to help. For beneath their grime, sweatshops are a clear sign of the industrial revolution that is beginning to reshape Asia.

This is not to praise sweatshops. Some managers are brutal in the way they house workers in firetraps, expose children to dangerous chemicals, deny bathroom breaks, demand sexual favors, force people to work double shifts or dismiss anyone who tries to organize a union. Agitation for improved safety conditions can be helpful,

just as it was in 19th-century Europe. But Asian workers would be aghast at the idea of American consumers boycotting certain toys or clothing in protest. The simplest way to help the poorest Asians would be to buy more from sweatshops, not less.

On our first extended trip to China, in 1987, we traveled to the Pearl River delta in the south of the country. There we visited several factories, including one in the boomtown of Dongguan, where about 100 female workers sat at workbenches stitching together bits of leather to make purses for a Hong Kong company. We chatted with several women as their fingers flew over their work and asked about their hours.

"I start at about 6:30, after breakfast, and go until about 7 p.m.," explained one shy teenage girl. "We break for lunch, and I take half an hour off then."

"You do this six days a week?"

"Oh, no. Every day."

"Seven days a week?"

"Yes." She laughed at our surprise. "But then I take a week or two off at Chinese New Year to go back to my village."

The others we talked to all seemed to regard it as a plus that the factory allowed them to work long hours. Indeed, some had sought out this factory precisely because it offered them the chance to earn more.

"It's actually pretty annoying how hard they want to work," said the factory manager, a Hong Kong man. "It means we have to worry about security and have a supervisor around almost constantly."

It sounded pretty dreadful, and it was. We and other journalists wrote about the problems of child labor and oppressive conditions in both China and South Korea. But, looking back, our worries were excessive. Those sweatshops tended to generate the wealth to solve the problems they created. If Americans had reacted to the horror stories in the 1980's by curbing imports of those sweatshop products, then neither southern China nor South Korea would have registered as much progress as they have today.

The truth is, those grim factories in Dongguan and the rest of southern China contributed to a remarkable explosion of wealth. In the years since our first conversations there, we've returned many times to Dongguan and the surrounding towns and seen the transformation. Wages have risen from about \$50 a month to \$250 a month or more today. Factory conditions have improved as businesses have scrambled to attract and keep the best laborers. A private housing market has emerged, and video arcades and computer schools have opened to cater to workers with rising incomes. A hint of a middle class has appeared -- as has China's closest thing to a Western-style independent newspaper, Southern Weekend.

Partly because of these tens of thousands of sweatshops, China's economy has become one of the hottest in the world. Indeed, if China's 30 provinces were counted as individual countries, then the 20 fastest-

growing countries in the world between 1978 and 1995 would all have been Chinese. When Britain launched the Industrial Revolution in the late 18th century, it took 58 years for per capita output to double. In China, per capita output has been doubling every 10 years.

In fact, the most vibrant parts of Asia are nearly all in what might be called the Sweatshop Belt, from China and South Korea to Malaysia, Indonesia and even Bangladesh and India. Today these sweatshop countries control about one-quarter of the global economy. As the industrial revolution spreads through China and India, there are good reasons to think that Asia will continue to pick up speed. Some World Bank forecasts show Asia's share of global gross domestic product rising to 55 to 60 percent by about 2025 -- roughly the West's share at its peak half a century ago. The sweatshops have helped lay the groundwork for a historic economic realignment that is putting Asia back on its feet. Countries are rebounding from the economic crisis of 1997-98 and the sweatshops -- seen by Westerners as evidence of moribund economies -- actually reflect an industrial revolution that is

raising living standards in the East.

Of course, it may sound silly to say that sweatshops offer a route to prosperity, when wages in the poorest countries are sometimes less than \$1 a day. Still, for an impoverished Indonesian or Bangladeshi woman with a handful of kids who would otherwise drop out of school and risk dying of mundane diseases like diarrhea, \$1 or \$2 a day can be a life-transforming wage.

This was made abundantly clear in Cambodia, when we met a 40-year-old woman named Nhem Yen, who told us why she moved to an area with particularly lethal malaria. "We needed to eat," she said. "And here there is wood, so we thought we could cut it and sell it."

But then Nhem Yen's daughter and son-in-law both died of malaria, leaving her with two grandchildren and five children of her own. With just one mosquito net, she had to choose which children would sleep protected and which would sleep exposed.

In Cambodia, a large mosquito net costs \$5. If there had been a sweatshop in the area, however harsh or dangerous, Nhem Yen would have leapt at the chance to work in it, to earn enough to buy a net big enough to cover all her children.

For all the misery they can engender, sweatshops at least offer a precarious escape from the poverty that is the developing world's greatest problem. Over the past 50 years, countries like India resisted foreign exploitation, while countries that started at a similar economic level -- like Taiwan and South Korea -- accepted sweatshops as the price of development. Today there can be no doubt about which approach worked better. Taiwan and South Korea are modern countries with low rates of infant mortality and high levels of education; in contrast, every year 3.1 million Indian children die before the age of 5, mostly from diseases of poverty like diarrhea.

The effect of American pressure on sweatshops is complicated. While it clearly improves conditions at factories that produce branded merchandise for companies like Nike, it also raises labor costs across the board. That encourages less well established companies to mechanize and to reduce the number of employees needed. The upshot is to help people who currently have jobs in Nike plants but to risk jobs for others. The only thing a country like Cambodia has to offer is terribly cheap wages; if companies are scolded for paying those wages, they will shift their manufacturing to marginally richer areas like Malaysia or Mexico.

Sweatshop monitors do have a useful role. They can compel factories to improve safety. They can also call attention to the impact of sweatshops on the environment. The greatest downside of industrialization is not exploitation of workers but toxic air and water. In Asia each year, three million people die from the effects of pollution. The factories springing up throughout the region are far more likely to kill people through the chemicals they expel than through terrible working conditions.

By focusing on these issues, by working closely with organizations and news media in foreign countries, sweatshops can be improved. But refusing to buy sweatshop products risks making Americans feel good while harming those we are trying to help. As a Chinese proverb goes, "First comes the bitterness, then there is sweetness and wealth and honor for 10,000 years."

Photo: No sweat? Chinese workers, willing to put in long hours, are helping to revive the Asian economy. (Erica Lansner/Black Star)