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Neoliberal Globalization and the Question of Sweatshop Labor in Developing Countries

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Globalization and *neoliberalism* are two of the leading economic buzzwords of our time. But what do these terms mean? The answer is not obvious. The major technical innovations in communications and transportation technologies over the past generation have, of course, dramatically reduced the costs of maintaining effective economic links on a global scale. Moreover, the collapse of the Soviet system eliminated this challenge to capitalist hegemony, even though the governments professing Communism had long since abandoned any serious claim to a democratic, egalitarian alternative to free market capitalism. The result, in any case, was that huge areas of the world economy were now open to capitalism to a degree unprecedented in generations.

Neoliberalism is a contemporary variant of classical liberalism, holding that opening national economies to free trade and multinational capital investments, deregulating labor and financial markets, sharply cutting back government spending, eliminating government deficits and inflation will, in combination, produce a social order that is more fair and efficient than any feasible alternative. Neoliberalism has been the guiding ideological and policy framework within which capitalism has spread in the contemporary epoch.

Corresponding with the ascendancy of neoliberal globalization has been the emergence of several crucial new patterns in global economic activity. One of the most important of these new patterns has been the rise in manufacturing productive capacity in less-developed economies. This development could not have occurred without the advances of our time in communications and transportation technology. But equally, we cannot understand this development without placing it in the context of neoliberal economic policies.

These developments—globalization, neoliberalism, and the rise of manufacturing productive capacity in developing countries—all come together in one of the most hotly debated economic questions of our time, at least in the United States. This is rapid the spread of sweatshop labor conditions throughout the developing world. Among other things, the rise of sweatshop labor conditions in developing countries has spawned a widespread and vibrant, and in many respects, highly successful political movement in opposition to sweatshop conditions.

In this chapter, I examine five central issues regarding the global spread of sweatshop labor and the rise of the anti-sweatshop movement. The first is to situate the rise of the anti-sweatshop movement within the broader historical context of rising manufacturing capacity in less-developed countries. I then pose this simple question: Are sweatshops really so bad? Many analysts contend that they are the best option available for the world's poor. If this weren't so, then workers simply wouldn't allow themselves to be hired into such employment conditions. In opposition to this view, I argue that people accept sweatshop jobs not because they are a favorable option by any absolute scale, but because they don't have viable fallback positions. Or to put it somewhat less technically, people accept sweatshop jobs because they like to eat. The reason they don't have a viable fallback position—that is, the reason they don't see alternative routes to gaining their daily bread—is due to how neoliberal globalization has transformed conditions for both agricultural and manufacturing workers in developing countries. I then consider whether neoliberal globalization has foreclosed any serious alternative to sweatshop conditions for workers in developing countries. I try to show that viable alternatives to sweatshop working conditions can be advanced even within the current historical and political conditions through the simple device of raising retail prices modestly to cover the incremental costs of providing decent employment conditions for production-level workers. I conclude by considering whether it is really feasible to expect that raising retail prices would not simply generate additional revenue for retailers, but would actually get passed back through the production chain to workers at the point of production. In answering this question in the affirmative, I reach an overall conclusion that viable alternatives to sweatshop working conditions in developing countries have already been advanced to a significant, if still early, extent through pressures created by the anti-sweatshop movement.

NEOLIBERALISM AND THE RISE OF SWEATSHOP LABOR IN DEVELOPING COUNTRIES

The reports that first attracted widespread media attention in the United States were about the production of Nike athletic shoes, beginning with a 1992 story in *Harper's* that described workers in Indonesia assembling nearly fourteen pairs of Nike shoes every day and earning fourteen cents per hour, less than the Indonesian government's standard for "minimum physical need" for a full-time worker. The next heavily reported revelations concerned the clothing line endorsed by TV personality Kathie Lee Gifford, whose popular appeal rested heavily on her wholesome image. In April 1996, Charles Kernaghan of the New York-based National Labor Committee told a U.S. congressional committee that Gifford's clothes were made by Honduran girls earning thirty-one cents per hour laboring in sweatshops. (The rise of anti-sweatshop activism in the United States is chronicled in Shaw, 1999.)

Similar reports continued. For example, an October 2, 2000, *BusinessWeek* story titled "A Life of Fines and Beatings" described conditions in Chinese factories that make products for Wal-Mart, among other Western companies. One handbag-producing firm profiled in the story employed nine hundred workers. It charged them $15 a month for food and lodging in a crowded dormitory, which the article describes as a "crushing sum" given that a newly hired worker would clear $22 in his or her first month. The company also forced new workers to relinquish their personal identity cards, so "workers risked arrest if they ventured out of their immediate neighborhood."

These news reports detailing conditions in individual production sites are also consistent with more extensive and systematic studies sponsored by, among others, the International Labour Organization of the United Nations, and various U.S. university groups. Considering the apparel and footwear industries alone, such reports found extremely low pay, dangerous and unhealthy working conditions, and restrictions on workers basic rights—that is, all features that we commonly associate with the term *sweatshop*—to be common in the developing world. (This literature is summarized briefly in Pollin, Burns, and Heintz, 2004.)

But certainly an abundance of poorly paid jobs and bad working conditions are hardly novel phenomena in less-developed countries. Indeed, these are among the main features that define a country as being "less developed." Is there really anything new about the sweatshop labor conditions that have been widely publicized in recent years? Or is it simply a matter of the media in rich countries suddenly paying more attention to a long-standing and pervasive situation?

In fact, the current high level of attention to global sweatshop conditions does reflect more than just a rise in awareness. The underlying reality behind the rise in sweatshops is the extremely rapid increase over the past twenty-five years in less-developed countries producing manufactured products for export markets. We can see this pattern in figure 6.1, showing the share of manufacturing exports as a percentage of total exports for the less developed countries. As the figure shows, manufacturing exports amounted to 17.7 percent of total exports for less-developed countries as recently as 1980. By 1998, the figure had risen to 71.6 percent. The most rapid growth in exports among these countries has been in Asia—especially China, South Korea, Taiwan, Thailand, Malaysia, Indonesia, and India. But Latin American and African countries have also experienced significant increases in their export markets.

Of course, not all manufactured exports from less-developed countries are produced under sweatshop conditions. But the strategy of many business owners in less-developed countries—just as in the advanced countries—is to

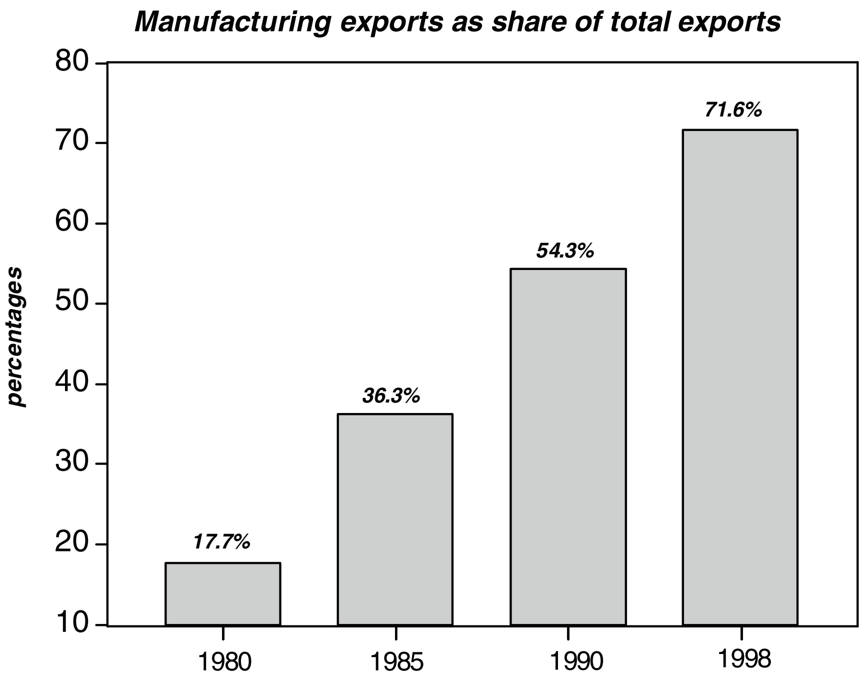

Figure 6.1. Manufacturing exports in developing countries.

Source: World Bank, World Development Indicators 2001 CD-ROM gain a competitive advantage through squeezing workers, and thereby driving down labor costs as far as possible. In many countries, business firms are able to proceed unchecked with such "race to the bottom" employment practices because of a lack of reasonable laws governing minimum wages, working conditions, and the basic rights of workers. Perhaps even more frequently, reasonable labor standards do exist on paper in less-developed countries but are not enforced in practice. These are the conditions that have fostered the rapid spread of sweatshops throughout the developing world.

ARE SWEATSHOPS REALLY SO BAD?

But recognizing the existence of sweatshops is one thing: is it reasonable to also assume that sweatshops are a problem for less-developed countries? In fact, many well-known economists and other commentators consider the spread of sweatshops in these regions as a highly favorable development. This view is expressed straightforwardly in a September, 24, 2000, *New York Times Magazine* article titled "Two Cheers for Sweatshops," by *Times* columnist Nicholas Kristof and Sheryl WuDunn, focusing on conditions in Asia. Kristof and WuDunn write:

> 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 . . . the simplest way to help the poorest Asians would be to buy more from sweatshops, not less.

Jeffrey Sachs, a leading economist at Columbia University, expresses this same perspective even more emphatically when he says that the problem is "not that there are too many sweatshops, but that there are too few." Also endorsing this view, the Princeton economist and *New York Times* columnist Paul Krugman explains that "the result [of sweatshop employment] has been to move hundreds of millions of people from abject poverty to something still awful but nonetheless significantly better," and thus, that "the growth of sweatshop employment is tremendous good news for the world's poor."

However else one might react to such perspectives, they do bring attention to a simple, but extremely important fact about sweatshops: the single most important reason that sweatshops exist is that people accept these jobs. True, once workers are hired into sweatshop firms, they are often forced to stay on the job through harsh forms of compulsion, as the *BusinessWeek* story quoted above makes clear. Still, for the most part, workers could escape sweatshop conditions simply by refusing to show up at work. The fact that they do show up means that sweatshop employment represents an option for hundreds of millions of workers in developing countries that is superior to their next best alternative. Presumably, this is the sense in which the Kristof and WuDunn offer "two cheers" for sweatshops, Professor Sachs calls for more sweatshops, and Professor Krugman praises them as "tremendous good news" for the world's poor. (The quotations from Sachs and Krugman are cited in an excellent essay by Miller, 2003.)

But is it actually true that there is no alternative to creating ever more sweatshops if developing countries are to reduce poverty and succeed economically? In fact, this perspective is seriously misguided, because it ignores some crucial facts about the way that conditions have changed dramatically under neoliberal globalization.

SURPLUS WORKERS IN LESS-DEVELOPED COUNTRIES

At least since World War II, rural workers in developing countries have been migrating out of agricultural employment. This migration has freed up more workers to contribute toward the production of nonagricultural goods and services, which, in turn, has generally contributed positively to economic growth in developing countries. But this migration out of agriculture also created a new problem: the supply of workers moving out of agriculture was exceeding the demand for these workers in other forms of employment. This pattern led to the formation of a massive pool of "surplus" workers—people who were forced to scramble for a living any way they could. A high proportion of them migrated into the queue for jobs in the manufacturing sectors in developing countries with virtually nothing as an alternative fallback position. These are the conditions under which poor working people might well regard a sweatshop factory job as a better option than any immediately practical alternative. (These issues are developed more fully, with citations, in Pollin, forthcoming.)

This pattern has worsened under neoliberal globalization, resulting from the interaction of several factors. First, the reduction or elimination of tariffs on agricultural products has enabled cheap imported grains and other agricultural products to capture a growing share of the developing countries' markets. This has made it increasingly difficult for small-scale farmers in developing countries to survive in agriculture, which, in turn, has accelerated the migration into the nonagricultural labor market. Neoliberal policies have also brought reductions, if not outright elimination, of agricultural subsidies to smallholders.

As conditions have thus worsened for small-scale agricultural producers, their opportunities for finding jobs in manufacturing have also been limited by several factors also associated with neoliberal policies. The first has been the overall decline in economic growth and average incomes in most developing countries in the neoliberal era. As income growth fell, so did the expansion of domestic markets, and thus also the expansion of jobs producing goods for domestic consumers.

But what about the sharp rise in manufacturing exports by developing countries? In fact, even this development has not generally translated into a comparable rise in jobs producing goods for export markets (with some important exceptions, notably China again, but also Malaysia and Chile). Many of the countries that are now manufacturing exporters—in particular the large Latin American economies, Mexico, Argentina, and Brazil—did already have large-scale manufacturing sectors in operation, though these earlier-vintage manufacturing sectors, under the import substitution model, concentrated on producing for their domestic markets. The liberalization of trade policies has therefore produced improvements in their exporting capacity, but, concurrently, a corresponding increase in the penetration of their own domestic markets by foreign imports. Moreover, firms in the relatively new export manufacturing countries have been forced to appropriate higher productivity production methods in order to compete in the global market. This has made their operations more efficient, but has also entailed reducing the number the workers they employ.

Workers in developing countries thus face a double squeeze: diminishing opportunities to continue earning a living in agriculture, but nothing close to a compensating growth of job opportunities outside of agriculture. These are the circumstances that have pushed more working people in developing countries into a desperate situation where they must accept a sweatshop job to continue to live. But this situation can hardly be construed as "tremendous good news for the world's poor," as Paul Krugman put it. They are simply the raw facts of life for hundreds of millions of people under global neoliberalism.

SWEATSHOP JOBS VS. NO JOBS: NO ALTERNATIVES?

In fact, there is evidence in considering the pattern of manufacturing production in less-developed countries that offers grounds for optimism about alleviating sweatshop conditions. The argument that sweatshops are "tremendous good news for the world's poor" is based on a simple premise: if working conditions in developing countries were to become more desirable—that is, if wages were to rise, workplaces to become cleaner and safer, and workers were able to exercise basic rights—then labor costs in these countries would become excessive. The firms producing in developing countries would then be out-competed on global markets, and job opportunities for the poor would dry up, despite the best intentions of anti-sweatshop activists. But this simple premise is contradicted by the actual patterns between wage and employment growth in the apparel industries of developing countries. Table 6.1 offers evidence that speaks to this question.

More specifically, table 6.1 gives data on the relationship between real wage and employment growth in the apparel industries for twenty-two developing countries between 1998 and 1997 (these twenty-two developing countries were the only ones for which adequate data were available). I have grouped the countries into four categories, those in which:

1. employment and real wage growth *rose* together
2. employment and real wage growth *fell* together
3. employment *fell* while real wage growth *rose*
4. employment *rose* while real wage growth *fell*.

As we can see from the table, the countries in which employment and real wages rose together, shown in panel A, is the largest category—both in terms of the total of eight countries included in this category, and in terms of the 1.2 million workers employed in these countries as of 1997. These figures clearly contradict the notion, at least in the apparel industry, that developing countries must maintain labor costs as low as possible in order for job opportunities to grow. It is true that wages rose only modestly in most of the eight countries listed, but the fact that they are rising at all demonstrates that factors other than maintaining sweatshop working conditions are contributing to the growth of jobs. Some of these other factors are the productivity levels in the apparel plants, the quality of the local transportation and communications infrastructure, and the effectiveness of the marketing channels through which the newly manufactured clothing items reach retail markets.

Panel B includes three countries—Kenya, Guatemala, and Barbados—in

Table 6.1 Relationship between Employment and Real Wage Growth in Developing Countries' Apparel Industries

A) Countries in Which Employment and Real Wages *Rose* Together

(listed according to total employment levels in 1997)

	Total apparel employment in 1997	*Employment growth average annual rate 1988–1997 (percentages)*	*Real wage growth average annual rate 1988–1997 (percentages)*
1) Indonesia	393,300	+17.4	+1.3
2) India	270,000	+29.9	+0.7
3) Philippines	161,300	+4.8	+1.2
4) Morocco	116,900	+10.3	+2.3
5) Columbia	66,700	+3.7	+1.2
6) Malaysia	60,500	+4.4	+3.8
7) Costa Rica	32,900	+4.1	+2.9
8) Chile	13,800	+1.6	+6.5
TOTAL EMPLOYMENT FOR ALL COUNTRIES	1,215,400		

B) Countries in Which Employment and Real Wages *Fell* Together

	Total apparel employment in 1997	*Employment growth average annual rate 1988–1997 (percentages)*	*Real wage growth average annual rate 1988–1997 (percentages)*
1) Kenya	7,300	−1.2	−1.9
2) Guatemala	1,900	−2.1	−10.3
3) Barbados	1,300	−3.1	−6.1
TOTAL EMPLOYMENT FOR ALL COUNTRIES	10,500		

(continues)

which apparel workers' wages fell over 1988–1997, but employment nevertheless declined as well. This is a small grouping of countries, which also employs a small number of workers. But it is still useful to observe examples in which pushing wages down did not succeed in stimulating job growth.

Panel C shows the countries in which wages rose while employment declined. But these cases need to be interpreted carefully. South Korea, for example, experienced the fastest real wage growth of the twenty-two countries in the sample, at an average annual rate of 8.3 percent, while the number

Table 6.1 Continued

C) Countries in Which Employment *Fell* While Real Wages *Rose*

	Total apparel employment in 1997	Employment growth average annual rate 1988–1997 (percentages)	Real wage growth average annual rate 1988–1997 (percentages)
1) South Korea	151,500	−5.7	+8.3
2) South Africa	126,300	−0.5	+2.1
3) Mauritius	66,400	−1.3	+7.0
4) Mexico	24,500	−2.1	+1.8
5) Puerto Rico	20,100	−3.6	+0.3
6) Singapore	8,100	−11.5	+4.8
7) Panama	4,300	−0.7	+1.8
TOTAL EMPLOYMENT FOR ALL COUNTRIES	401,200		

D) Countries in Which Employment *Rose* While Real Wages *Fell*

	Total apparel employment in 1997	Employment growth average annual rate 1988–1997 (percentages)	Real wage growth average annual rate 1988–1997 (percentages)
1) Uruguay	11,300	+0.2	−6.3
2) Jordan	4,900	+8.7	−3.3
3) Ecuador	3,900	+1.5	−10.2
4) Bolivia	2,200	+18.5	−1.9
TOTAL EMPLOYMENT FOR ALL COUNTRIES	22,300		

Source: World Bank, *World Development Indicators, 2001* CD-ROM

of jobs in the apparel industry was declining at 5.7 percent annual rate. Two developments explain this pattern: rising productivity among apparel producers and growing strength by the country's labor movement, which pushed successfully for higher wages while operating in a democratic environment for the first time. Jobs in which both wages and productivity are rising rapidly should be considered a positive development. But it does still create a challenge at the same time: that job opportunities be created elsewhere in the Korean economy, to prevent unemployment from rising.

The countries in Panel D conform most closely in their experiences to the claims of sweatshop enthusiasts: they experienced employment growth while wages declined. But this grouping consisted of only four countries, employing 22,300 workers.

The overall point is that there is no single formula that will deliver a successful manufacturing sector in developing countries. Maintaining sweatshop working conditions and other "race to the bottom" business practices may indeed be successful in driving down costs and thereby enhancing competitiveness. But the evidence presented here also shows that there are other ways to establish a growing manufacturing sector in developing countries and pushing labor costs down will, in itself, guarantee nothing.

There is another important consideration at play here: the fact that consumers in the United States and other wealthy countries express strong preferences to not purchase products made under sweatshop conditions, the entreaties of sweatshop enthusiasts notwithstanding. Consider the results of a 1999 survey of U.S. consumers sponsored by the National Bureau of Economic Research. This poll found that, on average, consumers were willing to pay 28 percent more on a $10 item and 15 percent more on a $100 item to ensure that the products they bought were made under "good working conditions" (the poll results are in Elliot and Freeman, 2003).

These polling results are especially striking, given the findings from a study I conducted with Justine Burns and James Heintz (2004). We estimated how much retail prices in the United States would have to rise in order to fully finance a 100 percent wage increase for apparel production workers in Mexico. Our study examined the case for Mexico only because, among developing countries, it provides the most comprehensive government statistics on production costs in its apparel industry. We recognized that a one-time 100 percent wage increase for Mexican workers—a doubling of existing wage rates—was well beyond what was likely to result even in a political environment dominated by a broadly shared commitment to eliminating sweatshops. But for the purposes of the exercise, it was important that we not err by underestimating how much labor costs might have to rise to eliminate sweatshops. The result we obtained was that retail prices in the U.S. clothing market would have to rise by only *1.8 percent to fully cover this 100 percent wage increase*. Consider, for example, the case for a $100 sport jacket. To finance a 100 percent wage increase for Mexican workers producing this jacket, the retail price of the jacket would have to rise by $1.80, to $101.80. At the same time, the National Bureau of Economic Research poll finds that U.S. consumers would be willing to pay $115 for this jacket if they could be ensured that it had not been made under sweatshop conditions.

WOULD THE EXTRA REVENUES REALLY GET PASSED BACK?

Of course, by itself, this simple exercise does not demonstrate that sweatshop labor conditions could be readily wiped out through modest increases in consumer prices. The world is obviously more complex than our exercise allows. Take just one additional layer of complexity. If the jacket's retail price really did rise from $100 to $101.80 in the U.S. market because U.S. consumers want their clothes manufactured under non-sweatshop conditions, how would the consumers actually know whether that extra $1.80 that they spent on the jacket is actually getting channeled back to the production-level workers in Mexico, as opposed to getting pocketed by the owners of their local JCPenney outlet? There is no airtight answer to this or several other similar questions.

WILL REVENUES ACTUALLY GET PASSED BACK?

The links between the production and the retail marketing of garments are complex, often occurring among business entities operating in different parts of the world. Nevertheless, if workable methods for monitoring production sites can be established, it is correspondingly realistic to expect that price increases at the level of retail could be consistently passed through to production-level workers.

The garment industry operates through three core links: the contractors, responsible for production; the manufacturers, responsible for design and distribution; and the retailers. Note, again, that the "manufacturers" such as Polo, Ralph Lauren, or Nike, create and maintain labels, but they generally are not directly involved in the actual production of clothing and footwear.

In the contemporary U.S. garment industry, retailers operate with substantial market power, especially relative to manufacturers and contractors rather than with consumers. This is primarily because of the high degree of concentration in the retail industry, with the "lean retailing" revolution, beginning in the late 1970s, only having increased the extent of concentration. For example, as reported by Abernathy, Dunlop, Hammond, and Weil, between 1977 and 1992, the percentage of total sales through general merchandising outlets accounted for by the fifty largest general merchandising firms rose by 14.5 percentage points, from 77.3 to 91.8 percent. The four largest general merchandising firms—Sears, Wal-Mart, KMart, and JCPenney—themselves accounted for 47.3 percent of sales in 1992 (1999: 75–76). By 1999, the share of total sales of the four largest chains—with Wal-Mart the largest and Target moving just ahead of JCPenney as fourth largest—rose still further, accounting for 73.2 percent of total general merchandising sales, that is, an increase of nearly twenty-five percentage points above the 1992 level (see *Fortune Magazine* April 17, 2000, F-64).

While the major U.S. retailers clearly possess substantial market power, the oligopolistic structure of the industry does not preclude strong price competition within this industry. None of the major retailers can expect to raise prices significantly without experiencing consumer defections. This competitive environment could limit the ability of any given retailer to raise prices. But even recognizing this, it is also true that the competitive success of the major retailers depends less on specific pricing strategies than on other factors, including quality of service, advertising, responsiveness to consumer demands, adoption of information technologies, and managing supply chains. These issues are discussed at some length in Abernathy et al. (1999: 39–54).

Another aspect of the competition among retailers needs to be especially emphasized here, which is their distribution arrangements, which allow them to carry merchandise of the most popular manufacturers. This provides the popular name-brand labels with a significant degree of market power as well, which they fight to maintain and strengthen through massive expenditures on image-enhancing advertising.

All of this would suggest that price markups could be sustainable at the retail level. However, it still would not necessarily follow that the additional revenues generated by these markups would get passed back to production-level workers, rather than absorbed at either the retail or manufacturing levels. This is especially so, given that business owners would of course prefer that they, rather than production workers, receive the extra revenues generated by higher retail prices.

Nevertheless, establishing a framework for revenue pass-backs from retail to production workers can still be viable. Two factors appear crucial here: that retailers and manufacturers do exert market power over contractors and that much of the success of business at these levels is determined by creating positive brand images. If the retailers and manufacturers conclude—no doubt with reluctance—that their marketing efforts are damaged by negative associations between themselves and sweatshop labor conditions, they have the market power to impose a system of regulation on their contractors. This is the process that is now occurring with the U.S. college logo apparel market in setting up so-called codes of conduct, and financing the operations of agencies that monitor compliance with these codes. The arrangements that evolve in this could be generalized to other retailers and manufacturers. In short, the rising concentration of retailing power, combined with the importance of positive brand images to the retailers, creates an increasingly favorable environment for establishing codes of conduct that reach back to the level of apparel production. (The importance for manufacturers of effective methods of monitoring was expressed by Doug Cahn, director of Reebok's Human Right's Program, as follows: "Paying money up front [for monitoring] helps protect against criticisms of your brand image . . . because the brand image stands for something that can't be [allowed to] erode" [quoted in Burnett and Mahon, 2001: 71].)

Perhaps the most challenging issue here is whether contractors would adhere to such codes of conduct in practice, regardless of whether they have accepted them in writing. For the college logo apparel market alone, somewhere between roughly three thousand and six thousand production sites operate throughout the world. It is not practical to expect that monitoring agencies could maintain contact with all of these sites on a regular enough basis to assure compliance with the codes at all, or even most, of them. What this implies is that production sites will need to be monitored largely by the on-site workers themselves; that is, monitoring agencies need to develop effective procedures to hear the voices of the on-site workers. Such an approach to monitoring is in the process of being implemented by the Workers Rights Consortium, the monitoring entity that emerged in 2000 out of the anti-sweatshop protest movements. The success of this monitoring methodology is likely to be crucial to the success of the entire anti-sweatshop monitoring enterprise. Burnett and Mahon emphasize the importance of open methods to the success of establishing credible monitoring techniques. They conclude, "Credible arrangements for the monitoring of overseas labor standards will have to be more intrusive, unpredictable, and expensive for the firms being monitored. With spot verification by nonmonitors being so important to consumer trust, openness to this verification becomes a key foundation for ex-ante credibility" (2001: 67).

Of course, many more layers of complexity present themselves in a broader consideration of employment problems in developing countries in our era of neoliberal globalization. Perhaps the most vexing question remains that a job in a sweatshop is almost always a superior alternative to no job whatsoever. Given this simple fact, opponents of sweatshop working conditions in developing countries will need to increasingly embrace within their analytic and political frames of reference the broader issues of unemployment, underemployment, and informal employment in the developing world. At the same time, grappling with this broader set of employment issues has been, and will continue to be substantially illuminated by the insistent questions and answers advanced by the anti-sweatshop movement.

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