

"Ethical Issues in Manufacturing Labor: Research Proposals for the Philippines"

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I. Introduction

- In my Sekiguchi Global Research Association (SGRA) 14th Manila Seminar paper presentation, the following were listed as ethical and moral challenges for business in the coming years: (1) The concept of “sustainable global enterprise” needs further analysis and research. “Triple bottom line” for business accounting might need to be extended to a “quadruple bottom line”, to include the ability of businesses to: contribute to economic growth in their respective countries; minimize environmental degradation and decline; alleviate or eradicate poverty, disease, and social injustice in the communities in which they operate; (2) Virtue Ethics research is also urgent, in order to inspect the virtues of management—a descriptive study of their virtues as well as empirical work on the desirable managerial virtues—, and one that would debate firms’ or managers’ fiduciary and stewardship duties. In line with the so-called “ethics of care”, research into whether firms’ products and services respect the dignity and the inalienable and fundamental rights of individual human beings is urgently needed (Villegas, 2011; Aguirre and Hadley, 2005);

I. Introduction (cont'd)

- (3) Investigative work ought to be done to track down perpetrators of wasteful use of funds and scarce resources, given the mounting evidence of corporate products and services that harm citizens' health or are detrimental to economic growth; (4) A more profound ethical analysis of the "Bottom of the Pyramid" (BOP) markets is necessary, to answer such questions as: Are we genuinely attending to the needs and welfare of the poorest of the poor? Where is the dividing line between marketing to the BOP and manipulation or abuse? Do we have sufficient cultural sensitivity to be able to respectfully engage those marginalized communities? Are we behaving in such a way as to establish mutual trust? Do we have a positive attitude towards achieving win-win solutions? (Simola, 2007); and

I. Introduction (cont'd)

- (5) Schools and universities have to be encouraged to debate the moral, legal and governance issues that envelop sustainable development. Universities' curriculums might have to be revised to incorporate teaching strategies that can imbue students with a greater "ethical sensitivity". A special emphasis might have to be given to the nurturing of human resources, as human capital —people who are educated and healthy— has been shown to be the engine for economic growth.

I. Introduction (cont'd)

- In this presentation, I inspect such ethical challenges as far as manufacturing labor is concerned. Specifically, I shall propose investigative research in this regard, after presenting a review of literature in the following labor areas of concern:
- (1) “Sweat shop” concerns (i) inhumanely low wages, (ii) poor working conditions, (iii) below minimum standards of occupational health and safety,
- (2) Special types of labor: (i) Child labor, (ii) Slave labor, (iii) Captive/Forced labor,
- (3) Sundry issues: Unethical healthcare programs for manufacturing businesses that can hurt labor; Training and development; etc.

2. Literature Review

(1) “Sweat shop” concerns (i) inhumanely low wages, (ii) poor working conditions, (iii) below minimum standards of occupational health and safety:



2. Literature Review (cont'd)

In the Philippines and most of the rest of Asia, below-average salaries are unfortunately standard among vulnerable labor groups such as women, less-skilled or unskilled workers, labor moving from rural to urban areas, etc. Most of these laborers are concentrated in the textile, garment, footwear and consumer goods sectors. The existence of “sweatshop” working conditions has received considerable attention from governments employing low-wage foreign labor and from the press in recent years. Particular emphasis has been placed on the production of apparel, much of which is done by foreign suppliers for U.S. manufacturers and retailers. Numerous efforts have been initiated by the U.S. apparel industry as well as by government agencies to curb labor abuses and to ensure reasonable working conditions. Purchasing managers for U.S. apparel manufacturers and retailers have found themselves faced with the challenge of ensuring that their merchandise is produced under humane, equitable conditions, even though suppliers may be located in distant markets outside of the corporate umbrella. (Emmelhainz and Adams, 1999; Le Vinh Danh, 2011).

2. Literature Review (cont'd)

(2) Special types of labor: (i) Child labor, (ii) Slave labor, (iii) Captive/Forced labor:



2. Literature Review (cont'd)

In 1995, based on limited statistical evidence from 100 countries, the International Labor Organization (ILO) estimated there were 73 million child workers between the ages of 10 and 14 worldwide. One year later, based on a closer scrutiny of the problem, the ILO estimated that, in developing countries alone, there were at least 120 million children between the ages of 5 and 14 who were fully at work, and more than twice as many (or about 250 million) if those for whom work is a secondary activity are included. By the end of the 20th century, the use of child labor was concentrated most heavily in the developing countries throughout Asia, Africa, and Latin America (Hindman and Smith, 1999).

2. Literature Review (cont'd)

During the agricultural and industrial revolutions in Europe and North America, child labor was common. More recently, over the period 1994 to 2002, there were more than 330 news articles raising concerns about child labor. Recent cases of international companies and alleged child labor included Nike's production of soccer balls in Pakistan in 1996, numerous cacao plantations and chocolate factories in Ivory Coast in 2001, Monsanto, Unilever, and national seed companies in India in 2003, sugar plantations supplying Coca-Cola in El Salvador in 2004, and Walmart and garment factories in Bangladesh in November 2005 (Isern, 2006).

2. Literature Review (cont'd)

(3) National or International Laws Mandating Objectionable “Health Care” Programs:

True development-oriented Human Resources (HR) management, apart from attending to all of the firm's stakeholders —employees, customers, suppliers, neighborhoods, regulators— and not just the firm's shareholders, also means taking seriously the firm's fiduciary and stewardship duties. Business ought to contribute to the common good by creating wealth, providing goods and services in an efficient and fair manner, at the same time respecting the dignity and the inalienable and fundamental rights of individual human beings. Furthermore, it ought to contribute to social well-being and a harmonic way of living together in just, peaceful and friendly conditions (Garriga and Melé, 2004).

2. Literature Review (cont'd)

(3) National or International Laws Mandating Objectionable “Health Care” Programs:

In America, the conception of human dignity has come to include resisting welfare rights, given the current debate about whether and how government should expand healthcare coverage (Rao, 2012). The public reaction to Obama’s Patient Protection and Affordable Care Act of 2010 (ACA) has been that a persistent majority of Americans do not favor ACA for the simple reason that the new healthcare law constrains the choices of individuals. In fact, a majority of states in the U.S. are resisting the health insurance reform law: twenty-eight states have launched or joined lawsuits asserting that ACA is in violation of the Federal Constitution (Rabkin, 2012).

2. Literature Review (cont'd)

(3) National or International Laws Mandating Objectionable “Health Care” Programs:

Individuals and businesses have also come forward to resist ACA via litigation, since the healthcare reform law requires almost all individuals to purchase health insurance, whether or not they are directly engaged in interstate commerce. Even people who are not employed are required to purchase insurance. The mandate extends even to those who dissociate themselves from buying or selling in the regular economy (Rabkin, 2012).

→ **EXAMPLES** in the next slides...

2. Literature Review (cont'd)

A Letter from Hobby Lobby Stores CEO

By David Green, the founder and CEO of Hobby Lobby Stores, Inc.

But now, our government threatens to change all of that. A new government health care mandate says that our family business MUST provide what I believe are abortion-causing drugs as part of our health insurance. Being Christians, we don't pay for drugs that might cause abortions, which means that we don't cover emergency contraception, the morning-after pill or the week-after pill. We believe doing so might end a life after the moment of conception, something that is contrary to our most important beliefs. It goes against the Biblical principles on which we have run this company since day one. If we refuse to comply, we could face \$1.3 million PER DAY in government fines.

So, Hobby Lobby and my family are forced to make a choice. With great reluctance, we filed a lawsuit today, represented by the Becket Fund for Religious Liberty, asking a federal court to stop this mandate before it hurts our business. We don't like to go running into court, but we no longer have a choice. We believe people are more important than the bottom line and that honoring God is more important than turning a profit.



PUBLIC SERVICE ANNOUNCEMENT:
HOBBY LOBBY
SHOULDN'T BE STANDING ALONE!
WHERE ARE THE REST OF THE COUNTRY'S CHRISTIAN OWNED AND OPERATED BUSINESSES!?

HOBBY LOBBY

MIDLAND -- Shoppers hit an arts-and-crafts store by storm this weekend, to show their support of "religious freedom."

Shoppers across the county, including in Midland, shopped at Hobby Lobby Saturday to show support of the chain.

This [grassroots movement](#) comes as the store is required to provide contraceptive coverage as part of its healthcare benefits package under "Obamacare." But Hobby Lobby is openly opposing the healthcare mandate on religious grounds.

A LETTER FROM HOBBY LOBBY
BY DAVID GREEN, THE FOUNDER AND CEO OF HOBBY LOBBY STORES, INC.

2. Literature Review (cont'd)



Dominos Pizza Founder Wins Emergency Order to Stop HHS Mandate

by Steven Ertell | Lansing, MI | LifeNews.com | 1/2/13 11:40 AM

National

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The founder of Dominos Pizza won his bid for an emergency order to prevent enforcement of the mandate while the lawsuit it filed against the Obama administration over the HHS mandate that forces religious employers to purchase drugs that may cause abortions for their employees continues.

Tom Monaghan calls requiring businesses, schools and other religious places to pay for such drugs a "gravely immoral" practice and filed suit earlier this month in federal court for Domino's Farms, a business development complex he owns.



Ave Maria University is a vibrant university located in beautiful **southwest Florida**. It is an academic institution that pledges faithfulness to the teachings of the Church and is committed to providing one of the finest classical liberal arts curricula available.

Ave Maria is known for faithfulness to the magisterium of the Catholic Church, a caring faculty and staff, and a unique educational philosophy that strives to develop the whole person. See the Mission Statement of Ave Maria University and our brief History. Academics is the heart of every educational institution. It is what we strive to do best within a truly wholesome Catholic environment.




On Friday, the Thomas More Law Center, a pro-life legal group, filed an Emergency Motion for a Temporary Restraining Order on behalf of Monaghan to stop enforcement of the HHS Mandate in order to prevent immediate irreparable injury to his fundamental rights.




**The Responsible Parenthood
and
Reproductive Health Act
of 2012**



Approved: DEC 21 2012


BENIGNO S. AQUINO III
President of the Philippines



In the Philippines, with R.A.10354 having been enacted last December 2012, a similar conflict —violence and coercion— is likely to arise. Our manufacturing labor needs improved wages and sound working conditions for dignity’s sake, NOT abortifacients. ☹

3. The Ethical Management of Human Resources: Proposals for Manufacturing Labor

Personal and corporate responsibility are at risk whenever they fail to appreciate the task of promoting the true good of the whole person: “There cannot be holistic development and universal common good unless people’s spiritual and moral welfare is taken into account, considered in their totality as body and soul.” ([Caritas in Veritate 76](#)) The “goods and services” that often drive our economic and political subsystems can be counterfeit, uncritical surrogates for goods that are truly good and services that truly serve. The central feature of this diagnosis is a kind of reductionism, a “settling for less” by fixating on goods that fall short of authenticity ([Goodpaster, 2011](#)).

3. Proposals for Manufacturing Labor

The business ethics of business owners directly affects the vulnerability of low-income laborers and their benefits. Business in a global era can only be sustainable if profit targets and developmental strategies are adjusted by the self-awareness of enterprises. These enterprises must respect business ethics to ensure a stable source of labor. However, this cannot simply be calculated by self-awareness of the business owners, but also there must be some **supporting measures and sanctions** (Le Vinh Danh, 2011).

3. Proposals for Manufacturing Labor

The existence of “sweatshop” working conditions has received considerable attention from both the U.S. government and the press in recent years. Particular emphasis has been placed on the production of apparel, much of which is done by foreign suppliers for U.S. manufacturers and retailers. Numerous efforts have been initiated by the U.S. apparel industry as well as by government agencies to curb labor abuses and to ensure reasonable working conditions. Purchasing managers for U.S. apparel manufacturers and retailers have found themselves faced with the challenge of ensuring that their merchandise is produced under humane, equitable conditions, even though suppliers may be located in distant markets outside of the corporate umbrella. Despite industry initiatives, such as the Apparel Industry Partnership Agreement and the National Retail Federation Statement of principles on Supplier Legal Compliance and corporate codes of conduct, **indications are that there is only limited uniformity across such codes, the codes lack substantial detail, and the codes are particularly lax in the area of monitoring and enforcement** (Emmelhainz & Adams, 1999).

3. Proposals for Manufacturing Labor

There is evidence that there is an interaction between **individual values and the organizations' value systems**. Thus, when an individual is faced with an ethical dilemma, his or her value system will color the perception of the ethical ramifications of the situation. It is, therefore, critical to have a basic understanding of the relationship between value systems and individuals' perceptions of organizational ethics. One can also try to understand more about how people's values determine not only their perceptions of morality but also the actions they might take. With regard to those cultural values that are closely tied to ethical perceptions, the findings (**Racelis, 2010**) show clear evidence that moral judgment is related to organizational members' value positions, beliefs, and assumptions. In other words, ethical discernment is not value-neutral, but is necessarily directly associated with values and decision-making. There is sufficient evidence to support the theory that organizational values are associated with organizational members' perception of ethical business dilemmas.

3. Proposals for Manufacturing Labor

A manufacturing company's most important asset is its productive capacity. That derives from a combination of people, machines and infrastructure. People are important: in the machine reliability world, one of the most important groups of people is also one of the most overlooked (Johnson, 2011).

In certain Asia-Pacific countries, a **Training Reform Agenda** (TRA) in the manner of a “social accord” has been undertaken, bringing together government, community and business to achieve consensus on a broad range of social objectives, including labor training (Cooney, 2002).

3. Proposals for Manufacturing Labor

“Labor-friendly corporate practices” are in order: this term refers to those practices that involve the devotion of significant resources (financial and otherwise) to enhancing employee welfare and helping them balance their home and work lives. ...To propose such system would be consistent with a genuine concern for employees translating into higher productivity and profitability, which in turn facilitate value creation. It appears that the benefits of labor-friendly practices significantly outweigh the costs and that what is good for employees is good for shareholders. ... (Faleye and Trahan, 2011).

**A strong
lobby against
coercive,
harmful
“healthcare”
[aka
contraceptive]
laws must be
undertaken!**



Hobby Lobby Will Defy Obama HHS Mandate, Risk Millions in Fines

Washington, DC | 12/28/12 12:15 PM

Following a decision by Supreme Court Justice Sonia Sotomayor denying Hobby Lobby's request for an exemption from the Obama administration's HHS mandate, the Christian retail company said it will defy the mandate.

St. Louis Planned Parenthood Botches Third Abortion in Weeks

St. Louis, MO | 12/28/12 12:49 PM

The Planned Parenthood abortion business in St. Louis has apparently botched its third abortion in recent weeks, as it was documented sending another woman to a local hospital the day after Christmas.

Michigan Governor Signs Major Pro-Life Bill Stopping Abortions

Lansing, Mi | 12/28/12 5:49 PM



Watchdog Sues Obama Admin Over Arranging Abortions for Illegals

Washington, DC | 12/28/12 4:28 PM



Employees Paying the Price for Obama Admin's HHS Mandate

Washington, DC | 12/28/12 2:53 PM

The Obama Administration is seeking to impose its moral views on the owners of all businesses in the

Alongside LITIGATION against such coercive, harmful
“healthcare” [aka *contraceptive*] laws, studies on
Abstinence Education should be disseminated far and wide!



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This is a Backgrounder On
Sex Education and Abstinence

Evidence on the Effectiveness of Abstinence Education: An Update

By [Christine Kim](#) and [Robert Rector](#)
February 19, 2010

heritage.org



- Principle of **BENEFICENCE** and **NON-MALEFICENCE!**

Areas for further research

All told, this researcher shall further her research into the following areas:

- (1) Investigation and creation of a framework for evaluating manufacturing firms: Ensuring **code of conduct** applicable to firms' manufacturing operations as well as to their contractors; Dissemination of such codes of conduct; Disclosure mechanisms in place; Monitoring scheme employed;
- (2) Empirical study of the financial benefits of Socially Responsible Investment (SRI) in **labor-friendly practices**;
- (3) Empirical use of scales in the manufacturing sector: **Human Development Index (HDI)**, Labor Quality Index (LQI), Perceived Leadership Integrity Scale (PLIS), etc.
- (4) Alongside litigation against coercive, harmful "healthcare" programs, studies on **Abstinence Education** should be disseminated far and wide!