

ESTABLISHING GOVERNMENT ACCOUNTABILITY  
IN THE ANTI-SWEATSHOP CAMPAIGN:  
TOWARD A LOGICAL, ACTIVIST APPROACH  
TO IMPROVING THE WORKING CONDITIONS  
OF THE POOR

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ON COLLEGE CAMPUSES ACROSS the country, there has been an escalating uproar concerning labor conditions in less economically developed regions of the world. Many student organizations—such as the United Students Against Sweatshops (USAS)—propose to improve the conditions of the world’s poor by boycotting clothing made under the “sweatshop” conditions in which many of these poor labor.<sup>1</sup> Such organizations demand that foreign-owned corporations improve the wages and working conditions in poorer regions of the world, and enact boycotts or lobby for legislation that will forcefully implement these initiatives.

Economic theory, however, suggests that such actions are misguided. Indeed, it is hard to make the case that there is something wrong with people working for wages that others find abhorrent when these laborers are very poor and have few other options; if a laborer is working for extremely low wages it is his way of pursuing his best perceived option, and concurrently the market’s way of

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Ellennita Muetze Hellmer has a masters degree in social science from the University of Chicago. Although he does not agree with many of the points here, and, indeed, I explicitly criticize his views on the subject, I still wish to thank Walter Block for his assistance in the preparation of this article. The usual caveats apply: all errors are my own responsibility.

<sup>1</sup>The definition of what a “sweatshop” exactly is can vary, but it is generally any type of factory in which workers work very long hours for very little money under conditions that are perceived by some to be less than adequate to assure worker health and safety.

allocating scarce resources efficiently given the supply of labor and the demand for the laborer's product. Generally, low wages are "just" as the laborer and the employer freely agree upon them. It would therefore seem misguided for a third party to step in and make a value judgment concerning this agreement based upon some illogical interpersonal utility comparison. Indeed, economic logic suggests that it is actually harmful for third parties to demand higher wages and better (more costly) working conditions for the poor, as such demands will result in unemployment among the most disadvantaged, given that these measures seek to raise wages above the going market price. Tragically, many efforts to violently enforce improved working conditions in developing nations before these conditions emerge through the market process will also ruin the comparative advantage of poor nations and thus an important opportunity for economic development.

Given these points, many observers—especially libertarians—tend to view the actions of such student organizations as USAS as actions arising from an ignorance of basic economics (e.g., Block 2000). However, it is not necessarily correct to entirely dismiss the sense of injustice felt by these groups. Although these organizations may be misguided in only attacking the wages paid by corporations, the claims of injustice are not always fictitious, not by a long shot. In some countries, such as Burma/Myanmar, workers are forced by the state to work in miserable manufacturing jobs for powerful multinational corporations (*The Economist* 2000; Amnesty International 2004). In other countries, such as Indonesia and several of those in Central America, governments have followed models of economic development that forced people from their land in order to attract multinational firms to export goods to the global economy and give the politicians a cut of the profit (Abrash 2003, p. 392; *South-East Asia Mining Letter* 1995; Booth and Walker 1999). These models of sweatshop development do not follow the free-market ideal of resource allocation mentioned above. There is a link between such utilitarian models of economic development and slavery, as the former is a government's way of violently forcing people to follow a model of economic action that these people would not agree to otherwise—presumably because they do not see the model fitting their best interests. Indeed, in these cases protesting voices should be heard, as governments are clearly violating the personal and property rights of individuals.

As many of the goods produced under these conditions are exported to the global economy, libertarians and other humanitarians should educate themselves about the conditions under which they are produced in a way that extends beyond the basic use of

free-market teleology to explain why some people work in miserable conditions.<sup>2</sup> Indeed, acknowledging that governments are often responsible for the plights of “sweatshop laborers” is an important step in fighting for the economic and civil liberties of people throughout the world. This step goes beyond the band-aid propositions of “corporate social responsibility” put forward by many anti-sweatshop organizations by addressing the real cause of miserable working conditions in many parts of the world. Anti-sweatshop organizations would therefore be better advised to focus on the government actions that have led to the miserable labor conditions that they are so fond of describing, thereby protesting these as the real cause of much of the misery evident in the developing world. Indeed, a fight for private property and personal protection against coercive aggression would be a more sustainable, logical, and economically literate approach to improving the conditions of the working poor of the world.

#### BACKGROUND ON ECONOMIC THEORY

Anyone who has sat through Microeconomics 101 knows that a refusal to buy certain goods (in the form of a boycott, regulatory legislation, etc.) does not necessarily help poor workers, nor do demands to raise wages above the market-clearing price. Aside from the seemingly intuitive idea that a boycott may result in the loss of jobs for many poor workers, extra-market measures (such as minimum wage laws and state legislation enforcing certain working conditions) set a floor on wages. A wage floor that is higher than the wages paid to labor in a free market creates a surplus of labor (unemployment), as it compels employers to hire fewer workers than he or she would at a cheaper price for labor. Thus the demand for labor becomes less than the supply of labor attracted by the high wages. In this case, workers are in turn attracted to and shut out of the market for labor, as the price distortion created by the wage floor has signaled to them that more workers are needed, but they are shut out by the wage-inflexibility imposed by outside forces.

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<sup>2</sup>In *Human Action* Mises (1949, p. 107) claims that the sciences of human action (such as economics) are entirely ruled by teleology. The only observation that can be made about action is that, in order to act, a human must feel discomfort and believe that a chosen action must be the best way to improve his condition. Many economists apply this reasoning to explain the phenomena of sweatshops by pointing out that laboring in a sweatshop must be the most beneficial option that a laborer can pursue, or else they would not do so. Therefore, these same economists reason, these sweatshops are indeed the best thing for the worker, and dismiss any further ethical discussions about the matter.

When discussing fair wages, it is also necessary to go beyond basic supply and demand analysis and recognize that an employer cannot pay more to the worker than what the worker has produced, as that would lead to eventual bankruptcy. Nor can an employer pay the workers less than what they rightfully earn through their marginal revenue product, at least not for long. If an employer were to pay a wage earner far less than what the worker produced for the employer, there would be a high turnover rate as other profit-seeking firms compete for the cheap labor, and the initial employer would be pressured to raise wages in order to hold onto his labor force. Thus wage-rates in a free market tend to equal the marginal revenue productivity of labor.

Indeed, we can see this process occur in the developing world. In most poor nations, there is a surplus of labor, so unemployment, poverty, and even starvation ensue. Since there is such a surplus of workers relative to the number of available jobs, the price of labor is very cheap in many of these countries, allowing corporations the luxury of a small overhead and a large profit if they hire poor laborers to manufacture their goods, which they in turn sell for a price that is much greater than the cost of production. However, the logic of economic action shows that this is not a sustainable situation—good news for impoverished and unemployed laborers. As corporations struggle to stay competitive and maximize profits, the disparity between the costs of production and the sale price of a given good that occurs when manufacturing is located in a poor nation attracts more firms to these countries. When this occurs, more jobs become available and the surplus of labor diminishes. Eventually, firms have to compete with each other in order to hire the best workers, a process that bids up wages, benefits, and labor conditions in such a way as to vastly improve their condition. The sweatshops, then, are a necessary step toward a sustainable economy that provides good jobs for what were at one time very poor and desperate people. Efforts to keep multinational corporations from locating manufacturing or other activities in foreign countries and efforts to reduce the profitability of such action prevent this beneficial process from occurring.

Given this logic, it is assumed by many economists to be silly to protest against sweatshop conditions. More expensive labor conditions and higher wage rates than those allocated by the market cause unemployment and hinder economic development, especially in poor nations. It is also fallacious to criticize the voluntary choices made by individuals in different areas of the world just because those actions have not resulted in what the subjective observer considers to be satisfactory economic conditions, as this involves an interpersonal utility comparison that no one but an omniscient God is qualified to make.

However, it is a quantum leap to go from the perfect *a priori* economic logic presented above to the real world and assume that this *ceteris paribus* logic always applies. Often, the harsh facts of global political economy do not follow the rules of free-market theory as the prerequisite of voluntary choice is often absent; people are sometimes kidnapped and forced to labor by their governments, and property rights are not always respected. While the above activities do not prevent individuals from pursuing what they believe to be their own best-interest, it is not reasonable to defend their choices and ignore the previous injustices that have led to their current state if one is to make a humanitarian argument against interference in the market. In a world in which personal and property rights are always respected, the logic of the economic libertarian is impeccable; however, advocates of this philosophy should continuously remind ourselves that this is not always the context in which real suffering people (especially in underdeveloped nations) operate when we demand that corporations be allowed to benefit from the differing legal systems abroad.

#### THE MULTINATIONAL UTILIZATION OF SWEATSHOP SLAVERY IN BURMA/MYANMAR<sup>3</sup>

The case of Burma provides an instructive example of how anti-sweatshop groups have recognized injustice in the global political economy and have sought to redress it, although being somewhat confused about what the injustice is. Burma has been a major supplier of apparel in the past, especially to the U.S., which consumes 16 percent of all Burma's exports. Apparel imports from Burma skyrocketed during the 1990s, increasing by 272 percent since 1995. This export is a significant source of revenue for the Burmese nation, constituting over 80 percent of all Burmese imports entering the U.S. (The National Labor Committee, 2004). The retail clothing companies in the U.S. that have sold items manufactured in Burma include Adidas, Kohl's, Warner Bros., Bugle Boy, Jordache, and Nautica, a significant group of major low-cost-clothing providers (*ibid.*).<sup>4</sup>

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<sup>3</sup>Although the military government of this country changed the name to "Myanmar," the democratically elected Parliament does not recognize the name change, and maintains use of the name, "Burma." Due to the support of the democratically elected leaders, the U.S. government likewise uses "Burma," and I adopt this convention.

<sup>4</sup>In 1997, the United States passed a law barring American companies from making any new investments in Burma. But many "grandfathered" companies

Several years ago, students at the University of California, Berkeley and American University organized in order to get items manufactured in Burma pulled from the shelves of the campus stores. After drawing media attention to the issue, the universities decided to pull the goods, and the supplying apparel company (Jansport) requested a return of all its Burmese-made apparel (*The Daily Californian* 2000). The students lobbied for this action charging that the goods were produced under what they charged were woefully unacceptable labor conditions. While a boycott may not have been the most effective means to help the laborers in Burma, one cannot simply dismiss the efforts of the student activists as economic illiteracy, as libertarians are wont to do.

Indeed, a number of other grassroots organizations, including the Free Burma Coalition, Global Exchange, and the Campaign for Labor Rights, have campaigned in the past to use the force of the state to end the importation of apparel made in Burma. Generally, reasons for concern cited are the usual anti-sweatshop rhetoric, most notably contempt for corporate profits. For example, a study by the National Labor Committee (NLC) concerning the source of NBA hooded sweatshirts manufactured in Burma reports that garment workers' wages are as low as 7 cents per hour, and that the workers in Burma are paid just 4 cents for each NBA hooded sweatshirt they sew; their wages add up to less than one-tenth of 1 percent of the NBA's \$60 retail price for the garment.

Sadly, however, the NLC and most other organizations miss the linchpin in an attack on the Burmese system of manufacturing. Mentioned (very briefly) in this report is the fact that merely questioning factory conditions can result in imprisonment. This last fact is reasonably well-documented but tragically far from the only individual liberties violation that is a way of life in Burma. However, it is brushed over by an organization that claims to care for international labor rights.<sup>5</sup> The truth is that the military regime of Burma abducts its own citizens and forces them to work in factories owned

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remain, and imports from Burma have increased five-fold since 1997 (The National Labor Committee 2004).

<sup>5</sup>While not a mind reader, my best guess is that the NLC is not trying to draw attention to the plight of the slaves, but to the plight of the workers who would compete with U.S. laborers for manufacturing jobs. Were they to emphasize the difference between Burma and, say, Brazil (that in one country the citizens are forced to work and in the other country the citizens are free to choose), they would be defeating their interest of demonizing all sweatshops (all foreign manufacturing plants) everywhere.

by multinational corporations. Often, the laborers are political dissidents or petty thieves, but the criminality requirement is a mere formality. Many innocent people, as well, are forced to work in the factories as well, bringing the number of slaves to a total of 800,000 (*The Economist* 2000). These forced laborers toil all day in dangerous and disease-ridden conditions under the gaze of armed guards. Often, they are chained together for months at a time. Those who refuse to work are beaten; thousands are raped or killed (Amnesty International 2004). The U.S. and the international community have imposed sanctions on Burma, but the regime and the state-dominated economy continue to thrive.<sup>6</sup>

In this case, it is clear that many of the economic objections made by free-market defenders do not apply. The condition of slavery prevents many of the workers from pursuing better jobs, even when manufacturers move to the country to take advantage of the cheap labor. According to capitalist theory, the high profits made by corporations that manufacture their clothes in less-economically developed nations attract more entrepreneurs who want to further increase their profits, and these new entrants into the Burmese manufacturing market then have to bid up wages in order to entice workers to work for them. However, this logic only applies when workers are free to choose which jobs to work and receive the benefit of their productivity in the form of wages, which is not always the case in Burma. Here, the *government* is often paid by the multinational firms in order to utilize the labor of the prisoners. In such a situation the bidding up of the price of labor does not affect the incentives of the prisoner-workers. Rather, correct economic reasoning suggests that the politicians would respond to the increased demand for their cheap workers by raising the price that they (the government) charge for the labor. The upward movement in prices in turn provides the ruling classes with an incentive to enslave even more workers, *ceteris paribus*. As long as this upward movement in the price of labor allows corporations to maximize profit, they will continue to locate manufacturing in this nation, and this will lead, in a truly vicious circle, to still more enslavement of the population and little increase in the standard of living for the impoverished worker.

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<sup>6</sup>However, we must ask ourselves if the slave labor is what keeps the economy thriving. This is, of course, an illogical assertion. Slaves are necessarily less productive than free laborers; the economy thrives despite slave labor, and would do better without it (Hummel 1996). Although it could reasonably be said that the military regime thrives because of slave labor, that is an entirely different question, yet also a key to understanding the situation.

Many companies, including Levi Strauss, have abandoned manufacturing activities in Burma. According to the Clean Clothes Campaign (2002), a spokesman for the corporation explained that it “is not possible to do business in (Burma) without directly supporting the military regime and its pervasive violations of human rights.” It is indeed eminently reasonable to assume that the kick-backs the Burmese government receives from the corporations help keep the regime in power, and that the entrance of new corporate manufacturers into the country entices the government to enslave more people. Levi Strauss seems to have been aware of this fact, and thus abandoned operations. Wal-Mart, IKEA, and Spiegel also publicly announced they would no longer accept merchandise from the country (*ibid.*).

However, other less ethical corporations continue to subsidize the government by locating in Burma. They are not at all innocent, as some advocates of free enterprise would claim. The coercive conditions under which the people work are well known, as is the fact that these workers are slaves to a repressive government. A legal positivist might argue that, as enslavement is legal in the country, and as the citizens have yet to overthrow the repressive regime, those who utilize the fruits of the military junta’s policies cannot be held accountable. However, as long as one believes in a higher morality than the law, this is not a sufficient defense of such morally reprehensible corporate action.

In this case, the overt rejection of a corporate boycott by free-market intellectuals may be a knee-jerk reaction that should be reconsidered. What student groups such as the USAS at the University of California, Berkeley and American University sought to do through their boycott was to make it less profitable for corporations to manufacture in Burma, based on the fact that the workers in this country were slaves. This disincentive to locate manufacturing in Burma would logically lead to a loss of international currency by the military junta, which would weaken their repressive government, which may in turn allow the population to take steps toward a freer society.<sup>7</sup> Acknowledgment of the injustice of violently enforced slavery was a correct action for USAS to take in this situation, even if the focus on low wages and high profits made by other anti-sweatshop groups missed the main reason for protest.

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<sup>7</sup>Indeed, efforts by the United States government to limit the amount of imports from Burma have been denounced by the military junta as damaging to the poor slaves, an ironic and unfortunate use of free-market logic. (Department of State 2002).

BURMA IS NOT AN ANOMALY:  
GOLD IN INDONESIA AND COFFEE IN CENTRAL AMERICA

The case of Burma is not isolated, although it illustrates that a boycott of a corporation subsidizing an oppressive regime can negatively impact that regime and the policies they implement. Another example of human rights abuse carried out by governments in order to appease benefiting multinational companies is the case of Freeport McMoRan Copper & Gold Inc. in Indonesia. This corporation, too, has been properly demonized by the university activist crowd (much to the discomfort of the economic libertarians).<sup>8</sup>

In the case of Freeport, the company was given permission from the notorious Suharto regime in Indonesia to relocate certain indigenous groups that had inconveniently homesteaded land on top of one of the largest gold mines in the world (Abrash 2004, p. 392).<sup>9</sup> In 1967, Freeport McMoRan moved into the territory and confiscated the land of the Amungme and Kamoro peoples without any consultation or consent by the legitimate landowners, and forcibly relocated them with their own funds.<sup>10</sup> Nor have the forced relocations ended. In 1995, the Indonesian military stated that 300

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<sup>8</sup>In 1996, Freeport McMoRan was regarded as one of the ten worst corporations in the world by *Multinational Monitor* magazine. At Loyola University New Orleans, my alma mater, the creation of an endowed chair in Environmental Communications in 1995 by Freeport CEO Jim Moffet set off a wave of protest. In one famous incident, students picketed the CEO's Garden District home during the evening hours, reciting chants accusing Moffet of murder (Fox 1997). Indeed, the protestors demanded that Moffet take back the money he had donated to the university, a route of action that the CEO unsuccessfully pursued (*The Tulane Hullabaloo* 1995).

<sup>9</sup>When asked about his special relationship with the Indonesian government, Freeport Chairman Jim-Bob Moffett addressed the allegations of cronyism by claiming his company operated according to what was then standard practice in Indonesia under Suharto (*The Times-Picayune* 1999). Moffett also pointed out that Indonesia is not the only place where well-connected people make money from government contracts: "Do you know what FOB is in Washington?" Moffett asked the *Picayune* reporter. "It's Friends of Bill. That's how you get contracts with the U.S. Government—Friends of Bill. . . . If you come to Louisiana it was Friends of Edwin, Friends of Foster. People close to the government have a way of ending up in these deals." The CEO added, "It's rather foolish for a Louisiana newspaper to wonder about cronyism, after we've had an era of Huey Long and all of the people that ran the state of Louisiana."

<sup>10</sup>This tribe of 14,000 people reached an agreement with the company on January 8, 1974, one clause of which forbade the tribes people from entering

families living near a Freeport mine would be relocated (*South-East Asia Mining Letter* 1995). Since the indigenous people that once owned the land now taken over (e.g., stolen) by Freeport's mines are not happy about the interference with their personal and property rights, the Indonesian armed forces have had to create a special task force to protect the mine, one that Freeport publicly acknowledges paying for (*Sydney Morning Herald* 2002).

The United Nations (1999) has found many links between the location of the military in the Freeport area and violence against local indigenous residents.<sup>11</sup> So has the Indonesian National Human Rights Commission (1995), confirming that the Indonesian military operating in and around the Freeport project area were responsible for the murder of at least 16 civilians and the "disappearance" of at least four individuals living in the area. The Commission stated that the violations "are directly connected to [the military] acting as protection for the mining business of PT Freeport Indonesia." While the military in Indonesia is certainly a branch of the government, in this case the government's growing monopoly on "legitimate" violence is expressly financed by the mining corporation. The military does not limit its activities to the direct protection of the mines, but spreads out to the surrounding areas. These land expropriations and growing military violence do not fit into the logic of the free-market theory which would claim that the arrival of Freeport McMoRan was the best thing for the Indonesian citizens. Indeed, if the property rights of the indigenous citizens had been respected by the corporation and the government, the corporation would have either had to buy the land

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certain areas. In compensation, Freeport built a clinic, houses, shops, a market and promised jobs. However, the Amungme people did not realize at the time how harmful this agreement would be (*Republika* 1995). Who could believe that the most expensive gold mine lawyers in the world could trick some unfortunate target into accepting a bum deal? I find the debate about whether or not the Amugme people really sold their land to be irrelevant, as the choice for them was to lose their land and keep fighting, or lose their land and get a free school and medical clinics. This is not a real choice, rather, it was made under duress. Any real sale would have included the option of keeping the land.

<sup>11</sup> Although it is unclear who started this violence, I take the stand that the indigenous groups have every right to use violence to try to gain back the property that was stolen from them, and that it was wrong of the Suharto government to support Freeport's interests over the interests of the indigenous property owners.

fairly in the first place—which would have eliminated the need for escalating violence—and they may have had more respect for the land which they had to pay a stiff price for and not polluted it as much as many protestors claim (Clark 1996).

There is a strong connection between land expropriation and forced labor. Even without the legislation that has been passed in many parts of the world that explicitly leads to slavery, land expropriation forces the original landholders to pursue economic courses of action they would not have pursued if left to their own devices. Indeed, as writer George Beckford (1972) pointed out in his classic work *Persistent Poverty*, few people he has encountered choose to work for others when they own their own land, a condition that makes the land expropriation necessary in the first place. This pattern is most clearly seen in the history of Central America.

By the mid-nineteenth century in El Salvador, the commodity export of indigo, upon which many fortunes had been built, was no longer sustaining the Salvadoran elite, so they turned to the business of coffee production. However, the type of land that is good for producing coffee is quite different from that suited to producing indigo. As a result, the elites who wanted to make money exporting coffee had to acquire new land in the higher, volcanic mountain slopes inhabited by indigenous peasants. In order to acquire this land, the elites legislated communal landholdings (the property system used by the indigenous groups) out of existence. This process started in 1856 when the state decreed that individual communes must plant at least two-thirds of the land with coffee, or be confiscated. Many of the peasants who inhabited the lands suitable for coffee growth lacked the credit, capital, and desire needed to invest in this crop and could not afford to wait seven years for the first beans to give them any returns on their investment. Thus, many of the communal landholdings were wiped out by what amounted to legalized theft. However, some of the communal landholders were able to meet the requirements of the 1856 legislation, so the elites who controlled the state reacted by declaring all communal landholdings illegal in 1880. They also responded to the lack of desire of the now dispossessed peasants to work for them by adding vagrancy laws to the 1880 legislation; requiring that all landless peasants work for the coffee plantations (Booth and Walker 1999).

This is the same pattern of land expropriation and forced labor that occurred throughout Central America from the mid-nineteenth century up until the mid-twentieth century (Block and Yeatts 1999–2000). In Nicaragua, the influential elite began to dispossess the peasantry of their land starting in the 1870s in order to accommodate

the growing demand for coffee abroad. No longer self-sufficient, peasants had few options except peonage on coffee plantations.<sup>12</sup> Land expropriations occurred in Nicaragua under the corrupt Somoza dynasty<sup>13</sup> until the 1950s, when large numbers of peasants were pushed off of Pacific lowland farms in order to make way for coffee plantations that would supply the growing international demand for coffee (*ibid.*, p. 36). In Guatemala, the system of export-led economic development through land expropriation and forced labor began in 1871 under the so-called liberal regime of Justo Rufino Barrios (1873–1885). Barrios opened up communal landholdings to foreign investment in the interest of promoting modern coffee cultivation in the country (Booth and Walker 1999, p. 45). Once again, those forced off of their lands by the state policies had few other options than to work on the coffee plantations and became slaves to the coffee exporters.

The violent government actions that led to these situations—much like the actions of the government in Burma and Indonesia—resulted in poor working conditions and impoverishment of a group

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<sup>12</sup>In a quantitative study of Central American export-led agricultural development, Swartz and Targ (1989, p. 253) found that agricultural modernization and rural impoverishment were significantly related to political violence. The development of agricultural export production, however, was not found to be a significant determinate of political violence. The authors postulated that:

Political violence does not result from the development of agricultural export production, but rather from agricultural development that occurs in the context of the inegalitarian transformation of the means and social relations of production and the impoverishment of the rural populace.

I would suggest that the issue may not be the “inegalitarian transformation of the means . . . of production” but perhaps the state coercion that has historically been involved in much of this development, which has prevented most of the population from pursuing what they believe to be in their best interests. Indeed, Honduras is one of the Central American nations that was relatively stable up until the mid-twentieth century. Booth and Walker (1999, p. 51) attribute this to the fact that much of the export-led agricultural development in bananas in previous years did not result from land expropriation. Indeed, most of Honduras’s political problems began in earnest after WW II, an event which also coincides with additional forced expropriation of small landholdings by larger agricultural corporations.

<sup>13</sup>This is a regime which, much like that of Suharto in Indonesia, was supported by foreign government wealth transfers (otherwise known as foreign aid), especially from the United States Agency for International Development (USAID).

of people for the sake of providing a profitable export that may not have been produced otherwise. Protesting voices should therefore be welcomed in a humanitarian debate, for land theft and forced labor cannot be justified under any ethic.

#### CONCLUSION PROXIMATE AND ULTIMATE CAUSES

Frédéric Bastiat once said that the difference between a good economist and a bad one is that the latter considers only the immediate visible effects of a given policy, whereas the former is also aware of the secondary effects (Stroup and Gwartney 1994, p. 11). We could apply this reasoning in reverse to an evaluation of social justice movements: the difference between a good analyst of justice and a bad one is that the former is aware of the primary causes of a bad situation, whereas the latter only sees and seeks to redress the secondary effects, without realizing the primary cause of the situation. In the case of sweatshop and agricultural labor in the developing world, for example, demanding higher wages for the working poor may have negative secondary effects which many activist groups do not consider, and do not seek to redress the primary cause of impoverishment. The demands for corporate social responsibility seek to redress the role of corporate complacency in contributing to the destitution experienced by many in the world, but is ultimately an oversight of the ultimate cause of this situation, which is government exploitation and lack of respect for personal and property rights.

To look at the situations mentioned above and see low wages and poor working conditions—and ultimately the free market—as the causes of misery is alas too simplistic, as it fails to recognize the ultimate causes: government violations of rights. While it is certainly fallacious to advocate further government intervention to redress human misery, it is also misguided to analyze the situation of misery and state that there is no good reason for protest (see Block 2000). Attacking the corporate supporters of oppressive regimes is a way to ultimately undermine the regimes, which may be one step on the road to fighting for the liberty of people throughout the world. However, if social justice organizations want to be more effective in pushing for greater respect for human rights throughout the world by punishing the corporations that support oppressive regimes, they should make a distinction between voluntary actions of individuals and the state policies that force people into work. The former deserves respect, while the latter is deserving of reproach. By making this distinction, social justice advocates can more effectively push for human rights through the respect of freedom while simultaneously

allowing developing nations and the citizens therein to fight their way out of poverty.

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