

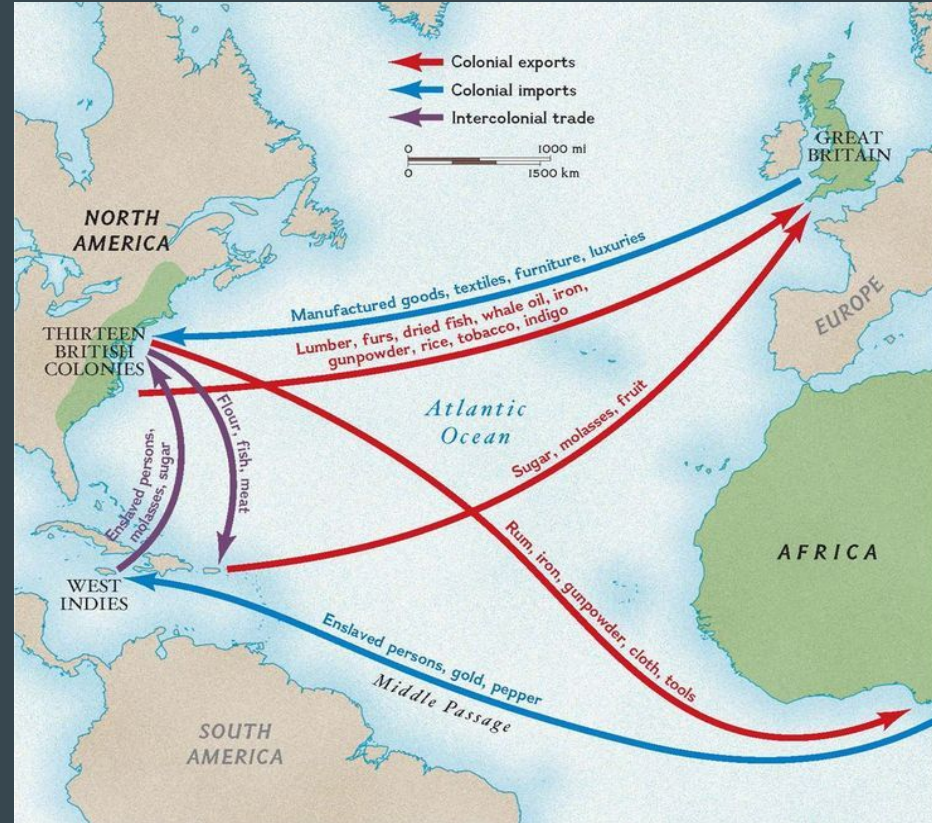
Unethical Business & Fair Trade

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History of American International Trade

- The history of American international trade was founded on the exploitation of other countries.
- The foundation of international trade has exploited underdeveloped countries for a long while and continues to do so to this day.
- An act passed on February 10, 1820 allowed for congress to make provisions for the
 - kinds
 - quantities
 - values



The History of International Trade



- The country's influence in supporting global trade dates back to the early 20th century.
- In the early 1930's, the first major American trade liberalization effort took place.
- Income from tariffs in the early 1900's accounted for around half of federal revenues.
- The Reciprocal Trade Agreements Act of 1934 departed significantly from previous protectionist policies.
- It began the historic shift toward lower U.S. and foreign trade barriers and greater global economic engagement.



The Fashion Industry



Fashion and Environmental Justice

“The second largest world Polluter is the garment industry”

- Water Pollution
 - Using
 - 2.6% of global water use
 - Abusing
 - Chemicals
- Air Pollution
 - emissions
- Land Pollution
 - Soil fertility
 - landfills



Social justice issues in the fashion industry

- Exploitation of the vulnerable
 - Children
 - Women
 - Impoverished
- Poor working conditions
 - Hazardous factories and building
 - Unsafe air quality
 - Buildings that are not up to code
 - Many hours/Little rest
 - Sexual assault in the workplace
- A living wage



PAY GARMENT WORKERS A LIVING WAGE



A worker should
be able to afford:



www.cleanclothes.org

Economic Injustice in the Fashion Industry

AN INHUMANE TRADE-OFF

MASS PRODUCTION
FOR LARGE
COMPANIES

UNDERPAID EMPLOYEES IN
IMPOVERISHED
COUNTRIES

GAP

H&M

FOREVER 21



URBAN
OUTFITTERS

VICTORIA'S
SECRET





Other Economic Issues to Consider

- Dishonest compensation
 - Women
 - Children
 - Undereducated
- Perpetuating Impoverished Countries
 - No living wage = no economic growth



Pharmaceutical Industry

- Responsible for creating and distributing all of the medications for around the globe.
- United States is the largest producer and provider
- Large amount of unethical clinical trials and business occurring



GlaxoSmithKline



- One of the top three global vaccine manufacturers
- Plead guilty to \$3 billion lawsuit
 - Misbranding and pricing fraud
 - Recorded false research
 - Failure to disclose safety precautions
- Recently, an unethical clinical trial was done in India
 - infants with the retrovirus vaccine
 - $\frac{2}{3}$ received the vaccine
 - $\frac{1}{3}$ got a placebo without knowing



Pfizer

- Merged with Ireland-based Allergan to take over Pfizer company
- Merge was done so Pfizer could take advantage of lower corporate tax rates
- Involvement in many unethical practices in developing countries
 - Nigeria

Location of Pfizer's unlicensed Trovan trial

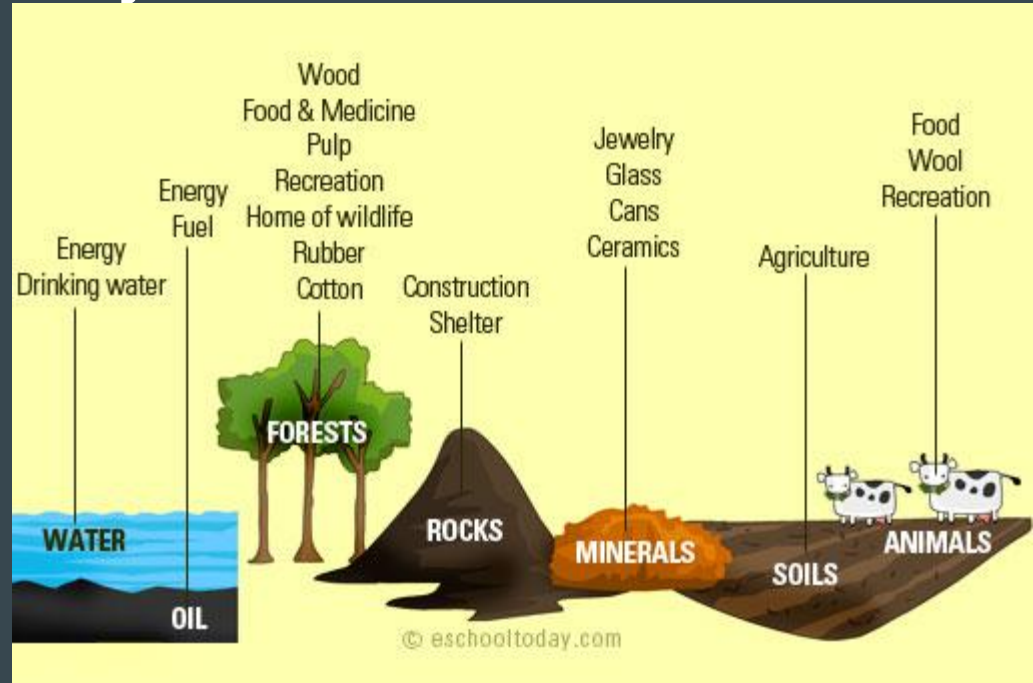


Why in Developing Countries?

- The cost of conducting research is 10-50% cheaper in overseas countries than in the United States (Brouwer)
- Loose legislation or the lack of legislation
- Higher validity in participants who have had little medication intake
- Easier and cheaper to find volunteers in that country

Natural Resources/Oil Industry

- Includes:
 - Air
 - Water
 - Wood
 - Wind Energy
 - Coal
 - Oil
 - Diamonds and Minerals



Blood and Conflict Diamond Industry

- Blood Diamond: Used to fuel wars between people groups and governments.
- The diamond industry has been besieged with violence, worker exploitation, and environmental degradation.
- An example of this would be how rebel groups seize control of diamond mining regions and exchanging the diamonds for money and weapons.



Blood Diamond (cont.)

Many Jewelers say they only carry conflict free and do not know the origin of their product.

- Conflict free does not cover issues of child labor, worker exploitation, and sexual violence.

Kimberly Process - Created to stop blood diamonds from entering international trade.

- 2003 - Mixture of 81 countries and some non profits.
- Failing - KP still approves diamonds from countries that enslave, massacre, and rape their diamond miners, and many diamonds the KP does deny still end up in the international diamond supply with false paperwork.

Oil Industry - Shell

Shell has been drilling oil in Nigeria since 1959, and has caused the people of the Niger Delta to suffer from poor living conditions, oil spills, gas flaring and waste dumping.

Over 60% of people in the region depend on the natural environment for their livelihood, yet pollution by the oil industry is destroying vital resources.



Left: Oil spills throughout the Niger Delta area cause serious damage to the local environment.

Oil Industry (cont.)

Currently Shell is being sued by the Nigerian community in order to pay for the damages and restoration that is needed.

- Shell made false claims on how far oil clean up has come.
- Currently the Nigerian people have won over 83.5 million to pay for damages and restoration

-13 of 15 affected areas are still visibly polluted.

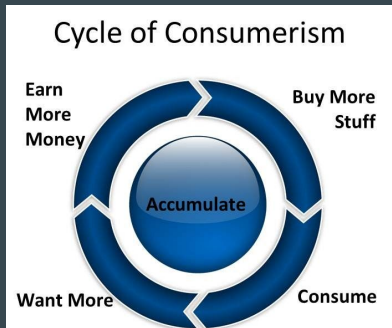


Consumerism

What is Consumerism?

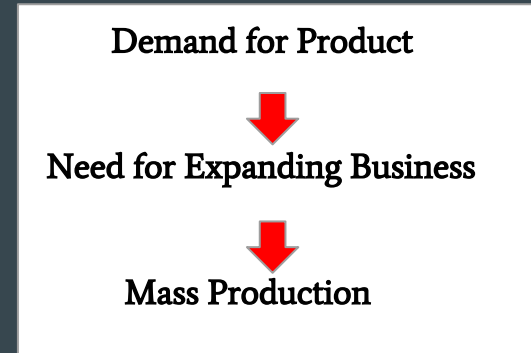
“Continual expansion of one’s wants and needs for goods and services.” -Business Dictionary

Consumer Perspective



- Mentality is ingrained in our society “Next Best Thing”

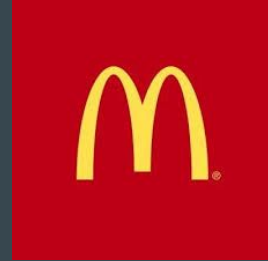
Business Perspective



- In order to continue growth and profitability, need to create a supply to meet the demand they created

Overall Effect

- Exploitation
 - Environmentally
 - Economically
 - Socially



Purpose of Fair Trade

- Goal of fair trade: To increase the premiums paid for fair trade goods, improve poor working conditions, raise wages, end child labor, and limit damage to the environment
- Recognizes inequality
- Certification and purchasing agreements that guarantees fair production
- Why Care?

Ways to Improve

- Think before you buy
- Look for consumer products to be fair trade Certified
- Buy local
- Thrift shop
- Tell others
- Do your research



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