SOME ETHICAL ASPECTS OF CHEAP PRODUCTS MADE IN CHINA

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Abstract

China is the world leader in labor-intensive manufacturing and has made a fortune producing cheap products that sell for lower prices around the world. But, when people purchase products “Made in China,” they probably do not know that a lot of them are made in Chinese prisons and labor camps. In China, environmental pollution has already affected the economic development of the entire country. It is evident that China’s economic growth and its pattern of development, built upon cheap labor and slave labor as well as enormous natural resource consumption are gradually entering a dead-end.

Keywords: made in china, cheap labor, slave labor, morality, responsibility

1. INTRODUCTION

China is the world leader in labor-intensive manufacturing. It produces almost half of the world's shoes as well as clothes, household gadgets, toys, appliances, furniture, Christmas ornaments, utensils, sunglasses, and other stuff. China went from not producing any of this stuff to dominating entire industrial sectors in a very short period of time. About 70 percent of the world’s umbrellas, 60 percent of the world’s buttons, 72 percent of U.S. shoes are made in China, and 50 percent of U.S. kitchen appliances are made in China. The majority of the American flags and hand-painted religious figurines sold in the United States are made at factories in China. It is hard for Americans to go for a few days without buying something made in China. Even things labeled “Made in America” or “Made in Japan” or made somewhere else have components or ingredients made in China. China is experiencing an industrial revolution at about ten times the speed that it occurred in the West [1, 2].

The profits made through labor-intensive industry are sometimes truly astounding. Sunglasses that are made at a cost of a dollar a piece by 300 young women working over tiny machines in a cramped three-story factory in southern China, for example, sell for $35 in the U.S., with most of the profit ending up in the United States. The Chinese sometimes start their businesses amazingly quick. A factory owner can take over an empty building and map out the plant layout with construction contractors in a couple of hours. Construction starts on the next day and the factory is going to be ready in two or three months [2].

Few of the products made in China are actually created or designed there, as most of the products are made for foreign companies using designs and patents from foreign companies, with foreigners making the biggest profits. A good example is only 35 cents from an exported toy retailing for $20 which remains in China. Many Chinese factories make products for foreign companies who sell the products under their names. They operate under contract to trading companies, which are based in mainland China, Hong Kong and Taiwan, and they in turn strike deals with companies and buyers in foreign countries. The foreign companies give their instructions to the trading companies which in turn pass on the instructions to the factories. Occasionally the foreign companies send representatives to inspect the factories for quality control but often they have little contact with factories that produce their products [2].

2. THE BLOOD AND TEARS BEHIND THE “MADE IN CHINA” LABEL

When people purchase those affordable products that are “Made in China,” be it clothing, consumer goods, or holiday decorations, they probably don't know that a lot of them are made in Chinese prisons and labor camps, and that behind those products are unknown stories of blood and tears.
Once an isolationist communist state, over the last 20 years China has become the world's biggest exporter of consumer goods. But behind this apparent success story is a dark secret - millions of men and women locked up in prisons and forced into intensive manual labor. China has the biggest penal colony system in the world - a top secret network of more than 1,000 slave labor prisons and camps known collectively as "The Laogai". And the use of the inmates of these prisons - in what some experts call "state sponsored slavery" - has been credited with contributing to the country's economic boom.

Re-education through labor (RTL) is a system of administrative detentions in the People's Republic of China, (Figure 1) [3], which is generally used to detain persons for minor crimes such as petty theft, prostitution, and trafficking illegal drugs, as well as religious or political dissidents such as unregistered Christians or Falun Gong adherents [4]. It is separate from the much larger laogai system of prison labor camps [5, 6], estimated to hold millions of people. Sentences under re-education through labor are typically for one to three years, with the possibility of an additional one-year extension. They are issued as a form of administrative punishment by police, rather than through the judicial system. While incarcerated, detainees are often subject to some form of political education. The re-education through labor system has been in place since 1957 and was subjected to minor reforms by the Chinese government in 2007. Estimates on the number of RTL detainees on any given year ranges from 190,000 to two million. China Daily in 2007 estimated that there were a total of 310 re-education centers in China at that time [7].

Figure 1 - A photograph of Shayang Re-education Through Labor camp in Hubei province [3] left and Map of laogai system of prison labor camps in China [5]

On December 23, 2012, The Oregonian [8] reported that an American woman, Julie Keith, found a letter, written in English, stuffed into a Halloween decoration set she had purchased at a Kmar. Scribbled onto paper and folded into eighths, the letter was tucked between two Styrofoam headstones. The letter said that the set was assembled in unit 8, department 2 of Masanjia forced labor camp, in Shenyang, China. It went on to describe forced labor conditions in the camp, and noted that many of the detainees held there were Falun Gong practitioners [9] held without trial: "If you occasionally buy this product, please kindly resend this letter to the World Human Right Organization. Thousands people here who are under the persecution of the Chinese Communist Party Government (CCPG) will thank and remember you forever. People who work here have to work 15 hours a day without Saturday, Sunday break and any holidays. Otherwise, they will suffer torture, beatings and rude remarks. Nearly no payment (10 Yuan / 1 month). People who work here, suffer punishment 1-3 years averagely, but without Court Sentence (unlawful punishment). Many of them are Falun Gong practitioners [4], who are totally innocent people only because they have different, believe to CCPG. They often suffer more punishment than others." The ten Yuan mentioned in this letter is equivalent to $1.61. The letter was not signed (Figure 2). Keith felt she had to respond. She posted a copy of the letter to her Facebook page. Her friends began discussing and circulating it. A human rights organization took notice. Then the Oregonian published an article about Keith and the letter.

After The Oregonian informed the U.S. Immigration and Customs Enforcement about the letter, ICE's Homeland Security Investigations began looking into the case. Title 19, section 1307 of U.S. Code generally
prohibits the importation of all items "mined, produced or manufactured" in any foreign country by convict labor, forced labor and/or indentured labor.

Figure 2 – The letter (left) and the package contained a letter (right) [8]

The recent case of a plea for help from a labor camp in China, discovered in a Halloween set purchased by a woman in Oregon, is not the only one of its kind. A decade ago a similar plea for help from a Chinese labor camp was found in Austria, mirroring closely the recent Oregon case. In December 2002, an Austrian had bought napkin rings made by the Austrian company Eduscho, finding a letter in the package from a Falun Gong practitioner that reported having been jailed and tortured in one of China’s notorious labor camps (Chatou Women’s Labor Camp in Guangzhou, China), and pleading for help. The letter subsequently passed through many hands before reaching Amnesty International Austria and the Austrian Falun Dafa Association [10].

It is no secret that slave labor is used to make products in China [11]. The U.S. Customs and Border Protection website states that most cases of products found to be made with forced labor are from China [12]. China's forced labor camps are universally condemned in the free world, yet the Chinese Communist Party has shown no inclination to abolish them. One reason for this, above and beyond the obvious one that they provide convenient, secret places to punish and torture people, is that the goods produced in these camps generate revenue for the Party and its operatives.

Many Western companies turn a blind eye to the fact that products they have manufactured in China are made under duress and in deplorable conditions by innocent people such as Falun Gong practitioners, who have been sent to these camps without being tried simply because they are unwilling to renounce their faith. Other companies make a sincere effort to see that their products are made under humane conditions, but even in these cases, components of their products are often secretly farmed out to forced labor camps. Until such camps and the uncivilized policy of forced labor are completely eliminated, the "Made in China" brand will continue to carry an indelible stain.

Although the use of slave labor in China is well-known, specific cases are only rarely exposed, much less prosecuted and convicted. In each specific case that slave labor has been exposed, there has been a brave victim who took the first step.

In probably the only reported case of a conviction in the United States for using forced labor in China, a victim developed the evidence. Peter B. Levy was the owner of an office-products company that made binder clips in China for export to the United States. He lost business to his competitor, who made the same product in a Nanjing prison.

Mr. Levy went to Nanjing, found the evidence, and videotaped it. The New York Times reported the conviction of the Chinese company, probably the only report of such a case by a major U.S. media outlet [13]. Levy did his investigation in the period from 1995 to 1997. Once the regime started to persecute Falun
Gong in July 1999, the population of the forced labor camps and prisons swelled. The capacity of the labor camps and prisons increased, and the amount of forced-labor products exported to Western countries also increased, along with the information, clues, and witness and victim accounts about China’s export of forced-labor products. However, media coverage, efforts by law enforcement, and public awareness did not increase accordingly, until now.

In 2011, Aljazeera (English) made a film series titled “Slavery, 21st Century Evil.” The episode “Prison Slaves” presents two witnesses’ testimonies [14, 15]. One is Charles Lee, a Falun Gong practitioner and U.S. citizen. He was accused of trying to tap into China’s cable TV broadcast system for the purpose of broadcasting information about the persecution of Falun Gong and sentenced to three years in prison. Lee was forced to make products for export to the United States (Figure 3, left). After he was released from prison and returned to the United States, he stated: "We were not paid at all, we were forced. If anyone refused to work, they would be beaten; some people were beaten to death." Another witness is a Christian house-church member, also jailed for her religious beliefs. She was also forced to make products in prison. It is believed that one of the reasons the regime kicked Aljazeera (English) out of China is because of this film.

Jennifer Zeng, a Falun Gong practitioner and one of two main characters (the other person is above mentioned Charles Lee) in the recent documentary film “Free China” [16, 17], was forced to make products in one of Beijing’s forced labor camps. After she escaped to Australia, she found one of the products that she had made in the labor camp—the stuffed toy rabbit for Nestle’s Nesquik advertising campaign. When she was making the rabbits, she knew, as did her guards, that they were made for Nestle. She later found the same rabbit on Nestle’s website. The order to the labor camp was not made directly from Nestle but from a Chinese company, Beijing Mickey Toys Company (Figure 3, right).

The Sydney Morning Herald reported Jennifer’s story. It seemed that nothing else could be done on this issue. Western governments, media, and human rights organizations seemed to have little influence on Chinese companies. Yet, a reporter from Le Temps (Geneva) in Beijing decided to dig deeper. Refused an interview request by Mickey Toys Company, Frederic Koller did his own investigation, and his report was published in Le Temps in Geneva in April 2002.

Almost one year later, Mickey Toys Company formally invited the reporter to revisit its facility. The company said that it had lost 70 percent of its customers since the publication of the report and denied it had subcontracted the rabbits to the labor camp. If Jennifer hadn’t searched for the product that she was forced to make in the labor camp, if the reporter from Le Temps hadn’t carried out his own investigation, those who committed the crime would never have been exposed and caught. Sometimes the effort seems useless. Yet the impact is real, and every effort counts.

**Figure 3** - Charles Lee shows a pair of “Homer Simpson” slippers like the ones he made while incarcerated in a Chinese labor camp [14, 16] (left) and toy rabbits produced by Beijing Mickey Toys Co. Ltd. for Nestle in one of Beijing’s forced labor camps (right) [11]

In all forced labor camps in China, Falun Gong practitioners and other inmates are forced to do hard labor to make money for the prison. The prison mainly produces clothing, and the majority of the products are for export. For instance, among the forced labor products in the Shenyang No. 1 Prison in Liaoning Province are boys' and girls' ski jackets that are exported to Germany [19] (Figure 4). The amount of effort required to fill
the orders is extremely intense. Practitioners are forced to work 17 – 18 hours, from 5 a.m. to midnight. They are given only 10 minutes to wash and use the toilet in the morning and only five minutes to eat meals and wash their dishes. The work area is on the same floor as the cell. The conditions are terrible. Feathers filled the air, and stuck to clothing, bed sheets, and dishes. The air is filled with a strong odor from the feathers, dyes, and adhesives.

Not long ago, Apple boasted that its products were made in America. Today, few are. Almost all of the 70 million iPhones, 30 million iPads and 59 million other products Apple sold last year were manufactured overseas. The New York Times story shows that only Chinese near slave labor could handle Steve Jobs’ demands and that “Made in the U.S.A.” is no longer a viable option for most Apple products [20]. The New York Times investigation also confirms that Apple’s factories in China are basically slave labor camps [21]. Employees work excessive overtime, in some cases seven days a week, and live in crowded dorms. Some say they stand so long that their legs swell until they can hardly walk. Under-age workers have helped build Apple’s products, and the company’s suppliers have improperly disposed of hazardous waste and falsified records, according to company reports and advocacy groups that, within China, are often considered reliable, independent monitors.

More troubling, the groups say, is some suppliers’ disregard for workers’ health. Two years ago, 137 workers at an Apple supplier in eastern China were injured after they were ordered to use a poisonous chemical to clean iPhone screens. Within seven months last year, two explosions at iPad factories, including in Chengdu, killed four people and injured 77 (Figure 5). Before those blasts, Apple had been alerted to hazardous conditions inside the Chengdu plant, according to a Chinese group that published that warning. Even more troubling is that Apple executives know about what goes on in the factories, but turns a blind eye to it because doing something about it would likely stem the tidal waves of cash that continue to roll in.

Figure 4 - Box packaging of girls' ski jackets that are exported to Germany (left) with brand name and product information (middle and right) produced in Shenyang No. 1 Prison in Liaoning Province [19]

Figure 5 - An explosion at a Foxconn factory in Chengdu, China, killed four people and injured 77. It built iPads. [21]
3. A BUSINESS MODEL BASED ON MORALITY

Virtue, ethics and moral should be deeply rooted in the history, society and culture of human beings. In ancient China when moral values still prevailed, there was only one law for judging a person – virtue (德 in Chinese language). Ancient Chinese people stressed cultivation of one's xinxing (a Chinese idiom for the mind or heart nature, moral character and ethics). A Chinese proverb says, "A man without any virtue is no more than a beast." When a person does not have any virtue left, he is no longer considered worthy of being a human and should have no place in the human society. Ancient Chinese people summarized all these highest virtues in three Chinese words: Zhen (truth, truthfulness), Shan (kindness, benevolence, compassion) and Ren (endurance, forbearance, tolerance) [22]. From this, one can see how highly virtue was regarded in ancient China.

In the Hammurabi Code in Babylon, 1758 B.C. it is written: "If a builder has built a house for a man and has not made his work sound, and the house he has built has fallen down and so caused the death of the householder, that builder shall be put to death. If it causes the death of the householder's son, they shall put the builder's son to death ..." Maybe the Hammurabi Code seems cruel in our contemporary society, but the cruel truth is that, although great changes have taken place in human society, today's human morality has declined drastically, ethical standards in society are very low and profits have become the sole motivation. Nowadays, in this giant current of human society, people take wrong for right, bad for good, and evil for kindness. Unfortunately, we are frequently witnesses of more and more negative consequences of scientific and technological advances markedly caused by neglect of moral principles in human activities.

Today laws are becoming more comprehensive and impeccable. Yet why are there people who still do bad deeds? Why don’t they comply with the laws? It is because laws cannot govern their hearts. When they are not seen, they will still do bad deeds. If everyone cultivates the inner self, it will be totally different. Perhaps there would not be any police. No one would need to be governed, as everyone would discipline him or herself and search their inner self, human society would become better and ethical standards would again rise [22].

Confucius believed that, although people want to be rich and/or famous, benevolence and high moral standards are more important. Many business models exist in our current society. Some stress innovation, ways to compete, utilizing a variety of channels, studying minute details, execution efficiency, proper organization, quickness in handling, etc. The purpose of these models is to quickly build wealth in the face of steep competition. In such enviroments, can people with high moral standards be successful? The answer is “yes.” The ancients believed that life, death, riches, and the social status one can reach depended on fate. The foundation of life is being just and moral. Acquired fortune is a measure of one's moral conduct. The ability to accumulate riches is the result of being morally good. While acting in a just and morally correct manner can't guarantee riches in this life, morally bad people do invite poverty and disaster into their lives and lives of all the people in their surroundings. If one acts according to moral standards and always tries to be a better person, he or she may appear to have material loss for the moment. However, more people will benefit from it, and this person will be rewarded too.

In the case of environmental protection, various methods have been adopted, and they mostly fall into two categories: technical and legal. Most methods try to address both these issues. The main objective is the prevention of future problems, combined with environmental remediation.

Population increase, urbanization and industrial development all follow changes in human living and production behaviors. Although we think these changes are good, they may not necessarily be so. Some changes may not conform to the law of nature, and may be unethical. It is these unethical living and production behaviors that caused environmental pollution. The only reason that human behaviors lead to environmental pollution is that the standard to measure human behavior, which is the moral standard, has changed.

How can changes in moral standards harm the environment? Morals include the rules and regulations of human behavior. They govern the relationships among people and between people and the environment. People's notions about morals may change as society develops, but the moral standard is universal and unalterable. Only when humans do things according to this universal moral standard can the environment centered on humans be balanced. Otherwise there will be problems. Many civilizations have been destroyed in history, and these destructions were all related to human moral deterioration [22].
In order to completely change our current environment and return it to its original state, people must fundamentally change their distorted moral notions and faulty behaviors, so they can meet the requirement of the universal moral standard. However, it is not easy to change people’s notions. There is a Chinese saying, “it’s easy to change a country; it is difficult to change people’s habits.” The first and righteous way to protect the environment is to improve the moral standard of the contemporary people.

Contemporary businessmen must perform under a standard of professional behavior that requires adherence to the highest principles of moral and ethical conduct including honesty, impartiality, fairness, and equity, and do so in the absence of bribe and corruption. They should also contribute to environmental protection and to sustaining the balance in nature. If contemporary people will not respect morality and ethics in their profession, it will directly affect the quality of life on Earth, i.e. bring more environmental pollution, affect welfare of humankind as well as the future of our children and the future of our unique home in the universe, our blue planet, the Earth. To be a businessman of a high quality one has to study, not only specific profession, but also ethics and philosophy in order to understand relationships between man, nature and the universe and thus to become a humanist who respects, protects and welcomes all life on Earth.

4. CONCLUSION

Many reports indicate that, in mainland China, a large number of export products have been produced in prisons and labor camps. Such goods have been produced by prisoners (mainly by Falun Gong practitioners and other prisoners of consciousness), without salary, in harsh environments, so it is difficult to guarantee their quality. These export products are potentially harmful to human health. In China, slave labor has been implemented throughout the entire penal system, including detention centers, forced labor camps, and prisons, and this is gaining increased attention from the international community [23]. This has also encouraged people to rally together to protest against slave labor and its products. In fact, the fruits of slave labor are harmful to all mankind. These modern slave factories are not only a serious violation of human rights, but they also hurt the commercial spirit of fair competition. It is no hyperbole to liken the slave labor camps as something right out of Orwell’s Nineteen Eighty-Four. Contemporary businessmen have to be aware of ethics in decision making during their professional practice and they should not think only about profit, because when things go wrong, there is always an ethical dimension. It is a fact nowadays that human morality has declined drastically and that the ethical standards in society are very low. With conscience and justice, the people of the world, regardless of race or position, all have a duty to come forward to stop the brutal slave labor system in China [18, 24].

5. REFERENCES
