

Child Labor: A Thought Exercise in Business Ethics

The United States: A Case Study in the Regulation of Child Labor

(Reference: *The History of Child Labor in United States: Hammer v. Dagenhart*, Sharron Solomon-McCarthy)

- How was child labor abolished in the U.S.? Was it the ethics of society as a whole that caused the shift away from Child Labor?
- Was the effort to abolish child labor in the U.S. hindered by a minority who had influence in government? Did the ethics of business conform to the ethics of society with regards to child labor?
- From the Industrial Revolution to 1941 is a long time—should the government have acted more quickly?
- Where did the parents of laboring children stand on the issue at the time? Were their economic interests or personal freedom overlooked in the push for regulation of child labor?

Wal-Mart in Bangladesh: A Case Study in the Effect of Market Forces on Child Labor Policy

(Reference: *Wal-Mart to cut ties with Bangladesh factories using child labor*, CBC News, 11/30/05)

- How did market forces move Wal-Mart to make this decision? In this case, did the ethics of business conform to the ethics of society?
- Does anyone in the class know of other cases in which American corporations have made similar decisions?
- If Wal-Mart doesn't employ sub-contractors that utilize child labor, does that solve the ethical dilemma of child labor in the third world?

Child Labor: A Thought Exercise in Business Ethics (continued)

Child Labor Today

(References: excerpt from *Unicef Country Brief: Bangladesh*, Unicef, 2007; *U.S. Group Accuses Chinese Toy Factories of Labor Abuses*, David Barboza, *The New York Times*, 8/22/07)

- In the modern world child labor is mostly a problem in the poorest of countries. Should these children wait for market forces to solve the ethical dilemma of child labor, or should external sources (such as local regulation, U.S. political and economic leverage, or international legal entities) be utilized to accelerate the abolition of child labor in developing countries?
- Is it ethical to deprive poor families in under-developed nations from deriving revenue from their children's labor? Is it ethical that a 14 year-old in the U.S. can't take a job which poses no threat to their health, regardless of their family's economic status?
- If children in developing countries were able to attend school instead of working then the long-term economic prospects of those countries would be improved and the ethical dilemma of child labor would be solved. Who pays for the schools, though? In the meantime who puts food on the tables of families who depend on income from their working children?

Final Analysis

- What is the greater interest to the economy with regards to child labor? Are the decisions of a market participant always ethical? If not, at what point should an external force impose ethical standards?
- Consider the ethical implications of children who work in sweatshops to make iPods. Weigh those implications against the economic benefit that the U.S. derives from the sale of iPods, as well as the economic benefit that those children and their families derive from that labor. Globalism has brought growth to the US economy and money to poor countries, but is the ethic against child labor more important than the economic benefits that it brings to the children who are at work, their families, and the U.S.?
- Imagine the Child Labor debate happening in today's political climate. Some political forces advocate the same laissez-faire philosophy which protected child labor in the United States during the industrial revolution; other political forces advocate external intervention in the market which might not be in the best interests of the economy as a whole. Are there any modern issues to which Child Labor can be compared?
- What do you think should be done about child labor in the modern world?