Hook
Background
Author's purpose
Thesis

Student Sample

[redacted]

English 1301

Argumentative Research Final Draft

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Behind the Mask of Capitalism and Cheap Labor: Free Trade Agreements

Hook

In a country where giving and morality is highly looked upon, the corrupt and unjust treatment of individuals by the upper class of the United States, who manipulate the government and the rest of the country to their advantage, is quite disturbing. Through monetary connection and power, their lobbying activity suggests that laws and regulations are passed in favor of big corporations and private institutes instead of workers in the sweatshops who make marginal wages compared to the billion dollar profits of these multinational corporations and the working class of the United States. This cycle of monetary assets is not a coincidence as it has become an integrated system that embodies globalization where capitalists come together and take advantage of undeveloped countries and their own people to maximize profits. Rather than upholding utilitarianism benefits for the working and lower class, the spread of globalization through the free trade agreements maintains Karl Marx's commodity fetishism ideology where profits and consequences of capitalism are hidden from the public's view.

back ground

Thesis
topic
position
Revolution

The blatant class hierarchy in the United States of America due to wealth can be seen through America's one percent. These individuals hold approximately 40% of the nation's wealth and control the economy in ways one would not even imagine. This incongruity of wealth highlights the growing income gap between the elites and working class of America. However, this number will only continue to grow due to the recent free trade agreements implemented by the American government in the last two decades; such as the North America Free Trade Agreement (also known as NAFTA) between the United States of America, Canada and Mexico, which was signed into law on December 8, 1993 (Scott 2). The Dominican Republic-Central America United States Free Trade Agreement (also known as DR CAFTA) between the United States of America, Dominican Republic, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua was signed into law on August 5, 2004 (Pinder 219). Since their establishment, the working and lower class of these undeveloped nations and the United States have been facing the consequences of globalization. Individuals in foreign countries receive low wages in exchange for exploitation, risky work conditions and no benefits regarding the distribution of profits. Working citizens of the United States of America also face difficulties, such as facing immense amount of unemployment and a substantial decrease in wages. Whereas, big corporations and foreign investors continue to thrive through maximizing profits and justifying their actions by highlighting "an illusion of fairness in what is essentially a class system" (Froetschel). The government and elites are able to do so due to the manipulation of media presented to their people by praising free trade agreements that take advantage of the duty-free exportation, cheap labor, and weak regulations regarding the livelihood and work conditions of individual in foreign country.

Free trade agreements are unethical as it deprives workers from their basic human rights. Multinational companies take advantage of these countries and the desperate individuals in need of work by offering them low wages and expect high productivity. Under the terms of the North America Free Trade Agreement, corporations in Mexico do not have to enforce "social contracts" nor "aid for Mexico nor labor, health or environmental standards" (Faux, "How NAFTA Failed Mexico").These regulations are not a coincidence, but thoroughly researched by

Through such studies, they understand that despite such conditions, the ambitious poor individual is "willing to toil for low wages" compared to the working class citizens of America where there's a minimum wage and the expectation of monetary increments throughout time (Froetschel). Comparing the working standards under such free trade agreements and those of the power nations such as the USA, Canada, and European countries; the contrast shows the obvious abuse and manipulation of the workers who do not have any say in regarding how they are unfairly treated. Other free trade agreements such as the DR-CAFTA embody similar terms as well. Limitations of the employees under these corporations reveals how these international companies exploit the undeveloped countries who cannot benefit these power nations economically, so they resort to come to taking advantage of deregulating their policies and duties for cheaper alternatives. The spread of jobs and products are supposed to be a part of the globalization these power nations speak so highly of, yet it deprives those who work for them of their own civil liberties as a human being.

Despite the evident unethical distribution of wealth, some argue that free trade agreements like NAFTA and DR-CAFTA generate new opportunities for these foreign countries that are in poverty. These jobs provide workers a job that would provide more for their family than what they would find by farming or depending on their own capabilities. Paul Krugman argues that the "bad jobs at bad wages are better than no jobs at all" in his book *The Accidental Theorist: And Other Dispatches from the Dismal Science* (Krugman 80). However, these bad jobs do not mean that the workers should be belittled due to their limited choices. The marginal wages the workers receive compared to the salary of Americans help maintain their standard of living in the end. Although these wages are aiding individuals for their livelihoods, this argument does not rectify the means of globalization and its earnings as the power nations continuously advance while leaving the undeveloped counties behind. Comparing the $1.31 an hour earned at Honduras and $1.62 an hour at the Dominican Republic to the $7.25 an hour of the United States—it is no question of the gap (Powell and Skarbek). Such discrepancies between the wages and actual profits made through the process emphasize the intended system set out by free trade agreements.

Similarly, immoral components of these free trade agreements promote corruption as the free trade agreements favor the government and elitists rather than the typical individual. Cheap labor is pro-corporate and anti-working class, meaning that the income gap between the one percent and lower class is continuing to grow. Within the terms of NAFTA, include the unparalleled assurances "to protect the value of corporate investments and even the rights to earn profit" (Scott 4). This position allowed these businesses to put their own values ahead of those under them. Through the explicit authorization, corporations justify such immoral means to maximize profit through the concept of Karl Marx's commodity fetishism ideology. Due to the fact that the capitalist is the individual who funds the original resources, capital and workers to produce this product—the profits is inheritably their item despite their means of obtaining it. This situation further proves that NAFTA favors the corporations as it contributes to the "growth of inequality in income distributions" in the USA where the "middle and low wage workers...bear...the costs and pressures of globalization" (Scott 8). Rather than promote the potential benefits to improve these nations' economy, these two agreements are depriving disadvantage individuals from the possibility of attaining the lifestyle they desire as businesses manipulate the exploited laborer for low wages.

On the surface, NAFTA and DR-CAFTA brings economic benefits which are seen in the job increase in America's agricultural export rates and work force. Initially, the government proposed a hypothetical situation where Americans will have the opportunity to work "higher wage jobs" in the US as Mexican employees in the maquiladoras take the jobs of the "lower end of the skill ladder" (Faux, "The NAFTA Illusion" 5). This interpretation of globalization is unethical and limits the progress of advancing poverty stricken countries. In this case, the original available jobs in Mexico are diminished which causes Mexico to be further exploited by the Americans who took away their main source of income and being forced to work at the maquiladoras unhappily. It can be seen that this justification is immoral and illogical. Even if agriculture export increased job rates, it does not amount to the "686,700 manufacturing jobs" lost due to NAFTA (Scott 3). There is prominent job loss within all 50 states in the United States America, despite the promises of more jobs and higher wages promised through the "principal justification for NAFTA" (Scott 7). There are no jobs left after the manufacturing companies moved all their plants to the undeveloped country for cheap labor. The number of unemployment will continue to grow as more and more companies resort to these cheaper alternatives with higher productivity than stay in America and provide domestic jobs.

Workers at sweatshops and maquiladoras are deprived of minimum wage, good working conditions, worker rights of unions, and health care. The lack of such regulation and laws in these foreign countries do not provide such protection and benefits which is perfect for capitalists who want to make the maximum amount of profits. They take advantage of such loopholes and promote free trade agreements so they can make the most out of their employers, while paradoxically attaining the support of the American people. Doing so, this is an unjust treatment of individuals in these undeveloped nations as the terms embody manipulation of these desperate workers who are willing to take these jobs to barely maintain their standard of living in their country. Although the "workers' consent" to such conditions, the employers still should provide improvement as it is a moral responsibility to do so (Zwolinski 689).

Under the terms of NAFTA, there were promises to decrease immigration as the job opportunities in Mexico would encourage Mexicans to remain in their homeland. Yet, the availability of jobs in their home country is not favorable, so there is an increasing immigration rate to the United States of America which proves the horrid conditions these individuals are trying to escape. Immigrants come with the mindset that "to improve [one's] life", one would have to come to the United States where there is no law limiting one from reaching or earning the maximum pay (Faux "How NAFTA Failed Mexico") Evidently, the free trade agreement did not uphold such promises but devalued these careers and general. Low wages and the deprivation of opportunity stimulate immigration rather stagnate or slow such moves.

These two free agreements that were signed into law the past two decades fails to deliver its initial justification as a law that would provide equal benefits to all as the government and corporations have provided limited to no evidence of its success in delivering its promises. The prominent unjust and immoral situations can be seen through the effects of the free trade agreements which disprove utilitarianism. In fact, it has only led to unjust working conditions for the workers who are exploited of the rights as they receive low pay for high productivity, ncreased immigration rates, and the decreasing domestic job availability for American workers the factories located in the United States disappeared. These issues that result from free trade reements should not be ignored, but evaluated for the false promises that came into light.

- Draw conclusion (claims?)
- Restate thesis (Remix)
- Closing argument

Works Cited

Faux, Jeff. "How NAFTA Failed Mexico." *The American Prospect*. The American Prospect, Inc. 16 June 2003. Web. 6 Nov. 2014. Faux provides evidence regarding the failure of NAFTA and its initial promise to improve the standing of Mexico and its development as a country. He pinpoints four main aspects—the business scheme of NAFTA, immigration, exploitation of the Mexican workers, and the impact to the US class hierarchy. First, he reveals NAFTA'sexploitation as its term favors the elites and corporations. This leads to the increased immigration to the United States. The limited social mobility in the maquiladoras that deprives these workers encourages the immigration. They're limited from minimum wage, health care, working conditions, and worker rights. Lastly, the US working and lower class are impacted as well. The jobs that were provided by the manufacturers are taken away for cheaper labor. The increased unemployment and underemployment are the direct results of NAFTA.

---. "The NAFTA Illusion." *Challenge*. 36.4 (1993): 4-8. *JSTOR*. Web. 5 Nov. 2014. In "The NAFTA Illusion", Jeff Faux exposes the façade of NAFTA and thebenefits it promised of as it is universally accepted by supports and critics that it caused job lost, wage reduction, and damages environmental standards. He evaluates three benefits that are wrongfully used in the NAFTA argument—more jobs will be created, wage increases due to the Mexican workers taking the "lower end", leaving higher paying jobs to Americans, and that job loss is inevitable, so why wait (Faux)? He comprehensively analyzes the counterargument and proposes a logical perspective of reality. NAFTA is not providing America or Mexico any of these benefits as this system only worsens the income gap between the rich and the poor of each nation. He also reveals the corrupt nature of the Mexican government. Their lies Salinas spew to ensure the American government that NAFTA is generally praised was a sham. Overall, NAFTA cannot be mended through the minimum, but through rigorous enforcements of regulations.

Froetschel, Susan. Rev. of *Exploited: Migrant Labour in the New Global Economy,* by Toby Shelley. *Yale Global Online.* 2008. Web. 9 Nov. 2014. Froetschel reviews Shelley's book *Migrant Labour in the New Global Economy* by highlighting the conflicted feelings of immigration from the people of the well-off nations, such as the United States of America. More individuals in the working class are working alongside with immigrants and yet kept ignorant of the controllable factors of their presence. Yet, doing so, government labels of illegal immigrants to have "no rights" and therefore the employees continue to exploit workers through disregarding minimum wages (Froetschel). This would encourage criminal activity as the monetary receiving are unjust. Froetschel emphasizes that Shelley doesn't have an answer to end such issues and suggests that a country as a whole must work together to eliminate such exploitation.

Krugman, Paul. "In Praise of Cheap Labor: Bad Jobs at Bad Wages Are Better than No Jobs." *The Accidental Theorist: And Other Dispatches from the Dismal Science.* New York, NY: W. W. Norton, 1999. 80-85. Print. This article provides a brief take on why sweatshops and cheap labor of undeveloped countries are favored by economists. Krugman argues that these low paying jobs are better than none at all, so the unethical conditions are justified. He provides example situations and mentions the ones who benefits most out of globalization—the workers.

Mayer, Robert. "Sweatshops, Exploitation, and Moral Responsibility." *Journal of Social*

Philosophy. 4.38 (2007): 605-619. Web. Mayer examines and argues the points lay out in "Wrongful Beneficence: Exploitation and Third World Sweatshops" by Chris Meyer. Although, both authors are against the terms of sweatshops and their exploitation of their laborers, Mayer does not agree with Meyer's argument of the employer's responsibility. He does so by branching the forms of exploitation, explain the difference between discretionary and structural exploitation, and provide an example through a famous brand—Nike. He list out his differing points by concluding that sweatshop exploitation is discretionary as reform is "a collected obligation" rather than just the corporations who lead these exploitations (Mayer).

Pinder, Sherrow. "The Dominican Republic and Central America Free Trade Agreement with the USA: Some Concerns." *Development in Practice*. 2.19 (2009): 227-232. Web. 12 November 2014. In the article, Pinder goes underneath the surface of the DR-CAFTA and underlines its true intentions—to let the powerful nations take advantage of the developing countries. She explains that these undeveloped countries in Central America are the perfect location for these multinational companies who want to maximize production as these countries have weak labor laws just makes these locations a great venture for foreign investors. Throughout her article, she suggests that DR CAFTA is not a solution to revive US imperialism as it will only lead to these undeveloped countries to their demise while corruption flourishes.

Powell, Benjamin, and David Skarbek. "Sweatshops and Third World Living Standards: Are the Jobs Worth the Sweat?" Working paper no. 53. San Jose State University, 27 Sept. 2004. Web. 12 Nov. 2014. In Powell and Skarbek's working paper, they provide accurate statistics of the wages these undeveloped nations receive under the terms of DR-CAFTA.

Powell and Skarbek also provide their analysis of the correlation between the earnings and the living standards of these workers. The graphs and tables determine each countries individual standing in the economy regarding the wages they earn under CR-CAFTA and the amount of money that are necessary for their daily expenses in the designated country.

Scott, Robert E. "The High Price of 'Free Trade.'" *Economic Policy Institute: Briefing* Paper. (2003): 1-13. Web. 3 Nov. 2014 In the report *The High Price of 'Free Trade'*, Robert Scott thoroughly examines the drawbacks of NAFTA through underlining its failed assurance to benefit both Mexico and the USA. He emphasizes its impact to America's workforce in the manufacturing industry as the large amount of job opportunities were transported to undeveloped countries for greater profit. Scott provides statistics and analysis regarding the amount of unemployment and underemployment rates of the United States and the high salaries of CEO and corporations who benefit out of NAFTA. This continuing inequality continues to grow despite its immorality to exploit workers from these foreign nations as well as deprive US citizens of domestic jobs.

Zwolinski, Matt. "Sweatshops, Choice, and Exploitation." *Business Ethics Quarterly*. 17.4 (2007): 689-727. Print. Zwolinski logically disclose that the common economist argument that the consent sweatshop laborers are voluntary only by their lack of choice. Although their work is intentional they have a "moral right to…improvement" due to the fact that their decisions aren't fully voluntary, these sweatshops harm the workers, and the exploitation is immoral. He expresses his three points independently before integrating these aspects into his overall argument that sweatshop workers are here by choice despite knowingly exploited by these multinational corporations.