

Are Workers Exploited in the Manufacturing of US Imports?

Posted on October 8, 2018

Introduction

Manufacturing for global markets can create employment, raise household income, support industrial development, and give consumers access to goods that would otherwise be more expensive. It can also place workers inside long supply chains where the company selling a finished product is far removed from the factory, recruiter, farm, mine, or subcontractor where labor conditions are determined. For that reason, the question of whether workers producing U.S. imports are exploited cannot be answered by looking only at wages or by assuming that every export job is either beneficial or abusive. Conditions differ across countries, industries, employers, and tiers of production. A worker may earn more than in available local alternatives while still experiencing excessive hours, unsafe equipment, recruitment debt, wage theft, discrimination, or retaliation for organizing. The central issue is therefore how bargaining power, purchasing practices, labor law, worker voice, and supply-chain oversight affect the quality of employment created through trade.

When Export Manufacturing Becomes Exploitative

Exploitation is more specific than the fact that workers in one country earn less in dollar terms than workers in another. Nominal wages differ because of productivity, exchange rates, labor supply, institutions, prices, and living costs. A useful assessment asks whether workers receive at least the compensation required by law, whether overtime is paid, whether hours are excessive, whether people can leave employment freely, and whether they can report hazards or organize without retaliation. The International Labour Organization identifies freedom of association and collective bargaining, elimination of forced labor, abolition of child labor, elimination of employment discrimination, and a safe and healthy working environment as fundamental principles and rights at work. These principles provide a more meaningful framework for evaluating conditions than a simple comparison between U.S. and foreign wage levels (International Labour Organization [ILO], 2022, 2026; United Nations, 2011).

Global supply chains can create unequal bargaining power because brands and major retailers often control order size, price, specifications, and delivery deadlines while workers rarely negotiate with the final buyer. A supplier facing a late design change or an unexpectedly short deadline may respond with overtime, temporary labor, unauthorized subcontracting, or production pressure. That does not remove the supplier's legal responsibility for working conditions, but it shows why factory audits alone

may not address the commercial incentives behind violations. The OECD's 2026 Responsible Business Outlook reports a gap between corporate commitments and implementation, including relatively limited disclosure of measures that integrate social standards into purchasing practices. Risk-based due diligence therefore looks beyond a first-tier factory to recruitment, raw materials, subcontracting, and other business relationships where serious impacts may occur (OECD, 2026).

The electronics industry illustrates this complexity. Competition between [Apple and Samsung](#) does not itself establish exploitation because electronics supply chains include brands, contract manufacturers, component suppliers, mineral processors, logistics companies, and labor agencies. Reported risks in the sector have included excessive hours, repetitive work, occupational exposure, dormitory conditions, recruitment practices, student labor, and restrictions on worker organization. At the same time, export manufacturing has provided regular employment and skill development for many workers. The proper question is not whether electronics production is inherently exploitative but whether specific conditions, purchasing relationships, and remedies meet legal and internationally recognized labor standards.

Wages, Safety, Worker Voice, and Migrant Risk

Wages are central to debates about fairness, but a legal minimum wage is only one reference point. A worker's actual income depends on hours, overtime rates, deductions, bonuses, benefits, and whether wages are paid in full and on time. Living-wage estimates attempt to calculate what workers need for housing, food, transport, healthcare, education, and basic contingencies, although methodologies differ and economic conditions can change quickly. Employers and governments also have to consider productivity, employment effects, inflation, and the risk that poorly designed rules push work into informal sectors. These tensions do not make wage adequacy unimportant; they show why serious analysis should distinguish legal compliance, household needs, and the broader economic conditions under which wages are negotiated.

Safety is less ambiguous as a labor principle. Building integrity, fire exits, ventilation, protective equipment, machine guards, chemical controls, heat protection, emergency procedures, and the ability to report danger directly affect whether workers face preventable injury or death. Since 2022, the ILO has recognized a safe and healthy working environment as a fundamental principle and right at work. Worker participation matters because employees are often the first to know when equipment is unsafe, records are falsified, or production targets are encouraging dangerous shortcuts. External audits can identify problems at a moment in time, but freedom of association and collective bargaining can provide continuous workplace representation when workers are genuinely able to organize (ILO, 2022).

Migrant and temporary workers may face additional vulnerability when recruitment debt, passport retention, employer-controlled housing, or visa dependence reduces their ability to leave. A job that began with apparent consent can become coercive if a worker owes large recruitment fees or cannot

resign without losing legal status or housing. These risks can occur several tiers removed from the brand whose name appears on the final product. Due diligence therefore increasingly emphasizes mapping beyond direct suppliers, interviewing workers without management present, examining recruitment practices, and providing remedy when prohibited fees or coercive conditions are identified. In the United States, Customs and Border Protection enforces Section 307 of the Tariff Act of 1930, which prohibits imports produced wholly or partly with forced labor, illustrating how labor conditions abroad can become an import-enforcement issue as well as a corporate responsibility issue (U.S. Customs and Border Protection [CBP], 2025).

Consumers, Boycotts, and Responsible Purchasing

Consumer action can influence brands, but broad boycotts are not automatically beneficial to workers. If demand collapses suddenly, factories may close, workers may lose wages, and production may move to another country where conditions are less visible. The opposite strategy—buying more imported goods simply to support employment—also provides no guarantee that additional revenue reaches workers or improves safety. The impact depends on the specific campaign, the employer’s response, the alternatives available to workers, and whether the action is linked to clear demands. Worker-led campaigns can be more informative than generalized calls to avoid an entire country or industry because they identify the condition that workers themselves want changed.

Consumers also face an information problem. A finished product may contain materials and components from several countries, and a brand may rely on multiple levels of contractors that change over time. Certifications, ethical labels, and company reports can provide useful information, but they vary in scope and independence. Higher price does not automatically mean better labor conditions, while low-income consumers cannot reasonably be expected to investigate every supply chain. This is why consumer pressure is most effective as one part of a larger system involving disclosure, regulation, worker organization, responsible purchasing practices, and independent verification. Consumers can reward transparency or support specific worker demands, but they do not have the information or leverage to replace governments, employers, and unions.

International Standards and Corporate Due Diligence

International labor standards exist because production crosses borders while most labor law remains national. The ILO develops conventions, recommendations, and supervisory processes through a tripartite structure that includes governments, employers, and workers. These standards do not require every country to adopt an identical wage or employment system. Instead, they establish principles concerning forced labor, child labor, discrimination, freedom of association, collective bargaining, and occupational safety. National governments remain responsible for implementing and enforcing their own labor laws, but international standards create a common language for evaluating

whether competition is being built on severe labor-rights violations.

Corporate due diligence complements rather than replaces public regulation. The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct call on companies to identify, prevent, mitigate, and account for adverse impacts connected with their operations, supply chains, and business relationships. A risk-based approach does not mean auditing every supplier in exactly the same way. It requires identifying where severe impacts are most likely, investigating those areas more deeply, integrating findings into purchasing and management decisions, tracking results, and providing or supporting remedy when the company causes or contributes to harm. The OECD's 2026 analysis suggests that public commitments to responsible business conduct are much more common than detailed evidence of implementation, which is why transparency should distinguish policies from demonstrated outcomes.

Trade agreements and import rules provide another layer of governance. Labor chapters can establish obligations among governments, while customs laws may prohibit particular goods or require evidence concerning their origin. These mechanisms can create leverage but also raise questions about proof, due process, unintended economic effects, and the possibility that labor rules are used as disguised protectionism. Enforcement is more credible when standards apply consistently, evidence is specific, affected workers can participate, and remediation is possible where conditions can be corrected. Abruptly ending a supplier relationship may sometimes be necessary, but it can also transfer the cost of compliance failure to workers who lose their jobs without receiving back pay or compensation.

Who Sets and Enforces the Rules?

No single institution can govern labor conditions throughout a global supply chain. National governments enact wage, safety, employment, migration, and union laws and are responsible for labor inspection and courts. The ILO establishes internationally recognized principles and provides supervision and technical assistance. Importing countries can regulate customs, government procurement, sanctions, disclosure, and the conduct of firms subject to their jurisdiction. Companies can translate international principles into supplier contracts, purchasing practices, grievance systems, monitoring, and remediation. Workers and unions negotiate at the workplace and provide information that outsiders often cannot obtain. Civil-society organizations, journalists, researchers, and investors can add independent scrutiny. The effectiveness of the system depends on how these roles interact rather than on one actor replacing the rest.

Enforcement tools also need to match the violation. A minor documentation error does not present the same problem as forced labor, wage theft, a lethal safety hazard, or retaliation against workers who organize. Available responses can include inspection, back-pay orders, fines, customs detention, procurement exclusion, contract remedies, civil liability, or criminal penalties for severe coercion. Remedy should address the worker's actual harm through unpaid wages, medical support,

reinstatement, recruitment-fee reimbursement, compensation, or safer conditions where appropriate. At the same time, employers need clear standards and procedures for contesting inaccurate findings. A system that protects workers while maintaining reliable evidence and review is more likely to improve conditions than one based primarily on public accusations.

Conclusion

Workers who manufacture goods imported into the United States cannot be described accurately as a single group of either exploited victims or beneficiaries of globalization. Export industries can create jobs, income, skills, and economic development, while the same supply chains can expose workers to coercion, unsafe conditions, excessive hours, wage violations, recruitment debt, discrimination, or suppression of worker voice. Whether a particular job is better than a worker's alternatives is relevant, but it does not determine whether specific labor practices are lawful or fair. Consumer choices, international standards, corporate due diligence, import enforcement, national labor law, and collective bargaining each address a different part of the problem. The most reliable assessment therefore focuses on actual working conditions and the institutions that give workers the ability to receive lawful pay, work safely, leave employment freely, organize, and obtain remedy when those rights are violated.

References

International Labour Organization. (2022). *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up*.

International Labour Organization. (2026). *A Guide to Key Terms Related to Fundamental Principles and Rights at Work, Trade and Supply Chains*.

OECD. (2026). *OECD Responsible Business Outlook 2026: Making Commitments Count*. OECD Publishing.

U.S. Customs and Border Protection. (2025). *Forced Labor Allegation Portal: Quick Reference Guide*.

United Nations. (2011). *Guiding Principles on Business and Human Rights*.