

Case 10 ♦ Is That Blood on Your Shirt?

When American consumers shop for clothing, they think about how much the clothes cost, how they look, and how they fit. These may seem like the most important considerations when one is standing in front of a rack of clothes, trying to pick out the perfect dress for a special event or replace a favorite shirt that has been stained. However, studies have shown that consumers also care about ethical consumption practices, such as avoiding the purchase of goods produced under unfair labor practices.²⁶ The paradox is that, while many people describe themselves as ethical consumers, few actually act on this conviction.

A recent tragedy in Bangladesh has brought these issues into the public eye and reignited the debate about consumers' ethical obligations. In May 2013, a garment factory near Dhaka, the capital of Bangladesh, collapsed, killing 1,127 people. The building, allegedly built without permits and using low-grade materials, was eight stories high with another story under construction. Workers reported cracks and creaking sounds, but were told not to worry and to return to their sewing machines.²⁷

Bangladesh has become the second-largest apparel exporter in the world, and the apparel industry makes up 80% of Bangladesh's exports. There are several economic reasons that explain why the garment manufacturing industry is so successful in Bangladesh. The country allows workers to be paid relatively little compared with western standards. For example, the minimum wage is \$37 a month. Overhead costs are also significantly lower in Bangladeshi factories, because environmental, labor, health and safety and building standards are minimal or non-existent.

It would be easy to attribute consumers' apparent insouciance to the fact that tragedies like the one in Bangladesh often occur a world away. Mark Magnier from the LA Times agrees: "One problem... is the geographical and psychological distance most Western shoppers feel toward Bangladesh, making it easier for them to forget about the shocking loss of life by the next news cycle." However, the reasoning behind consumers' choices is much more complex. A 2010 study has found that consumers explain their inability to follow their convictions by invoking three justification strategies: economic rationalizations (e.g., "I cannot afford ethically-sourced goods"); institutional dependency (e.g., "unethically produced good dominate the market; it is the responsibility of governments, not the consumer, to make sure that workers are not exploited"), and developmental realism (e.g., "even if the conditions are bad, sweatshops offer much-needed employment to people in developing nations").

²⁶ Giana Eckhardt, Russell Belk, and Timothy M. Devinney, "Why Don't Consumers Consume Ethically?," *Journal of Consumer Behaviour*, 2010, 9(6): 426-436.

²⁷ Mark Magnier, In Bangladesh, Shock May Give to Status Quo, *The Los Angeles Times*, May 15, 2013, <http://www.latimes.com/news/nationworld/world/la-fg-bangladesh-garment-workers-20130516.0,1203787.story>