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Economics

When buying cheap turns out expensive

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Three, two, one, zero... The sales are now on. Offers, discounts, % off... fill the shop windows of the high streets and the shopping centres. It is the time to buy and to buy cheaply. But... Is what we're buying really so cheap? What is being hidden behind the clothing and domestic appliances? Who are the winners and who are losers from our shopping? Often what seems to be cheap can end up very expensive.

Mango, Zara, H&M, Bershka, Pull&Bear, Stradivarius, Gap, Oysho... They talk about savings and, more so in the sales, low prices. What they don't tell us and what is hidden behind the label 'made in China/Bangladesh/Morocco' is how they achieve such prices. Industrial relocation is the response: manufacturing while paying the lowest possible price for manual labour, and consequently, violating human rights and basic labour laws. This is exhaustively explained and documented in several reports by the Clean Clothes campaign. Practices that are, of course, also present in the big brands that sell products a bit more expensively or at the top end. The logic is the same. Behind the "glamour" or the "luxury" is hiding the sweat of badly paid workers.

The report, "Spanish Fashion in Tangiers: work and survival of clothing manufacturers" by the Clean Clothes campaign of the Spanish organisation SETEM is one of the many investigations that showing the situation in black and white. The report analyses what the situation is for textile workers in Tangiers working for important international companies and it discovers the working conditions in Moroccan factories: 12 hour working days, six days a week, a salary no more than 200 euros a month, and even on occasion under 100 euros a month, arbitrariness in hiring and firing, restrictions on union activity: a situation that can be found in many other countries. It's no accident that our clothes are produced in Asia, Central America, Eastern Europe and Africa.

But it's not only those working in factories overseas who are losing out, also here the employees in shopping centres and sales outlets are subject to precarious, flexible working conditions with difficulties for union organisation... And the pressure to achieve the lowest possible costs also falls on them. Those responsible for the unemployment and the precarious situation in the north are not the workers of the south, but rather a few economic and business elites who are trading in our lives, just as much here as on the other side of the planet.

So, Amancio Ortega, the owner of Inditex which numbers among its portfolio of brands; Zara, Bershka, Pull&Bear, Stradivarius, Oysho and Massimo Dutti, was in 2011, according to Forbes, the third richest man in the world, despite or thanks to the economic crisis, depending on how you see things.

And the same story is repeated in the production, distribution and sales of home appliances, technology and even food. And it's not just that a few are taking advantage of precarious or non-existent working conditions but also they take advantage of extremely weak environmental legislation. So the current production system of consumer goods is exploiting finite natural resources, making employees or entire communities ill and/or polluting where eyes don't see. Everything, evidently, at zero cost.

Then they tell us that we can buy cheaply. And the January Sales are the highest exponent of this practice. But is what we are buying so cheap? The current production and consumption model counts on a series of hidden costs that all of us end up paying for. Labour exploitation, precarious conditions, miserable salaries, weak or non-existent union rights... whether they be in the south or in the north they generate poverty, inequality, hunger and home evictions... and it's the State that has to respond to such situations and conflicts with everything that implies in terms of social and economic costs.

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The same happens with businesses that pollute and exploit without control or limits to natural resources, generating climate change and environmental destruction with their practices... Who pays for the fragmented and delocalised production and the petrol addicted transport system that generates the green-house gases? Who pays for displaced communities, sick workers and uninhabitable territory? Who bears the consequences of an agricultural and food production model that does away with agrodiversity in farming and makes us addicted to junk food? We do. For the company it's free. These are the invisible costs of abusive practices which it is supposed no one pays for. Stubborn reality shows us the opposite, it's society who pays, and a lot.

And the most scandalous part is that to carry out these practices, multinationals count on the active support of those in those institutions that design the economic, social, environmental and employment policies... at the service of interests of the former. As has been repeated countless times in the streets, our democracy has been kidnapped. And even though they tell us time and again that "buying cheap everyone wins", the reality is otherwise: "buying cheap turns out expensive". And in the end we, the majority, pay the price.

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