

# Upside down world – Part 1/3

**In the future, exploitative production must be more expensive than fair production!**

Lisa Muhr, blog post, 23th October 2020, <https://www.lisa-muhr.at/media/>



Today, nobody can imagine that fairly produced and fairly traded products that meet high social and environmental standards could ever be cheaper than exploitatively manufactured ones. It seems self-explanatory that mass-produced, cheap throw-away junk, but even high-quality products made in the countries of the South are cheaper.

**"Obviously, because the work is cheaper in the south and because there are fewer requirements there,"**

was the general justification. But is it actually logical that products made in the south are cheaper because the standards are lower there? I maintain: No, that is not logical. "Logical" means "logical", "plausible". I am of the opinion that it is not plausible that goods from productions that exploit people and cause ecological catastrophes for our entire living space on earth can be thrown onto the market so cheaply - on the contrary, against the background of the climate drama, that is "consequentially wrong".

**It is our current, capitalist system that "allows" this grievance:**

Only the actual expenditure for production, the trade and profit margins and taxes and duties (transport, customs, etc.) are reflected in the sales price, but not the hidden ones. Consequential costs for illness, lack of education and global environmental damage

caused by such products. That is why the so-called "free" market can offer the cheapest products at all. We enjoy bargains and don't realize that we are actually paying a significantly higher price for these products. My dear industry colleague and friend, Gert Rücker (JMB Fashion, Feldbach) once said: "There are no cheap products. If we don't pay the price, the people in the producing countries will pay it." And I'll expand on this perfectly correct statement: "... and all of us, because we all feel the ecological impact of such products."

What family/social dramas arise when garment workers in Bangladesh die of exhaustion in their thirties? What are the agricultural consequences when Indian farmers kill themselves because they can no longer support their families with their work? Who pays for the environmental damage when rivers and entire areas are contaminated with toxic chemicals from the leather and textile industries? Where are the CO2 emissions from the global transport of goods priced in, which is partly responsible for the impending climate catastrophe? Who will create new jobs when European production sites are dying because they can no longer keep up with the cheap competition from Asia?

In Europe we have managed to set minimum standards and rules on a social and ecological level (e.g. the REACH chemicals regulation, labor rights and other social standards). We can be very proud of that. But we have missed an important point: these rules apply to European production sites and to goods produced in Europe, not to goods produced outside Europe and imported into the European market. The so-called "principle of origin" or "country of origin principle" applies to these goods, which means that the laws and regulations of the respective country in which production is carried out apply. As discussed in our last blog post on the subject of "minimum wage versus living wage", we know what this means for productions in Bangladesh, for example: extreme poverty and ecological disasters that are heating up the global climate.

The result: Textiles that come from the countries of the south often contain toxins that have long been banned here in Europe (see Greenpeace's Detox campaigns), but can still be sold here. Workers in the countries of the South are paid so badly that they cannot live on their wages and their children have to work instead of being able to go to school. A lack of education is a constant downward spiral, especially for poor countries, making a good life increasingly unattainable for everyone. "We create jobs in the South" is probably not the right argument for the companies that produce on the basis of these grievances and benefit from them themselves. Many consumers believe this argument and think they are supporting people in the countries of the South by continuing to buy. How often do you hear: "Well, if we don't buy any more, people will be even worse off." How wrong is this chain of arguments? It would be much more correct if the clients felt responsible for their suppliers and paid better prices (a few cents more per t-shirt would give the seamstresses a better life).

**Fairly manufactured products are still more expensive than exploitatively produced ones,**

although they cause far fewer hidden costs. I suspect that we could completely reverse this ratio. If the hidden costs of products of all kinds had to be factored into the retail price, today's cheap, unfairly produced products would become more expensive. If there were also some kind of bonus for fairly produced goods, the prices could even drop.

This would mean that the problem "I can't afford organic and fair trade" would no longer exist for many people in the lower income brackets and it would suddenly say: "I can only afford organic and fair trade". The price would turn around completely on the market and products at the expense of people and the environment would slowly disappear from the market.



That would be an economy that could actually make a contribution to achieving the climate goals. That would be an economy that makes it easier for the heroes of today - all the companies that already act, produce and trade fairly out of conviction and are disadvantaged in today's market due to their higher cost structures. That would be an economy in which even the lower income brackets could afford fair trade and organic products. That would be a resilient economy suitable for grandchildren in the 21st century.

### **What do you think?**

In our next blog posts, we will look at possible approaches that could correct the existing mismatch.

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