In Reply To Sweatshop Sophistries

Benjamin Powell*

ABSTRACT

This article first demonstrates that wages and working conditions are inter-related and that economists are correct to analyze them together. It then examines the four economic mechanisms which Arnold and Hartman (2006) suggested could overturn the traditional economic view that raising wages in sweatshops would unemploy workers. It is shown that their mechanisms fail to achieve their purpose. Finally, cautions are given against suggested reforms such as industry-wide ethical standards and adherence to local labor laws because these reforms would negatively impact workers' welfare.

I. INTRODUCTION

Arnold and Hartman (2006) argue that the adoption of voluntary codes of conduct by companies is the best way to improve conditions for third world workers.1 I agree that voluntary codes of conduct can be one way to help some third world workers. By highlighting some companies' successful and profitable adoption of such codes, Arnold and Hartman have provided an important service to other companies that might want to emulate these examples. However, they are too optimistic about their findings. Strong reasons suggest that the identified economic mechanisms that make voluntary codes of conduct successful in some circumstances will not likely be widespread. If activists take these mechanisms too seriously they could...

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I. INTRODUCTION

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be led to advocate reforms that actually harm the workers they intended to help. This reply will show the limitations of the mechanisms identified by Arnold and Hartman, caution against potentially harmful reforms, and suggest fruitful areas for future research.²

This reply begins by demonstrating the interrelation between working conditions and wages; factors that Arnold and Hartman separate. Next, I will examine problems with the economic theories used by Arnold and Hartman to show that sweatshop wages can rise without adverse effects on employment. Finally, I caution against particular reforms suggested by the authors that could in fact be harmful.

II. WAGES AND WORKING CONDITIONS

Arnold and Hartman criticize economists who defend the use of sweatshop labor for assuming that improvements in working conditions and wage increases have the same negative effects. They write:

[Defenders of sweatshops typically do not distinguish between issues such as the health and safety conditions in the factories, the number of working hours of employees, compliance with local labor laws, wages, and benefits. Indeed, they appear to assume that improvements in any one of these areas will result in inevitable and dire consequences for workers. However, these assumptions are unwarranted.³]

Economists group these and other interventions that change compensation packages together for good reason. The levels of these forms of compensation are interdependent.

Multinational corporations and other domestic subcontractors do not employ workers out of charity. Corporations employ workers because they expect to profit. Because companies are profit making enterprises, they will never employ a worker if they must pay the worker more than the worker contributes to the company’s profits.⁴ Of course, companies would like to pay workers much less than their contribution to profits. However, the lowest wage they will be able to pay a worker is equal to the value that worker places on the next best alternative employment. Actual wages

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2. Arnold and Hartman also dedicate a portion of their article to the ethical obligations multinational corporations have to their workers. In the interest of specialization and the division of labor, I remain agnostic on this aspect of their article in this comment and will only address the economic points they raise. See Matt Zvolinski, Sweatshops, Choice, and Exploration, Working Paper, University of San Diego (2006), for an alternative discussion of the ethical obligations between sweatshop owners and their employees.

3. Arnold & Hartman, supra note 1, at 8. They make a similar claim id. at 15.

4. In economics jargon, the maximum amount any worker will be paid is their marginal revenue product.
fall somewhere between these two points. The precise wage agreed on is influenced by the number of other factory jobs available and alternative places an employer can locate.

The compensation can be paid directly as wages or indirectly as benefits, such as health, safety, comfort, longer breaks, and fewer working hours. Some indirect payments, as Arnold and Hartman correctly point out, can raise worker productivity. Obviously, employing healthy workers who can perform their jobs positively impacts profits. Therefore, some companies may choose to provide subsidized lunches, health care, and on the job safety that increases worker productivity. In fact, it is in the employers best interests to contribute this form of indirect compensation. However, if these benefits cost more than the revenue gain from increased productivity, then firms do not increase their profits. In this case, the firm regards indirect benefits bottom line costs, just like wages. A profit-maximizing firm is indifferent to compensating workers with pay or with health, safety, leisure, and comfort benefits of the same value when productivity is unaffected. The firm only cares about the overall cost of the total compensation package.

Workers, on the other hand, do care about the mix of compensation they receive. Few readers of this article would be willing to work for little or no monetary wage, and instead take their entire pay in benefits such as free health care, free life insurance, and a comfortable, large office with a skyline view. We demand trade-offs on the margin. When our overall compensation goes up, we are more likely to desire more non-monetary benefits. Comfort and safety are what economists call "normal goods" for most people. We demand more of these goods as our income increases. Factory workers in Third World countries are no different. Unfortunately, many workers have low productivity, so their overall compensation level is low. As such, they demand most of their compensation in wages and little in health or safety improvements.

This presents a problem for those who wish to separate safety and working conditions from pay. Both are limited by the same factor—the worker's marginal revenue product. Firms are indifferent about whether to pay monetary wages or in-kind benefits after adjusting for benefits that improve productivity. Workers do care about the mix. As such, firms have every incentive to provide the mix of benefits and wages that their average worker desires to attract the best employees possible. This means that the mix of compensation is really driven by employee preferences (limited by their overall productivity), not by the preferences of large firms and multi-

5. In many cases it is no fault of the individual worker that their marginal revenue productivity is low. In many countries with sweatshops, government policies increase the risk of doing business. Because of this, worker productivity is artificially lowered, and capital flows are limited.
national corporations. The issues of wage compensation and safety, comfort, and other benefits are intimately related. If activists push only to improve safety in factories, they are implicitly pushing for a reduction in monetary wages that workers have already demonstrated they prefer more than safety, or they will unemploy workers by raising their total compensation above their marginal productivity. For this reason, economists do not separate the analysis of safety, health, comfort, and other in-kind benefits from wages. If any of these factors raises total compensation above worker productivity, the worker will be unemployed. Alternatively, if total compensation stays the same, and reforms demand increase, safety and wages will decrease.

Although Arnold and Hartman incorrectly criticize economists for lumping the issues together, with the exception of the enforcement of local labor laws (which will be dealt with later in this reply), they never go so far as to advocate imposing a non-voluntary policy that would change the mix of compensation desired by the workers. Arnold and Hartman provide a valuable service by pointing out that some improvements in safety are quite inexpensive but bring great benefits to workers. Profit maximizing companies should study the examples they provide to find improvements for their own factories. The market process is continually evolving and detecting errors (profit opportunities). The more dialogue increases between activists, scholars, companies, and those with specific knowledge of time and place in each factory, the quicker today's inefficiencies, which unnecessarily burden both workers and companies, can be corrected.

III. THEORIES FAIL TO OVERTURN TRADITIONAL ECONOMICS

Conclusions

In Section V of their article, Arnold and Hartman challenge the standard economic claim that raising wages (or, as outlined in the previous section, total compensation) will unemploy some workers. They offer four reasons why the standard economic prediction may not hold: efficiency wages; passing on costs to consumers; absorption as an operating expense or compensating cost cuts; and absorption by owners through a lower return on equity. I consider each in turn.

When labor productivity and wages are interdependent economists refer to the wage as an "efficiency wage." In this case, a business can raise productivity by paying an above market wage. The key reason a firm pays an efficiency wage is that higher employee productivity can be most efficiently and profitably achieved by paying a higher wage. In most cases, this occurs when the labor market is tight and monitoring employee productivity is difficult. If a firm pays an above market wage in these cases, the employee has something to lose if he is caught underperforming; hence he will work
harder. In most sweatshop jobs, monitoring employee productivity is simple, and most jobs exist in labor markets that have substantial unemployment or underemployment. Absent these two key characteristics, Arnold and Hartman are wrong to assume that an employee will work harder because higher wages are seen as a gift from the employer. Employees already work as hard as they are going to because labor market alternatives are poor and monitoring intense.

Arnold and Hartman also offer a caloric intake justification for efficiency wages. Malnourished workers are less productive, so employers should want to pay enough to ensure productivity. Arnold and Hartman state that because workers will spend income on other members of their family, firms may need to pay a worker two to four times the amount necessary to meet the minimum daily caloric intake for the worker. However, the increased productivity from an efficient diet may not offset the increased cost of paying two to four times the cost of that diet. More importantly, when the difference between malnourished and healthy worker productivity does justify paying enough to ensure a minimum caloric intake, firms can more efficiently provide those calories through free or subsidized meals at work. Although Arnold and Hartman grant that this is a possibility, it is, in fact, always the case. An efficiency wage is never necessary to improve caloric intake. In tight labor markets and hard to monitor jobs, efficiency wages may be necessary to achieve optimal productivity. Profit-maximizing firms already have an incentive to pay efficiency wages in these cases. Although some individual sweatshops may pay efficiency wages, no evidence suggests that these two key characteristics are widespread or that firms are systematically failing to offer efficiency wages in those few situations where it is in their own interest to use them.

Arnold and Hartman also claim that increased compensation may not lead to lower employment because firms may be able to pass costs on to the consumer. They write, "[i]ncreased labor cost may be offset by the value added to the good insofar as consumers demonstrate a preference for products produced under conditions in which the rights of workers are respected." Certainly, some consumers value ethically produced items by an amount great enough to justify sweatshops paying higher total compensation. If these consumers do not decrease their quantity of purchases when prices

7. Benjamin Powell & David Skarbek, Sweatshops and Third World Living Standards: Are the Jobs Worth the Sweat?, 27 J. LABOR RES. 129, 130–40 (2006), shows that sweatshop jobs pay wages substantially above the living standards in the countries where they exist. Thus, loss of a sweatshop job already imposes a severe penalty on a worker. An efficiency wage is not necessary to create a downside to job loss.
9. Id. at n.46.
10. Id. at 29.
for ethically produced goods are higher than those of other goods, then
a decrease in employment is not necessary. Arnold and Hartman provide
examples of companies that have successfully employed this strategy. But
how widespread is consumer demand for ethically produced goods? What
US consumers say they would be willing to pay does not reflect actual
market transactions. Ultimately, the demand will have to be discovered
by the market process, just like for any other product. Experimentation in
production methods and marketing by different firms will be necessary. It
is very unlikely that all consumers of sweatshop goods will value ethically
produced goods by enough to justify industry-wide compensation increase.
Which companies and products can employ this strategy can only be dis-
covered by the market’s competitive process. Ethically conscious consumers
can best voice their opinions by buying ethically produced products when
given the opportunity.

Arnold and Hartman’s third claim is that increased wages, when not
offset by efficiency wages or increased consumer demand, may be “readily
absorbed as an operating expense” or “balanced by internal cost-cutting
measures.” The first is highly unlikely. If a company can relocate to another
country to avoid the increased wages, a profit-maximizing firm need not
“absorb” the higher operating expense. Furthermore, wages are not a fixed
cost. They are a variable cost, that is, one that varies with the quantity of a
good produced. Sweatshop labor is often paid an hourly rate or per unit of
output. Economics is a science that deals with marginal adjustments. Raise
the variable cost of labor, and firms do not have to make an all or nothing
choice of “continue the same quantity of production with a lower profit”
or “don’t produce at all.” Instead, they can vary the quantity they produce.
Faced with higher marginal labor costs, firms will optimize profits by cutting
back production until the new higher marginal cost equals their marginal
revenue. This will decrease the quantity of labor they demand.

Arnold and Hartman posit that even if firms cannot absorb the cost of
higher wages as an operating expense, they could still cut costs in other
areas to compensate. They suggest decreases in the number of home country
managers, or cuts in “executive perks.” If profits were adversely affected
by these things, then wouldn’t companies already be cutting costs? Firms

11. Id.
12. This is one area in which activists and non-profits could play a valuable role by certifying
    particular goods as “ethically produced,” similar to how Good Housekeeping gives
    their seal of approval for goods. This type of certification can play a valuable role by
    informing consumers and recognizing those companies that treat their workers better
    than others.
15. Interestingly, chief executives and their perks fit the model of efficiency wages much
    more closely than assembly workers because monitoring their performance is more
    difficult and their labor market alternatives are more plentiful.
are not known to intentionally leave profits on the table. Companies will cut these costs if and when doing so is beneficial. Academics are unlikely to be more aware of a company’s unnecessary costs than the actual company, which has a profit incentive to find inefficiencies. Furthermore, even in cases where costs exist that potentially could be cut, nothing ties these cuts to increases in worker wages. A profit-maximizing firm would not increase worker wages just because they found a cost to cut elsewhere. Either it is efficient to pay workers more because of consumer demand for ethically produced goods or efficiency wages, or it is not. If it is not efficient (in the profit maximizing sense) to pay workers more, then finding other areas of inefficiently high costs does not make it desirable to trade one inefficiency for another from a firm’s perspective. The firm would simply eliminate the existing inefficiency.

Finally, Arnold and Hartman suggest that the cost of increased wages could be borne by owners via a lower return on equity. They write, “[i]n such cases, the costs of respecting workers must be regarded as a necessary condition of doing business. The point should not be problematic for any manager who recognizes the existence of basic human dignity.”\(^ \text{16}\) However, this is likely to be very problematic. A higher return on equity attracts more capital to a given industry or business. Even an executive concerned with human dignity faces this constraint. A lower return on equity limits the number of factories that can be opened and, hence, limits job creation in the impoverished countries where sweatshops exist because raising the needed capital is harder. Appeals to human dignity only work to the extent that they create greater value in the minds of consumers for the products that are produced (Arnold and Hartman’s second point). Even owners who believe they should accept a lower return on equity to be ethical will face the financing constraints of the market and will be limited in the number of jobs they can create.

Of their four mechanisms, only Arnold and Hartman’s second, increased consumer demand for ethically produced goods, is a plausible way for wages to increase without simultaneously increasing unemployment. Evidence that consumers say they are willing to pay more, and the fact that some companies have profitably produced ethical goods, is encouraging. However, there could be good reasons why those products and companies can successfully do it while others cannot. Ultimately, the amount of consumer demand for ethically produced products will have to be found in the voluntary process of buying and abstention from buying that the marketplace offers.

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\(^{16}\) Arnold & Hartman, supra note 1, at 30.
IV. CAUTION IN ACTIVISM

Given the limitations of the economic mechanisms identified by Arnold and Hartman, activists should be very cautious in pursuing reforms. Arnold and Hartman’s main recommendation, that companies should experiment with voluntary codes of conduct, is a sound one. We should be more skeptical of proposals for industry-wide standards and calls for adherence to local labor laws.

The experimentation by individual companies of adopting voluntary codes of conduct is part of the market process. No valid economic objection to these voluntary codes exists. Businesses are experimenting with the quality of their products to see how consumers react. From an economics standpoint, the question of “do consumers value shoes produced by workers earning good wages in safe conditions enough to make it profitable to adopt a code of conduct” is no different than “do consumers value shoes produced in a different color enough to offset conversion costs.” Both questions are answered by the market’s process of adjustment. As codes of conduct are voluntarily and profitably adopted, some companies may mimic those codes while other companies may not find it profitable to do so. Voluntary codes of conduct adopted on a firm-by-firm basis should not adversely affect Third World workers by unemploying them. Codes will be adopted and persist in situations where consumer demand for an ethically produced product is great enough that unemployment need not result. Companies that choose not to adopt a code will obviously not cause unemployment for their workers.

When codes are made industry-wide, more caution should be taken. Arnold and Hartman note that:

Given the frequently fierce competition among the manufacturers of generic products targeted at cost conscious consumers, it may be difficult for one retailer to remain competitive while raising prices to cover increased labor costs, while others do not. For this reason, industry-wide standards concerning labor practices may prove valuable as a way of distributing costs equitably.17

However, industry-wide standards that mandate larger compensation packages will almost surely have the detrimental effects that economists caution against. Although some consumers may be willing to pay more for ethically produced products it is very doubtful that all consumers, of any industry’s product, would be willing to pay more as well as purchase the same quantity of higher priced goods as less expensive ones. Few industries have products where the quantity of a good that is demanded does not decrease when prices rise.18 As long as some consumers decrease their purchases, the standard

17. Id. at 26–27.
18. In economics jargon, a perfectly inelastic demand curve.
unemployment effect will occur. Individual companies may, in some cases, avoid the unemployment effect by pursuing "ethically produced" branding strategies to differentiate their product in a way that creates value for some consumers. There is room in the market for producers with niches for both cheap products and ethically produced products. Forcing all producers to make higher-cost ethically produced goods, however, will almost certainly lead to a decrease in the total quantity of the product demanded and, subsequently, a decrease in employment that pushes workers into even worse alternative jobs.

Arnold and Hartman also recommend that companies should be forced to follow local labor laws. They write, "[t]he violation of host nation labor laws by MNCs and their contract factories . . . should be condemned"\(^\text{19}\) and "[t]hose who are genuinely interested in the welfare of the citizens of developing nations ought to demand that MNCs and their contractors respect local labor laws, rather than excusing those MNCs that violate local laws in the name of economic efficiency."\(^\text{20}\) If we are concerned with the welfare of the citizens, however, then it is clearly not in those citizens' interest to demand respect for all local labor laws. Some laws may help local labor, while other laws harm workers. If worker welfare is our metric then only those laws that help local labor should be respected.

For example, a minimum wage set above worker productivity would clearly harm local laborers. In countries where labor's marginal revenue product is $2 per hour and $3 per hour is the minimum wage, respecting local labor laws will leave workers unemployed or push them into informal sector jobs. Arnold and Hartman should not recommend compliance with this local labor law if worker welfare is their goal. Of course, many different local labor laws exist; the violation of some of them may harm workers while the violation of others benefit both workers and firms. Arnold and Hartman admit so much when they quote an El Salvadoran official who says that workers and firms need to violate laws in order to keep the jobs in their country.\(^\text{21}\) Arnold and Hartman note that "... many government officials in the nations that host factories remain convinced that aggressive enforcement of existing labor laws will simply cause the factory to shut down and later reopen outside their jurisdiction."\(^\text{22}\) Arnold and Hartman do not argue that these officials are wrong and the factories would not in fact move, yet they condemn companies for violating laws. Do they mean that worker welfare is not their goal? Arnold and Hartman cannot have it both ways. Either local labor laws are absolute and must be respected regardless of how bad those

\(^{19}\) Arnold & Hartman, supra note 1, at 21.
\(^{20}\) Id. at 22.
\(^{21}\) Id. at 21.
\(^{22}\) Id.
laws are for workers, a position that I do not think they want to hold, or they need to accept that local labor laws are not absolute. Some laws should be broken when it is in the interest of worker welfare to do so.

Arnold and Hartman could respond that, although an individual law may be harmful, it is more important to have respect for the law because of the overall benefits this brings.23 They cite the well known economic fact that "respect for the rule of law contributes to increased prosperity."24 However, a "rule of law" that brings economic prosperity is not the same as respecting whatever laws happen to exist in a country.25 When economists write about the benefits the rule of law brings to a country, they are writing about legal systems that protect private property, uphold contracts, are applied universally, are predictable, and are clear. These are characteristics that actual legal systems are evaluated against; they are not the actual legal systems themselves. Respect for the rule of law in places that have laws protecting property and contracts tends to bring about prosperity. When countries have poor legal systems, simply respecting whatever laws they have will not bring prosperity.

In prior research Powell and Skarbek identified eleven countries that activists have protested for having sweatshops.26 If respecting local laws were a plausible way to bring about prosperity, then we should expect these countries to have legal systems and protection of property rights consistent with those systems that economists have found necessary for economic development. The Economic Freedom of the World Annual Report and the Index of Economic Freedom each rank countries' respect for security of property rights and the rule of law.27 Table 1 shows where each of these eleven countries rank compared to other nations in the first index and shows their overall scores in the second index.

By and large, we find that the countries where sweatshops are located are not countries where the protection of property rights and contracts are embodied in actual law and government practice. Of the ten countries ranked in the Fraser Institute Index, only one ranks in the top fifty. Forty percent of the countries score in the bottom 20 percent of the rankings. Similarly, in the Heritage/WSJ Index no country scores better than moderate, and most

23. Even at face value, this response does not get them out of the woods. It's still an empirical question of whether the overall benefits from respecting law outweigh individual cases of ignoring the law.


25. Id. at 25.


Table 1. The Rule of Law in Nations with Sweatshops

<table>
<thead>
<tr>
<th>Country</th>
<th>Fraser Legal System and Property Rights Rank out of 121 Countries</th>
<th>Heritage/WSJ Property Rights Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>107</td>
<td>4</td>
</tr>
<tr>
<td>Cambodia</td>
<td>N/A</td>
<td>4</td>
</tr>
<tr>
<td>China</td>
<td>60</td>
<td>4</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>34</td>
<td>3</td>
</tr>
<tr>
<td>Dominican Rep</td>
<td>89</td>
<td>4</td>
</tr>
<tr>
<td>El Salvador</td>
<td>80</td>
<td>3</td>
</tr>
<tr>
<td>Haiti</td>
<td>115</td>
<td>5</td>
</tr>
<tr>
<td>Honduras</td>
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<td>4</td>
</tr>
<tr>
<td>Indonesia</td>
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<td>4</td>
</tr>
<tr>
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<td>104</td>
<td>4</td>
</tr>
<tr>
<td>Vietnam</td>
<td>83</td>
<td>5</td>
</tr>
</tbody>
</table>

Note: The Heritage WSJ Property Rights Score is on a scale of 1 to 5 where 1 = Very High Protection of Private Property, 2 = High Protection, 3 = Moderate Protection, 4 = Low Protection, and 5 = Very Low Protection. Unfortunately, this index does not rank countries with the same score against each other.

have low protection of property rights. Hence, violating local law in these countries is not necessarily bad for economic growth, as Arnold and Hartman imply when they conflate local law with the rule of law that economists find necessary for prosperity. These countries desperately need economic efficiency if they are going to grow and raise the living standards of their population. This may require violating local labor laws for the overall good of the population.

V. CONCLUSION

Economics is a science of means and ends. It dictates what is attainable and what is not. Most economic defenders of sweatshops would like to see sweatshop workers treated more ethically. However, economists have noted that many of the means chosen by activists will not promote the ends of more ethical treatment of workers. Instead, they will unemploy the workers and make them worse off. Arnold and Hartman fail in their attempt to show that “there are persuasive theoretical and practical reasons for rejecting the arguments of the defenders of sweatshops.”28 The economic rationales that Arnold and Hartman offer do not stand up under close scrutiny.

Arnold and Hartman do, however, make a valuable contribution to the scholarship on sweatshops. Nothing in the classic economic defense of sweatshops contradicts Arnold and Hartman’s recommendation for voluntarily adopted, individual company codes of conduct. With sufficient consumer demand, these codes of conduct can improve worker welfare without decreasing employment opportunities. Future marketing research should explore areas in which industries and companies could find ways to make these codes profitable. Ultimately, the companies will be sorted by the market test. Arnold and Hartman also point out a few innovative ways firms have found to improve safety at low cost. More research that deals with the particular circumstances of individual factories could be useful in identifying other mutually beneficial safety improvements that the market has not yet discovered.
PREAMBLE

Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

Whereas disregard and contempt for human rights have resulted in barbarism and destruction which haveleft mankind upon the verge of extinction and has dawned the realization of feeling. And the belief that a common people can and should create for their Posterity a society based on justice and the power of law.

Whereas a common understanding of this meaning of rights and freedoms is the truest and greatest interest for all people to live in peace with others.

Now, therefore,

THE GENERAL ASSEMBLY

RESOLVES

That this Declaration be freely interpreted, and this Act referred to it, and the Declaration be interpreted as freely as possible and according to its true meaning and spirit.

ARTICLE 8. Everyone has the right to have an effective remedy by an competent national tribunal for the enforcement of human rights guaranteed by the constitution or by law.

ARTICLE 9. No one shall be punished or subjected to arbitrary arrest, detention or exile.

ARTICLE 10. Everyone is entitled to full freedom of movement and residence within the limits of his country.

ARTICLE 11. Everyone has the right to freedom of opinion and expression.

ARTICLE 12. Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to manifest his religion or belief; and furthermore, the freedom to choose or change his religion or belief.

ARTICLE 13. Everyone has the right to freedom of education.

ARTICLE 14. Everyone is entitled to protect his life and liberty.

ARTICLE 15. Everyone has the right to protection against the violation of his personality.

ARTICLE 16. Everyone has the right to freedom from slavery and forced labor.

ARTICLE 17. Everyone has the right to freedom from discrimination due to race, color, sex, national or social origin, language, or religion.

ARTICLE 18. Everyone has the right to freedom of thought, conscience and religion;

ARTICLE 19. Everyone has the right to freedom of opinion and expression.

ARTICLE 20. Everyone has the right to freedom of peaceful assembly and association.

ARTICLE 21. Everyone has the right to freedom of movement and residence within the limits of his country.

ARTICLE 22. Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international cooperation, in the promotion of standards of living for the removal of poverty and the amelioration of conditions of economic and social progress and human dignity, and the right to development of his country.

ARTICLE 23. Everyone has the right to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.