



Of Human Hypocrisy

A scene in W. Somerset Maugham's beautiful novel *Of Human Bondage* captures the hypocrisy and pretense of much of what passes today for enlightened thought. Philip Carey, the novel's protagonist, invites a dying friend, Cronshaw, to spend his final days at his small apartment. Cronshaw is a penniless poet. Leonard Upjohn is a self-satisfied writer and acquaintance of Cronshaw who is working to publish some of Cronshaw's poems. Being a medical student, Carey must attend classes during the day, although he nurses Cronshaw in the mornings and nights. In this scene, Upjohn is at Carey's apartment talking with him about their mutual friend.

"It's dreadful [Upjohn tells Carey] to think of that great poet alone. Why, he might die without a soul at hand."

"I think he very probably will," said Philip.

"How can you be so callous!"

"Why don't you come and do your work here every day, and then you'd be near if he wanted anything?" asked Philip dryly.

"I? My dear fellow, I can only work in the surroundings I'm used to, and besides, I go out so much."

In these few lines, Maugham portrays perfectly the sentiments of Enlightened People—the sort who travel the world to protest globalization, who rail mightily against corporate "greed," and who hold candlelight vigils to show their opposition to capitalist oppression.

Upjohn is Enlightened. He sees that it would be wonderful if Cronshaw were attended to all day long. Therefore, he is vexed that Carey does not skip his classes and perform this service. But Upjohn himself grows indignant and excuse-ridden when Carey suggests that Upjohn sit with Cronshaw during the day.

How typical. Upjohn's attitude is the same as that of those who indignantly and self-righteously demand that corporations, such as Nike, pay higher wages to their workers in underdeveloped countries. But other than to appease angry protesters, why should Nike or any other company pay wages that are above market rates?

Even to ask such a question today sounds callous, but let's examine the matter more closely.

No corporation can long afford to pay workers wages that exceed the value that its workers produce. And outsiders simply cannot know the full set of benefits and costs a corporation confronts by hiring a worker. Merely comparing the monetary compensation of a worker in Malaysia to that of a seemingly similar worker in Michigan or Missouri tells you very little.

Perhaps the smaller salary paid to the

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Malaysian worker reflects the fact that he is much less productive than his American counterpart. If the Malaysian worker produces only one-tenth as much in a work week as the American worker, the company is not getting more profit from this worker than it gets from its American worker, even though the Malaysian is paid only one-tenth the salary of the American.

Or perhaps the investment risks in Malaysia are greater than in America, and it is only the availability of workers willing to work at lower wages that makes the investment attractive to begin with.

But let's suppose (contrary to likely fact) that workers in Nike's Malaysian factories, although paid only a tiny fraction of Western wage rates, are every bit as productive as similar workers in Western factories and that the investment risks in Malaysia are no higher than in any Western country. Further, let's assume that Nike is so cash rich that it can easily afford to raise wages to well above Malaysian market rates. Is Nike unjustly exploiting its Malaysian workers by paying them the much-lower wages?

Insisting on Charity

Many Enlightened People answer yes. They assert that Nike *should* pay more. Perhaps. But let's be perfectly clear about what these Enlightened People are insisting that Nike do: they are insisting that it make charitable contributions to its Malaysian workers. If an offer from Nike of a dollar an hour is sufficient to attract all the qualified Malaysian workers Nike needs for a particular job, any amount offered above that is an offer of charity.

While Nike ought to remain free to do that, the case for this particular form of charity is not as clear as it seems to Enlightened People. First, if Nike decides to give away some portion of its assets to charitable

causes, it should probably give to people who are worse off than the relatively lucky ones working in its foreign factories. As poor as a Nike factory worker in Malaysia is compared to an American factory worker, the Malaysian employed by Nike surely is better off than the Rwandan or North Korean, who has no opportunity to work for a Western corporation.

Second, if Nike decides to focus its philanthropy on its own workers, it should do so openly—say, with cash handouts—rather than in the form of higher wages. If Nike extends charity to its workers by arbitrarily raising their wages, it distorts market signals. Other corporations seeking to build foreign factories might bypass Malaysia, mistaking the high wages that Nike pays for the prevailing wage rate for such work. Those Malaysians who would otherwise have found profitable employment in these new factories now will not do so.

Third—and here we see the core relevance of the Maugham quotation—it is astonishingly hypocritical for Westerners to demand that Nike arbitrarily raise the wages it pays to foreign workers. Rather than demand this, why don't these carping Westerners extend this charity themselves? Like Nike, they're free to do so. These self-righteous protesters are as hypocritical as Leonard Upjohn.

Because Maugham's Philip Carey is already helping Cronshaw (by inviting him to share the apartment) it is especially galling that Upjohn—who has offered no help to the dying man—moralistically upbraids Carey for failing to do even more. All Upjohn cares to do is to heap uninformed scorn on someone who already is doing more for the downtrodden than he himself is willing to do. It's a startling display of hypocrisy. And yet it is found not only in novels; it is also regrettably prominent in the real world. □