

## CHAPTER V

### CONCLUSION

Since the beginning of UNIQLO's presence, the company has had a variety of product marketing strategies. UNIQLO is known as a brand that offers low prices while still maintaining the production of quality goods and high-tech innovations for its clothing products. Besides, they cooperate with famous athletes who are not only proficient in sports, but have good personalities and also inspirational. They are universally admired for their integrity and character, optimism, respect and humility they show to all; making UNIQLO a reason to work with athletes. Collaborating with famous sponsor and inspirational athletes, of course, UNIQLO incurred a lot of costs especially from the athletes sponsored by them in the ranks of famous and richest athletes in the world. Besides these two things are behind the next two things. First, with expensive and well-known athletes sponsored by UNIQLO making them to sell their products at prices far more expensive than their competitors compared to the cost of production. Second, with products that are cheap and produce good quality goods and high standards make UNIQLO to be able to reduce production costs to be as cheap as possible, but still in accordance with their standards.

UNIQLO is looking for ways to expand its production network to the Asian region with the aim of getting cheap raw materials and a large workforce with low wages. This is because UNIQLO no longer able to do cheap production in Japan. The first UNIQLO's production activity in Asia outside Japan was China. China was not very strict in enforcing its regulations and they provided cheap labors, making UNIQLO to aim China as their first profit-expansion area.

In China, existing goods production activities are the result of subcontractor factories working with several other MNCs to produce their goods. This is the reason why UNIQLO can produce goods without having to establish their official

factories in China. UNIQLO products have high standards; factory supervisors often punish their workers because they do not meet the standards and targets. Regulations made by the government are unable to resolve exploitation cases. The existing regulations still tend to be pro-foreign investors. In China, UNIQLO's factories were established in the newly developed industrial estate, where the local government was not accustomed to handling investors and all its problems.

As a Multinational Corporation engaged in the field of fast fashion, UNIQLO maintains its efforts in order to increase profits which are then used as capital again to develop the production process by utilizing globalization and relationships between classes in the global structure. UNIQLO always sees the profits that they will later make as capital, so that in developing its business it will tend to do a mechanism of reducing production costs. It is illustrated that UNIQLO has a role as part of a capitalist group. The reduction in production costs is done by exploiting the resources of other regions in the form of raw materials and labor in large quantities with low wages. China as a developing country offers these advantages, thus encouraging UNIQLO to open its factory for the first time in 2002, and continue to maintain it until 2015. Based on reports from international journalists and NGOs the UNIQLO factory, known as the sweatshop, exploits Chinese workers by violating their rights laborers to maximize the power of production and violate labor laws. The next is the existence of an outsourcing system that is utilized by the UNIQLO factory in China so that they do not have the obligation to fulfill labor rights so that many of the factory supervisors act arbitrarily towards their workforce.

Although it violates regulations and causes class differences, this exploitation mechanism is maintained because it keeps the accumulation of profits for UNIQLO that collaborates with other capitalists and bourgeois groups, in this case, the domestic and government business groups, who also benefit from the mechanism. A collaboration between strong groups causes the worker class to be increasingly powerless

because it is systematically avoided from sources of power such as capital and education, maintained through various regulations and ways so as to cause unilateral dependency of the labor group. This dependency is beneficial for UNIQLO because it can be sustainably utilized to save production costs and increase profits in the global market. So in essence, the exploitation mechanism carried out by UNIQLO along with the capitalists and other bourgeois classes in China is deliberately maintained because it generates profits that lead to the accumulation of capital, which is indeed the main orientation of capitalist group in the world economic system.