



PAUL CONRAD

## WORK ETHIC

BY DAVID MOBERG

Sweatshop labor has been on the rise at home and abroad for at least two decades. But only in the past year and a half have the images of that seamy side of global production pricked the conscience of ordinary Americans. The revelations include:

~Thai "slave laborers" sewing fashions for major department stores in the Los Angeles suburb of El Monte;

~Haitian workers earning six cents for every 101 Dalmatians outfit that Disney sells for \$20;

~Children in maquiladoras in Honduras and women in sweatshops in New York City sewing clothes for Wal-Mart's Kathie Lee Gifford label;

~Guess, the highly profitable designer-jeans company, failing to live up to an agreement to stop sweatshop conditions among its contractors in Los Angeles, then firing union supporters and shifting production to Mexico to thwart union organizing.

Stories like these have sparked a burgeoning grassroots movement against sweatshops among students, religious leaders, unions and public officials. According to public-opinion surveys conducted by Marymount University, 75% of consumers say they would boycott stores selling goods from sweatshops, and 85% say they would be willing to pay 5% more for legally made products. The retail giants, whose main asset is often their public image, are now threatened by the sweatshop monster they helped to create.

Sweatshops increase output and profits not through innovation and higher productivity but by squeezing workers. They may refuse to pay overtime, use child laborers, set piece rates to make a minimum wage impossible, or commit such crude abuses as hitting workers, refusing bathroom breaks or firing workers for being absent.

"Sweatshop" is an imprecise term. The General Accounting Office considers a sweatshop any workplace with more than one violation of laws covering work hours, minimum wage, child labor, industrial homework or other employer practices. Paris Harvey, executive director of International Labor Rights Fund, uses a broader definition. He defines a sweatshop as any workplace where the wages are inadequate, the hours are too long, and working conditions endanger safety or health, even if no laws are violated.

The sweatshop is one link in a production chain that may span the globe. Sweatshops are commonly found in industries such as clothing, shoes, toys, sporting goods and some electronics where production relies on modest technology and unskilled labor. Big brand-name marketers like Nike and Mattel and retailers like Wal-Mart and The Gap focus their own operations on design and marketing while subcontracting or licensing production to small manufacturers either in the United States or abroad. These manufacturers may, in turn, subcontract to even smaller shops, homeworkers and other independent contractors. The idea is to shift risk and drive down production costs, while relying on brand names, fashion and marketing to make the final product distinctive enough to command higher prices and profits.

Sweatshops are driven by an abundant supply of labor in the global market and by the mobility of capital. Liberalized trade and investment rules and modern technology make it possible to shift production from country to country. If workers

organize, or if governments try to improve working conditions, these companies can pack up and leave. This ever-present threat gives employers tremendous power over workers. Workers within the United States as well as in poorer countries are pitted against each other, contributing to a downward spiral of wages and working conditions.

Not all sweatshop workers are in global industries. Meat packers, poultry processors, asbestos removers and farm workers in the United States also often work in wretched conditions. These sweatshops are the tawdriest manifestation of broader trends in the United States toward longer work hours, weak enforcement of labor laws, a shrunken labor movement and growing reliance on a contingent, casual workforce — from illegal industrial homeworkers to Microsoft engineers.

Sweatshop workers tend to be the most vulnerable members of society: immigrants, children, women and minorities. In the Third World, the maquiladora work force is largely made up of women trying to supplement meager family incomes and rural migrants forced off the land by neoliberal policies. Not surprisingly, sweatshops are abundant in repressive countries, from China to Indonesia and El Salvador, that deny democratic rights to workers on and off the job. Sweatshop workers in the United States are often immigrants too desperate and vulnerable to defend their rights.

The big retailers ultimately call the shots, but since they don't own the factories that make their products, they can keep their hands clean. Still, because they are so dependent on corporate image and brand names and because they market their products directly to the public, these companies are sensitive to bad publicity that would sully their image. Sweatshop campaigns have tried to take advantage of that vulnerability to force retailers to take responsibility for working conditions in factories that produce the goods they sell.

In the United States, popular outrage over sweatshops prompted former Labor Secretary Robert Reich to convene a special White House Apparel Industry Partnership of business, labor, human rights and consumer representatives last year. The panel's task was to set labor standards throughout the industry's worldwide operations and to come up with a way to let consumers know that a product was not made under abusive conditions. The group has had difficulty agreeing on wage and hour standards. They have also deadlocked on how to enforce the standards. Some business representatives balk at independent monitoring while other members of the panel consider it crucial. In the meantime, the Department of Labor has stepped up enforcement of wage and hours laws, but it is hampered by a lack of inspectors.

Meanwhile, Senator Edward Kennedy of Massachusetts and Representative William Clay of Missouri reintroduced the Stop Sweatshops Act they first proposed last year. The bill, which would shift legal responsibility for complying with labor standards from the subcontractors to the big retailers, has little chance of passage in the Republican controlled Congress. Some municipalities are not waiting for the federal government to act. Tiny North Olmstead, Ohio, for example, has banned the sale of products made in sweatshops.

The federal government could use its considerable clout to protect worker rights in countries with which it has commercial relations. Washington has the prerogative to revoke the special trade privileges of countries that do not respect worker rights, but it rarely uses those powers. The threat of trade sanctions, however, has helped raise the minimum wage in Indonesia and improve labor laws in El Salvador.

With government regulation of corporate behavior so lax, labor-rights groups are trying to pin responsibility directly on the brand-name marketers. They have sponsored U.S. tours of foreign sweatshop workers, graphically described the work conditions behind expensive fashions or cuddly toys, contrasted the lives and wages of workers with the extreme wealth of corporate executives, and exposed the gap between corporate codes of conduct and actual corporate behavior.

The National Labor Committee, a small muckraking group funded by unions, foundations and churches, has mastered these techniques. In coordination with labor activists in Central America and elsewhere, the committee has done hard research that ties the labor abuses of specific contractors to Disney, The Gap, Kathie Lee Gifford and other high-profile brands.

The committee's breakthrough campaign came in 1995, when it exposed child labor and other workplace violations at Mandarin International, The Gap's contractor in El Salvador. The Gap was a juicy target because the company relies on its image as hip and responsible to market its clothes to young people.

### IN THE NAME OF FASHION

Garment making is the quintessential example of the new global sweatshop. A few big retailers and marketers dominate the industry. By 1992, the 20 largest firms in the United States sold more than 40% of all apparel. Meanwhile, small contractors — roughly 20,000 in the United States and untold thousands elsewhere — make the clothes.

The big companies design the clothes and in some cases may cut fabrics or maintain warehouses for the final products. But the actual sewing of the garment is parceled out to independent contractors. In a process called "progressive bundling," the manufacture of clothes is broken down into separate operations, which are then assigned to different sewers or even shops. This encourages even more subcontracting, or homework, which often opens the doors to child labor.

Garment work has plummeted in the United States — by a third in the '80s alone. The jobs have moved to China, Indonesia and the Caribbean, especially to export processing zones (EPZs) where employers are typically given special tax breaks and are often exempt from labor laws. The number of workers employed in EPZs grew from about 50,000 worldwide in the '70s to 1.3 million by the mid-'80s.

Proponents of the EPZs say these jobs are better than none and that these industries help poor countries develop and promote wage growth. A recent International Labor Organization study, however, disputes that claim. The study concludes that this sort of subcontracting does little for sustainable, long-term economic development in poor countries. Competition among countries for contracts and to meet the big marketers' demands for flexibility exerts "a downward effect on wages and working conditions." It also creates, the study concluded, "new types of more precarious employment," including a rise in homework and child labor. With world markets stagnant as consumer demand slows in the rich countries, a global glut of productive capacity increases pressure on the entire system.

The garment industry doesn't have to rely on sweatshops to survive. Garment manufacturers can thrive in countries like the United States if they produce fashion-sensitive or finely crafted apparel or if they can deliver quickly for retailers who want to keep low inventories. Some companies — more in Europe than the United States — have prospered thanks to improved technology or team-based production, which eliminates the traditional fragmentation of progressive bundling in favor of groups of workers cooperating together to perform more complex operations.

~D.M.

Stunned by the barrage of bad publicity and consumer protest, The Gap was the first company to agree to independent monitoring of its compliance with its corporate code of conduct. Though monitoring by four Salvadoran groups got off to a shaky start, Mandarin quickly improved working conditions and eventually rehired key union leaders and other workers it had fired.

Crusaders against the use of child labor in soccer-ball production are on the verge of a major victory as well. Operation Foul Ball, a project of the International Labor Rights Fund and the International Confederation of Free Trade Unions, got underway last year. Unions in Europe showed footage of Pakistani children sewing soccer balls during the European Cup competition in the summer. In the United States, the campaign tapped into the growing ranks of young soccer players and "soccer moms" to send protests to manufacturers.

The turning point came when International Federation of Textile Workers persuaded FIFA, the international soccer federation to sign an agreement last fall guaranteeing all products with the FIFA label did not use child labor. FIFA certifies most soccer equipment, and its logo on balls and other soccer gear is essential. The federation will also set up schools for former child workers and other children, provide transitional aid to families of child laborers (primarily about 12,000 youngsters in Pakistan), and guarantee workers the right to organize. Sporting goods firms have tried to retake the initiative by proposing their own modest alternative of self-regulating. The FIFA deal, however, is still on track, pending a final agreement on monitoring.

Operation Foul Ball took pointers from the successful Rugmark campaign launched by the Child Labor Coalition in the United States in 1995, two years after its European kick-off. The Rugmark consumer label on South Asian carpets assures buyers that the carpets were not made with child labor. Thirty percent of south Asian rugs sold in Germany now carry the label, as do roughly 40% of all Nepalese rugs.

The campaigns against global sweatshops, while still in their infancy, suggest that corporations in the new global economy can still be held accountable and subjected to some controls if there is political will and a popular movement. Corporate codes of conduct, consumer labels, independent monitoring, trade linked worker rights guarantees and consumer campaigns can limit exploitation and make unionizing easier.

Sweatshop workers ultimately rely on the power of consumers and citizen pressure to give them a fighting chance. As Alan Howard, assistant to the president of UNITE, says, "None of this campaigning against sweatshops goes anywhere without the movement out there of public awareness, concern and activity that brought these corporations to the table in the first place."

David Moberg is one of the best labor writers in the country. He is a senior editor for *In These Times*, for which he wrote this article.

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