Low Pay High Profile
Andrew Ross The New Press, New York 2004

CHAPTER ONE

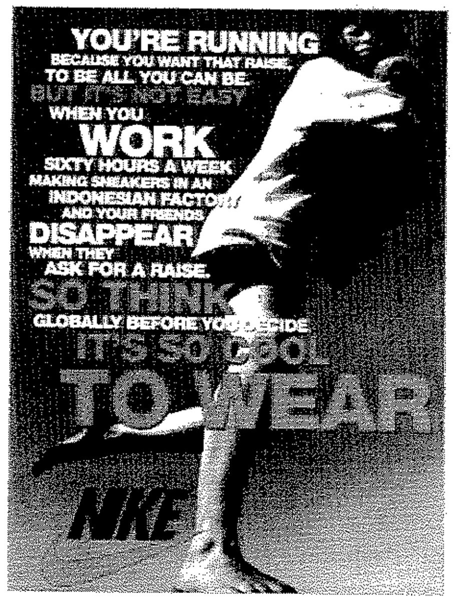
The Making of the Second Anti-Sweatshop Movement

THE LEGIONS OF PROTESTERS who have participated in the antiglobalization (or alternative globalization) movement are driven by many different issues: genetically modified foods, structural adjustment programs, undemocratic WTO decision-making, environmental spoliation, and enforced privatization, to name a few. Confronted with this sheer variety, some commentators have decried the absence of a unifying cause or overall political strategy. Others see the nurturing of a truly democratic spirit behind this "movement of movements"—a largely decentralized network of affinity groups and NGOs, each with its own history and priorities—and expect a long-term global constituency to emerge from its unpredictable harvest of energy and action. Indeed, the extraordinary worldwide protests against the war on Iraq, on February 15, 2003, were only possible because of activists' networked ability to share cross-border information and coordinate massive street actions, pioneered in each of the large anti-WTO demonstrations that have followed the Third Ministerial meetings in Seattle in 1999. Despite the common antimilitarist ground, the global protests against the Anglo-American war hosted the same miscellany of voices and causes as their forerunners, foiling any single-minded efforts on the part of detractors to isolate and dismiss the motives of their participants.

Notwithstanding the assortment of causes, if we had to name one staple, enduring, target of activist attention in all quarters of the movement, it would be the global sweatshop. Indeed, the industrial sweatshop has become a byword for corporate-led globalization, even though its origins predate, by more than a century, the moment when production (as opposed, merely, to capital) became internationalized, and when offshore locations—with low-wage floors, minimal environmental and workplace safety regulation, and tax- and tariff-free incentives—became much cheaper and more serviceable than unionized sectors in the industrialized nations.

Jack Welch, former CEO of General Electric, among the world's largest multinational corporations, once described the optimum manufacturing model for his company: "Ideally, you'd have every plant you own on a barge." The barges, of course, would move periodically to an anchorage offshore whichever country or regional labor market was offering the best investment climate at any one time. Welch's barges are an investor's fantasy and a union organizer's nightmare. Two decades of trade and investment liberalization under the pressure of the West's leading neoliberal economic institutions have brought the barges that much closer to reality. The economic playing field governed by WTO rules is one in which corporations, not people, have global rights; in which the right to free trade takes precedence over every other human, civil, social, and environmental right. Yet the extensive damage wrought by free trade policies—economic stagnation, currency crises, stock market crashes, political collapses, environmental degradation, acute income polarization, and the worldwide shriveling of vital services in health and education—has taken its toll on the public credibility of the neoliberal cheerleaders. There is less and less faith in the Washington Consensus, an accord whereby U.S. financial elites promoted and managed free-trade policies around the world on behalf of the national capital pools of the G-8 industrial powers and the major banks. The anti-globalization movement that broke the surface of public awareness in Seattle and registered its presence at every world economic meeting since then has shaken the confidence of global elites in their ability to go on making decisions through institutions that are non-transparent and undemocratic. The legitimacy of their unilateral power has begun to unravel. September 11 provided an opportune moment to change the rules of a losing game, and switch public attention back to the demonology and nation-bashing that has attended the war on terrorism. The grisly spectacle of militarization came as a relief to many corporate CEOs, reeling from eight years of brand-busting and sweatshop exposés, not to mention the wave of Enronesque scandals that surfaced after the stock bubble burst in 2001.

One of the chief tributaries of anti-globalization action has been the anti-sweatshop movement itself, loosely but effectively coordinated among a network of groups: trade unionists, interfaith organizations, college and high school students, human rights groups, socially responsible investors, and small NGOs. In a relatively short space of time, this movement has raised public recognition of substandard workplace conditions to new heights. The result has surprised battle-weary activists, long resigned to seeing their causes treated with indifference. After all, most citizens of the North, however much they themselves are hurting, are not known for their discomfort at evidence that workers in poor countries are suffering too, and, more often than not, on their behalf. Most consumers don't want to know that the goods they are purchasing may have been made by workers with no rights, slaving through a ninety-hour workweek, in unsafe, unsanitary factories, with abusive supervisors. When they learn about these conditions, however, they generally want something done about them.



Brand-busting
(ANTI-AD BY *ADBUSTERS*)

As a result, activists have been successful not only in generating widespread outrage at the conditions they have exposed at home and abroad, but also in seeing follow-through on the part of a broad spectrum of institutions. Public attention was guaranteed early on in the 1990s by revelations about the likes of basketball prince Michael Jordan, who earned more ($20 million) in 1992 for endorsing

Nike's running shoes than Nike's entire 30,000-strong Indonesian workforce did for making them. Or Disney's CEO, Michael Eisner, who earned over $200 million from salary and stock options in 1993, which, at $97,600 per hour, amounted to 325,000 times the hourly wage of the Haitian workers who made *Pocahantas, Lion King,* and *Hunchback of Notre Dame* T-shirts and pajamas. Highly visible inequities on this scale opened the way for a decade of humiliating exposés, targeted at big-name retailers and manufacturers, whose household brand names have been tarnished by association with atrocity stories about their subcontractors' workplaces.

The follow-through, measured in institutional responses, has been swift, if not quite as far-reaching as some hoped for. The tug of war between corporations, activists, and government agencies has produced several outcomes: corporate codes of conduct, sweat-free city ordinances and schools, global monitoring groups like the Fair Labor Association and the Workers Rights Consortium, corporate-trade union-NGO alliances like the Ethical Trading Initiative, and, in some high-profile cases, the emergence of independent trade unions in export zone factories. Pressure to include fair labor standards in world trade agreements has been stepped up, generating a full-blown debate about the impact of these standards on the development opportunities of poor countries. Will these provisions hamper the ability of developing nations to compete for trade and investment, or are they the only guarantee that fair trade and fair labor standards will make headway throughout the global economy? Are core, or universal, labor standards the most equal way of reforming a chronically unequal system, or should labor standards be appropriate to the norms of local cultures? Are they too high a price that poor countries are asked to pay to appease the ethical conscience of activists in the affluent North, or are they justifiable costs to be borne by the transnational firms that exploit cheap labor pools wherever they can find them?

Whatever the outcome of this debate, which is by no means straightforward, the anti-sweatshop movement has already forged the first paths toward the establishment of ground rules for fair labor in the global economy. One hundred years earlier, the first crusade against sweatshops challenged corporations and trusts who exploited the creation of a national market to escape local and state regulations. National labor and safety standards, worker rights, and environmental protections were introduced as a result. This time around, the map is much larger, the potential to hide abuses in every corner of the globe is much greater, and so the tactics of activists have had to be more flexible, even experimental. This chapter reviews the ground conditions that gave rise to the movement, and analyzes some of its achievements.

The Garmento's Mixed Legacy

It is no coincidence that the most egregious examples of labor abuse are drawn from the garment and needle-trade industries, where the vast majority of workers are women, laboring for "women's wages," and often in conditions of indenture. The apparel industries are a showcase of horrors for the global economy, because they are in the vanguard, as always, of the newest efforts to accumulate capital and undermine labor power. Here, the gruesome face of neoliberal free trade is all too apparent as the corporate hunt for ever cheaper labor drives wages down in entire subcontinental regions where countries compete to attract foreign investment. While the greed of owners and investors is the primary cause of labor abuse, some part of the explanation for these conditions lies in the history and structure of the garment industry, the nature of its products, and the volatility of its markets.

Historically, apparel is where underdeveloped countries start their effort to industrialize. The barrier to entry is very low because apparel requires a minimum of capital investment and machinery, and the operations of sewing and assembly are labor-intensive. Indeed, not much has changed in the way of technology since the invention of the sewing machine. In the period of the European empires, primary commodities were shipped from the colonies, and goods manufactured in industrial centers like Manchester were exported back. Since the 1970s, a new international division of labor has allowed poor countries to enter the export market by competing at the low end of the production chain. Yet their participation in the global market and their capacity to attract capital are governed ultimately by the demands of those who control the retail markets in high-wage countries and who take the lion's share of the profit from the garment trade. Structurally, U.S. retail giants who command the world's largest internal market are in a position to call the shots globally. It is under their price pressure and concerns about their inventory risk that local contractors and suppliers are forced to pursue ever tighter profit margins in the enterprise zones and assembly platforms of the developing world.

Because the textile and apparel industries have seen some of the worst labor excesses, they have also been associated with historic victories for labor, and hold a prominent symbolic spot on the landscape of labor iconography; from the Luddite weavers' resistance to the introduction of power looms, to the mid–nineteenth-century protests of the "factory girls" in New England mills, the early twentieth-century garment workers' strikes against the sweating system, the unions' roles in forging pioneer labor-capital accords, and the recent rise to prominence of workers' struggles against the far-flung production empires of Nike, the Gap, and other leading brand names. In the public mind, the strongest association is with labor's successes in "eradicating" the sweatshop in the first two decades of the twentieth century. Of course, it never disappeared. Severely restricted in its zone of operations, the sweatshop dropped out of view, and lived on in the underground economy. Today, the repugnance attached to the term *sweatshop* commands a moral power, second only to slavery itself, to rouse public opinion into a collective spasm of abhorrence. For some, the public will to eliminate sweatshops from the labor landscape can designate a significant level of moral development on the part of a national community. It symbolizes a state of civilization that other nations cannot yet afford. Even in the U.S., which has routinely refused to ratify most of the labor standards proposed by the International Labor Organization (ILO), and where extensive commercial use is made of prison labor, the recognition of core labor rights and safe and sanitary workplaces is understood as a requisite of membership in the premier circle of civilized nations.

This claim to moral superiority on the part of developed nations is one of the reasons why the much-hyped "return of the sweatshop" to the North has provoked such revulsion in these countries. Few aspects of the corporate rollback of the postwar social contract have been greeted with the public outcry that followed revelations that sweatshops are thriving at the heart of most major North American cities, and that items of clothing on sale at family brand stores like J.C. Penney, Sears, Wal-Mart, and Kmart were made by young immigrant mothers and their teenage daughters toiling in inhuman conditions only a matter of miles away from the point of purchase. These disclosures summon up the misery and filth of turn-of-the-century workplaces—tenements, lofts, attics, stables—plagued by chronic health problems (tuberculosis, the scourge and signature sickness of the sweatshop, has also made a return of late), and home to the ruthless exploitation of greenhorn immigrants. They recall Jacob Riis's harrowing accounts of conditions in New York's Lower East Side tenements in *How the Other Half Lives*, the social photography of Lewis Hine's labor documentaries, Henry Mayhew's profiles of the rag trade in London's East End, or Friedrich Engels's descriptions of the hovels inhabited by Manchester's mill workers.[1]

Boy carries work home from a New York City sweatshop, 1912 (Photo by Lewis Hine, courtesy of the George Eastman House)

The dingy Victorian archetypes notwithstanding, sweatshops today come in all shapes and sizes. In Central America, they are brand new, brightly lit factories, policed by armed guards patrolling a barbed-wire free trade zone. In Los Angeles, they are in ranch-style suburban compounds and dwellings. A 1994 General Accounting Office (GAO) report estimated that over a third of New York's 6,500 garment shops are sweated, as are 4,500 of L.A.'s 5,000 shops, 400 out of 500 in Miami, and many others in Portland, New Orleans, Chicago, San Antonio, and Philadelphia. In the L.A. basin, $1 an hour is not an uncommon wage in Orange County's Little Saigon, while the New York City wage floor hovers around $2 an hour in Sunset Park's Chinatown. Government deregulation, a weakened labor movement, import competition, the contracting system, and the increased availability of immigrant workers with few other work options have all combined to create and sustain these conditions.

Much of U.S. production is concentrated in fashion-forward women's wear, subject to seasonal volatility and therefore requiring fast turnaround, yet, more and more, basic and sportswear lines are becoming fashion-conscious and time-sensitive. There are now as many as five or six industry seasons instead of two, and so products are kept on retail shelves for less and less time. Lean retailing means smaller and smaller quantities are ordered, and more often by the week instead of by the season.[2] One of the results of the accelerated fashion changes and reduced lead time is that domestic manufacturers are increasingly encouraged to compete, at the low end, with offshore producers. The typical immigrant firm can maintain a competitive advantage through its proximity to market and its production of short runs, though to do so, it usually has to run a shop that falls short of state and federal safety or labor standards. Retailers' need for timely replenishment of stock and cheap delivery from suppliers allows domestic or Mexican/Caribbean producers the slim margin they need to compete with overseas suppliers.

The GAO defines a sweatshop as a workplace "that violates more than one federal or state labor law governing minimum wage and overtime, child labor, industrial homework, occupational safety and health, workers compensation, or industry registration." Holding to this definition, however, means that we are more or less obliged to accept the existence of labor conditions that cover the legal standards, but only barely. Sweatshops are seen to be morally and politically apart from the lawful low-wage sector, which is condoned as a result.[3] The fact is that most low-wage jobs, even those that meet minimum wage requirements and safety criteria, fail to provide an adequate standard of living for their wage earners, let alone their families. In most respects, it is the systematic depression of wages, rather than conscious attempts to evade labor laws, that is the structural problem. Installing proper fire exits may turn a sweatshop into a legal workplace, but it remains a low-wage atrocity. All the more reason to define and perceive the "sweatshop" as a general description of all exploitative labor conditions, rather than as a subpar outfit, as defined by existing laws in whatever country the owner chooses to operate. Edna Bonacich and Richard Appelbaum argue for a broadening of "the definition of sweatshops to include factories that fail to pay a 'living wage,' meaning a wage that enables a family to support itself at a socially defined, decent standard of living. We include in the concept of a living wage the idea that people should be able to afford decent housing, given the local housing market, and that a family should be covered by health insurance."[4] Generally speaking, a living wage is from 50–100 percent above the local minimum wage.

In the nineteenth century, the term *sweating* referred to the system of subcontract, which, in contrast to the integrated and supervised factory system, consisted of the farming out of work by competing manufacturers to competing contractors. The small contractors "sweated" as much labor as they could out of immigrant workers. Sweating was indigenous to garment production because of its division of labor, separating the craft processes of design, marking and cutting, from the labor-intensive sewing and finishing, and organized around a three-tier system of small producers—the inside shop, the contractor, and the home. In this industry on wheels, neither the jobber nor the manufacturer nor the contractor were responsible for one other's conduct; each could blame the others for flagrant abuses of the system. To set up in the fly-by-night world of runaway shops required little more investment than you needed to rent a hole in the wall and a few sewing machines, and to have ready access to the immigrant labor pool.[5] The sweatshop's low-tech mode of production and the cutter's artisanal loft coexisted with semiautomated workplaces that would industrialize, with union guidance, into economies of scale under the pull of the Fordist factory ethic.[6]

Today's U.S. garment industry shows many similarities, with its preindustrial low-wage sector once again flourishing in proximity to postindustrial, high-tech workplaces, often on the same city block. The sewing machine's foot pedal is still in business, no longer competing with steampower but with the central processing unit of the computer, and the system of subcontracting is alive and well, ever driving wages and profit margins down. In 2000, the Bureau of Labor Statistics showed that full-time apparel workers in the *legal* sector earn among the lowest average annual wage among U.S. industries, at $16,675, only slightly better than sales-counter clerks, who made $16,059, nursery workers, at $15,667, and the fast food industry's burger flippers, who earned $13,350 on average. Ethnic entrepreneurship is as crucial as ever. Asian and Latino immigrants, often undocumented, are denied access to the mainstream labor economy through racial labor segmentation, and are thereby forced into ethnic work enclaves where labor laws are routinely neglected.[7] Where patterns of family labor are relevant, the obligations of youth to the immigrant culture of apprenticeship and to patriarchal cohesion add greatly to the degree of exploitation.[8] Women still make up the majority of sweated labor, their sewing skills traditionally undervalued, and their homework sustaining the most underground sector of the industry.

But there are just as many differences. Decades of industrial regulation have left a raft of labor laws on the books, even if they are patchily enforced. The rise and erosion of union power has left an uncertain legacy, especially among new immigrants drawn from countries with the modern equivalent of the Russian Pale's "Czarist repression," but for whom the labor movement is no longer perceived as a viable vehicle for socialism. The apparel industry is now global in scope, with dozens of countries producing for a small number of importing nations. The runaway shops are no longer in Trenton, New Jersey, or Scranton, Pennsylvania, or in antiunion states in the South. They are in the *maquiladoras* of the Caribbean basin, and their equivalent in Indonesia, Vietnam, China, and Thailand, often in live-in labor compounds that make the company towns of yore look like Pleasantville. Forced labor and debt bondage are common arrangements in the international supply chain.

The balance of industrial power within textile and apparel has shifted decisively toward the giant, vertically integrated retailers: Wal-Mart, Sears, Macy's, Federated Department Stores, May Department Stores, Kmart, Dayton Hudson, Allied Department Stores, J.C. Penney, and the Gap. They increasingly produce their own private brand labels in many of the sourcing countries, bypassing the manufacturer, the union shop, and the domestic worker. The big players are no longer industrial patriarchs, accountable to workers' communities through coreligionist ethics or ethnic ties, as in New

York City's once predominantly Jewish garment industry. For the most part, they are anonymous corporate executives, solely accountable to their boards and stockholders. By the 1990s, subcontracting was no longer the trademark of the garment industry only; it had become a standard principle of all post-Fordist production, used in auto parts, building maintenance, data processing, electronic assembly, public sector work, and every other industry restructuring itself away from central economies of scale and mass production. Disdained by early twentieth-century apostles of scientific management as a preindustrial relic, apparel's subcontracting system has come to be seen as a pioneer of the just-in-time flexible production that is geared to increasingly specialized, or niche markets.[9]

Last but not least, the global reach of fashion (turnover not dictated by the durability of garments) is no longer confined to elite women's wear worn in metropolitan centers of the developed countries. Stylistic variation of product is ubiquitous across the entire spectrum of casual wear, and popular fashion is now a mainstay of mall and High Street retailing, both at the high-end and discount end. The international consumer now wants the latest fashion posthaste, necessitating flexibility and turnaround at levels that disrupt all stable norms of industrial competition. Clothing style exerts an often pervasive influence on the consumer patterns and social outlook of men and boys, in addition to women and girls, in ever greater numbers all around the world. Indeed, the globalization of the youth fashion revolution has increasingly defined the terms on which the industry has had to respond through restructuring, adjustment, and rationalization. The worst manifestations of the global sweatshop are all the more tragic when adolescents in poor countries are toiling to meet the style demands of their age peers in the North who are fortunate enough to have disposable income.

Politics of Trade

Globalization's race toward the bottom of the wage floor is often cited as the cause of labor's malaise in apparel, but it also poses a challenge for the survival and rekindling of the labor movement in an industry that has benefited from an unusual degree of domestic protections. That story dates to the very beginning of the Industrial Revolution, when the British government imposed high tariffs on Bengali textiles (for centuries previously, the leader in international trade) in order to protect its own rising industries in Lancashire and the West of Scotland. In time and largely in response to British exports, the U.S. initiated its own protectionist tradition through import substitution and developed an effective system of tariffs and embargoes in the course of the nineteenth century. American manufacturers—in cahoots with European producers with whom it has shared a "gentleman's agreement" to waive all import duties—exercised enough political clout to exempt the textile and apparel trade from many of the key rules of the General Agreement on Trade and Tariffs (GATT). This arrangement clearly violated the GATT's founding principle that all countries must treat goods from all other countries on equal grounds.

From its 1947 inception to the Uruguay Round in 1994, the GATT's rules for reciprocal trade and against discrimination (most-favored-nation treatment), tariff protectionism, and quantitative restrictions on imports were all relaxed for textile and apparel. A series of international accords culminating in the 1973 Multi-Fiber Arrangement (MFA) sought to manage the trade flow from developing countries to Western markets through an elaborate system of bilateral agreements regarding import tariffs, quotas, and trade routes. This protectionist agreement was promoted in order to give developed countries time to adjust to the massive increase in exports from the South. Yet the competitive challenge of Asian producers, combined with the relentless push for trade liberalization on the part of Washington elites, led to the replacement, in 1995, of the MFA with the Agreement on Textiles and Clothing (just as the GATT had been replaced a year earlier by the World Trade Agreement). These agreements put an end to the tangle of trade restrictions and quotas that had protected industries in the North for so long. The result was a clear indication that the balance of power had shifted away from domestic producers and unions to the coalition of U.S. retailers and select multinational producers who stood to profit most from trade liberalization.

Even so, U.S. textile and clothing industry chiefs have lobbied hard—

mostly against the China trade—to force Washington to further stave off the consequences of the phasing out of the MFA, scheduled to take effect on January 1, 2005, when the final 49 percent of trade will be quota-free.[10] At that point, it is estimated that China will take control of 65–75 percent of the U.S. market, and its share of the global garment market will jump to 44 percent. With its vast post-WTO army of unemployed, its labor costs will undercut all other producers in the region, and eradicate many of the trade advantages enjoyed by NAFTA countries. The post-MFA free-trade order is otherwise likely to intensify patterns established over the last thirty years. Vertically integrated transnationals will encounter minimal regulatory obstacles in their exploitation of geography and labor. In each of the world's spheres of influence—Asian, European, and American—the domestic cores will hold on to the value-adding jobs in design and marketing, while steadily outsourcing manufacturing and assembly to the respective discount-labor regions. Thus, firms and suppliers from Hong Kong, South Korea, Singapore, and Taiwan will intensify their assembly operations in the least developed Asian countries—Vietnam, Bangladesh, Sri Lanka, Indonesia, and mainland China. For the Western European industries, the sewing will occur in Northern Africa, and increasingly in Eastern Europe. Indeed, sub-Saharan African countries may well play host to the next major round of expansion into hitherto unexploited labor markets. In addition, their place on the geopolitical map positions them ideally as a counter to the economic might of China—a reminder that the textile and apparel trade has never been divorced from politics.

Conceived as a way of reconstructing European industry after the war, the GATT was designed to replace national protectionism and autarchy by international reciprocity among the industrial powers. Increasingly, it fell under the influence of Cold War geopolitics. For example, the efforts of successive U.S. presidents (exercising, since 1934, their exclusive authority to set tariffs) to contain communism in Asia made direct use of reciprocal trade agreements to prevent the dominoes falling, one after another. The reconstruction of Japan's textile industry was the first step, opening a door to encouraging low-wage export production to the U.S. After the "loss of China" and North Korea, and in the face of Communist insurgencies all over East Asia, U.S. aid flowed to South Korea, Taiwan, Hong Kong, Malaysia, the Philippines, Indonesia, Singapore, and Thailand, each of which developed export-processing zones. In addition to the aid, access to the U.S. market through reduced tariffs was honed as an important tool of regional foreign policy.[11]

Obviously, this policy posed a threat to domestic producers, even those, like the textile industry, which had relocated to right-to-work states in the South to break the back of unions. Even so, concern about the loss of domestic jobs took second place in Congress to concern about Communist takeovers abroad. The perceived need to support economic development in target countries through access to the U.S. market generally prevailed. To mitigate the impact, quotas for East Asian imports were introduced in the 1960s, under the Short-Term and Long-Term Arrangements, and then in the MFA accord itself. Apparel and textiles were also treated as special cases under GATT rules, to manage the trade flow and to allow for domestic adjustment. But, in practice, U.S. customs lacked the manpower, and the will, to police the flow of Asian imports, lured additionally by an overvalued dollar and the vulnerability of standardized mass-produced clothing lines. U.S. producers struggled to meet their first test of structural adjustment through investment in new technologies. Very soon, manufacturers were being advised to "automate, relocate, or evaporate."[12] By the late 1980s, apparel was 40 percent automated, compared to 6 percent in the early 1960s, with textile production running much higher. But because the physical limpness of fabric precluded the spread of automation to labor-intensive sectors, the push for increased productivity through mechanization was supplanted by the promise of cheap labor markets offshore. No apparel-assembling technology could prove more efficient than the labor offered by human hands. Ultimately, this was the key factor in the hemorrhaging of domestic jobs and the skyrocketing U.S. trade deficit in apparel. Between the signing of the MFA in 1973 and 1992, 750,000 jobs in apparel and textiles were lost in the U.S.[13]

Because of its proximity to the largest internal market, the situation in the Caribbean and Central America was even more complex, and no less tangled up in Washington's political anxiety about socialist aspirations in the region.

From 1963, manufacturers could take advantage of a special provision (item 807) in the U.S. Tariff Schedule, which allowed cut garments to be exported for assembly and reimported into the U.S. Duties were paid only on the value added to the garment through low-cost assembly. In conjunction with the creation of *maquiladora* free-trade zones as part of the Border Industrialization Program, offshore production skyrocketed. In 1983, the Reagan Administration expanded the pool of sourcing countries through the creation of the Caribbean Basin Initiative (CBI), extending special trade privileges to twenty-two Caribbean countries (later increased to twenty-seven, and enhanced under Clinton to embrace benefits similar to those afforded Mexico under NAFTA) that offered tariff-free access for many export products. The 807 provision (now classified under the international Harmonized Tariff Schedule as 9802) remained in effect, guaranteeing that fabric could be manufactured and cut in the U.S., but reducing tariffs to encourage low-cost offshore assembly.

Anticommunism drove the CBI as much as it had guided Washington's encouragement of export-led development in Asia. In association with the World Bank and the IMF's house philosophy of structural adjustment, Washington began to shift its Cold War policies in the region away from support for authoritarian regimes to the active imposition of private-sector development. Aggressive neoliberal penetration of state-sector economies, backed up by low-intensity military conflict, was adopted as the most efficient way of combating Caribbean socialism. In the wake of the land and labor reform movements of the seventies, which gave rise to the Sandinista revolution in Nicaragua, Manley's socialist government in Jamaica, the New Jewel Movement in Grenada, and rebel-peasant insurgencies in several other nations, President Reagan announced a "state of danger" in the nation's backyard and began to pour money into the region in order to secure its economic and political dependency upon U.S. needs and interests. The result was orchestrated adjustment, designed to orient each national economy toward Washington and away from regional alliances. Offshore facilities owned by U.S. firms multiplied in the export-processing zones set up by loans and grants from USAID and other government agencies. Preferred trading arrangements ensured that class alliances between foreign investors and local elites were preserved; in countries like Haiti, Guatemala, and El Salvador, the *maquilas* are partly owned and managed by ex-members of military juntas, while the lure of industrial employment takes peasant reformist pressure off traditional landholding elites.

So too the gender division of labor was consciously exploited to preserve power and maximize profit. As Cynthia Enloe points out, the hemispheric free-trade market built by CBI, NAFTA, and now President Bush's proposed thirty-two-nation Free Trade Area of the Americas, "stretching," in the words of his father (who envisioned it), "from Port Anchorage to Tierra del Fuego," has been built explicitly on low female wages, in the "unskilled" sectors of garment-making, food-processing, and electronics assembly. As women moved into the export zone industries (making up 90 percent of EPZ labor), traditionally male manufacturing sectors like sugar, oil, and bauxite, with double the going wages of women, went into decline. Undervalued female labor also undergirds the U.S. domestic workforce, especially in the immigrant economy that supports sweatshops, where it is clear that the high rate of female and immigrant employment accounts today, as ever, for the low wages in apparel. Women and children's labor are on the front line of the new industrial investment all over the world, just as it was in the mills of Manchester at the dawn of the Industrial Revolution.[14] Their entry into the industrial workforce allows them more freedom of movement in the public sphere, and the potential for an independent income. Yet the labor regime they enter can be as patriarchal and coercive as the familial one from which they are escaping.[15]

Whether driven by U.S. security policy or by the logic of neoliberal trade, the consequences of offshore production for the populations of Central America and the Caribbean have amounted to a disaster by several criteria: human rights, environmental, economic, and political. The CBI failed to deliver improved trade earnings, and with the exception of the export zones cranking out profit for their foreign owners to the tune of heavy subsidies from host governments, almost every region has been hit hard. Local economies produced less and less for local consumption, economic nationalism and political sovereignty were severely eroded, and any chance of sustainable development was stillborn. Structural adjustment created a legacy of undiversified economies acutely vulnerable to every mild recession in the U.S. The combination of capital repatriation and curtailment of public spending debilitated those few resources—education, health, and monetary assets—that have staved off hardship by investing in a socially viable future.[16]

By contrast, export promotion has yielded a bonanza, both for U.S. transnational firms and for Korean and Taiwanese suppliers outsourcing in the region in order to be closer to the U.S. market and to circumvent Asian import quotas. Wages as low as 12¢ an hour in Haitian or 31¢ in Honduran and Salvadoran *maquilas* can be freely maximized: import quotas are unlimited; and local regulations against child labor, subminimum wages, and union repression are routinely waived by governments so hungry for foreign investment they will pay the companies' telephone and utilities bills. Until the recent economic recession, apparel companies enjoyed among the largest profits of all U.S. manufacturing industries; their stock prices and their CEO compensation swelled. After two decades of neoliberalism, living standards are in decline all across Latin America, and those governments are looking to plot a course away from Washington. Yet the offshore apparel industry remains the most notorious illustration of a free-trade economy going about its ruthless business: twenty-hour workdays forced on workers to fill their quotas, widespread sexual harassment, coercive birth control, brutal suppression of labor organization, and starvation wages.

These conditions are the result of programs designed to make U.S. apparel companies super-profitable, and if they have succeeded in filling the pockets of corporate executives and stockholders they have done little to help North American workers, forced into a downward-wage spiral for jobs through competition with their *maquila* counterparts or with immigrant workers in the core centers. Pitting First World against Third World workers has been a highly serviceable corporate strategy. It drives wages down on both sides, and allows businesspeople to portray labor rights advocates as domestic protectionists bent on depriving *maquila* workers of their industrial wage ticket out of poverty. (The same arguments are now cropping up in Asia, where the

Chinese wage floor is undercutting the labor market in countries throughout the region.) Those displaced from their jobs have mostly experienced downward mobility.

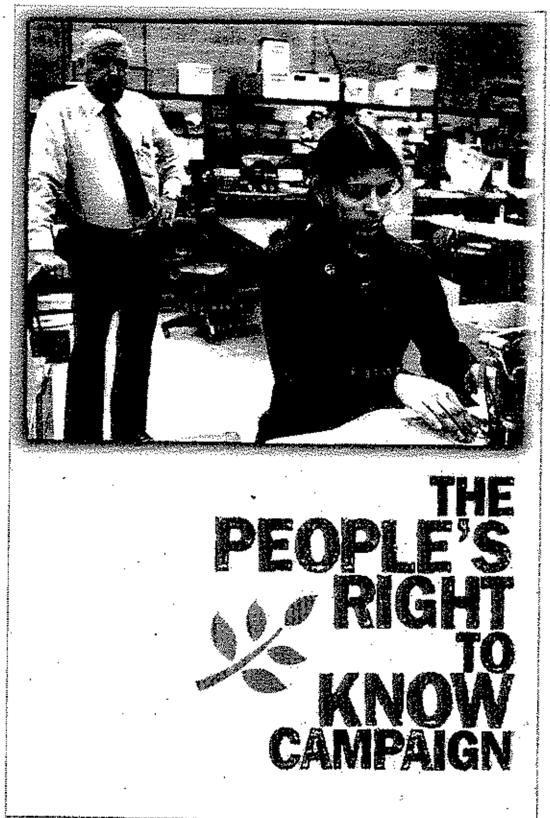
But the high-reward strategy pursued by investors and owners, backed by favorable tariff regimes and spurred on by 400–500 percent retail markups, also carries some risks—poor quality control, inadequate managerial supervision, political instability. As we will see, none are greater than the potentially humiliating exposure of human rights violations in the factories of companies that cannot afford to have the names of their designers, endorsers, or merchandising labels publicly sullied.

Tactics and Strategies

Indeed, it is the counterstrategy of public exposure that has fired the energies of labor and human rights activists over the last decade. In an economy that prizes brand-building above all else, the marketing integrity of the brand name is sacrosanct.[17] Media interest has been kindled by the spectacle of blue-chip names in retail and design scrambling to generate PR that showcases their efforts at corporate accountability. In the wake of the publicity scandals, companies have been pressured to implement codes of conduct and facilitate monitoring of labor conditions in their contractors' plants. Why has this strategy been necessary and why has it worked? First of all, the labor-capital accords of joint liability that used to govern the garment industry have eroded as the manufacturers lost their commanding position in the chain of production. Greater concentration and integration has afforded giant retailers the paramount power to exert downward price pressure, to circumvent manufacturers by designing and contracting their own private labels, and since retail jobs are not threatened by offshore production, to deflect union pressure. As Charles Bremer, director of international trade for the American Textile Manufacturing Institute, put it, "You don't tell Wal-Mart your price. Wal-Mart tells you."[18] By 1996, the four largest retailers in the U.S. commanded two-thirds of the market value of apparel sales.[19] Their chief point of vulnerability is their brand name, susceptible to bad publicity and to consumer boycotts. Equally, the weak link in the global chain of design, subcontracting, and merchandising is the willingness of First World consumers to pay huge markup prices. In the 1980s, Nike was able to move its factories from South Korea and Taiwan to Indonesia, China, Thailand, and Vietnam to exploit lower wages, but the comparative advantage means nothing if consumers are not willing to pay $125 for a shoe assembled for seventy or eighty cents. If consumer abhorrence for sweatshops has a decisive impact on sales patterns, all is lost.

Accordingly, the leading edge of activism shifted away from labeling ("Made in the USA" labels don't tell us very much anymore, and are often sewn on in Asia or Central America), toward the high-end publicity strategy of targeting the image of large, well-known companies. The groundwork for this tactic was established through the research on Indonesian export-sector factories undertaken by Jeff Ballinger when he was a textile union organizer, in the late 1980s, at the Asian-American Free Labor Institute. His extensive survey showed a majority of export producers paying well below the minimum wage (their workers earned under 14¢ per hour), with Nike's subcontractors among the very worst offenders. Phil Knight's company had just begun to enjoy its mercurial rise to the merchandising forefront of popular culture. With its celebrity endorsers, and hotshot "Just Do It" advertising campaign, targeting Nike was a perfect publicity vehicle for exposing the inequities of offshore export production. Ballinger's famous annotated blowup of the pay stub of one of Nike's Indonesian employees ("The New Free-Trade Heel") appeared in *Harper's* in 1992, and Press for Change, his one-man NGO, became the company's perennial gadfly, helping to establish Nike as the number-one villain in activists' demonization of corporate-led globalization.[20]

While media-driven targeting pays large dividends, its shortcomings are legion. In some export sectors, the worst offenders are producers for local markets who do not have a brand name that is globally recognizable. So too a high-profile fight with a brand name runs the risk of being declared passé once the villain is perceived to have changed its policies. Thus, both Nike and the Gap have benefited greatly from the public perception that they have reformed their ways. In a thoughtful article on the anti-sweatshop movement's use of media-driven politics, B.J. Bullert distinguishes between public relations activists—who "adopt" causes and frame them in terms of "heroes and villains" to fit with media templates—and long-term activists, like Ballinger, whose enduring focus on the unspectacular lot of workers cannot be so easily served up for public consumption. Both are needed, she concludes, though the difference between them illustrates the gulf between those for whom the movement is a potent weapon in the anticorporate crusade and those for whom the daily survival of workers is everything.[21]



Campaign literature, National Labor committee (POSTCARD)

In the contribution of a group like the National Labor Committee (NLC), we can see a healthy fusion of these tendencies. As with Ballinger's work, the NLC's Charles Kernaghan and Barbara Briggs have produced invaluable research on workers' conditions in the field, but they have also succeeded most effectively in capturing the public's attention through media-driven campaigns. Founded by three union presidents in 1980 to combat the assassination of Central American union organizers, the NLC helped organized labor in the region survive Reagan's war, and then began to concentrate its efforts on publicizing the ravages of the *maquila* system.[22] Its 1992 report, *Paying to Lose Our Jobs* (based on an undercover operation in which NLC members posed as a small apparel company looking for an offshore opening), documented the promotional activities and the economic support (to the tune of $1 billion) offered by U.S. government agencies to induce American corporations into *maquila* production.[23] The report was released amid widespread anxiety about a new round of domestic job losses, and its profiling on

CBS's *60 Minutes*, followed by two *Nightline* programs, broke the news that U.S. taxpayers were funding, often through illegal channels, the transfer overseas of their jobs. Legislation was immediately passed to outlaw USAID funding of EPZs, and while the funding continued, the NLC's model of seeking high-level publicity for its exposés was established.

Increasingly, the NLC turned to specific corporate targets, linking their household names and labels to detailed accounts of *maquila* work atrocities. The Gap, a hugely profitable nonunion company with a progressive, hip streetwear image, was the object of a highly successful NLC campaign in 1995, aimed at national media coverage. Two fired *maquiladora* workers were featured on a national speaking tour: Judith Viera from the infamous El Mandarin plant in El Salvador producing for the Gap, as well as for Liz Claiborne, Eddie Bauer, J. Crew, and J.C. Penney, and Claudia Molina, from Global Fashions in Honduras. Top newspaper columnists (most notably, Bob Herbert at the *New York Times*) were attracted to the story, and a coalition of activists, from universities, unions, human rights and consumer organizations, and interfaith groups, were mobilized to pressure the Gap to remedy its labor abuses. Despite threats like the one issued by the owner of the San Marcos Free Trade Zone, former Salvadoran army colonel Mario Guerrero, that "blood will flow," union organizers were promised reinstatement, and the coalition prevailed. The agreement reached with the Gap was unprecedented, and sent a chill throughout the industry's corporate offices. Under the agreement, codes of conduct would be translated into Spanish and posted inside every factory, and independent monitors would be allowed to conduct regular inspections of labor and safety conditions. Like Nike's move, five years later, to disclose some of its factory locations—a concession to the dogged efforts of student activists—the Gap's decision was far from voluntary, and was achieved only through intense scrutiny and pressure.

In the summer of 1996, the NLC hit the publicity jackpot when, following Charlie Kernaghan's testimony at a congressional hearing, TV celebrity Kathie Lee Gifford's Wal-Mart clothing line was linked to child labor and human rights abuses, first in Honduras, and then by UNITE (Union of Needletrades, Industrial, and Textile Employees—the merger union of

ILGWU and ACTWU) workers to wage violations in a New York City sweatshop. Gifford's saccharine TV personality, and her precious association with children's charities, were a perfect foil for revelations about the child labor behind her label. Gifford was spun-dried by a media maelstrom until the story was stage-managed by New York's most highly paid publicist, Howard Rubinstein. Each step of her painful public progress was obsessively documented and dissected in the national press and TV as it segued from fierce denial and resentment toward her accusers to slapstick self-vindication (when she started endorsing, for Kraft at the age of seventeen, she "didn't think she had to go check out the cows") to humanitarian sympathy with sweatshop workers and righteous anger at their bosses. The instant butt of jokes, and cartoons featuring "Sweatshops of the Rich and Famous," it took Gifford only three weeks to ascend to the saintly rank of labor crusader. Vowing to "shine a light on the cockroaches," she provided a photo opportunity for Governor George Pataki's signing of a Retailers Responsibility Bill to outlaw sweated products in New York, testified in further congressional hearings, and costarred in Labor Secretary Robert Reich's fashion industry summit conference in Washington in July 1996. Her decision to mandate independent monitoring for her line obliged Wal-Mart, the world's biggest retailer, and seller of the Kathie Lee line, to announce new codes of conduct for all its contractors.

At a time when celebrities are lining up to sponsor products, and when endorsements are the bread and butter of the sportswear business, Gifford's invitation to other celebrity endorsers to clean up their contracts opened a new window of vulnerability within the industry. Michael Jordan, at the top of the heap, shrugged off challenges from reporters as Nike, with 37 percent of the $6.86 billion sneaker market, faced a barrage of media criticism over its decision to manufacture in Suharto's Indonesia. Jordan's hard-boiled nonchalance was unavailable to Kathie Lee Gifford, whose public persona is based on a profile of emotional caring, empathizing, and full disclosure of her personal life. Nor did much dirt stick to the cartoon celebrities of Disney, target of the NLC's other summer campaign in Haiti, where Disney's fantasy world is embellished by Mickey Mouse and Pocahantas clothing sewn for starvation wages. Disney and other companies who use Haitian factories, like Sara Lee (owner of Hanes, L'Eggs, Bali, Playtex, and Champion) make donations to nonprofit causes to launder their public image, while employing workers who often toil for fifty straight hours and can still barely feed their families at the end of the week. The NLC's study of Disney operations in Haiti, and its subsequent reports on China and Bangladesh, helped to substantiate the argument that the doubling of workers' wages in these overseas apparel locations would have a negligible impact (2–3 percent) on the retail price of the clothing they help to produce. Three subsequent surveys of U.S. consumers showed that a large majority (up to 78 percent) of polled consumers declared they would be willing to pay up to 15–25 percent more for no-sweat clothing.[24]

Author in mouse's clothing, Annual Holiday Season of Conscience March, National Labor Committee (PHOTO COURTESY OF THE NLC)

Several other important organizations took their place alongside the NLC in the struggle against sweatshops: Global Exchange, Sweatshop Watch, the Clean Clothes Campaign, Maquila Solidarity Network, Coalition for Justice in the Maquiladoras, Asian Law Caucus, Bangor Clean Clothes Campaign, People of Faith Network, the International Labor Rights Fund, Campaign for Labor Rights, STITCH, CISPES, Vietnam Labor Watch, Child Labor Coalition, Human Rights Watch, New York State Labor-Religion Coalition, Veritè, U.S./Guatemala Labor Education Project, and Press for Change. Grassroots workers groups, formed by laid-off or threatened employees, like Fuerza Unita (San Antonio), La Mujer Obrera (El Paso), the Thai and Latino Workers Organizing Committee (Los Angeles), and the Chinese Staff and Workers Association (New York City), waged their own campaigns through community-based workers centers in ways that have raised the local visibility of the issues.[25]

Two traditional institutions in this field also played their role: the U.S. Department of Labor, and the garment union, UNITE. While the Clinton Administration power-steered the passage of NAFTA over and against the opposition of organized labor, its Secretary of Labor, Robert Reich, was a compensatory voice in his attempts to curtail domestic sweatshop practices, the first incumbent in fifty years to do so. After a decade of nonenforcement of most labor legislation, Reich revived the Hot Goods provision of the Fair Labor Standards Act, and began to prosecute companies in violation of this law against the interstate transport of sweated goods. With only 800 federal inspectors to cover the industry's 22,000 cutting and sewing jobs, *in addition* to the nation's other six million workplaces, enforcement in the fly-by-night sector was futile in practice, and so the DOL resorted to the new action-oriented strategy of naming names.

In August 1995, a raid on the El Monte compound in southern California uncovered seventy-two undocumented Thai workers behind barbed-wire fences, locked up around the clock to produce garments for the likes of Montgomery Ward, and for sale at Nordstrom, Sears, Macy's, and Filenes. These conditions were legally recognized as peonage, and afforded the DOL the public momentum to mount what would become its own NO SWEAT campaign. After El Monte, Reich announced a "white list" of companies making honest attempts to rid their labor of sweated processes. Those excluded would be publicly shamed, and would have to submit detailed proof that they were shunning hot goods for their names to appear on this Fashion Trendsetters list. A quarterly Garment Enforcement Report commenced publication of the names of offenders prosecuted for back pay. Reich's strategy was a step in the right direction, but in the absence of any real political will to enforce regulations, it lacked teeth. Names on the DOL list barely grew from the initial thirty-six in December 1995, and a place on the list hardly guaranteed continued good conduct from any of the companies, as Guess workers' exposé of the firm's homework production in August 1996 made all too clear. When Alexis Herman took over the office from Reich in 1997, the campaign tailed off. The DOL has made little headway since, despite a slight increase in its staff of labor inspectors.[26] The Bush Administration put Elaine Chao, an antilabor secretary of labor in office, and the result has been a hands-off policy.

In response to the DOL list, the powerful National Retail Federation established its own Retail Honor Roll for companies in compliance with labor laws, and launched a publicity war with the DOL, calling on Reich to "stop wasting millions of taxpayer dollars on counterproductive media witch hunts and devote his energies to enforcing the law."[27] It was clear which strategy the retailers preferred. By July 1996, the big retailers had been sufficiently embarrassed by the Kathie Lee Gifford–Wal-Mart scandal for many to participate in discussions about an industry-wide effort at compliance and regulation, convened at Reich's fashion summit conference at Washington's Marymount University. On hand to showcase their own codes of conduct were most favored companies, like Levi Strauss (whose 1991 Global Sourcing and Operating Guidelines was a pioneer code of corporate standards), Nordstrom, Nicole Miller, Guess (the target of the homework exposé just one month later), Liz Claiborne, Patagonia, and Kmart—"we are in a learning process"—while the NRF's president, Tracey Mullin, defensively pointed a finger at immigration politics and organized crime. Union representatives and journalists told harrowing tales about child and bonded labor in factories where management by terror is enforced. Industry associations and the Compliance Alliance all agreed that sweatshops were bad for business. The few celebrity endorsers who attended—Gifford, Richard Simmons, Cheryl Tiegs—were greeted like social martyrs: "If you have a terrible outrage like El Monte or what Kathie Lee has gone through. . . ."

In April 1997, a presidential task force—the Apparel Industry Partnership (AIP)—reached an agreement on workplace codes of conduct. This group, which had first convened at the White House in August 1996, included UNITE, the National Consumers League, the Retail, Wholesale, and Department Store Union, the Interfaith Center on Corporate Responsibility, and Lawyers Committee for Human Rights, and also had industry representatives from Liz Claiborne, Nike, Reebok, Phillips-Van Heusen, Patagonia, and L.L. Bean. Agreements on health and safety, forced labor, child labor (banning employment under fifteen years, except in certain countries) and anti-harassment and nondiscriminatory practices had been reached early on. Accords were eventually reached on limited protections of the right to freedom of association and collective bargaining. Less satisfactory was the task force's acceptance of a sixty-hour workweek as the industry norm—forty-eight plus twelve hours overtime. Its recommendation of a sixty-hour maximum, which could, however, be exceeded "in extraordinary business circumstances" (i.e., any rush order), and its commitment to a cap on "mandatory" overtime, were both loose and imprecise gestures in an industry where employers and managers already find it all too easy to declare that workers are putting in "voluntary" overtime, or are working under "extraordinary" circumstances. In addition the agreements required only that workers are paid "at a rate at least equal to their regular hourly compensation" for overtime.

Predictably, the biggest split among the task force participants had been over wages and the issue of independent monitoring. The labor and human rights groups had pushed for a "basic-needs" standard for a "living wage," rather than the legal minimum wage, which in most offshore countries is purposely set well below subsistence level in the hope of attracting foreign investment. The task force accords did little to discourage the maintenance of these minimum wage levels, incapable of sustaining a healthy, dignified life for most workers. In rejecting the pressure for a livable wage, the industry representatives also pushed for a system of "external monitoring" (as opposed to "independent monitoring") that would allow them to use large auditing companies like Ernst & Young and PriceWaterhouseCoopers to assess and adjudicate local and international standards that might apply to any area of compliance with the codes. Transnational corporate auditors would thus be playing the role hitherto pioneered by local NGOs familiar with the social and cultural conditions of peoples' working lives. While the task force's accords advised the external monitors to consult with those institutions that are likely to have the trust of workers and knowledge of local conditions, they did not oblige companies to establish independent monitoring relationships with the labor, human rights, and religious groups in the region. Nor, since the agreements are voluntary, did they carry the threat of penalties for companies that violate the provisions of the code. The large loopholes in the agreements meant that the AIP had failed to propose meaningful standards or codes that can be effectively implemented. Elaine Bernard, director of Harvard's Trade Union Studies Program, suggested that the agreements merely gave the "good housekeeping seal of approval to a 'kinder, gentler,' sweatshop." The result was an impasse that led to the withdrawal of the labor and interfaith groups from the partnership.

The AIP's monitoring arm, the Fair Labor Association (FLA), was set up without their participation and immediately garnered the reputation of being a corporate front. Because the board operates by a supermajority vote, the companies that have a seat can effectively exercise veto power on all resolutions. They do not have to disclose their factory locations, nor are they obliged to employ independent monitors. While the FLA has played a significant role (sometimes in conjunction with the activist-initiated Workers Rights Consortium) in pressuring and brokering agreements between owners and workers, and while it has introduced reforms in response to pressure from United Students Against Sweatshops (USAS), its monitoring continues to be done primarily by for-profit auditors accustomed to serving the apparel industry. It took until May 2003 for the organization to make public any of its monitoring reports, and the locations of factories under investigation are still not readily available.

The conception of the FLA was effectively brokered by the legal aces of companies like Nike, desperate for the PR cover it provides. Nike would go further and outsource its PR to an NGO, the Global Alliance for Workers and Communities, which shills in the field of corporate responsibility. By the summer of 2000, Phil Knight was standing shamelessly by the side of Secretary-General Kofi Annan at the launch of the UN's Global Compact, in the forefront of the fifty founding companies who had pledged to observe labor rights and environmental standards in their global business practices.[28] Yet a 2001 report by the international human rights organization Global Exchange shows that workers making Nike products are still forced to work excessive hours, are not paid enough to meet the most basic needs of their children, and are subject to harassment, dismissal, and violent intimidation if they try to form unions or tell journalists about labor abuses in their factories.[29] In striking contrast were the efforts of Levi Strauss to abide by its pioneering code of conduct. An early leader in the corporate responsibility movement, the company actually pulled out of China in 1993, owing to concerns that human rights violations would tarnish its virtuous reputation. Five years later, with sales in steep decline, it had softened its code, and reversed its policy amid a tumult of hand-wringing about how to balance ethical integrity and commercial success. Twenty-two domestic factories were shuttered, 13,000 workers lost their jobs, and an opportunity to set a golden standard in the global economy was lost.[30] Nike's shoddy tactics and Levi Strauss's moral agonizing both illustrate, in quite disparate ways, the dangers involved in persuading corporations to self-regulate. Indeed, the move for companies to introduce codes of conduct and assume responsibility for ensuring the monitoring of their suppliers may be leading toward what Neil Kearney, (General Secretary of the International Textile, Garment and Leather Workers' Federation) has described as "the privatization of the implementation of labor law." As more and more NGOs are involved in the process of monitoring, they may become a "permanent obstacle to trade union organization." Monitoring, in Kearney's view, will become "the new solidarismo" and the "new yellow unionism."[31]

Students and Labor

That corporations need such organizations is testimony to the heat they are feeling from grassroots activists. Arguably the most pressure in recent years has come from the student organization USAS, which, since its founding in the summer of 1998, has run a brilliant and mercurial campaign against corporate abuse from the ethical stronghold of college campuses. The campaign involved the integrity of some of the more prominent U.S. varsity names in a $2.5 billion sector of the garment industry, and it was based on the premise that universities need to safeguard these names as assiduously (and often for much the same revenue-minded reasons) as corporations protect their commercial brands. College licensing contracts were perceived to be a strategic pressure point in the larger anti-sweat movement, and students at several key schools, beginning in January 1999 at Duke University, petitioned their college presidents to establish codes of conduct governing the labor conditions under which licensed articles, bearing the college name, are manufactured.

In the winter of 1998–99, the Collegiate Licensing Company (CLC), which brokered licensing agreements with colleges, asked college administrators to review and sign its own code of conduct, loosely based on the set of regulatory provisions drawn up by the AIP. The CLC code lacked provisions on transparency and living wage, and therefore ran into student opposition for many of the same reasons as the AIP had with labor and interfaith groups. USAS had formed earlier that year, and its first sparks lit a prairie fire of activism that spread throughout its network of college chapters. The national mobilization of students eventually resulted in campaigns, sit-ins, and occupations at almost 200 campuses, amid a blaze of media coverage. For the first time since the 1930s, students appeared to be turning in large numbers toward the cause of labor.[32]

At many of their campuses, students secured agreements about codes of conduct that were then undercut when administrators flocked to join the FLA.

In response, USAS initiated a second round of campus campaigns in a bid to persuade college presidents to join the Workers Rights Consortium (WRC), a new organization, free of corporate influence, that was formed in April 2000. Conceived as an alternative to the FLA, the WRC sponsors independent monitoring and verification of workers' complaints by local human rights groups. The intent is to introduce bottom-up monitoring, where workers themselves feel they have taken the initiative, rather than the top-down approach of the FLA, whose monitors initiate the process and verify a set of standards established independently of workers' needs. Ultimately, the aim is to establish a relationship where factory workers are able to use activists and outside sources as allies and tactical tools, and thereby avoid the situation whereby Northern activists are in a position to tell workers what they should want.

Another important core component of the WRC approach is its insistence that licensees agree to full public disclosure of all of their factory locations. Companies had initially resisted this principle, on the basis that locations were a "trade secret"—a spurious argument, given that the same factory often supplies several rival companies. The agreement on disclosure introduced a crucial measure of transparency into the working policies of licensees, while infuriating corporate managers with big college contracts. Less than a month after its founding, the WRC was handed a windfall of free publicity when Phil Knight, in a tantrum, canceled Nike contracts with WRC members, Brown University, and the University of Michigan, and withdrew a $30 million gift to his alma mater, the University of Oregon. To date, over 110 colleges have joined the WRC, and it has already successfully investigated, and partially resolved, workers' complaints in several key locations. Monitoring and close investigation of antiunion repression at Kukdong (Mex-Mode), a Mexican factory producing for Nike and Reebok, concluded in the summer of 2001 with the recognition of SITEMEX, an independent trade union. New Era, a factory in western New York state producing baseball caps for 400 colleges and universities, as well as for Major League Baseball, was also pressured by the WRC into union negotiations with workers. At PT Dada in Indonesia, which produces caps and stuffed toys for Adidas (bearing the logo of WRC-affiliated colleges), working conditions were radically improved along with union contracts.

USAS has also established close relationships with workers struggling to launch unionization campaigns in several export-processing zones. One of the longest-running relationships was with organizers who were fired in 1997 at BJ&B, a collegiate cap-making factory in Villa Altagracia, Dominican Republic, which supplies major brands like Reebok. In November 2002, the reinstated workers won a collective bargaining contract that made the union the largest independent free-trade-zone union in the country, and possibly the world.[33] Buoyed by victories at BJ&B and Kukdong, where USAS provided crucial support, pressure, and organizing aid, and building on their highly successful effort to win disclosure on factory locations, USAS is now campaigning to force companies to agree to full public disclosure of the wages of collegiate-apparel workers. The aim of this campaign is to open the way to establishing living-wage levels that are locally sustainable.

Even when USAS's highly publicized investigations often have little immediate material impact on the mass of workers' lives, they are important moves in the ongoing war of position with the major apparel companies. In establishing that unions can exist in EPZs, they may soon serve as models of the kind of international action that is needed to address labor standards. Supporting workers' own local efforts to organize and remedy their grievances—the WRC model—may well be perceived as preferable to issuing companies with a sweat-free bill of health, as in the FLA model that mandates top-down monitoring by the same consultancies that audit the company books.[34] Extensive media coverage of USAS activities has helped to expand public consciousness of the issues, and their campaigns have reaffirmed what is rapidly becoming common sense—no one, least of all college presidents, wants their company or institution associated with a brand sullied with the taint of sweatshops.

The student movement received considerable support, from an early point, from the labor movement. In part, this was an acknowledgment of the bilateral role that unions themselves were playing in an anti-sweatshop crusade that they once monopolized. Indeed, the bargaining power and political repute of the garment unions derived from their much-lionized success in eradicating the turn-of-the-century sweatshop and reforming "industrial conduct." The tragedy of the Triangle Shirtwaist Factory fire, which took the lives of 141 seamstresses in 1911, proved to be the milestone event that put the first anti-sweatshop movement over the top. After the strikes of the female shirtwaist makers (the famous "Uprising of the Twenty Thousand") in 1909, and the male cloak makers the following year, garment chieftains had met with labor leaders to sign the Protocols of Peace, the prototype of collective bargaining agreements, mediated by Progressive jurist Louis Brandeis. The first step on the road to the suppression of the sweatshop, the Protocols established the preferential union shop, a fifty-hour week, wages going to arbitration, and rules against the permanent replacement of strikers.[35] Organized labor learned that management would make big concessions in return for uninterrupted production, while the manufacturers found a way for labor to accept their coming creed of scientific management and industrial efficiency.

Thus were sown the seeds of labor-capital's social contract, conceived as the joint control of industrial democracy, governed by the modernist creed of productive efficiency, and committed to a more humane form of capitalism than that embodied by the sweatshop. In its Cold War heyday, organized labor's role in this contract was that of a powerful co-guarantor, blessed by a degree of government patronage unimaginable forty years before. The corporate breakup of that social contract, hastened on by the Reagan and Bush administrations' punitive war on the basic organizing rights of labor, hit the garment unions especially hard in an industry on the front line of job attrition. ILGWU membership decreased from 457,517 in 1969 (when 70–80 percent of New York City factories were union shops) to less than 200,000 by the time of its 1995 merger with the ACTWU. UNITE's entire membership now stands at less than 250,000. With a employment peak of 1.45 million in 1973, domestic apparel jobs had fallen to 846,000 by 1995 (which saw a year's decline of 10 percent in the first big wave of NAFTA losses) and 523,000 by April 2002 (according to the Bureau of Labor Statistics). With the loss of larger, centralized factories producing standardized clothing lines, the opportunities to increase union membership have clearly diminished, and are more and more concentrated in the informal sector that is notoriously difficult to organize.

For a while industry and union endeavors to retain jobs focused on high-tech, high-skill programs, where computer-assisted design, point-of-sale data, and quick-response technologies maximize flexibility, minimize inventory, rationalize consumer preference and demand, and strengthen the capacity to deliver fashion goods just in time. The emphasis was on craft, quality, and reliability that are unavailable offshore. In addition to this boost to flexibility and turnaround time, modular, team-based production systems with multitasking workers have made the domestic delivery of fashionwear more competitive than many forms of outsourcing. But escalating competition in casual and sportswear lines has also exacerbated the conditions under which domestic sweatshops proliferate. In anticipation of the devastating impact of the MFA phase-out in 2005, UNITE has turned its organizing efforts to the retail and distribution workforce of the big brands—as many as half a million domestic workers.

Nonetheless, UNITE's own anti-sweatshop campaign, in partnership with the National Consumers League, has been an important source of consumer information (reminding us, for example, that "the care tag tells you how to treat the garment but not how the worker who made it was treated"). Union and nonunion workers' active role in the exposure of illegal conditions has often been organized out of UNITE's Worker Centers in L.A., New York, and San Francisco. A leading participant in the southern California coalition that runs Sweatshop Watch, the union's connections in the industry have also been crucial to maintaining public pressure on converting retailers and manufacturers' public image concerns into effective action. Just as important, UNITE served as a crucible for the campus campaigns, supporting and participating in the work of USAS from its roots in intern research and at the AFL-CIO Union Summers in 1996 and 1997.

For unions, the challenge of offshore organizing is even greater, especially when the local Maquiladora Manufacturers' Association, or its regional equivalent, can always produce a "company union" representative to mouth the regional benefits of outsourcing when U.S. reporters come calling. In developing countries under repressive rule, activism that calls for unionization is often less effective than appeals to international human rights conventions, which tend to attract the global media. At the level of trade policy, countries like the U.S. can take the moral high ground in banning imports made with child labor, but they will not prefer nations that raise the level of other labor protections. Nor does the high ground yield justice when it only serves the morality of the affluent. Without making any alternative provision for its impact on overseas workers, the 1993 Child Labor Deterrence Act pushed tens of thousands of children out of the formal workplace in countries like Bangladesh, exposing them to much more hazardous and exploitative conditions in the informal economy.

More and more, unions like UNITE have looked for leverage to citizens campaigns, often tied to consumer boycotts that have proven effective in the case of South African oranges, infant formula, canned tuna fish, and the table grape campaign of the United Farm Workers. The sustained access to publicity can have a powerful effect in the streets, stores, and factories of the U.S., where 25 percent of the world's economic activity occurs. Yet the weapon of the consumer boycott is a controversial one for unionists who are more interested in improving work conditions than in chastising, or chasing away, companies. Like trade sanctions, boycotts can punish the most vulnerable workers, when plants shut down in communities that need jobs and wages. More effective, in theory, is UNITE's new strategy of putting public pressure on big brand names through coordinating campaigns by workers in several of the company's overseas factories. The prototype for this strategy was the 2003 campaign to organize workers, internationally, at H&M, the Swedish discount fashion brand.

Another weapon is the movement for socially responsible investment and trade. Boasting a diverse range of participating funds and organizations across the globe, and with a steadily increasing share of financial portfolios, its power to apply shareholder pressure on corporations is growing. It has the capacity to serve as a powerful supplement, if not an alternative, to the feeble system of corporate regulations currently recognized by international law.

However contentious, some boycotts have successfully taken their toll on the world of high fashion. PETA's (People for the Ethical Treatment of Animals) antifur campaigns had an immense impact for a while upon the furrier and animal-skin markets. So too groups whose image is distorted or ignored in fashion advertising often undertake a more diffuse form of boycott. The racially exclusive face of fashion and the preternaturally thin female body types favored in modeling have been heavily condemned for almost two decades now. African Americans, conscious of their consumer power, expect to see increased representation in advertising images from companies whose products they patronize. Sometimes, the response can be quite complicated. For example, in 1994, Timberland ran some outrightly racist ads as part of an attempt to dissociate its name from the inner-city hip-hop youth who had adopted the trademark boots and outerwear. The ads contrasted an "out there" of white nature lovers with the "out there" of freaky black club kids, making it quite clear which group Timberland favored. As it happens, this may have been a shrewd marketing move, designed to neutralize a boycott. Hip-hop youth made a public point of continuing to wear Timberland in the aim of embarrassing a company that did not (officially) want their custom. A subsequent move on the part of the same consumers to patronize the preppy clothing of Tommy Hilfiger, Nautica, Ralph Lauren, and Burberry proved that the game of tag that youth subcultures play with mainstream fashionwear is increasingly part of the business cycle. By 2001, Hilfiger's resentment at being dropped was cleanly matched by Burberry's concern about being adopted, around about the same time.

The vast sportswear profits generated by endorsers like Michael Jordan, Shaquille O'Neal, and Charles Barkley have helped to create high-profile employment for dark-skinned African American male models who look athletic and defiant. Such images, presented as the epitome of beauty, are a notable breakthrough in a history of public aesthetics that has either maligned or exploited the look and physique of black males. But controversy over these issues of representation are usually disconnected from the stories about garment industry sweatshops; as Jordan or others in his position can say, "that's not my department." This is a reminder that some groups have preestablished priorities, and that labor-oriented coalitions and boycotts will have to respect and negotiate these priorities while working on a broad multiracial front.

Another example surfaced in April 2002, when the Abercrombie & Fitch clothing company introduced a series of designer T-shirts featuring stereotypical cartoon images of Chinese faces with slanted eyes and "rice hats." One T-shirt design had a slogan that read WONG BROTHERS LAUNDRY SERVICE—TWO WONGS CAN MAKE IT WHITE, and another announced ABERCROMBIE & FITCH BUDDHA BASH—GET YOUR BUDDHA ON THE FLOOR. The clothing generated a firestorm of protest from Asian American groups over racist representation, while the company, known for its provocation marketing, harvested yet another round of bad-boy publicity. Notably absent from the protests, however, were references to the abhorrent labor conditions in Saipan factories where indentured workers from China and Thailand produce for Abercrombie & Fitch and a host of other brand names. In the western Pacific island of Saipan, U.S. labor laws do not apply, but producers can legally stitch on a "Made in the U.S.A." label.[36]

In the intimate environment of campus protests, the prioritization of issues can generate some friction. Thus, many chapters of USAS have found themselves in an uneasy relationship with antiracist student groups, who often resented the massive publicity that the predominantly white USAS chapters seemed to be able to generate on behalf of their concern for overseas workers of color. Conscious that USAS had garnered a reputation for evading domestic issues, and a capacity for dealing with race only at a distance, many activists sought to build better alliances without abandoning the focus on labor.[37] Some chapters, for example, expanded their activities to support labor struggles among campus workers—in janitorial and dining hall services—and in local campaigns for a living wage. Support for farmworker groups—and against sweatshops in the fields—stepped up, resulting in a campaign aimed at Taco Bell's exploitation of Immolakee tomato pickers in Florida. USAS has also launched a campaign in support of immigrant rights.

The Debate on Development

A similar caveat applies to the relationship between garment workers in the South and Northern anti-sweatshop activists. Critics of the sweatshop movement have preyed on activists' white guilt to suggest that the standards of affluent countries are being imposed on countries that can ill afford them. Suspicion of U.S. intervention, even in the form of well-intentioned activism, goes a long way in countries with a long history of reasons to mistrust American ideas about their development. Guilt-tripping young middle-class protesters is a well-rehearsed sport, yet no one in their right mind expects to see EPZ workers achieve Northern wage levels anytime soon. Even if the charge was justified, it is not at all clear who would enforce this imposition. There is little historical basis, at this point, for assuming that a centralized system of regulators will ever be in a position to dictate universal conduct throughout the global economy. Industrial elites and like-minded commentators from developing countries have also argued that the activists' cause is fundamentally protectionist. This charge is equally dubious, given that domestic protectionism, in textiles and apparel at least, has been a dead duck on the legislative front since the demise of the MFA. Besides, there is no real evidence that frontline activists are motivated by anything other than concern for economic fairness. It is true that activists will often exploit anxiety about loss of domestic jobs in order to publicize their cause, and that this is a strategy that may play into the hands of domestic unions seeking to slow the decline of manufacturing jobs. Yet it is increasingly recognized, even within trade unionist circles, that the interests of domestic workers are best served by pushing for labor-friendly growth in every country. In a global economy, there is no real alternative.[38]

With somewhat more rationale, anticolonial critics on the left have pointed out that the movement's portrayals of sweatshop workers as helpless victims of brutal labor conditions tends to reinforce degrading stereotypes of passive Third World women. The diverse experience, complex aspirations, and vivid personality of workers on "the supply side" of the picture are routinely reduced to one-dimensional roles in the often formulaic atrocity stories circulated by activists to generate publicity for campaigns.[39] Much remains to be done in fully incorporating into the movement voices and arguments from the South, and not just those who speak on behalf of workers. Heather White, director of Verite, the Massachusetts human rights monitoring group, points out that the place to begin is with basic worker literacy about the structure of wages, and then proceed to education in labor rights. Without this education, workers will "be overly dependent on outside auditors to initiate improvements.[40] So too activists need to emphasize provisions to educate workers, most often children, who are likely to be displaced from "improved" workplaces into the vastly inferior workplaces that far outnumber those in the export sector.[41]

Free-trade economists have gone much further in their criticism of the movement by arguing that developing countries will forfeit their capacity to compete for jobs and investment if they have to prematurely accept increased labor costs. Low-wage export sector jobs and the accompanying foreign investment, they argue, are needed in order to embark on the path toward development, and all countries pass through a low-wage phase on this path. All other considerations aside, the laws of the free market demand it. In the much-quoted words of Columbia economist Jeffrey Sachs, "my concern is not that there are too many sweatshops but that there are too few." Even Paul Krugman, an economist known for his liberal views, once defended the use of child labor as a comparative advantage that developing countries cannot afford to renounce.[42] The pro-sweatshop economists argue that, in time, as civil society develops in tandem with industrialization, wages will rise and labor standards will emerge organically and in conformity with market forces. The reduced price of imports will benefit domestic consumers just as the industrial wage of export-zone workers allows them to become consumers in the first place. Indeed, the neoliberal fantasy of free trade is one in which all trading partners experience some gain. Critical to this position is the argument, included in a letter circulated by free-trade economists to undermine the influence of USAS, that export sector workers are "generally paid no less than the prevailing market wage," and sometimes considerably more.[43]

Most of the free-trader arguments are based entirely on the narrow, formal assumptions that neoclassical economics prizes, or else they rest on norms of market criteria—like "the prevailing market wage" cited previously—that have already deteriorated rapidly under neoliberal penetration. No one can morally oppose the right of a poor country to attract investment on the basis of its cheap labor pool. It clearly is a comparative advantage to be able to produce a good more cheaply than elsewhere. But the conditions that are almost universally attached to investment in low-wage export production *are* morally unacceptable. In the semiautonomous EPZ enclaves, the state's environmental and safety regulations go unheeded, and governments have to guarantee to multinationals that wages will be kept low by suppressing workers' rights, such as free speech, the right to freedom of association, and the right to bargain collectively. Just to cite one example, the Bangladesh Export Processing Zone Authorization Act of 1980 explicitly exempted EPZs from all of the country's labor laws.[44] Nor is child labor a matter of meeting labor supply needs. The highest rates of child labor are in countries where adult unemployment is excessive.

Labor rights are not privileges that carry a price tag, and poverty does not preclude entitlement to them. There is no reason why core labor standards (recognized by the ILO) should be subject to a cost-benefits analysis. In any case, whatever increased costs are incurred from observing these rights should not be borne by host nations, but by the multinational firms that reap vast profits from the sweatshop system. Even if the costs were passed on to consumers (a more practical assumption), there is a reasonable expectation that they could be absorbed without much pain. In a comparative study of garment production in Mexico and the U.S., economists Robert Pollin, Justine Burns, and James Heintz estimate that 100 percent wage increases for workers at all points of the production chain would still only translate into a retail hike ranging from 2–6 percent, well below the premium of 15–25 percent that surveyed U.S. consumers are willing to pay.[45]

Nor will poverty pass from the face of the earth as a result of the free traders' beloved market forces. Without the right to bargain for themselves, workers seldom achieve wage increases, and, with capital flowing unrestricted, higher living standards simply will not materialize, let alone usher in a realm of general global prosperity. The record of free trade in countries hosting export industries with no links to the domestic economy is clear enough. Rising unemployment and falling wages are the result, in Central America and Asia alike, where the average apparel worker earns far below the estimated living wage. The NICs (Newly Industrializing Countries) of East Asia are often cited as examples of how export jobs in garments and electronic assembly triggered higher levels of development and living standards. Yet, as UNITE's Mark Levinson points out, the Asian tigers achieved economic growth through "trade protection, state controls on capital, and manipulated exchange rates."[46] They were also beneficiaries of Cold War funding, to some significant degree. The deregulated system that sustains today's global sweatshop in Asia and the Americas has no such aid or controls, and is primarily designed to ensure the free movement of capital after the model of Jack Welch's barges. That is why wage levels have dropped not only in the South but in the North as well, where the slippage of labor standards, by comparison, has been much greater. Far from lifting all boats, globalization, in the form of trade and investment liberalization, has generated a state of economic apartheid—bonanzas for those on the top end, and a dramatic rise in poverty for those on the lower rungs.

Until workers can self-organize and share in the wealth that they produce, activists in the North will have an important role to play. They are needed, first and foremost, to petition for all workers to enjoy a living wage according to local standards of subsistence. The more farsighted, and optimistic, speak of a comprehensive "social wage" that owners and investors owe to the communities where they locate factories. If these efforts are perceived to be insufficiently radical (cleaning up capitalism rather than rewriting the ground rules of society), as some critics on the left have claimed, these charges are hardly new to labor organizers, who have long placed their faith and energy in building power incrementally by distributing it downward. At the other end of the power spectrum, the goal is to win a voice at the table of the world economic community, where elites from government and industry, unencumbered by labor representatives, make the key decisions about capital regulation and allocation of the debt burden.[47] Until that kind of top-level participation is achieved, labor and environmental standards will only get lip service. Even so, the elite consensus has eroded more rapidly than anyone could have imagined. Every strategy, tactic, campaign, and media exposure contributes to the pressure at all points in the chain: from world trade policy to international human rights, workplace regulation, labor organizing, consumer education and politics, and institutional activism. Whether using the powerful public vehicle of moral abhorrence or the power of reason to argue for rights and justice, the accomplishments of the second anti-sweatshop movement, in less than a decade, have been immense. Public awareness has skyrocketed; corporations have scrambled for PR cover just as they have been forced into a concessionary stance; strategic legislation has been introduced; international coalitions have been formed; steps toward the establishment of a global monitoring structure have been taken; and a wide-ranging debate about the shape of world trade agreements has begun. While the anti-sweatshop movement appears to be aimed primarily at economic goals, its social and political character has lent it an epochal profile with few rivals.