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Monitoring Sweatshops: Workers, Consumers, and the Global Apparel Industry

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Monitoring Sweatshops: Workers, Consumers, and the Global Apparel Industry

Monitoring Sweatshops: Workers, Consumers, and the Global Apparel Industry. By Jill Esbenshade. Philadelphia: Temple University Press, 2004. 272 pp. ISBN 1-59213-255-3, \$69.50 (cloth); ISBN 1-59213-256-1, \$22.95 (paper).

Discussions of globalization often center on the apparel industry, as major brand names outsource production to factories in low-wage sites. Images that hark back to an earlier era—child laborers bent over sewing machines in El Salvador, illegal immigrants held as slaves in Los Angeles sweatshops, garment workers trapped in a Bangladeshi factory fire—have made the clothing industry the visible face of a global “race to the bottom”: as trade barriers fall and capital moves apparently at will, national labor departments fail to enforce their own labor laws, and global sweatshops proliferate.

Jill Esbenshade’s clear, careful, and insightful *Monitoring Sweatshops* exposes the inadequacy of corporations’ claims that they are holding their subcontractors to voluntary “codes of conduct.” Her detailed study of the Labor Department’s experiment with voluntary workplace monitoring in the mid-1990s and more recent transnational monitoring in the apparel industry yields a solid conclusion: voluntary codes of conduct and the private monitoring systems may make consumers feel better about their clothes, but will probably do little to improve working conditions if they are not accompanied by outside enforcement.

Since the early 1990s, voluntary monitoring has frequently featured in proposals for new systems of global labor regulation. Starting from the assumption that multinational corporations are too mobile and too powerful, and the regulatory agencies of developing countries too corrupt and weak, for local law enforcement to serve as the main mechanism for improving working conditions, most policy proposals suggest a voluntaristic approach, “naming and shaming” corporate subcontractors who abuse workers or violate corporate codes of conduct, the hope being that brand-name companies will enforce their own codes of conduct among their subcontractors rather than risk provoking international consumer boycotts.

Ironically, none of these proposals—from the United Nations’ Global Compact to the Fair Labor Association’s monitoring program, with any number of famous scholars in-between—look carefully at previous experiences with voluntary monitoring, domestically or internation-

ally. Based on assumptions about how corporations, consumers, and monitors will behave, these proposals simply assume that having invested so heavily in advertising, companies will want to ensure that nothing tarnishes their image, so they will move quickly to address violations.

But as Esbenshade shows, the record is rather more mixed. In the 1990s, the U.S. Department of Labor experimented with a voluntary monitoring process in the domestic apparel industry. As Esbenshade’s careful research demonstrates, the experiment could hardly be considered a major success. Brand-name companies failed to police subcontractors’ compliance; they even failed to inform the Department of Labor of all their short-term contracts; and when violations were discovered, they failed to protect vulnerable workers. Instead of representing a promising new regulatory framework, Esbenshade concludes, this kind of privatized, voluntary monitoring “has in fact been an effort to stave off more serious forms” of regulation, especially any system that would make brand-name corporations responsible for subcontractors’ violations of labor laws.

Esbenshade’s description of the problems of monitoring is thoroughly persuasive. She argues, with convincing detail, that brand-name corporations have avoided taking responsibility for violations in subcontractors’ factories; that private firms claiming to monitor compliance with voluntary codes and legal requirements have tailored their monitoring to meet corporate clients’ needs; that the Department of Labor viewed its relationship to monitors as advisory, rather than as regulatory; and that under the Bush administration, even the weak enforcement mechanisms that initially backed up voluntary monitoring have been further eroded, leaving only voluntary compliance mechanisms in place.

Clearly written and argued, *Monitoring Sweatshops* will leave no doubt in the reader’s mind with regard to the author’s main thesis. While some firms may make real efforts to improve their subcontractors’ working conditions, and while some subcontractors may try to comply with basic regulations, the pressures of the bottom line and the voluntary character of corporate codes of conduct mean that the most egregious violators can escape punishment, in ways that disempower rather than assist vulnerable workers.

As Esbenshade notes in the second half of her book, from the early 1980s, the global apparel industry has increasingly moved beyond

American borders, as new trade and tariff rules have altered the quota system. With out-sourcing, companies like Nike, Liz Claiborne, and the Gap moved production beyond the reach of even voluntary monitoring by the U.S. Department of Labor.

What lessons does the industry's experience within the borders of the United States hold for efforts to monitor the international apparel industry across borders? In the second half of *Monitoring Sweatshops*, Esbenshade—a leading activist in discussions of international monitoring as well as a careful scholar—offers a recent history of international labor monitoring. In the late 1990s, when corporations refused to publish their subcontractors' locations or to allow independent monitors access to their factories, Esbenshade worked with union and student groups to create the Workers' Rights Consortium, a non-governmental group that seeks to support workers and improve working conditions in apparel factories around the world.

Esbenshade is remarkably open about the difficulties involved in monitoring, recognizing that consumer-based pressures might undermine unionizing drives, and noting the dilemmas facing workers who feel they must choose between bad jobs or no jobs at all. While her workplace focus gives her little to say about the difficulties of sustaining consumer pressure on most apparel firms—especially firms that have no brand identity or that appeal to customers more concerned about price and quality than ethics—her account provides an outstanding introduction to the complex issues involved in this strategy. As Esbenshade acknowledges, independent monitoring cannot substitute for trade unions, democratic governments, and labor laws backed by real enforcement.

As the author also acknowledges, international monitoring is something of a moving target: transnational monitoring is still in its infancy, and new possibilities and new pitfalls seem to appear with each newspaper article. Since the book was published, for example, Cambodia's scheme using the International Labor Organization as its independent monitor has raised new questions and issues; similarly, the January 2005 end of the Multi-Fiber Agreement governing apparel quotas in the United States has created new tensions, as brands relocate the bulk of their production to China, where monitoring is barely visible.

But even as an ad hoc response to a regulatory vacuum, monitoring clearly matters, and Esbenshade offers the best account yet written of actual empirical experiences. As the first

serious effort to gather and analyze evidence about new approaches to industrial regulation, *Monitoring Sweatshops* makes a significant contribution to our understanding of globalization, and to continuing efforts to shape globalization in ways that will benefit workers as well as consumers.

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Labor Economics

Downsizing in America: Reality, Causes, and Consequences. By William J. Baumol, Alan S. Blinder, and Edward N. Wolfe. New York: Russell Sage Foundation, 2003. 336 pp. ISBN 0-87154-094-0, \$29.95 (cloth).

Just more than a decade ago, in the early 1990s recession, downsizing captured the business headlines. Corporate layoffs, restructuring, re-engineering, and job displacement dominated media coverage of the economy. Attention to downsizing dropped considerably during the long mid-to-late 1990s boom, and re-emerged during the 2001 recession. Today, offshoring, or global outsourcing, attracts similar attention, but not quite at the same level of intensity (at least so far). This book, written by three distinguished and prominent economists, sets out to provide a historical appraisal of downsizing. Three aspects of the phenomenon are explored: the extent to which firms actually did downsize; the economic factors associated with changes in firm size; and, in a more limited fashion, the consequences. The authors, laboring longer than they expected (as explained in the introduction), have produced a comprehensive, balanced, careful, fact-filled, non-ideological—and somewhat dry—analysis. Readers fond of numbers will be particularly rewarded.

The term “downsizing,” while amenable to seemingly commonsense understanding, is not a precise term for economists. Its most important characteristic is clearly a shrinkage of employment, on a somewhat widespread basis. Individual firms change work force size frequently; it is only when many firms reduce employment at the same time that we label the activity downsizing. The authors are interested in individual firms' behavior, but more particularly in the patterns of their collective behavior