

If Your Shirt Could Talk...



The Sweatshop Reality of the Free Market

Tomorrow morning, millions of people throughout the United States will get up in the morning and get dressed. They will put on Levi pants, Gap shirts, Fruit of the Loom underwear and many other articles of clothing.

There is a good chance the label on these garments will read, "Made in El Salvador," or "Made in Guatemala" or "Made in _____" (fill in the blank with some Third World country). But such information only reveals a tiny part of the story.

If our clothes could talk, they would tell tales of brutal working conditions and impoverished living conditions. They would recount stories of child labor, slave wages, and malnutrition. And they would provide us with yet another gruesome picture of what free market capitalism means for millions of people around the world. □

Sources used for this article:

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- "In the Name of Fashion, Exploitation in the Garment Industry," by Hector Figueroa in *NACLA Report on the Americas*, Jan/Feb 1996
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In August 1990, an ad appeared in *Bobbin*, a major trade magazine for the U.S. apparel industry. The glossy full-color ad showed a young woman seated at a sewing machine in a shirt factory. The text of the ad informed executives in the U.S.: "Rosa Martinez produces apparel for U.S. markets on her sewing machine in El Salvador. You can hire her for 57 cents an hour." This ad

was paid for by the Salvadoran Foundation for Social and Economic Development (Fusades), which is almost entirely financed by the U.S. Agency for International Development.

The ad went on to assure garment companies that "Rosa is more than just colorful." For two quarters and seven pennies an hour, U.S. businesses were told, they could

get workers who are "known for their 'industriousness, reliability and quick learning.'"

Seven months later, in March 1991, the same ad ran in the same magazine, but with one minor change. "You can hire her for 57 cents an hour" now read, "You can hire her for 33 cents an hour."

When you get dressed every morning, do you ever think about where your clothes come from? Do you know the thread in some of your jeans is put there by young women who are paid 30 to 40 cents an hour? Would you be surprised to learn that some of your shirts were stitched together by children? If pants and shirts could talk, what kind of stories would they tell?

Gap shirts made in Honduras and Hong Kong...

Eddie Bauer pants made in El Salvador...

Lee Ryder jeans made in Brazil...

Bali underpants made in Guatemala and Macau...

Levi golf shirts made in the Dominican Republic...

Haggar sports jackets made in Colombia...

Disney Pocahontas T-shirts and Lion King outfits made in Haiti...

Walk into Macy's, Wal-Mart, or any other big department store and a big percentage of the clothes on the racks have been made in Third World countries. According to the Census Bureau, American companies imported about \$6.7 billion of apparel in 1995—much of it from poor, Latin American and Asian countries.

Clothing is big business. In 1994, retail apparel sales were \$211 billion. About 30,000 clothing manufacturers in the U.S. employ over 800,000 production workers in the United States. And they also directly and indirectly employ at least 400,000 people in other countries.

Recently, Kathie Lee Gifford got teary-eyed for the cameras as she tried to answer charges that her line of blouses were produced by child labor in Latin America. Kathie Lee—who made roughly \$5 million in 1995 from her clothing deal with Wal-Mart—wanted to distance herself from the fact that some of her clothing line was made by 13- and 14-year-old Honduran children working 13- to 20-hour days in sweatshop conditions.

According to the contract between Wal-Mart and Kathie Lee, the line of blouses were to be manufactured by a company in New York called Bonewco. This company then subcontracted some of the work to a manufacturer in Alabama. And the Ala-



Inside a Walmart

bama company then "sub-sub-contracted" part of the order to New Jersey-based Universal Apparel, which in turn sub-sub-contracted to another company named Seo. This was the path that brought the Kathie Lee label to the Global Fashion factory in Honduras where workers as young as 13 to 15 years old were exploited.

This type of arrangement is typical in the garment business—where manufacturers are always on a worldwide hunt for cheap labor. And this was not the first time Wal-Mart had been exposed in the press for

exploiting children. In 1992 *Dateline NBC* reported that youngsters in countries like Bangladesh were being paid pennies to sew Wal-Mart labels into clothing.

The president of one garment company expressed the "free market" mentality which guides such production. He told one reporter: "In the United States, if you want to buy a Honda Civic, you can shop around and always you will find cheaper ones." That, he said, is exactly what the "buyers"—the brand-name clothing companies—are doing. "They are shopping

around the whole world for the cheapest labor price."

And what does this whole process mean for the people who sew these garments? A 15-year-old worker named Wendy recently came to the U.S. to testify in Washington D.C.—and meet with Kathie Lee Gifford, whose clothing line she has worked on for 31 cents an hour. Wendy testified that she had to work 13 hours a day and was often forced to work all night. She said she was subjected to threats of physical, verbal and sexual abuse, was paid only \$21.86 per

week and received no health care, no sick pay or vacation time.

After all this exposure, Kathie Lee and Wal-Mart decided they needed some damage control and announced they were moving their business to another factory. But this hardly means that the kind of exploitation Wendy talked about will end. The production of Kathie Lee blouses will most likely be moved to another sweatshop factory in Latin America or Asia. And for the workers in the Global Fashion factory,

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The Growing Gap in Central America

Donald G. Fisher is the chief executive of The Gap and Banana Republic clothing companies. According to *Forbes* magazine, he is worth \$1.5 billion.

Where does his money come from?

Ask a young woman in Latin America who works in sweatshop conditions, 14 hours a day, sewing clothes.

Judith Yanira Viera is an 18-year-old worker from El Salvador. In 1995 she went on a two-month speaking tour in the U.S. sponsored by the National Labor Committee. She traveled around the country, exposing the brutal working conditions in the sweatshop factories that produce clothing for companies like The Gap.* At the Mandarin plant where she worked, the women were paid 18 cents for every Gap shirt they made. These shirts were then sold for \$20 each in the United States. In her testimony, she said:

* Judith Yanira Viera's testimony was gathered by Barbara Briggs and Charles Kernaghan, who are staff members of the National Labor Committee. This excerpt from the testimony was taken from an article published in the Jan/Feb 1996 issue of *NACLA Report on the Americas*.

"For over a year, I worked in the Taiwanese-owned Mandarin International maquiladora factory in the San Marcos Free Trade Zone, where we made shirts for the Gap, Eddie Bauer and J.C. Penney. From Monday to Thursday, our work shift went from seven in the morning until nine at night. On Fridays, we would work straight through the night, starting at 7 a.m. and working until 4 a.m. We would sleep overnight at the factory on the floor. The following day, we would work from 7 a.m. until 5 p.m. Despite these very long hours, the most I ever earned was 750 colones [about \$43] per month.

"The supervisors often screamed at the women. They would hit us with the shirts and tell us to work faster. Even though we worked a 14-hour day, we were only permitted to go to the bathroom twice. Each time, we had to get a ticket from the supervisor, and then we were allowed no more than three to five minutes. It gets very hot in the plant, and the ventilation is poor. In the factory, there is no purified water, and the drinking water is contaminated.

"There are many minors—girls aged 14, 15 and 16—who work in Mandarin. They would like to continue their studies, but the

company does not permit it. They make the children work the same long shifts as the adult workers. If someone doesn't want to work overtime, they punish her by making her go outside and sweep under the sun for the whole day.

"The women are not allowed to go to an outside health clinic even though they deduct medical insurance from our pay. Instead, if a woman feels sick, she must go to the plant's doctor. He takes advantage of the situation to give them contraceptive pills so they won't get pregnant. On the assembly line where I worked, one of the women felt sick and went for a consultation with this doctor. He gave her some pills, but she still felt sick the next day, so she went back to the clinic. She found out that she was pregnant, and that the pills the doctor had given her were to make her abort."

In 1995, when the workers at Mandarin formed a union, the company hired thugs to beat up the union organizers. Then they fired more than 350 workers, including pregnant women, minors and union leaders. Company goons went to union organizers' homes and threatened them. In June, when the workers carried out a work stoppage to protest the unfair firings, the company

called in the police to beat people up. The police also kidnapped the union secretary general, Eliseo Castro Pérez—beat him, tortured him, and told him they would kill his family if he didn't reveal the names of other leaders.

Even after a lot of exposure came out in the media about Gap sweatshops, the company said that in its investigations, it had found Mandarin to be a "model" operation that treated its workers with "decency and respect." Evidence of abuse in Gap sweatshops in Central America continued to come out in the media. And in a damage-control move, The Gap announced in November 1995 that it had decided to pull out of El Salvador. But this hardly means The Gap has stopped exploiting workers in Central America and in other Third World countries.

Next time you buy something from The Gap, check out the label—and think about the women garment workers like Judith Yanira Viera, who earn less than *one-fifth* of the amount needed to meet the minimum cost-of-living requirements. □

Kathie Lee's pull-out hardly stopped their misery. They went on, hunched over their sewing machines, producing clothes for other companies like J. Crew and Eddie Bauer.

Stitching in Pain

In the Progress Free Trade Zone in San Salvador, a huge complex of maquiladora sweatshops dot the landscape. Standing outside one of the factories, you could easily mistake the building for a prison. A cinder-block wall topped with barbed wire surrounds the whole place, and there are armed guards on patrol. At 7 p.m., when it is already dark, the large gates open to let the factory inmates out. They are mostly women, many teenagers, and their workday started 12 hours earlier at 7 a.m. A long row of buses waits outside the gate to take these women back to their homes—where despite their hard work, they live an impoverished life.

One of the factories in this "free trade zone" is the Doall plant, where jackets for Liz Claiborne are stitched together. In the U.S., the jackets sell for \$178 each. The garment workers who make them earn 56 cents an hour, about 77 cents per jacket—which is not even enough to adequately feed their families. Many of the women say that they have to feed their babies and toddlers rice water or coffee because they cannot afford milk.

Inside these garment sweatshops, workers sometimes faint—from the heat, and also because of malnutrition. When writer Bob Herbert visited one factory, a worker told him, "We are very poor... My daughter is very thin and also weak. Sometimes she falls down. When I took her to the doctor they told me to give her vitamins... There is not much food. My head hurts and sometimes I feel dizzy."

Work conditions in these maquiladoras are brutal and the hours are very long. The Korean-owned Orion Apparel plant in Honduras produces, among other items, shirts for Gitano—which is a subsidiary of Fruit of the Loom. Workers here, including girls as young as 14, are paid 38 cents an hour. When big orders come in, the Monday to Friday schedule is 7:30 a.m. to 10:30 p.m., a 15-hour shift. Then on Saturday there is even more forced overtime. The workers walk in the factory gate at 7:30 a.m. and don't come out until Sunday at 6 a.m.—a 22-1/2 hour shift.

The Mandarin plant in El Salvador is in the San Marcos Free Trade Zone. Here, the women get paid 18 cents for every Gap shirt—which is then sold in the U.S. for \$20. The workers sometimes start work at 7 a.m., work until 4 a.m. and then sleep on the factory floor. They are only paid about \$43 a month and are treated very badly. Supervisors only allow them to go the bathroom twice a day and workers are punished if they don't want to work overtime. Ventilation is poor, the drinking water is contaminated, and requests for medical attention are discouraged. Some of the young teenage girls who work here want to get an education, but the company won't let them work a shorter shift so they can go to school. Attempts at this factory to organize unions—as in other factories in "free trade zones"—have been ruthlessly suppressed.

Changes and Pieces in the Garment Industry

The growing number of maquiladora factories throughout Latin America reflects big and significant economic changes in the world. In the world economy industries like auto and steel in the major imperialist countries are being "downsized." And more and more production is being relocated to low-wage labor zones in the Third World. In the garment industry, this trend has been very clear.

Large, modern textile mills throughout the Americas are doing well, as they continue to invest in new, capital-intensive technologies. Meanwhile, smaller, older mills are being wiped out. In Central America and the Caribbean, garment-assembly plants doing work for big foreign companies are growing. But throughout Latin America, older apparel industries that served the domestic market are dying off.

Clothing manufacturing remains a labor-intensive process, so the cost of labor is always an important consideration for garment companies. Garment imperialists are always looking for new pools of low-wage workers to exploit. And this has resulted in a growing percentage of clothes being

manufactured in poor, Third World countries.

In 1973, 28 percent of the total sales in the U.S. clothing market were imported. In 1992, this figure had grown to 66 percent. Likewise, textile imports have grown from 5.8 percent of the U.S. market in 1973 to 21.7 percent in 1992.

The garment industry is made up of three major segments: textile production, clothing production, and retail sales.

Textile production is the most capital-intensive segment, the most concentrated (at the level of production), and the least internationalized (as far as direct ownership or control). Most of this part of the garment industry is located in larger, more industrialized countries such as the U.S., Mexico, Brazil, Chile, Argentina, Colombia and Venezuela. In North America, the U.S. clearly dominates textile production.

Clothing production, the middle segment of the fashion chain, is the least technically developed part of the garment industry. And unlike textile production, it is fragmented and dispersed, with much of the production sub-contracted out to factories in low-wage areas throughout Latin America and Asia.

"Jobbers" design garments, acquire fabric and arrange for the sale of finished clothes. Bundles of already cut garments are then sent to contract companies which process them into finished clothes.

The thousands of small companies who sub-contract to manufacture clothing rely on low-wage labor. In U.S. cities with large immigrant populations such as New York and L.A., there are thousands of women working in garment sweatshops—where the pay is frequently less than minimum wage. But garment companies consider the

starvation minimum wage in the U.S. too high. So they are increasingly sub-contracting to factories in countries where they can pay people as little as 30 cents an hour.

U.S. garment companies have been particularly attracted to poor countries in Latin America because transportation of goods to and from these countries is easier and faster. Mass-produced garments, like underwear, men's and boys' clothing and sportswear, don't go through a lot of change

in terms of demand and style. On the other hand, the production of "fashion and seasonal" garments has a very short life cycle. Orders for certain styles can change in a few months, a couple of weeks—or even a few days, in the case of something like sportswear for a certain event. If a U.S. company sub-contracts with a manufacturer with factories in Mexico and Central America, it can send cut fabric to these maquiladoras and receive finished garments within a few days.

"Free Market" Expansion and Exploitation

Maquiladora sweatshops in what are called "export processing zones" in Mexico, Central America and the Caribbean Basin, now employ over 300,000 workers. The profit margins for this

production is normally three times higher than the overall average in the garment industry.

The maquiladoras in this region began to be established in the 1970s, but the real boom in their growth took place during the 1980s. In 1983, the Reagan administration initiated the Caribbean Basin Initiative which established special tariffs and quota arrangements to promote imports of clothing made with U.S.-cut fabric. And soon after this, garment sweatshops mushroomed throughout Latin America and the Caribbean. Over the last decade, U.S. apparel companies have set up a lot of production in the Dominican Republic, Costa Rica, Guatemala, Honduras, El Salvador, Colombia, Jamaica, Nicaragua and Panama.

Between 1983 and 1990, textile and apparel imports under the Caribbean Basin Initiative increased by 396.3 percent. In Central America, textile and apparel now account for 30 percent of exports to the U.S.

Meanwhile, throughout Latin America, numerous companies that produced for local and regional markets are being wiped out. Only those companies with access to both modern technology and export markets have been able to survive. And modern technology and export markets are usually only available through joint ventures with U.S.-based transnational corporations.

In the garment industry, there are still only a small number of joint ventures between Latin American and U.S. companies. But such arrangements are growing—and helping U.S. companies to exploit even more workers in more countries.

One example of this is a joint venture between North Carolina's Cone Mills and Mexico's top denim company, CIPSA. Cone Mills is the U.S.'s leading textile exporter and is one of the largest producers of denim fabric in the world. One of its most important customers is Levi Strauss.

Cone Mills and CIPSA is building the world's largest and most modern denim complex in northern Mexico, which will incorporate all segments of the fashion chain from textile manufacturing to the production of finished clothes. Some 3,500 workers will be employed at this plant—who, if paid at current local wages, will earn about \$38 for a 48-hour week. This translates into a 70 cents per hour wage.