Recent protests against the World Trade Organization, the International Monetary Fund and the World Bank have exposed the damage done by economic globalization as it undermines democracy, environmental quality and human and labor rights. In the apparel industry—one of the most global industries in the world—workers everywhere are experiencing the re-emergence of sweatshop conditions. In today’s global economy, the need for a strong international labor movement and enforceable labor standards is growing more urgent than ever.

A shift in the balance of power

There has been a significant shift in the world’s economic balance of power. Transnational corporations (TNCs)—companies which operate in more than one country at a time—now exercise more power and possess more wealth than most nations. With $166 billion in 1999 sales, Wal-Mart (the world’s largest retailer) is larger than the economies of 100 countries, including Portugal, Israel and Ireland.

Agreements, such as the North American Free Trade Agreement (NAFTA, passed in 1994 to set trade rules among Canada, the U.S. and Mexico) and the General Agreement on Trade and Tariffs (GATT, established in 1948 to set worldwide trade rules), have created “global competition” among workers, allowing TNCs to take advantage of the most vulnerable workers they can find. This has led to a race to the bottom in labor standards. A prime example is the apparel industry, which created a complex chain of subcontracting and licensing, in which TNCs arrange production in up to 50 countries at a time. Because they do not own the factories producing their goods, they have managed to shield themselves from liability for the exploitative conditions and human rights violations the race to the bottom invites.

Globalization puts downward pressure on wages and pits U.S. workers facing job loss against workers in other countries who are desperate for any jobs. In the end, all workers lose, and TNCs win. Developing countries vie for foreign investment sacrificing labor and environmental standards to attract global corporations. Indonesia openly admitted to setting its minimum wage below subsistence level. Many countries, such as Bangladesh, effectively outlaw unions in export processing zones. Because apparel companies have tremendous flexibility in their operations, they are able to move production from one region to another to avoid labor unrest and maximize profit.

In addition, international trade and investment agreements fail to adequately address and enforce workers’ rights. Global institutions, such as the International Labor Organization, lack the power to enforce labor standards. And, the recent growth of the social auditing industry, in which corporate giants like PriceWaterhouseCoopers “monitor” factory conditions against codes of conduct, is leading to a dangerous trend of privatizing labor standards enforcement, while letting governments off the hook for strengthening and enforcing their own laws. In plain language, the fox is guarding the henhouse.

Who profits? Who pays the price?

In the global economy, the clear winners are corporate executives. According to Business Week’s annual survey, the average CEO of a major corporation made $12.4 million in 1999, up 17 percent from the previous year. That’s 475 times more than an average blue-collar worker and six times the average CEO paycheck in 1990.

The clear losers are working people everywhere.

As early as 1960, the U.S. market was open to international competition with 2 percent of apparel being imported that year. The number rose to 30 percent in the 1980s and 60 percent today. This rise in imports has led to a decline in jobs in the U.S. apparel industry. Apparel employment peaked in 1970 with 1,363,800 jobs. In 1999, there were 696,000 apparel jobs. Yet, sweatshop conditions are rampant. The majority of garment workers in Los Angeles and New York do not even receive minimum wage or overtime pay.

Since the passage of NAFTA in 1994, over 230,000 U.S. workers lost their jobs; this number represents the workers

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GLOBALIZATION—continued

certified under one NAFTA unemployment program, which has very narrow criteria. Therefore, the true number of jobs lost to NAFTA is estimated to be much more. Meanwhile, NAFTA supporters can only document job gains of a few thousand in the U.S.

<table>
<thead>
<tr>
<th>Apparel imports to U.S.</th>
<th>Apparel jobs in U.S.</th>
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<tr>
<td>1962 $301 million</td>
<td>1,263,700</td>
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<td>1970 $1.1 billion</td>
<td>1,363,800</td>
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<tr>
<td>1980 $5.5 billion</td>
<td>1,263,500</td>
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<tr>
<td>1990 $21.9 billion</td>
<td>1,036,200</td>
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<tr>
<td>1999 $50 billion</td>
<td>696,000</td>
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Workers in other countries are also feeling the harmful effects of globalization. In Mexico, maquiladoras—foreign-owned assembly plants, in which companies import machinery and materials duty free and export finished products around the world—are a growing part of the manufacturing industry. Before NAFTA, Mexico had an important domestic manufacturing base, and maquiladoras only represented 11.7% of manufacturing. By 1990, maquiladoras grew to 46.2% and in 1995 they grew to 73.1%.

What types of jobs do maquiladoras offer? The example of jeans maker Guess, Inc. presents a snapshot of how free trade harms workers on both sides of the U.S./Mexico border. Before NAFTA, Guess was the largest apparel manufacturer in California, sewing 97% of its clothes in Los Angeles. By 1997, in the face of a union drive by Guess workers and the opening of Mexico to free trade with the U.S., Guess moved its production to Mexico, as well as Chile and Peru, leaving only 35% of its production in Los Angeles and leaving 1,000 workers without jobs. Much of Guess' jeans production moved to Tehuacán, Mexico. Delegations led by the National Interfaith Committee for Worker Justice and Global Exchange have found that factories there largely employ indigenous people who were displaced from their homelands due to NAFTA. Workers make $2.84 per hour, but need $1.00 per hour to provide for their families. Other conditions include child labor, unpaid overtime and discrimination.

Links to immigrant rights and racial justice

Globalization has been accompanied by an increase in migration. According to the United Nations, 130 million people are living outside their home countries. Most of this migration occurs within and between countries in the Global South, which have the least amount of resources to assist large numbers of uprooted people. The U.S. absorbs 1.5 million immigrants and refugees each year, a small fraction of the world's migrants. Women comprise nearly half of the world's migrants and are most vulnerable to exploitation as they face discrimination in hiring and employment and are often forced to work in industries with widespread labor abuses.

A number of factors force people into migration, including international economic imbalances, poverty, environmental degradation, and the absence of peace and security. In the global economy, some countries or regions are dependent on migrant labor while others have such high unemployment that their residents are forced to seek work abroad. For example, the garment industry in Saipan, a U.S. territory in the Western Pacific, relies on 13,000 migrant workers who are all young women from Asian countries. In 1998, 831,643 Filipinos went abroad seeking employment. 307,261 found work in Asian countries, including as domestic workers in Hong Kong and garment workers in Korea. The lack of legal protection from migrants' home countries and host governments makes migrants vulnerable to abuse and exploitation. An international campaign is working to ratify the U.N. Convention for the Rights of Migrant Workers and their Families.

The re-emergence of sweatshops in the U.S. garment industry is linked to changes in immigration law. Prior to 1965, exclusionary laws limited the numbers of people who could enter the U.S. from countries including China. In 1965, when these racist exclusionary quotas were eliminated, each country had the same cap of 20,000 immigrants. This created a new pool of labor, which the garment industry began to exploit.

Today, Los Angeles' garment industry—which is the largest in the country with 140,000 workers—employs primarily newcomers from Mexico, El Salvador, Guatemala, China, Thailand, Vietnam and elsewhere. The struggle against globalization is inextricably linked to the struggles for immigrant rights and racial justice, as international trade and investment agreements and U.S. foreign policy have disrupted the economies and political stability of many developing nations forcing people to migrate.

Moreover, while corporations are able to move freely across borders, workers are not afforded the same right. Thus, undocumented workers are easily exploitable as the threat of deportation hangs over their heads if they speak out about poor working conditions. Yet, all workers regardless of their immigration status are entitled to the same basic workplace rights. A growing number of activists and organizations are working to reform U.S. immigration policy so that all workers are equally protected.

New Directions

The threats of globalization are looming larger than ever. Having recently won the passage of the Caribbean Basin Initiative (CBI)—which extends tariff and quota breaks on trade to Caribbean and sub-Saharan African nations much like NAFTA—American apparel corporations are now working to create the Free Trade Areas of the Americas (FTAA), a free trade zone stretching from Alaska to Tierra del Fuego. By 2005, the Agreement on Textiles and Clothing will phase out all import
GLOBALIZATION—continued

quotas. So corporations will no longer be limited to importing a certain portion of garments from particular countries, but will be able to produce garments in whichever country offers the cheapest labor. Obviously, this could lead to job loss in several countries around the world, as well as super-exploitation in countries willing to offer the lowest wages.

The growing movements working to counter the effects of globalization offer several directions:

• International labor movement: Workers across the globe share a common struggle for a living wage and healthy working conditions. An international labor movement would allow workers to combat the downward pressure on wages and working conditions that they are all experiencing.

• Enforceable international labor standards: Labor activists are developing a "social clause" that would address labor issues in trade policy. A set of core labor standards could be enforced through international organizations or trade agreements.

• Grassroots globalization: Labor, human rights and environmental activists share a common vision of a socially just and sustainable world. A unified global movement or "grassroots globalization" is growing to counter the trend of corporate globalization and establish democratic control over corporations.

• New immigration policy: Immigrant rights and labor activists are seeking to reform U.S. immigration policy to protect immigrant workers. Demands include: repealing "employer sanctions" which unscrupulous employers have systematically used to retaliate against undocumented workers, such as calling in the Immigration and Naturalization Service (INS) to deport workers who try to organize; and creating a new amnesty program to provide permanent legal status for undocumented workers and their families.

GARMENT WORKERS CLINIC ORGANIZING FOR HEALTH AND SAFETY

Garment worker Lisa Liu explained that garment workers "know that health is an important issue. We work for long hours sometimes without breaks from sewing with neck, shoulder and arm pain. But because we can’t risk losing our jobs, it is hard to demand breaks or better equipment from our employers." This is why the Asian Immigrant Women Workers Clinic (AIWWC) in Oakland, California is an "important resource for garment workers’ health." Having opened on April 12, 2000, the Clinic is a project co-sponsored by Asian Immigrant Women Advocates (AIWA), and the University of California, San Francisco (UCSF) School of Nursing and Division of Occupational and Environmental Medicine.

For AIWA, opening the AIWWC is part of their long-term strategy to bring about positive change for garment workers. In 1992, AIWA launched the Garment Workers Justice Campaign to demand corporate responsibility from garment manufacturers, winning institutional changes for workers throughout the Bay Area. Three years ago, AIWA discovered that relatively little research attention has been paid to health issues of garment workers.

Through the clinic, UCSF faculty and AIWA will document problems and access issues of garment workers. "As we identify common health problems, we hope this will lead to workplace improvements and better health care for this hard-working and vulnerable population," said Dr. Robert Harrison, UCSF professor and recognized expert on workers health issues. The clinic will provide screening, basic treatment for work-related problems and physical therapy and ergonomics classes for workers.

For more information, contact AIWA at 310 Eighth Street, Suite 301, Oakland CA 94607 or 510-268-0192, ext. 4. To make an appointment, call 510-268-0766, ext. 2.

Actions

• Join thousands of concerned people in Philadelphia and Los Angeles to let both the Republican and Democratic Parties know that business cannot continue as usual. There will be a series of marches, nonviolent direct actions and events leading up to and during the Republican National Convention in Philadelphia, July 31 - August 3 and the Democratic National Convention in Los Angeles, August 14 - 17. Contact the D2K coalition at 323-680-3249, d2kinfo@d2kla.org, www.d2kla.org.

• Contact the organizations below to get involved in other activities.

Resources


• The Corporate Planet: Ecology and Politics in the Age of Globalization, Joshua Karliner, Sierra Club Books, 1997


• AFL-CIO: www.aflcio.org

• Asia Monitor Resource Center: is7.pacific.net.hk/~amrc/home.htm

• Corporate Watch: www.corpwatch.org

• 50 Years is Enough: www.50years.org

• Global Exchange: www.globalexchange.org

• Global Trade Watch: www.tradewatch.org

• International Labor Rights Fund: www.laborrights.org

• National Network for Immigrant and Refugee Rights: www.nnir.org

• Sweatshop Watch: www.sweatshopwatch.org

• Third World Network: www.twnside.org.sg
With the support of Sweatshop Watch and university students nationwide, eight garment workers won their struggle against their former sweatshop employer. In November, the workers came forward to file a federal lawsuit against J.H. Design Group, a garment factory where they worked sewing jackets for USC, UCLA, Indiana, Michigan, Wisconsin, Florida, Kentucky, Nebraska, Notre Dame, Ohio State, Tennessee, Nike, Reebok, and Disney, among others. The lawsuit alleged sweatshop conditions, including:

- Working seven days a week;
- Working 10-12 hours a day;
- Being forced to sew in their homes until midnight and on the weekends to meet quotas;
- Receiving sub-minimum wages, often without overtime pay;
- Illegal firings for speaking out about sweatshop conditions; and
- Inhumane treatment, including verbal abuse and subject to racial slurs.

Approximately four months after the lawsuit was filed, J.H. Design Group agreed to settle the case with the eight garment workers for $172,000, which includes payment of back wages and compensation for the workers who were fired.

Adolfo Sanchez, one of the workers, said "We want to thank the students for the support they gave us. Their activism put pressure on J.H. Design, and we hope that our case helps to end the abuses in garment factories against workers. We hope that the public will continue to support workers who engage in efforts to bring more equality between garment companies and workers. This support is essential to victories like the one we won."

Concerned with reports of ongoing human rights abuses in garment factories, students across the country have been campaigning to ensure that the t-shirts, hats, and sweatshirts that bear their schools' names and logos are not manufactured under sweatshop conditions. Many universities have adopted Codes of Conduct for Trademark Licensees to prevent such abuses. The discovery of this Los Angeles sweatshop sewing jackets for several universities who adopted codes of conduct put these policies to their first test.

The students, faculty and administration of Indiana University (IU) were appalled to learn of the conditions under which one of their licensees, J.H. Design Group, was producing IU apparel. Many at the university showed support for the workers, including sending a valentine signed by all the students, faculty, and administrators on the university's sweatshop committee. Micah Maidenberg, a student at Indiana University, said "We wanted to show the workers that people were noticing their struggle and supporting their courage."

The workers were represented by the Asian Pacific American Legal Center (APALC), who also represented the workers of the infamous El Monte slave sweatshop, and the Legal Aid Foundation of Los Angeles (LAFLA). "Student organizing and public support for the workers played a key role in helping us settle the case relatively quickly," said Muneer Ahmad, an attorney with APALC. "Too often, workers are forced to wait months or years for justice as manufacturers and retailers do everything they can to deny responsibility," said Julia Figueira-McDonough, an attorney with LAFLA.

"This is the first victory for sweatshop workers who used university codes of conduct as tools to demand justice," said Nikki Fortunato Bas, director of Sweatshop Watch. Sweatshop Watch mobilized student, alumni and public support for J.H. Design Group workers and demanded that the universities live up to their codes of conduct and ensure the workers are compensated for the abuses they endured.

Chinese Garment Worker in L.A. Refuses to Be Silenced by Bullying Tactics

Late last year, Los Angeles garment worker, Hsiu-Chu Chen, filed suit against major clothing manufacturers for whom she sewed, including L.A.-based City Girl, Inc. and BCBG/AZ3, Inc. Mrs. Chen's claims involve her work at a sweatshop in Walnut, California, sewing garments bearing fancy labels for about $3 an hour. At approximately 4:00 p.m. each day, her time card was "punched out," showing she had finished work, when in fact she continued to work off the clock for two hours or more.

Soon after she filed suit, City Girl, Inc. and its principal, Ronald Perilman, countersued Mrs. Chen and Mrs. Chen's attorneys, alleging defamation, libel and unfair business practices. Mrs. Chen was represented by the Asian Pacific American Legal Center (APALC).

Continued on page five.
In May, Mrs. Chen settled her suit for over $20,000, the equivalent of all of her back wages, statutory penalties and other damages. "I am thrilled with this settlement and that I have been paid all that I was owed," said Hsiu-Chu Chen. "I was fighting not only for myself but to show that garment workers can step forward. I feel my victory sends a message to other workers that we can win if we have the courage to fight, and to manufacturers that they cannot bully workers. City Girl tried to sue me and my attorneys because they thought we would run away. Instead, we stayed and fought."

**SAIPAN SWEATSHOPS UPDATE**

In March, six additional U.S. clothing manufacturers and retailers—Levi Strauss & Company, Calvin Klein, Inc., Brooks Brothers, Inc., Abercrombie & Fitch Co., The Talbots Inc. and Woolrich Inc.—were added to a federal class action lawsuit alleging sweatshop conditions on Saipan, a U.S. Commonwealth in the Western Pacific. According to the complaint brought by Sweatshop Watch and three other labor and human rights groups, more than 13,000 garment workers in Saipan regularly work 12-hour days, seven days a week, often times "off the clock" without receiving any pay or overtime.

The growth in the Saipan garment industry is linked to globalization. Unlike the many garment producing regions governed by international trade agreements, Saipan does not have a quota restriction on U.S. imports; nor are there import tariffs. So the Saipan garment industry has grown to $1 billion as clothing giants produce in Saipan after they have met their quotas in other regions.

Later in March, eight more leading U.S. clothing companies—Calvin Klein Inc., Jones Apparel Group, Liz Claiborne Inc., The May Department Stores Company, Oshkosh B'Gosh Inc., Sears, Roebuck and Company, Tommy Hilfiger USA Inc., and Warnaco, Inc.—agreed to settle claims against them in the lawsuit. In all, 17 U.S. companies have agreed to pay a total of $8.0 million in settlement and to adhere to a rigorous system of independent monitoring at the Saipan factories of contractors who produce their clothing. The litigation continues against The Gap, J.C. Penney, Target and others who have yet to settle.

In June, the Ninth Circuit Court of Appeals in San Francisco ruled that the identities of hundreds of garment workers alleging they were intimidated into working unpaid overtime on Saipan will remain confidential. The ruling allows a federal lawsuit filed by the workers to move forward against 22 Saipan garment factories under the Fair Labor Standards Act, reversing an earlier lower court ruling. Now, the workers can pursue their workplace rights without fear of retaliation. Threats ran the gamut from termination and blacklisting, to deportation, arrest, and imprisonment. Notice will be sent to thousands of other garment workers, inviting them to join the class action lawsuit. More than 25,000 workers, who were recruited to Saipan from China, the Philippines, Bangladesh and other Asian countries, may be affected.

For more information and a list of companies named in the lawsuit, visit www.sweatshopwatch.org/marianas.

**RESOURCES**

- **Behind the Label: Inequality in the Los Angeles Apparel Industry** by Edna Bonacich and Richard P. Appelbaum. Berkeley: University of California Press, 2000 (paperback 0-520-22506-6; $19.95). An important new study investigating the return of sweatshops to the apparel industry, especially in Los Angeles, and exploring efforts to eradicate sweatshops.


- "Made in China—The Role of U.S. Companies in Denying Human and Worker Rights." A new report by the National Labor Committee documenting working conditions in Chinese factories making products for major U.S. companies. Available online at www.nlcnnet.org or for an $8 donation from the National Labor Committee, 275 7th Avenue, 15th Floor, New York, NY 10001, 212-242-3002.


- **Women's Education in Global Economics (WEdGE)** written by Miriam Ching Louie with Linda Burnham. A workbook of lessons and activities designed to deepen our understanding of how global economic transformations have affected women around the world and in the U.S. Based on the principles of popular education, WEdGE has developed training materials on structural adjustment programs; unpaid and contingent work; cutbacks in social welfare; global assemblyline; environmental impacts on women; human rights abuses; and women's organizing in response to global change. $24.95 plus shipping & CA sales tax. Order from Women of Color Resource Center, 2288 Fulton St., #103, Berkeley, CA 94704. 510-848-9272, www.coloredgirls.org.

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Editor: Nikki Fortunato Bas.
Contributors: Asian Immigrant Women Advocates, Asian Pacific American Legal Center.
Support Sweatshop Watch!

*Working Assets* will donate $4 million of its profits to 60 nonprofit organizations, including Sweatshop Watch. If you are a *Working Assets* long distance or credit card member, you can support our work by voting for us by the end of the year—donation amounts are determined by how many votes each group receives. For more information on *Working Assets*, contact 800-788-8588 or www.workingassets.com.

Join Sweatshop Watch!

Sweatshop Watch is a coalition of labor, community, civil rights, immigrant rights, women’s, religious & student organizations, and individuals committed to eliminating sweatshop conditions in the global garment industry. We believe that workers should be earning a living wage in a safe and decent working environment. Please join us by becoming a member. Either send in this form with a check or make a contribution from our web site with your credit card.

☐ Yes! I want to join Sweatshop Watch. Enclosed is my $20 membership.

Name: __________________________
Address: ________________________

Make checks payable and send to:

SWEATSHOP WATCH
310 Eighth St., Suite 309, Oakland CA 94607
(510) 834-8990 • www.sweatshopwatch.org