The Race to the Bottom and How to Stop It -- Again

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State and Local Government Sweatfree Consortium Convening Meeting
“Sweater”: one who extracts labor from another under extremely abusive conditions

From Jacob Riis, *How the Other Half Lives*, 1890
The shirtwaist workers strike of 1909-10
If I turn traitor to the cause I now pledge, may this hand wither from the arm I now raise“ -- Jewish oath taken by the shirtwaist makers
The White Label
The Great West of Runaway Shops
Pres. Roosevelt signs the Wagner Act 1935 protecting the right to organize
Time, 1937: “Labor Governor” George Earle
With the New Deal: Reform Legislation and Fair Labor Standards Act

Frances Perkins, Secretary of Labor
For “Improved Working Conditions” ILGWU PA Organizer Min Matheson, 1940s
An Era of Relative Decency Begins: *Life* magazine -- “Garment Workers at Play”
Losing the American Dream: Apparel workers percent of manufacturing workers’ average weekly wage, 1947-2002

2004: 53%
Ebbing union strength
Low wage imports depress apparel wages: 1947-2000

Apparel Hourly Wage Percent of Manufacturing Wage and Import Percent of U.S. Production 1947-2000
Sweatshops are typical in Los Angeles

LOS ANGELES
Sweatshop Prevalence

39% Law Abiding
61% SWEATSHOPS
And in New York

- 1997, 1999
  U.S. DEPT. OF LABOR SURVEYS

<table>
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<th>SWEATSHOPS</th>
<th>Law Abiding</th>
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<td>37%</td>
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<td>63%</td>
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Manhattan, 1997, underage worker in sweatshop

SLAVES TO FASHION
POVERTY AND ABUSE IN THE NEW SWEATSHOPS
Robert J. S. Ross
The Race to the Bottom

- The home of a Managua free trade zone worker
- Husband at the jeans factory - workers earned about 23 cents/hour
U.S. IMPORT SHARES by VOLUME YTD 4/06

China: 27%
Sum of ~85 others: 52%
Mexico: 7%
Honduras: 5%
Indonesia: 4%
Bangladesh: 5%
In EACH of these countries

- Minimum wages are NOT adequate for families
- Are frequently not paid
- In MOST rights of association are either not formally recognized or regularly in jeopardy
- Child labor is frequently used
A Slave to Fashion in Beijing

- Chinese “migrant workers” work 70+ hours/wk
- Often below their own minimum wage
- Have no rights of association (unions)
Labor content of clothing

- First World, Global North, under legal conditions +/- 10% of retail price
- Developing world/ Global South: ~1%
- Jeans that leave China, paid to factory owner $4:
  - Workers under 20 cents;
  - Retail: $20+
Mexican workers: research for the Hartford Courant = 0.5%

Breaking Down The Cost Of A Sweat Shirt
This UConn men's championship sweat shirt, for sale at the UConn Co-op, was sewn by workers at the Liga Haya factory in Mexico who earn 18 cents per garment — less than a tenth of what UConn makes in royalties. Profit, overhead and other expenses along the supply chain push the retail sales price up to $37.99.

STORE PRICE: $37.99

UCONN CO-OP
Retail: $14.49
Profit: $4.50

LIGA MAYOR
(Factory)
Overhead: $2.12
Material: $5.50
Labor: $0.18
Profit: $0.70

CHAMPION
(Importer)
Overhead: $5.10
Royalty to UConn: $2.28
Logo: $0.80
Royalty to NCAA: $0.57
Profit: $1.75

What the workers get: $0.18
What UConn gets in royalty: $2.28
Room at the top

- One analysis (Pollin, Burns, Heintz, *Cambridge Journal of Economics* 2004) showed that wages in Mexico could DOUBLE and clothing prices might rise ~ 5%
- An experiment in Michigan showed that substantial fractions of shoppers would select somewhat higher priced goods (socks) that were ‘fair labor”. (Prasad, Kimeldorf, Meyer and Robinson, 2004, *Labor Studies Journal*)
Clara Lemlich:
“"I am one who feels and suffers for the things pictured. I move that we go on a general strike."
Florence Kelley
Young Frances Perkins
Sweatfree Communities: