

Funding Sweatshops Globally

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Global Research, October 16, 2009

16 October 2009

Theme: [Poverty & Social Inequality](#)

In July 2008, [SweatFree Communities](#) (SFC) released a report titled, "[Subsidizing Sweatshops: How Our Tax Dollars Fund the Race to the Bottom, and What Cities and States Can Do](#)" in which it studied 12 factories in nine countries that produce employee uniforms for nine major companies.

Widespread human and labor rights violations were revealed, including child labor; illegal below-poverty wages; few or no benefits; forced or unpaid overtime; hazardous working conditions; verbal, physical, and sexual abuses; forced pregnancy testing to be hired and while employed; excessive long working hours causing physical ailments, stress, and harm; denial of free expression, association, and collective bargaining rights; and elaborate schemes to commit fraud and deceive corporate auditors.

In April 2009, *Subsidizing Sweatshops II* followed to provide more evidence of a global problem. It tracked developments in four factories from the first report and four new ones in five countries on three continents producing uniforms for nine major firms in China, Honduras, the Dominican Republic, Mexico, and America.

Two cases relied on investigations by independent factory monitors. Three others used personal worker interviews conducted by "credible local unions and non-governmental organizations with expertise in labor rights." Three more are based on SFC-conducted interviews.

In all cases, the global economic crisis materially increased worker hardships leaving them more vulnerable, in jeopardy, and unable to secure their rights. Most often, the following violations were found:

- children as young as 14 forced to work the same long hours as adults and under the same onerous conditions;
- wages so low, they only cover one-fourth to one-half of essential needs;
- workers in at least two factories not paid overtime;
- because of excessive production quotas, workers forced to skip breaks, not go to the bathroom, and work sick through grueling 12-hour or longer days;
- unhealthy work environments in stifling heat and thick fabric dust detrimental to health;
- numerous sewing machine accidents causing wounds and loss of fingers;
and

- instances of severe repression against union supporters and organizers, including harassment, intimidation, firing, and blacklisting from further employment elsewhere.

The report's findings "are corroborated by scores of academic research and industry investigations." Human and labor rights violations are the norm, not the exception. Monitoring alone won't change them, but perhaps public disclosure can help.

The Honduran Alamode Factory

Employing about 500 workers, it makes public employee uniforms and other apparel for Lion Apparel, Cintas Corporation, and Fechheimer Brothers Company. In 2008, the Worker Rights Consortium (WRC) reported some of the worst working conditions in the region, but months later corrective measures had been taken, thanks to exposing the situation to public scrutiny.

Alamode agreed to pay minimum wages, provide back pay, enroll all workers in the Honduran social security system to give them access to health care, paid injury leave and other benefits, and establish an injury log as required.

However, other issues remained unresolved, including:

- further improvement of health and safety issues;
- ending verbal harassment; and
- making overtime work voluntary, not mandatory.

Despite improvements, Alamode workers still earn sub-poverty wages, and full compliance with labor rights falls far short.

The Mexican Vaqueros Navarra Factory

The factory produces jeans and uniforms, including the Dickies brand. In May 2007, its workers tried to form a union but faced extreme harassment and intimidation, as reported by a labor rights monitor on the scene. It's investigation:

"found that workers had been psychologically and verbally harassed, dismissed without warning, and forced to sign resignation letters for attempting to form an independent union at the factory and that at least some workers dismissed for union activities have been blacklisted....the official reason given for workers dismissed....was 'lack of work.' "

Two months after voting to affiliate with the Garment Workers Union, employees were told the plant shut down for lack of work. Yet three buyers, Gap, Warnaco, and American Eagle, placed orders with the factory in support of their right to organize.

In July 2008, the Tehuacan Valley Human and Labor Rights Commission filed a complaint with WRC alleging that another Navarra Group factory, Confecciones Mazara, discriminated in its hiring practices. WRC investigated and found "overwhelming evidence that Confecciones Mazara engaged in unlawful discrimination against union supporters in hiring

decisions, otherwise known as 'blacklisting.' ”

Twenty former Vaqueros Navarra workers applying for jobs were rejected. Another initially hired was fired on her first day after her former union organizing activities were discovered. In response to WRC complaints, the company refused to comply and continues its blacklisting practices.

The Dominican Republic's Suprema Manufacturing, Wholly Owned by Propper International (PI)

It operates three plants and employs about 1,000 workers making uniforms and other apparel items. PI is one of the largest makers of US military clothing. In 2008, Suprema Manufacturing's employees described low wages, high production quotas, unhealthy work conditions, and extreme hardships, all unaddressed by the company.

At the same time, PI distributed a threatening notice to its Puerto Rico workforce accusing the union and workforce of defamation. The same notice said that SweatFree Communities' publications expressed "a defamatory tone toward Propper (alleging) that the Department of Defense is subsidizing companies with terrible work conditions, and safety and human rights violations." The notice concluded saying:

“SAY NO TO THE UNION. DON'T SIGN ANOTHER CARD.”

In March 2009, Federation of Workers of Free Trade Zones (FEDOTRAZONAS) workers and volunteers and their counterparts at the National Federation of Free Trade Zone Workers (FENOTRAZONAS) conducted over two dozen interviews on behalf of SweatFree Communities (SFC). They revealed extreme poverty, exhaustion, intense pressure to meet production quotas, an unhealthy work environment, and intimidation-instilled fear against openly supporting union organizing. Even though Suprema has a certified union, only a handful of workers belong. As a result, it's weak, unable to represent workers effectively or organize to recruit more.

Workers said to get by, they need other jobs and loans (at 10% weekly interest) to pay unexpected medical and other expenses. Their work load is so exhausting, it makes "my whole body hurt," according to one employee. "When I leave work, I am tired and exhausted....All I want to do is lie down, but I have my obligations." Another machine operator said:

“The work is hard and the production quota is killing us (and earning minimum pay) isn't enough for anything, for what's needed at home.”

Other workers complained of health-related issues related to poor air quality, extreme heat, and fabric dust. According to workers interviewed, they can't act individually or collectively to address issues as important as these or any others. According to one:

“In the event that we complain, normally they don't listen to us but you have to suffer the consequences. One time I complained about the high temperatures in the factory and said it is not good for our health. And the manager said to me, 'If you are not comfortable you can leave.'”

Another worker said “we discuss problems at work amongst the other workers, but not with management because we are afraid....If you complain too much, they fire you. So we don’t complain because we need employment....”

They also fear recrimination over union organizing or joining one. In 2000, 300 union members were fired. After reviewing the case, the Dominican Labor Department ordered 30 leaders reinstated with back pay. When they returned, management ordered workers not to speak to them or be fired. Workers today live in fear, endure harsh conditions, and put up with whatever they’re ordered to do.

New Bedford, Massachusetts-based Eagle Industries

Eagle supplies tactical gear to the Pentagon and state governments. In November 2007, it acquired a New Bedford, Massachusetts facility that made headlines in March 2007 when Immigration and Customs Enforcement (ICE) agents raided the factory, discovered sweatshop conditions, and arrested hundreds of alleged undocumented workers.

In its 2008 report, SweatFree Communities (SFC) highlighted Eagle’s failure to address abusive sweatshop conditions as well as its hostility to an ongoing union organizing campaign at the time.

In February 2009, SFC conducted in-depth interviews with eight union supporters and learned the following:

- Eagle raised its minimum wage by 50 cents an hour to an average of about \$9 an hour;
- it included a week’s vacation in worker benefits bringing the total to two, including an annual July shutdown;
- a new sick day policy requires a doctor’s note, and time off remains unpaid; and
- workers expressed concerns over low pay, poor benefits, dangerous working conditions, and everyday harassment of union supporters by company managers.

Examples cited:

- machines need lots of oil; in operation, it “shoots into your eyes,” according to workers;
- excessive heat, lack of circulation, smoke and oppressive smell causes dizziness, head and stomachaches, and for some vomiting;
- forklifts go everywhere and sometimes hit people, causing injuries;
- fabrics used are so heavy and stiff, they inflict abrasions, leave fingers bent and stiff, and cause chronic pain;
- no health insurance is provided;
- without a doctor’s note, no sick days are offered and if taken are unpaid;

- workers are constantly watched and checked, even when they go to the bathroom;
- action is taken against anyone suspected of supporting a union; new hires must sign a declaration agreeing not to join one;
- pressure and harassment are constant “to produce a lot;” and
- departments are shut down and workers reassigned to divide and separate them from each other.

As a result, workers feel a union is their only hope because it “offers a contract and a negotiating table with the owner of the factory where he will have to realize the suffering we have endured working for him for so long, making money for him so he will have a good future while our future is bleak,” according to one worker.

Tijuana, Mexico’s Safariland

A division of Armor Holdings, a wholly-owned subsidiary of BAE Systems, Inc., Safariland’s 700 employees produce bulletproof vests and accessories, belts and personal accessories, and grenade and pistol holsters.

Workers told researchers that management told them in response to questioning to say everything is fine and not complain. Reality, however, concealed lives of extreme poverty, living at home with:

“No water, no electricity, and no terrace. One room made of garage doors and cardboard. The electricity we have is stolen. We buy water because there is no running water. There is no floor. The roof is made of laminate and cardboard.” Workers expressed little hope for future change, even less now in economic crisis hitting Tijuana like most everywhere.

In recent months, thousands lost jobs, and when openings exist, long lines queue up to apply. Women must take pregnancy tests, a violation of Article 3 of Mexico’s labor law requiring equal treatment of both genders. Article 26 requires worker contracts with wage guarantees, their amount, how they’re paid, working hours, breaks, vacations, and other benefits. Yet Safariland offers only temporary ones, then chooses whether or not to renew them, a violation of Article 37.

Pressure and harassment are constant to meet quotas, arrive on time, and respect supervisors. Failure is punished by suspensions without pay for one to three days.

However, Mexican Labor Law is clear, yet Safariland disobeys it. The Constitution’s Article 123 establishes an eight hour work day, including breaks. So does the Labor Law’s Article 61 and under its Article 67, double pay is required for overtime. In addition, Article 110 prohibits pay deductions for any reason, but Safariland gets around it by suspending workers.

Articles 177 and 178 let 14 – 16 year old minors work for up to six hours daily, including a one-hour rest after three hours, if they pass a medical examination. Workers said children worked the same hours as adults.

They also reported dangerous and unhealthy conditions, including accidents with sewing and riveting machines and material cutters, resulting in wounds and lost fingers. In addition,

hazardous substances are used, including thinners, solvents, and Resistol 5,000 glue, the notorious narcotic used by Latin American street children.

Other complaints included supervisors' indifference to worker concerns, and according to one account: "They do not listen to us, and if we complain they treat us like troublemakers." Anyone caught supporting a union "would be fire(d) or at least consider(ed) troublemakers," said another. "They would put us on the blacklist," a believed widespread practice in Tijuana.

The Dickies de Honduras Factory

Located in Choloma, its 1,000 workers produce apparel under oppressive conditions. Wages are sub-poverty, and at best cover half a family of four's basic necessities. Work days are long, 11 - 12 hour days, four days a week, and constant pressure to produce. According to one worker, illness is no excuse for missing work.

Union organizing is forbidden, and those caught or suspected are fired. One union leader explained how organizers are treated. In 1998, Dickies fired 80 supporters. In 2003, alleged leaders were fired, then in 2005, 280 workers got legal recognition to form a union. A month later, a Mexican Ministry of Labor representative and three union officials attempted to deliver official documents to the company. They were denied entry. The officials and others were fired, and Dickies stonewalled government summonses to answer for the action. Other firings followed, and the company refused to recognize a union, bargain collectively with it, or address employee grievances.

Workers nonetheless persisted until the current economic crisis became challenging. Claiming lack of orders and a need to cut costs, worker dismissals began in December 2008. By March 2009, 58 were gone, in all cases for supporting a union, in violation of Honduran Labor Law's Article 96 that prohibits employers from "firing or persecuting their workers in any way because of their union affiliation."

China's Genford Shoes

Located in Guangdong Province, its 10,000 employees produce work, exercise, casual, and dress shoes, 80% for Ohio-based Rocky Brands. According to the company, Genford is independently audited for social compliance, but SFC research found evidence of widespread labor law violations.

Workers are constantly pressured to produce for low pay under poor conditions:

- new employees get no income for their first three days; they also must pay \$4 for a physical examination, \$10 for housing, and another \$10 for ten days' meals in the company cafeteria - in total, around a week's wages;
- wages are sub-poverty;
- no rest days are allowed for an entire month during peak production periods, in violation of Article 38 of China's Labor Law requiring at least one per week;
- children as young as 14 work the same hours as adults and are hidden when customers visit the factory; Article 28 of China's Labor Law prohibits employing children under age 16; it also protects 16 - 18 year olds from "over-strenuous,

poisonous or harmful labor or any dangerous operation” and requires employers to follow state laws regarding types of jobs, hours worked, and labor intensity for adolescents;

— excessive overtime is mandatory at below the legal double hourly pay rate for daytime work on weekends;

— by law, workers can cancel their labor contracts by giving 30 days notice, but are penalized by loss of wages when they do;

— they live 12 to a room in crowded dorms of around 200 square feet with ten cold showers for 264 workers;

— pollution levels are oppressive; workers describe discharged black, foul smelling effluent into the adjacent river; and

— at the end of every work day, body searches are conducted, similar to but not full strip searches.

Genford employs a complex system of bonuses and fines to achieve output. Workers get bonuses for meeting quotas that must be maintained hourly, but no one understood how they’re calculated. They also complained that they’re hard to reach, and they’re constantly pressured to work faster for maximum production. In addition, fines are levied for arriving a few minutes late, leaving early, skipping work, or causing trouble.

It’s also not easy to quit even though Article 37 of China’s Labor Law lets workers do it by giving 30 days advance written notice or three days during their probationary periods. Employers must then fully compensate workers, but they don’t.

Frackville, Pennsylvania’s City Shirt Company

Its owner, Elbeco Inc., a producer of public employee uniforms, “was the first major uniform company to endorse SweatFree Communities’ campaign for worker rights,” and it shows in how it treats its employees.

According to one, “I am pretty much able to cover my needs. Anybody can always use more money, but I do pretty well, I can say.”

The average worker makes about \$11 an hour, but some get up to \$19 because the company is unionized and was able to bargain collectively for decent wages and benefits. In addition, workers have “a seat at the table with the company....affording them a sense of ownership and respect.”

City Shirt’s employees are also much older than at other factories studied, a sign of greater stability and a contented workforce staying in place, happy to be there, and for many, hoping to stay for the rest of their working lives.

Yet they worry that their jobs may not last because of factors beyond the plant’s control forcing layoffs to cut costs and stay viable. Apparel manufacturing in America is dying. In addition, the current environment is taking its toll closing factories across America, and City Shirt has had to cut one-third of its workforce in the past 18 months.

The alternative is the global sweatshop as oppressive or worse than the ones described above. The company’s employees hope to reach retirement age before their operation gets outsourced, but making it won’t be easy.

In today's global economy, in good times and bad, worker rights are subordinated to greed and private profit, and future prospects look grim. Job losses are continuing. Wages are stagnating at best. Benefits are eroding, and job security is a thing of the past at a time governments, in alliance with business, are indifferent to protecting them. The result, more and more, is that workers are on their own to endure against very long odds. It's all the more important for harder struggle because it's the only way they have a chance.

Anti-Sweatshop Legislation in Congress

On January 23, 2007, S. 367: The Decent Working Conditions and Fair Competition Act was introduced in the Senate "to amend the Tariff Act of 1930 to prohibit the import, export, and sale of goods made with sweatshop labor, and for other purposes." It was referred to committee but never passed.

On April 23, 2007, HR 1992: The Decent Working Conditions and Fair Competition Act was introduced in the House for the same purpose. It, too, was referred to committee but never passed.

Both bills were introduced in a previous congressional session and failed. They may be re-introduced later in 2009.

Sweatshop labor takes different forms, some far worse than others. On February 14, 2007, Charles Kernaghan, Executive Director of the National Labor Committee in Support of Human and Worker Right, testified about the worst kind at a Senate committee hearing on Overseas Sweatshop Abuses, Their Impact on US Workers, and the Need for Anti-Sweatshop Legislation.

Citing the December 2001 US - Jordan Free Trade Agreement, he gave examples of human trafficking and involuntary servitude abuses that followed:

- Jordan's 114 garment factories employ over 36,000 foreign guest workers from Bangladesh, China, Sri Lanka and India;
- Bangladeshi guest workers had to borrow at exorbitant interest rates \$1,000 - \$3,000 to pay unscrupulous manpower agencies for two-to-three year contracts to obtain work;
- they were trapped in involuntary servitude at one factory and couldn't leave;
- they were promised benefits, then reneged on, including free food, housing, medical care, vacations, sick days, and at least one day a week off;
- on arrival in Jordan, their passports were seized;
- they were forced to work shifts of "15, 38, 48, and even 72 hours straight, often going two or three days without sleep;"
- they worked seven days a week for as little as 2 cents an hour, 98 hours a week;
- those complaining were beaten and abused;
- 28 workers shared one small 12 x 12-foot dorm with access to running water only every third day;

- legally owed back wages were never paid nor were factory owners prosecuted for human trafficking, involuntary servitude, or treating their employees abusively;
- they sewed clothing for Wal-Mart; and
- other Jordanian, Chinese and other factory workers are treated the same way; some worked under conditions so hazardous that “scores of young people (are) seriously injured, and some maimed for life.”

Kernaghan’s National Labor Committee (NLC) web site highlights the problem by saying that corporate predators “roam the world to find the cheapest and most vulnerable workers....mostly young women in Central America, Mexico, Bangladesh, China, and other poor nations, many working 12 to 14-hour days for pennies an hour.”

Corporate unaccountability is responsible for this moral crisis of our time - a dehumanized, expendable workforce ruthlessly exploited for profit. NLC believes worker rights are as inalienable as human rights and civil liberties and says “now is the time to secure them for (everyone) on the planet.”

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