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### Fashioning an Industrial Strategy for Garment Workers

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## Fashioning an Industrial Strategy for Garment Workers

### Abstract

[Excerpt] Since 1984, the [ILGWU] has initiated a series of efforts to better secure the jobs, working conditions, and earnings opportunities of garment workers and to chart new directions for small union manufacturers and contractors. In the process, the union has evolved a multi-pronged industry strategy for the women's apparel industry that holds important lessons for the labor movement and for communities that depend on industrial jobs.

### Keywords

industry strategy, garment industry, ILGWU



# Fashioning an Industrial Strategy for Garment Workers

■ *James Parrott*

Imagine being a union member, local leader, or staff member facing the following problems in your industry. What would you do?

- At a dress contracting shop in New York's Garment District, Carmen Sanchez and her 32 fellow sewing machine operators are told that when they finish the current lot of dresses now in their machines, the shop will close for good. The jobber who had supplied most of the work for the shop decided he would no longer have his goods made in the U.S. Costs were far greater than what he could get in Mexico. The retailer who purchased the jobber's dresses had started to have dresses made under its own private label in Central America and pressured the jobber to meet that low production cost or lose the account altogether.
- An Chin thought she recognized her employer's van outside a store front in her Sunset Park, Brooklyn, neighborhood. On her way home from work in New York's bustling Chinatown garment industry, An watched as several bundles of skirt parts, exactly the same as those being sewn in her shop, but a different color, were unloaded from the van

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■ *James Parrott is Executive Assistant to the President of the International Ladies Garment Workers Union.*

and taken into the storefront sewing factory. She had heard there were several illegal sweatshop operations in Sunset Park set up in an attempt to escape from the union and state labor investigators. An knew that workers in these shops would be paid at best only \$20-\$25 for a 14-hour workday.

- In the Allentown, Pennsylvania, shop where Pat Reese and 120 other workers sew skirts and slacks, the grievance committee had never been busier. Pat and her co-workers had seen their average earnings repeatedly slip. The lot sizes had been dropping and the piece rates paid for basically identical operations on similar garments had declined, a violation of the union contract.

Faced with such circumstances day-in and day-out, the ILGWU realized we needed new approaches to counteract the forces bearing down on garment workers. Since 1984, the union has initiated a series of efforts to better secure the jobs, working conditions, and earnings opportunities of garment workers and to chart new directions for small union manufacturers and contractors. In the process, the union has evolved a multi-pronged industry strategy for the women's apparel industry that holds important lessons for the labor movement and for communities that depend on industrial jobs.

## **THE UNRAVELING OF THE GARMENT INDUSTRY**

In order to understand how the ILGWU is taking the lead in fashioning an industrial strategy, the industry's structure and nature needs some explanation. The apparel industry's one million jobs make it the largest industrial employer of women and minorities in the U.S. Many garment workers provide the sole source of support for their families. In the major urban centers of the women's apparel industry—New York City, Los Angeles, Northern New Jersey, Miami and San Francisco—the majority of garment workers are first-generation immigrants.

Government actions have only worsened the plight of garment workers. Imports have been allowed to increase to the point where they now account for 60% of all apparel sold in the U.S. compared to 20% in 1970. Largely as a result of the import surge, 425,000 garment jobs have been lost in the past 20 years. Sweatshops, industrial homework, and child labor have proliferated while Washington drastically cut-back on labor standards enforcement.

This needn't be the case. Japan and Italy have raised the wages

of garment workers through the use of advanced manufacturing technologies, an emphasis on workforce and management training and constructive industrial relations. With the proper institutional and governmental supports, U.S. garment workers could see their wages and living standards improve too, rather than continue to deteriorate.

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**... The union has evolved a multi-pronged industry strategy for the women's apparel industry that holds important lessons for the labor movement and for communities that depend on industrial jobs.**

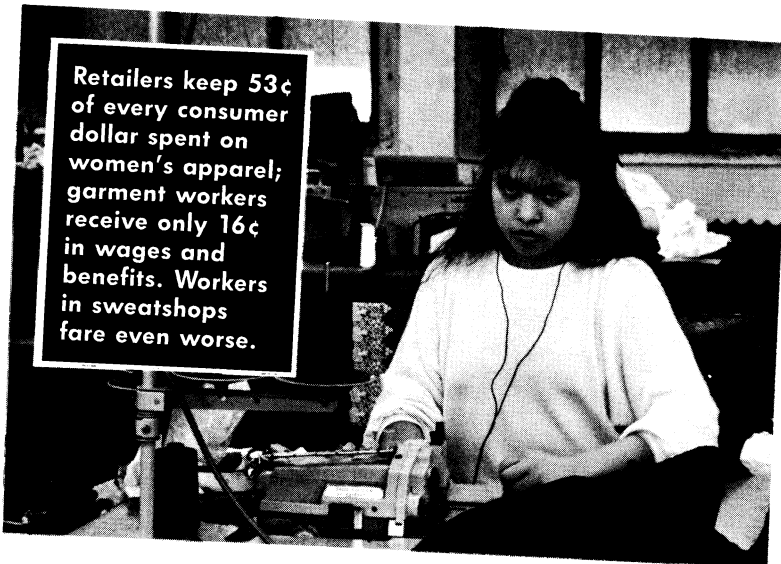
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The apparel industry's structure and its intensely competitive character compound the adversity facing garment workers. For decades, manufacturers have contracted out their sewing operations to small labor contractors who employ the majority of garment workers. The average contracting shop employs only 30-40 workers and is poorly managed and under-capitalized. Faced with constant price pressure from retailers, manufacturers pay contractors less per garment and, in turn, the contractors squeeze workers in the form of reduced piece rates.

Although the producer side is populated with small firms, giant retail corporations, such as Wal-mart and J.C. Penney, control the distribution and sale of apparel and take the lion's share of the profit. Consolidation among retailers has tightened their grip on the whole apparel production chain from textiles to sewing to distribution. Some 40 retail corporations now control two-thirds of apparel sales in the U.S. Greater market power through consolidation and direct involvement in sourcing decisions, particularly importing, have led to higher retail markups and a greater share of the consumer dollar.

Retailers have been the biggest proponents of imports because imports enable them to reap super-profits by having garments made in countries where workers make as little as 15 cents an hour. Like other profit-hungry multinationals, retailers and U.S. apparel importers act to keep workers' living standards low wherever their garments are made. Workers earning \$8 an hour in Pennsylvania are played off against those making 60 cents an hour in Mexico, who in turn are warned about their counterparts in Guatemala who get only 35 cents an hour for sewing the identical garment.

CARA METZ



Retailers keep 53¢ of every consumer dollar spent on women's apparel; garment workers receive only 16¢ in wages and benefits. Workers in sweatshops fare even worse.

For union garment workers, the changes taking place in the industry point in one direction: further increases in off-shore sourcing by retailers and manufacturers. Domestic subcontractors are relegated to filling re-orders and employing workers in sweatshop conditions. For garment workers these changes mean intermittent bursts of employment at subsistence wages, marginalized benefits and a weakened union.

### LEADING THE INDUSTRY

To protect the jobs, working conditions, and earnings of its members the ILGWU moves on a number of fronts. At many points since its founding in 1900, the ILG has struggled to curb sweatshop exploitation and to overcome the chaos of a fragmented subcontracting industry. The union has often provided cohesion and leadership that the industry failed to offer. The union's recent industrial efforts take this role significantly further in that they reach deeply into every aspect of the apparel business, from how work is organized to how garments are marketed to retailers.

The union has taken the lead in setting up economic development organizations and area-wide labor-management committees in the apparel industry (see box). The basic thrust of these activities is to increase the volume of work in union shops and to raise productivity levels. For an industry where the jobs are concentrated

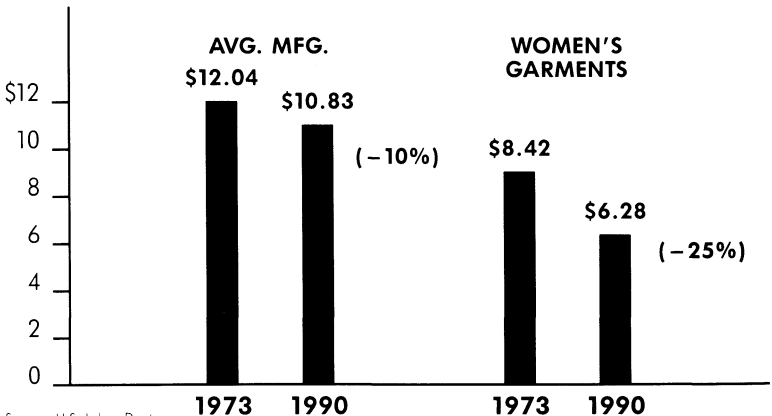
in small shops and where giant retailing firms command the driver's seat, the union is the catalyst for re-shaping the industry's shop practices and expanding business opportunities. The aim is not to increase any company's profits, although that may result as a consequence of greater efficiency and employment levels. Instead, the aim is to enhance the economic viability of union shops. The wage and benefit differentials, including health insurance, pensions, and vacations that union employers must pay, raise their labor costs as much as 30–35% over that of nonunion garment firms. To ignore this reality is to resign one's self to an accelerated erosion of the unionized part of the industry.

These economic development committees have sought to educate apparel employers on the changes taking place in the industry and prod them to identify how to improve their operations or to change the way they market their services. This approach helps open up options for positive change and seeks to deflect employers from their customary call for concessions. Many employers, of course, persist in their old ways; in those cases, more stick and less carrot is still the ticket. For others, however, the union-formulated industrial strategy serves to focus attention on management's need to improve.

To advance its industrial strategy focus, the ILGWU and its labor-management arms developed three major initiatives: (1) Marketing Union Firms; (2) Changing Relations on the Shopfloor; and (3) Technology Diffusion.

### **GARMENT WORKERS HAVE FARED WORSE THAN THE AVERAGE MANUFACTURING WORKER**

Average Hourly Wage Adjusted for Inflation (in 1990 dollars)





## Marketing Union Firms

A range of efforts are underway to address one of the biggest worries faced by garment workers on the job—the lack of work. One of the most far-reaching is a new GIDC project in which union apparel manufacturers in New York City will work more closely with retail stores to shorten the product cycle from design through sewing and finishing operations in order to better supply consumers with what they want.

The objective of "Fashion Quick Response" is to demonstrate to retailers the advantages of continually offering fresh fashion goods rather than the staleness that inevitably results from ordering large quantities of apparel from off-shore far in advance of the selling season. Local manufacturers, who can offer creative and consumer-responsive new apparel styles and provide fast-turnaround production by regional contracting shops, are in the best position to make this new approach to retailing work. In addition, the program involves forming closer ties between manufacturers and their fabric suppliers. If it succeeds, this "Fashion Quick Response" project offers the potential to displace imports and nonunion domestic manufacturers. However, given the desire of retailers to deal with a few large suppliers, it will not be easy to convince them that they need to work with smaller manufacturers.

CAF and GIDC operate *Fashion Exports/New York*, an export program designed to capitalize on the fashion leadership of many union firms by helping them export apparel to other countries. *Fashion Exports/New York* is focused on helping small and medium-sized companies sell into the huge European market, and assists firms in showing their products in major German and French fashion shows.

In Toronto and Boston, union leaders have worked with new fashion designers, helping to get samples made and to identify quality contractors—union contractors—who can produce small lots. As it had in Toronto, the union has urged the City of New York to set up an "incubator" project that would assist promising young designers in setting up as manufacturers. On another front, the union has taken the lead in urging the City of New York to actively promote New York as a global fashion leader.

## Changing Relations on the Shopfloor

When labor-management meetings began at a sportswear shop in Bath, Pennsylvania, management was surprised to find their workers and the union pushing them to reduce quality defects,

## **LRR FOCUS: Economic Development Initiatives**

The Garment Industry Development Corporation (GIDC) was set up in New York City in 1984, and is governed by a tripartite board of the ILGWU, industry, and the City of New York. Initially, GIDC's efforts were geared to protecting garment shops and the jobs of union members from rent-gouging landlords in New York's over-heated real estate market. Subsequently, GIDC developed skills upgrading programs for sewing machine operators, pattern graders and small contractors. Its popular "Super Sewers" program provides eight weeks of intensive training on every sewing operation involved in making garments and includes English-as-a-Second language instruction. The program prepares operators for better-paying jobs in shops producing higher-value garments.

To identify market and technology strategies to improve the long-term viability of New York apparel firms, GIDC undertook an extensive two-year study. The report was completed in the spring of 1992 and GIDC and the ILGWU have begun to implement several of the report's recommendations, including the "Fashion Quick Response" project. GIDC is also establishing a quality improvement program involving shop stewards, manufacturers and their contractors.

To address the day care needs of garment workers, the overwhelming majority of whom are women, GIDC conducted a survey of garment employers and several thousand ILGWU Chinese and Hispanic members to document the character and extent of the need for day care centers. The union was the driving force behind the establishment of the Chinatown Day Care Center in 1984 and launched efforts to establish two additional centers in New York City. In several public policy forums, GIDC and the union have pressed the case for greater public support for child care for the children of blue collar women.

In the Fall River-New Bedford area of Massachusetts, the ILGWU helped establish the Needle Trades Action Project (NTAP) in 1985 with state support, and included the Amalgamated Clothing and Textile Workers Union and the men's clothing industry from that area. NTAP set up a program to train "para-engineers" to provide employers with greater in-house expertise on efficient work flow and compensation systems.

To further expand the geographic reach of such efforts and to begin to develop more comprehensive programs, a national labor-



*Graduate of "Super Sewer" class wearing coat she made.*

management committee for the women's and children's apparel industry was formed in 1989, by the union and several industry associations. Known as the Council for American Fashion (CAF), this group has formed a series of area committees as the organizational vehicles for addressing local apparel industry development problems.

The ILGWU—from top officers to regional directors to local leadership—has consistently spearheaded these efforts, and in every case, the union is actively involved in determining priorities and implementation.

Finally, the ILG has been the leading advocate for manufacturing jobs in New York City where financial and real estate sectors have long opposed manufacturing. The union has fought for commercial rent regulation and for zoning protections to preserve affordable space for manufacturing activities, especially in Manhattan, where two-thirds of the city's garment manufacturing takes place. The union sought public support for a manufacturing sector that provides thousands of jobs for women, minorities, and recent immigrants while the city's economic development efforts lavished tax breaks and subsidies on real estate developers who sought to gentrify Manhattan's economic base. The city has lost 150,000 or one-third of its manufacturing jobs since 1980.

eliminate wasted time and work jointly on production planning, job training and other so-called "management" concerns.

In another shop, when the employer sought to unilaterally set up a flexible manufacturing work team at a girdle shop in Long Island City, New York, the project backfired. He failed to explain the new approach to the workers and heightened their suspicion when he hired new workers for the team unit. Morale and shop efficiency plummeted. The union finally stepped in and arranged proper training for management and union shop leaders and developed a worker empowerment approach to "team production."

In contrast to many industries where quality circles or other schemes heralded as "worker involvement" have been around for several years, in the apparel contracting industry, formal worker participation programs are a relatively recent phenomena. In the handful of such cases so far, the union and the workers have been able to play a guiding role and ensure that such programs further the interests of the workers and strengthen the role of the union. Gail Meyer, one of the union's local leaders who has been involved in a number of in-plant committees, comments: "In many of my shops, workers with a history of militancy have felt that in-plant committees have helped get the boss to clean up his act and forced him to stop screwing around with piece rates. When we set the agenda, these committees become a way to strengthen the identity of the union in the eyes of the member."

In cases where shops need to restructure to achieve fast-turn-around production or improved quality, we now actively promote worker involvement in problem-solving and in designing and implementing new production methods. The idea is as new and troubling to many shop leaders and business agents as it is to most employers. But as with any program in its infancy, we test it out where local leadership share an interest in the potential of worker empowerment. Effectively carried out, a project that gives workers a greater role on the shop floor has the potential for strengthening the internal organization of the union.

### **Technology Diffusion**

The U.S. women's apparel industry, with its thousands of small, under-capitalized and poorly managed firms, has lagged other countries in the implementation of more productive technologies. Given the pressing need to shift the competitive dynamics away from labor costs, the union has urged the establishment of a comprehensive technology assistance program for the women's industry in the Northeast to work with small and medium-sized garment manufacturers and contractors.

In conjunction with the Textile/Clothing Technology Corporation [(TC)<sup>2</sup>], the Fashion Institute of Technology, GIDC, and CAF, this program would operate a state-of-the-art technology demonstration center in New York City, to offer a full range of management training courses, and provide extensive in-plant technical outreach and assistance. The union would be actively involved at all levels from policy-making to implementation. Union members and staff would be trained not only in the use of new technologies but also in methods to ensure their effective implementation in a manner that advances workers' interests.

### Who Pays for This?

The union takes the position that, if government fails to provide the necessary resources to do the job, the industry should be made to bear the costs of setting up the infrastructure of services needed to transform it. During its 1991 major market negotiations, the ILG successfully demanded the establishment of a special fund to finance its labor-management committees and projects. The Council for American Fashion Fund, which is financed by an employer payroll contribution, provides funding for GIDC, NTAP, CAF and local CAF committees. The fund also supports a variety of other efforts, including health and safety projects and start-up support for garment worker child-care centers.



CARA METZ

*Good daycare is a necessity, not luxury, for garment workers.*

## KEEP ON ORGANIZING

The ILGWU's industrial strategy cannot work without simultaneous efforts on several fronts. The union must always bargain hard and organize aggressively to enforce its standing in the industry. The union must also act to curb sweatshop practices to eliminate some of the worst worker exploitation in the country and to prevent such conditions from dragging down the standards of union members.

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The pervasiveness of the sweatshop compels the union to be both an industry leader charting a better way to produce garments in this country and an adversary constantly organizing and pressuring manufacturers, contractors and retailers. If the union is to survive it has to organize unorganized workers as well as re-organize a dis-organized industry.

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By mobilizing its membership and *maintaining pattern bargaining*, the union has resisted repeated industry demands for wage and benefit concessions and has preserved the 35-hour work week. While union-led legislative efforts to get Washington to rationally *regulate apparel imports* have been repeatedly vetoed, the incessant pressure has held down import growth and provided some breathing room for the industrial strategy to take root.

The union has mounted *vigorous community-based organizing campaigns* in New York, El Paso, San Francisco, and Los Angeles. Convinced that shop-by-shop organizing among subcontractors won't get very far, the union's organizing strategy is geared to creating a social movement similar to that which initially established the ILGWU early in the century and many other North American unions in the 1930s.

This approach, which we call the ILGWU's Campaign for Justice, involves forging alliances with churches and other community organizations and developing leadership through "workers' councils." In the Williamsburg section of Brooklyn, for example, the ILGWU Workers Center in a church basement serves as a base for organizing 4000 mostly Hispanic garment workers. To gain the trust and support of a largely immigrant workforce, the Williamsburg Workers Center, like the other ILG centers, sponsors ESL and literacy classes and provides legal assistance

on immigration problems. The union has been outspoken in opposing employer sanctions and discrimination against immigrant workers.

To *combat sweatshops*, the union combines its organizing with legislative and political efforts to ensure tough labor standards enforcement programs in major garment-producing states. In a number of cases, the union has assisted nonunion workers in securing back wages due from sweatshop employers. The ILGWU has waged a massive grassroots and legal campaign since the early 1980s to block Reagan and Bush from lifting the long-standing ban on industrial homework in women's apparel.

In San Francisco, the ILGWU combined its organizing and industrial strategies when a group of Chinese workers came to the union after their non-union knitwear contractor fled the country owing them hundreds of thousands of dollars in wages. The union mobilized the workers and an outraged community to pressure both the manufacturer whose garments these workers produced while working for the contractor and the retailer receiving the garments. Over \$400,000 in back wages was recovered for the workers. The campaign also led to a public-private initiative to establish a state-of-the-art knitting factory that employs 70 of the affected workers.

The union must take further steps to fight sweatshop conditions and force contractors—and the manufacturers and retailers for whom they produce—to operate modern and efficient shops and pay their workers decent wages and benefits. To do this on a meaningful scale, the union must more closely integrate its organizing and industrial strategies.

## **CONCLUSION**

It is still too early in the game to assess the real impact the ILGWU's industrial strategy will have in re-directing the course of the garment industry. The momentum is still headed toward greater off-shore and domestic sweatshop production. The retail sector continues to become more concentrated and more controlling. Many large retailers, plagued by ill-conceived leveraged-buyouts, put far more of their attention on their debt problems than on how to be better apparel merchants.

Moreover, within the union, there are differences among officers and staff over this industrial strategy. Many union leaders, heavily burdened with shop crises or benefit funds problems, are skeptical about the impact of any union-led industrial development efforts. Others, tempered by years of dealings with apparel employers



that have been marked by distrust, are prone to cynicism when it comes to working with apparel management. Then there are those who feel that union members are best served through an uncompromising, adversarial approach to industry problems.

It is not a question of industrial leadership versus an adversarial role. The pervasiveness of the sweatshop compels the union to be both an industry leader charting a better way to produce garments in this country and an adversary constantly organizing and pressuring manufacturers, contractors and retailers. If the union is to survive it has to organize unorganized workers as well as re-organize a dis-organized industry. Within the ILGWU the biggest challenge is to convince the cynics that the dual strategy can be effective if aggressively pursued and that empowering workers is essential if the union is to re-establish its strength within the community and the industry.

With over 90% of its membership in the garment industry, the ILGWU has had little choice but to delve deeply into efforts to reverse the decline and degradation of garment workers' jobs. Several other unions, such as the UAW, the Machinists, and ACTWU, have demonstrated similar interest in fostering training, technology and other programs that would chart a high-wage, high-skill path for our economy rather than the de-skilled, poverty-wage course we are saddled with at present.

Unions and communities dependent on manufacturing jobs have much at stake. It goes without saying that industrial restructuring is too important to be left to the corporations or a mis-directed public sector approach that relies on tax benefits to foster economic development. Workers and our organizations must develop and implement an industrial strategy that works for us in providing better jobs at better wages. ■