



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

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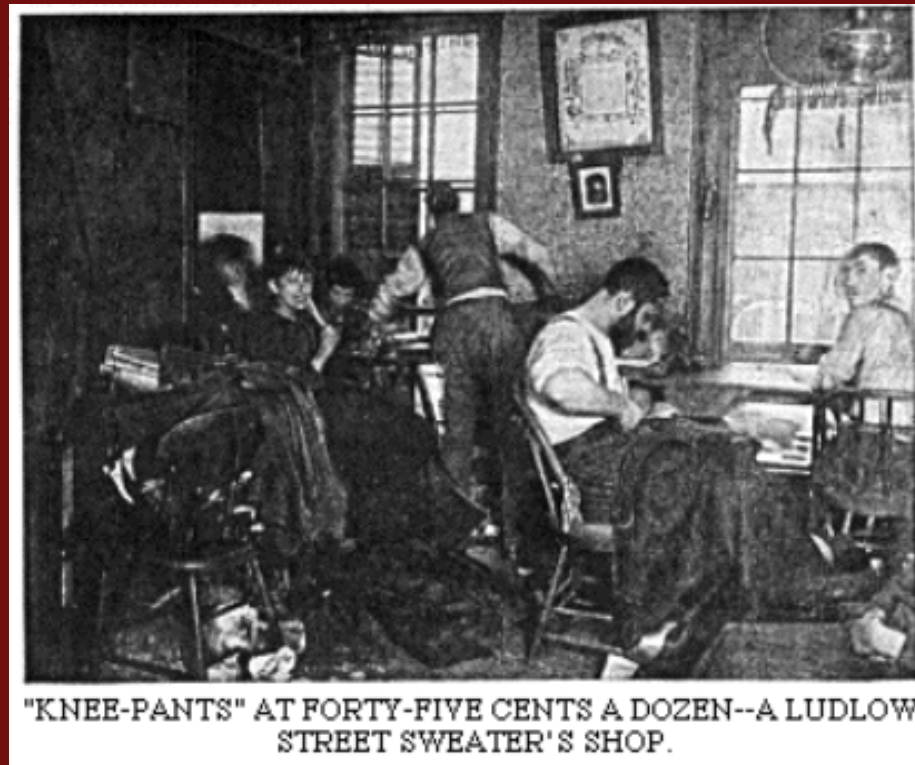
March 29, 2007

Harrisburg, PA

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

Sweatshop/ NYC Turn of the Century



Prints and Photographs Division, Library of Congress

The shirtwaist workers strike of 1909-10



The Pledge



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*

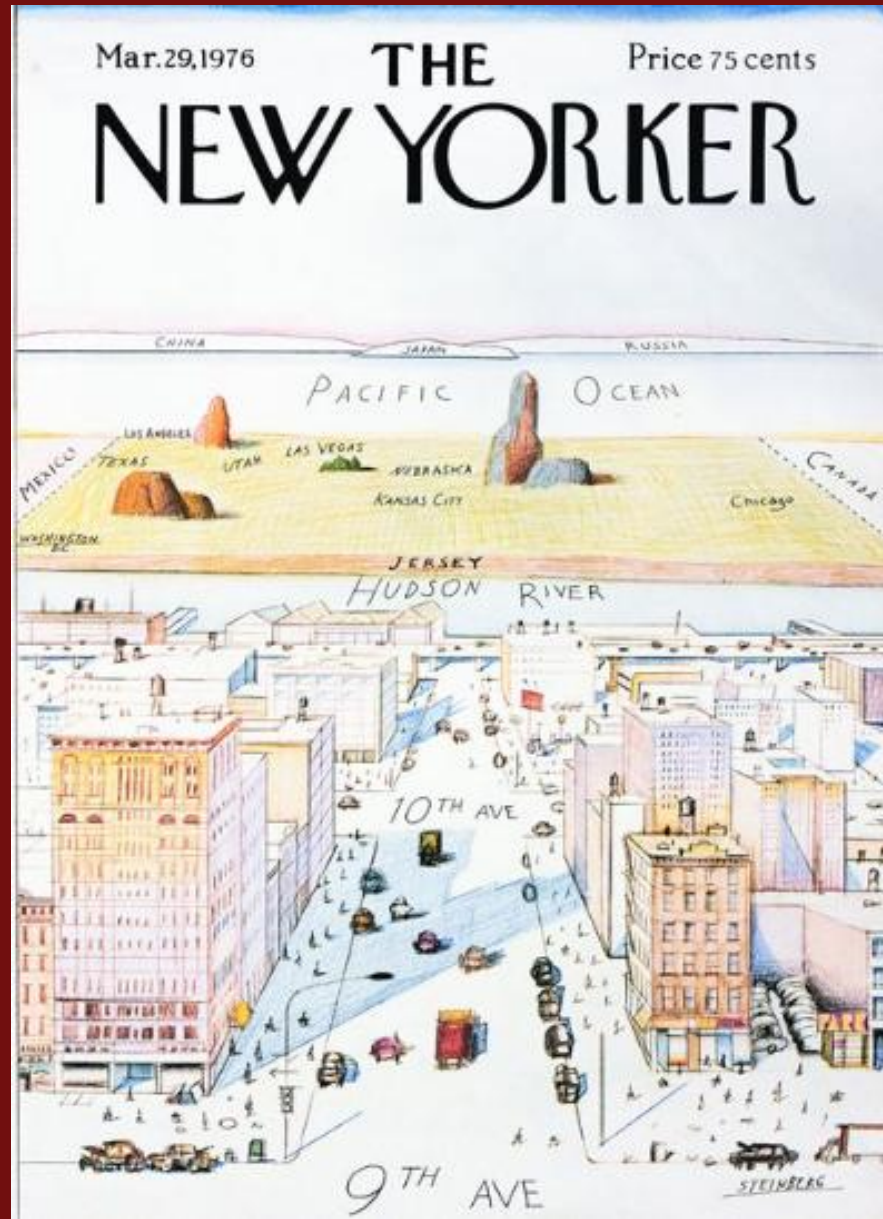
ILGWU archive, Kheel Center, Cornell

<http://xroads.virginia.edu/~MA04/kane/strikers/theirwords.>

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”

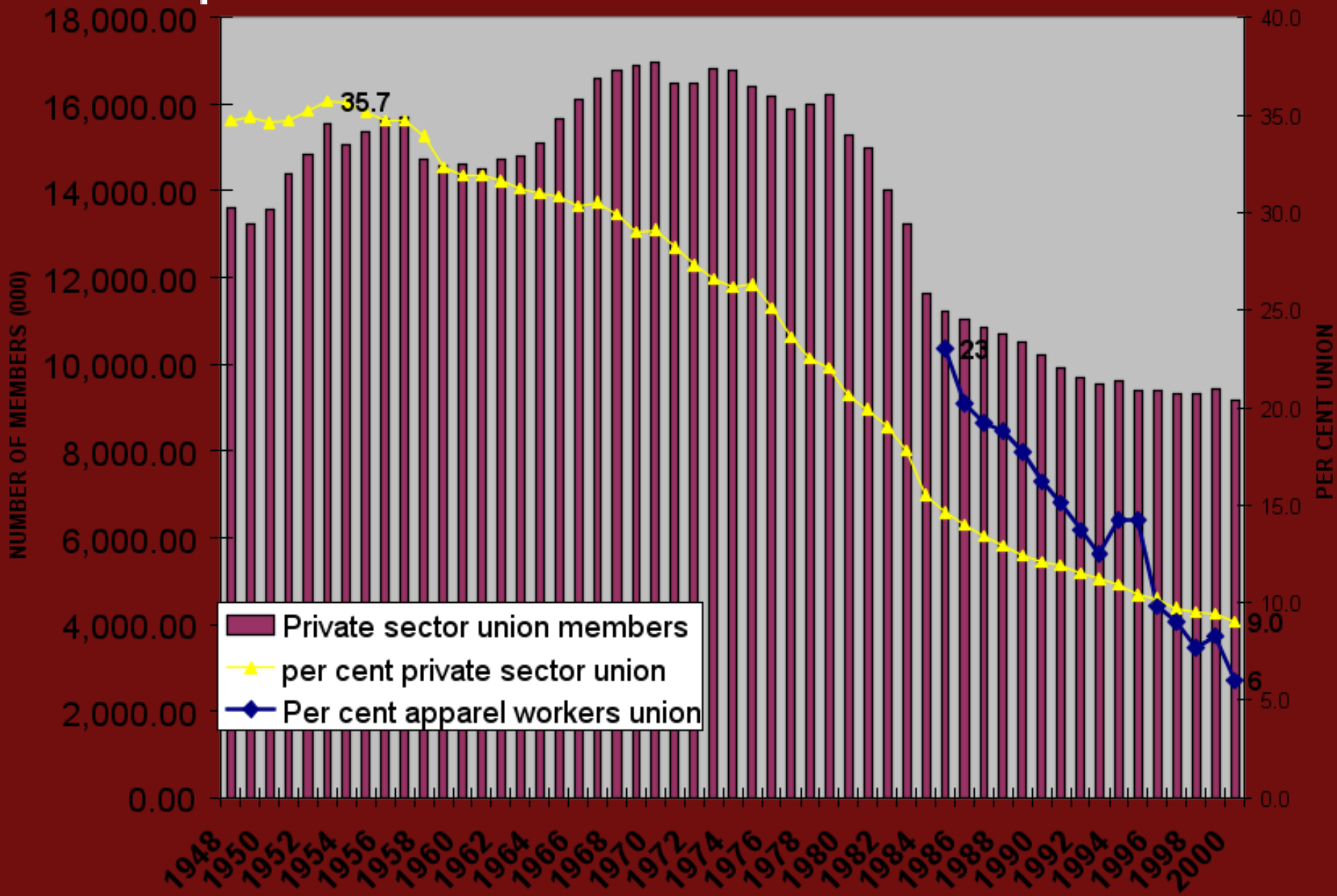


Losing the American Dream: Apparel workers percent of manufacturing workers' average weekly wage, 1947-2002

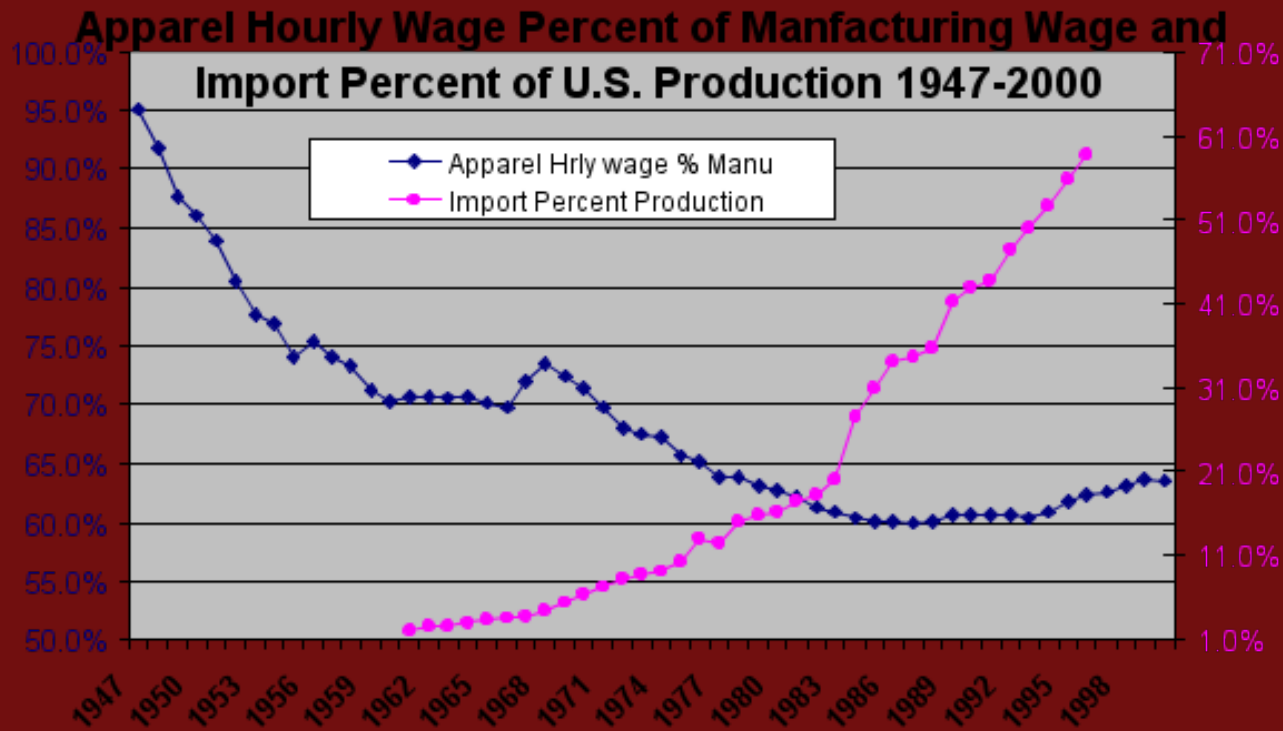


**2004:
53%**

Ebbing union strength



Low wage imports depress apparel wages: 1947-2000

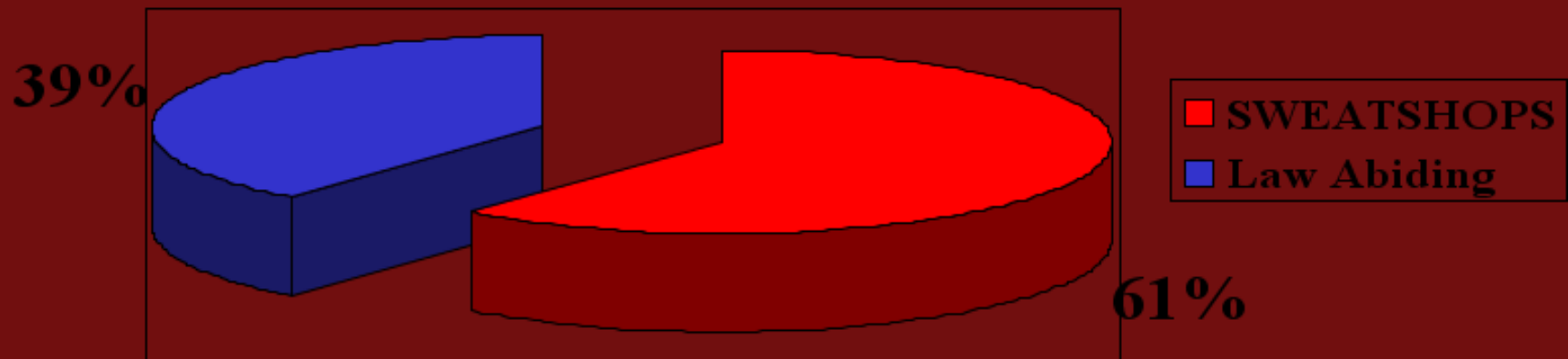


Sweatshops are typical in Los Angeles

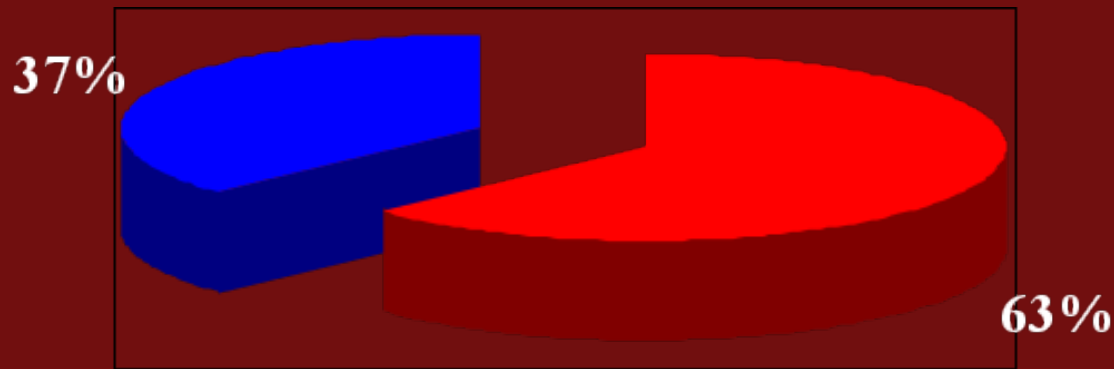
LOS ANGELES

Sweatshop Prevalence

U.S. & CA Dept. of Labor 1996, 1998



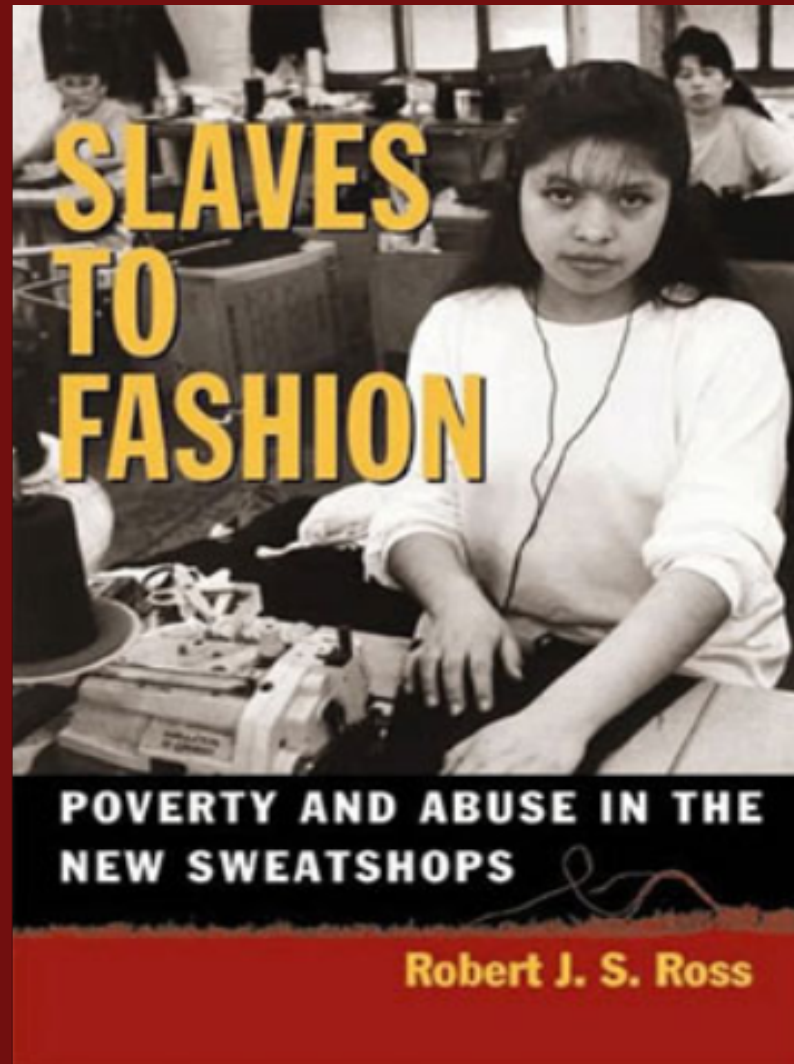
And in New York



SWEATSHOPS **Law Abiding**

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

● ● ● | Manhattan, 1997, underage worker in sweatshop

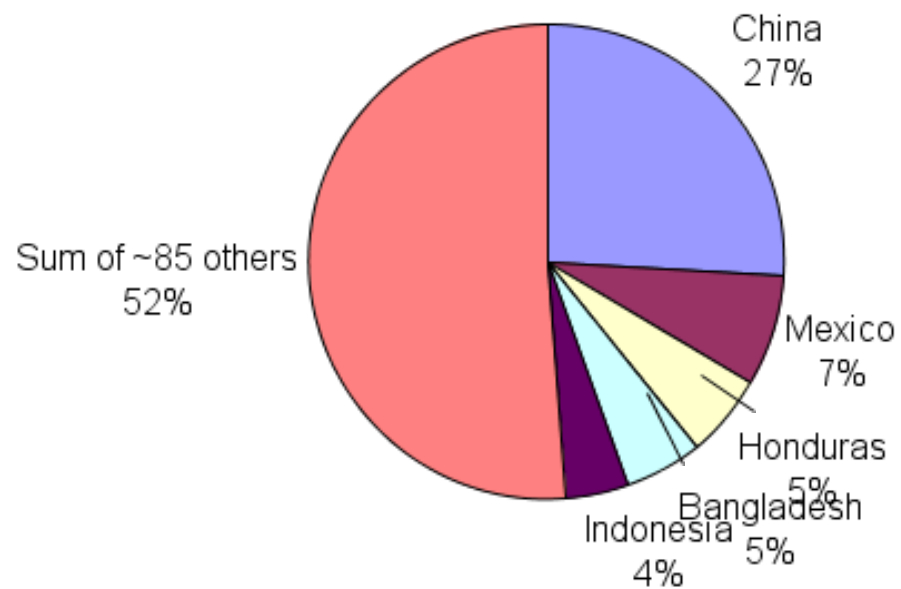


The Race to the Bottom

- 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





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 Mayn 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.



SOURCE: Adapted from single cost breakdown by GEAR for Sports, an apparel company that markets the Champion brand.



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:

