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Workers hang on by a thread

When manufacturers such as Levi Strauss move overseas, they leave U.S. laborers out to dry and press the life out of their new employees -- all so people pay \$20, not \$25, for a shirt.

LOS ANGELES TIMES

Sunday January 12, 2003

By Fred Dickey

Brenda Pope sits at the kitchen table and stares sadly at her work-hardened hands. Inside one wrist is the purple welt of a surgical scar that runs halfway to her elbow. Twenty years at a sewing machine gave her the carpal tunnel injury. That scar and \$15,000 in severance is what she has to show for those years. Near the edge of Blue Ridge, Ga., the Levi Strauss & Co. plant where she once worked now sits empty, a glass-and-brick shell overlooking acres of empty parking space. Bored security guards stroll the grounds to protect what no one any longer values. A factory dies an honorable death when it falls apart from hard work and time. This one was cut down in full productivity.

For a half-century, this apparel sewing plant was a wellspring that pumped life into the town. The workday was switched on by the gathering of 400 workers, mainly women, chattering as they punched the clock. Hour after hour, they created a cadence from clacking sewing machines, generating wealth for their bosses and modest wages for themselves.

The plant was shut down in June, one of six Levi Strauss plant closures that left the San Francisco apparel giant with just a tiny U.S. manufacturing presence: a plant in San Antonio devoted to quick turnaround products, which have deadlines that overseas plants can't meet. At the end, the Blue Ridge workers stood in small knots, tossed about by a maelstrom of emotions. Some were in shock. Some muttered that they would never again wear Levi Strauss clothing. Most worried about the future. Brenda Pope was one of those.

Measured against what most of us feel we need, the 44-year-old single mother asked little. She wanted to live among familiar pines and trustworthy people, create value with her hands and raise her child in the old ways. She did not think she needed a college degree to do these things. She was right, until she made the mistake of pricing herself out of the labor market -- a feat accomplished by earning \$14 per hour putting zippers in Levi's blue jeans.

When Levi Strauss moved Pope's job out of the country, she became one of hundreds of thousands of American workers who have lost jobs during the past six decades as the garment industry seeks lower wages in less developed countries. In that context, the decision to close the Blue Ridge plant was hardly unusual. Levi Strauss had clung to its last U.S. manufacturing plants long after most of its competitors had fled.

Yet when a company such as Levi Strauss, with a reputation for good management and strong relations with employees, finally turns out the lights in the United States, it might be an occasion to measure the human toll, here and abroad, of the flight of garment industry jobs -- and to remember that it's happening so that American consumers, who buy more clothing than any people in history, can get a shirt for \$20 instead of \$25.

In 1950, 1.2 million Americans were employed in apparel manufacturing. By 2001, that figure had fallen to 566,000. In the same time span, the U.S. population almost doubled. Jobs went out of the country, and finished products came in. In 1989, the United States imported \$24.5 billion in apparel; in 2001, \$63.8 billion. In the last quarter of 2001, 83 percent of all apparel sold in this country was imported.

The migration of these jobs is seen as the natural result of globalization, the economic process that melds the technology and finance of the developing world with the vast labor pool of the less developed. This trend is especially attractive to the apparel industry because, basically, all it needs are sewing machines and low-paid workers.

Globalization has crept up so stealthily that it wasn't generally recognized until full grown. It accelerated around the end of World War II, when the industrialized world was reshuffling, says Charles Derber of Boston College, author of "Corporation Nation," a book that views corporate power through a populist filter. As American corporations witnessed the economic rise of Japan and other foreign competition, they started looking for an edge, and they found it in cheap labor abroad. "They realized that more money could be made by using those billions of workers as producers as well as consumers," Derber says.

Many corporate executives view this sea of cheap labor as an attractive profit center, or, if they find it predatory and distasteful, as a competitive necessity. Economists say globalization will be the platform for developing countries to build their own free-market economies, and that low wages are part of the growth process.

Michael Weinstein, a New York economist who has studied the job-flight phenomenon, says of the plight of Pope and others like her: "Any policy you give me for saving that person's job is going to threaten somebody else's. I don't mean to sound callous, but there are plenty of low-end jobs (in the United

States) that need filling. If we bar low-cost goods from abroad, it would be the poorest among us who depend on these products who would be punished most harshly."

In other words, it is the poor who would suffer most if, say, clothing at Wal-Mart suddenly cost more. Weinstein adds, "We don't need garment jobs to have full employment for Americans. It's a good thing when these jobs go to the worst-off people in the world. I regard it as unconscionable to clamp down on sweatshops that are making these people's lives better than they would otherwise be."

The search for the worst-off people in the world means the garment industry is looking for a target that's always moving. As soon as wages rise in one country, work can be moved to another. Charles Kernaghan, director of the National Labor Committee in New York City, calls this long-distance shuffle a "race to the bottom" of the wage scale. The committee has a list of hourly apparel wages in developing countries, including: Guatemala, 37 cents; China, 28 cents; Nicaragua, 23 cents; Bangladesh, 13 to 20 cents.

In addition to low wages, manufacturers in many countries benefit from child labor and long workdays as well as the absence of health plans, environmental protections, workplace safety standards and efforts to organize workers. In fairness, some U.S. apparel makers, Levi Strauss among them, have taken steps to police conditions in plants overseas, and to pay fairly. But those efforts are far from universal.

"American companies make showcase visits to these offshore plants, but they always get the VIP tour and are maneuvered to talk only to employees who have been coached for such occasions," says Kernaghan, an old-style, angry labor activist who knows his enemy, doesn't trust him and never gets too close.

Low-cost labor

In announcing the six plant closures, Levi Strauss said it was becoming a "marketing company," and that future production in almost all cases would be by contract manufacturers. That would take place in 50 countries, including Mexico, Bangladesh and China.

To Derber, that explanation is code language that actually says: We're going for the cheap labor, and we don't want the dirty hands of ownership that go with sweatshops. The goal is to have "plausible deniability" about labor conditions. He said that foreign plant owners are rarely steeped in touchy-feely management techniques and operate with the backing of powerful politicians who can impede whatever government oversight might technically be on the books.

Asked why Levi Strauss contracts out its manufacturing, President and CEO Philip Marineau gives several competitive business reasons, then he pauses and acknowledges, "The apparel industry is chasing low-cost labor."

For Levi Strauss, the advantages became obvious this year. In the third quarter, which ended Aug. 25, Levi's sales were up 3.5 percent, its first increase since 1996. Five weeks ago came an agreement to sell a new line of lower-priced jeans through the vast Wal-Mart Stores Inc. chain. Marineau predicted that the new Levi Strauss Signature brand would generate hundreds of millions of dollars in sales each year -- all from garments made abroad.

To its credit, Levi Strauss has been a pioneer overseas, creating a corporate code of standards for every manufacturer with which it contracts. Levi Strauss also pays inspectors to enforce the standards.

But Weinstein says enforcing the codes of various private groups and international organizations is not achievable. Groups such as the World Trade Organization, NAFTA and the International Labor Organization have no real leverage to control American multinationals because the United States has such vast economic clout. "Say the Philippines has a beef against American trade practices," he says. "What are they going to do, refuse to do business with the U.S.?"

That segues into a main Kernaghan point. The labor activist says the most effective step against globalization abuses would be to pass legislation in the United States prohibiting the entry of goods from countries whose products fall short of acceptable standards. In other words, the United States would be saying to multinationals operating offshore: We can't stop you from making clothing in sweatshops, but you can't sell it here.

"We have the power to determine what comes into our country," says Jay Mazur, retired president of Unite, the union that traditionally represented most American apparel workers. "We say cocaine can't come into our country; so we can say that goods produced in sweatshops can't either."

Kernaghan and his allies (human rights advocates and some labor unions, but thus far not many politicians) believe that such legislation would eliminate the common explanation companies give for abusing humane standards -- we do it because our competitors do. Opponents argue that the law would send clothing prices higher in the United States.

Race to the bottom

So in the race to the bottom, is Mexico the next stop?

In the sand-blown Mexican border town of Piedras Negras, two hours southwest of San Antonio, a mother of five says she earns about \$55 a week sewing cloth bags at the local factory. The woman, who did not want her name used for fear of reprisal at work, earned twice that much working on Levi's jeans at a large factory two years ago. But it closed and the jobs moved to Central America and the Far East. The closure left her and her husband, whose own job is spotty, with far more bills than money. The family lives in a two-bedroom, crumbly stucco house.

Today, she worries that she will fall behind on her sewing quota. She is not as nimble as she once was. She holds her bladder until lunch or quitting time to avoid slowing down. She knows that 100 people would line up for her job, and would gladly take the latest starting wage of about \$35 per week. There is no job security and no one to appeal to because the union in her plant is as answerable to the company as she is.

This year's economic downturn in the United States has hurt the Mexican apparel industry, but most jobs were lost because companies moved to countries with lower wages, says Julia Quinonez, head of CFO (Border Committee of Women Workers) in Piedras Negras. She says that 4,500 apparel jobs have disappeared from that small city in the past three years and that wages have gone from \$4 per hour 10 years ago to an average of 80 cents today. Quinonez says the jobs are going abroad, or farther south in Mexico, where wages are about 60 percent of those along the border, and labor protections are rarely enforced.

Martha Tovar, president of Solunet-InfoMex, an economic research company in El Paso, says that 68 textile plants closed in Mexico last year, depressing conditions in the border area. Prices are so high, they cross the border to buy beans and rice, and occasionally some chicken or cheap beef. When told that some housekeepers in Los Angeles earn her weekly income by lunchtime, the mother's eyes widen and she says, "How can that be?"

Her ambition is to gather her family and slip across the border, where she wishes to find out if such stories can be true for her. Asked how she would do

that, she shrugs. "I'll just use a guest pass to cross over, then not return."

She has little curiosity about the companies responsible for her wages. She would, however, like to ask them -- whoever they are -- "Why is it that you can't pay me enough so I can live decently? So that I can feed my family chicken even once in a while?"

She is not an economist and she has never heard of globalization, but her instincts tell her that the job that allows her barely to survive is soon going the way of thousands of other jobs in her town. In the race to the bottom, it turns out, Mexico is in the rearview mirror. Hoping for chicken

Lisa Rahman would consider that Mexican family blessed with riches, because \$1 an hour far exceeds any amount the 19-year-old garment factory worker would dare dream of when asleep in her family's shack. Her closer-to-earth ambition is to double her income to about 30 cents per hour. That would mean chicken in her rice maybe once a week.

Rahman lives with and is the main support for her parents and two young relatives in the vast slums of Dhaka, Bangladesh. All she can afford is one room. During the rainy season, the family collects the bedding and moves to the one dry corner so that they don't get soaked. She has never gone to school, ridden a bicycle or seen a movie. Her wages allow the eating of chicken maybe once every two months. She describes the neighborhood: "Ninety to 100 people in my neighborhood all use one water pump, one outhouse and one stove with four burners."

Rahman has worked in garment factories since she was 10, the last three years at the Shah Makhdum factory. She says she often works from 8 a.m. until 10 p.m. seven days a week, with a day off maybe once a month. Her take-home pay is the equivalent of 14 cents per hour. The factory is hot, and the drinking water is dirty. If she gets sick and can't work, she doesn't get paid. If she gets sick often, she'll be unpaid permanently.

Rahman is waiflike -- about 5 feet and 110 pounds -- and has round eyes that float in her still-young brown skin. Everything about her begs for a protective arm around her, but that draws her no slack on the job: "If we fail to meet (production quotas), the supervisors yell and curse at us. They curse our parents and call them filthy (names). Sometimes they slap us."

One product that Rahman worked on most recently was for the Walt Disney Co., a contract purchaser from the factory. It's a Winnie the Pooh shirt that retails for \$17.99. Asked to guess the shirt's retail price in the United States, Rahman says, "About 50 or 100 taka," which is 86 cents to \$1.72.

Richard Dekmejian, an international relations expert at the University of Southern California, makes a judgment on where globalization is leading us: "Third World countries have no choice but to let these companies operate so their teeming populations don't die of hunger. People take what crumbs they're able to catch. But the overall impact of globalization is that the rich get richer and the poor starve. That will eventually lead to an explosion. It's inevitable."

Union veteran Mazur is more sanguine. "The world sees us as the great economic engine, and they just want it to work for them, too. By giving the world fair wages for labor, we would create social stability, and make peace more possible."

Hopeless situation

Sitting at the table with Brenda Pope is her 11-year-old son, Brian, who was found to have lupus a year ago. Brian has red splotches on his face and arms caused by the disease, which can kill if it's not carefully -- and expensively -- controlled.

"Lots of kids give him a hard time. They call him pizza face and stuff like that. It just breaks my heart. He once asked me, 'Momma, are you ashamed of how I look?' When the doctor told him about the lupus, the only question he had was, 'Am I gonna die?'"

Pope has been pushed around by life, but some of it was her own doing, and she knows it; to wit: the two men she married, including Brian's father, whom she divorced 10 years ago. She says she anticipates drudging trips to the welfare and unemployment offices, and endless job hunts that promise little for her limited skills. She could flip burgers for about \$6 an hour -- if they'd hire a middle-aged woman with a G.E.D. and an old-fashioned work ethic -- but that wouldn't be enough to save her house and pay the costs of treating her son's sickness. "I'd dig ditches if the pay's good," she says.

No one in Blue Ridge, currently, is looking for a woman who has sewn a couple million zippers into pants. In fact, not many in Blue Ridge are looking for anyone. The town is rapidly turning into a mountain resort of antique shops, summer houses for rich Atlantans, and retirement and convalescent homes. In job-availability shorthand, that comes down to bedsheets and bedpans serving those low-paying industries.

The state of Georgia has set up a job agency for the former Levi Strauss workers. State employees eagerly staff job banks, but for far too few positions. They encourage people who can't type to learn computer skills, and provide some funding to go back to college or trade school. That's of marginal value to middle-aged people conditioned to manual work and who, in any event, can't afford to stop working while going to school. Levi Strauss was part of the Pope family. Her mother worked there for 26 years before retiring, and three other members of her immediate family were let go with Brenda. "Four of us are out of a job."

"They said they was going to give us a commemorative denim bag." She pauses for the irony of that to settle.

"Twenty years, and I get a denim bag made out of the same damn scraps I threw in a basket?" She laughs. "I just can't wait to get that denim bag." Brian chuckles, too, but isn't sure why. Asked about his mother's situation, he responds with a child's heart. He smiles at her proudly and says he wants to give back his allowance to help out.

She hugs him tightly. As I walk down the driveway, I look back and see Brenda and Brian Pope standing on the step holding hands.

American consumers are blessed in many ways. As the nation's standard of living has risen and the cost of clothing has dropped, homes have grown bigger, as have closets. Shopping for clothes has become a pastime for millions of people because they can afford to do it regularly. Thanks to this Levi Strauss closure, we can buy, say, five shirts for \$100 instead of four.

The cost of having that fifth shirt? Higher welfare, health-care and job retraining costs for hard-working people like Brenda Pope, the shrinking lives of people like Lisa Rahman and the family in Piedras Negras, and perhaps the explosion forecast by Dekmejian.

It is part of the American character to believe that things will always get better. However, many poor countries are mired in the depression that says bad things never change. Both are often right.

[Top](#)

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Mexico-U.S Border Program
of the American Friends Service Committee (AFSC)



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