

**Subjects:** World History, Contemporary Issues, Economics  
**Grades level:** 9-12  
**Unit time:** 2-4 weeks

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## **Globalization: The Garment Industry in Southeast Asia**

By Sara Bernstein

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# Curriculum Unit

### **Overarching goal:**

To increase student understanding/awareness of the impacts and manifestations of globalization in Southeast Asia.

### **Objectives:**

1. Students will create a working definition of *globalization*.
2. Students will examine how globalization impacts their lives.
3. Students will understand the following economic terms: currency, per capita income, living wage, exchange rate, and denomination.
4. Students will examine sweatshops from multiple perspectives.
5. Students will reflect on the impact of globalization on the lives of SE Asian factory workers.
6. Students will evaluate the impact of globalization in SE Asia using evidence to defend their position.

### **Learning Activities:**

Learning activities are designed to help students understand globalization and apply that understanding to the garment industry in Southeast Asia. In addition, students will explore their own ideas and values and those of others. Activities are designed for block scheduling (90 minutes) but may be broken into two 45-minute lessons.

### **Assessment Methods & Procedures:**

Assessment options are provided within each lesson; the final assessment will be an essay or debate on globalization.

### **Resources & Materials:**

Most of the resources needed for this learning module are available on the internet; where possible, web addresses are included.

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### **Massachusetts Social Studies strands and standards:**

- **History strand:** *Research, Evidence and Point of View;*
  - *Society, Diversity, Commonality and the Individual;*
  - **Interdisciplinary Learning:** *Natural Science, Mathematics, and Technology.*
  - **Geography strand:** *Places and Regions of the World.*
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*Time: 90 minutes*

*Materials: world map, small post-its, rulers*

Lesson One:

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## “Made in ...?”

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# Lesson Plan

√ **Procedure:**

1. Ask students to check the labels on their clothing, bags, and other possessions and write down where each article was made. Each article should be written on the “post-it” to identify the article and country (Example: Nike sneakers – Vietnam). Each student should fill out 5-10 post-its.
2. Once they have filled out their post-its, students should affix them to the appropriate countries on a world map.
3. As a class or individually, students should count how many articles were made in each country and graph the results as a pie chart (percentages) or as a bar graph (numbers of articles).
4. Students should discuss or write the answers to the following discussion questions:

- Was most of your clothing made in the United States?
- What percentage of your clothing was made in the United States? What percentage was made in other countries?
- Why do you think so many articles of clothing were made so far away?
- What regions of the world produced the most articles of clothing?
- What regions produced the least?
- Why were so many things made in Asia and so few (if any) in Africa?
- What additional costs would there be to make a product for the United States in Asia?
- What do you think the advantages are to producing clothing in Asia?
- What do you think the working conditions are like?
- How many hours a day do you think people work?
- How much do you think they are paid for their labor?

5. Introduce the concept of globalization. As a class create a working definition of globalization.
6. Discuss ways in which our economy is a global economy. Then identify ways which it is tied to Southeast Asia and brainstorm manifestations of this globalization.

√ **Assessment:** Assessment is based on class participation, graphs, and student responses to discussion/written questions.

√ **Homework:** Check the labels of 25 articles of clothing at home and graph the results on a bar graph.

**Time:** 90 minutes

**Materials:** Internet access, Clean Clothes Campaign Report of Thailand, Factory Research Questions

Lesson Two:

## “Factory Research”

# Lesson Plan

√ **Procedure:**

1. In pairs or small groups, students should choose a company with factories in Asia to research. Possible companies include: Nike, Adidas, Gap, Ralph Lauren, Benneton, Levis, WalMart, Kmart, and Patagonia. There are several sweatshop watchdog groups, which provide information about factories overseas. Students may do their own independent research if there is access to the internet or the teacher may copy the *Clean Clothes Campaign Report of Thailand* ahead of time for students to use.
2. Students should answer as many of the following questions as possible:

- Where is the factory?
- What do they produce at the factory?
- How many hours a day/week do laborers work?
- What are the working conditions like?
- Are there any benefits (health, education)?
- How old do you have to be to work?
- How much are they paid?
- How much do they need to survive?
- What is one other interesting fact that you learned?

3. Students should present their results to the rest of the class.
4. Discuss students’ findings and connect this to the idea of a global economy.

- What would happen if workers were paid more? How would that effect the price of products?
- How do sweatshops impact the students?
- How are they connected to the laborers in SE Asia?

√ **Assessment:** Evaluation is based on student research, responses to questions, and presentations.

√ **Homework:** Students should reflect on what they learned and discuss any questions that they have.

*Suggested Internet Sites:* <http://www.cleanclothes.org/companies.htm>; <http://www.sweatshopwatch.org/swatch/industry/>; <http://www.corpwatch.org/nike/>; <http://www.hartford-hwp.com/archives/54/105.html>; <http://www.saigon.com/~nike>.

**Time:** 90 minutes

**Materials:** Samples or examples of money from various Southeast Asian countries, Country fact sheets, Internet access or current newspaper with currency exchange rates

Lesson Three:

## “How Much is That Really? Local Currencies”

√ **Procedure:**

1. Display several examples of Asian currency.
2. Ask students to try to identify where they think each currency comes from and to guess how much of each it takes to equal one US dollar. Students should record their estimates.
3. Define the following vocabulary words: currency, per capita income, living wage, exchange rate, denomination
4. In small groups students should research an Asian country/currency and answer the following questions:

- What is the local currency called?
- What images appear on the currency? What do they represent?
- What denominations does it come in?
- Are there coins and/or bills?
- What is the exchange rate to US \$1?
- What is the exchange rate to US \$100?
- What is the annual per capita income?
- Does the factory you researched provide more or less than the annual per capita income?

5. Small groups should share their findings with the entire class. Then lead the class in a discussion of the following questions.

- What were some of the images you found on the money?
- What images appear on US dollars and coins? Why are those images important to Americans?
- What can you learn about the country you researched from the images on their money?
- Why does it take so much of the Southeast Asian currency to equal a dollar?
- Does the exchange rate change?
- How does the changing of the exchange rate illustrate globalization?

- √ **Assessment** is based on participation, currency research, and answers to questions.

- √ **Homework:** Students should respond to the following questions: Why don't all sweat shops pay a living wage? Do you think anything should be done about it? Please explain in detail.

*Resources: color copy of money, samples of paper money from many countries are available online at: <http://aes.iupui.edu/rwise/notedir/asiaandmiddleeast.html>. The CIA World Factbook contains economic information listed by country; the 2001 edition is available online at <http://www.odci.gov/cia/publications/factbook/index.html>*

Lesson Four:

**Time:** 90 minutes

**Materials:** Readings on Sweatshops: *Sweatshops: The price of progress, Hell No, We Won't Sew, Sweatshop Protests Unwarranted, Investors Take a Stand Against Sweatshops*, and *Boycott Nike*. Homework article: *'Sweatshop' Protests Raise Ethical and Practical Issues*.

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## “Multiple Perspectives on Sweatshops: Jigsaw Reading Activity”

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√ **Procedure:**

1. Divide the class into 4-5 groups of 4-5 students depending on class size.
2. Give each group a different reading on sweatshops.
3. As a small group they should read and agree upon the main points of their article, all group members must understand the article since they will be explaining it to their peers separately.
4. Once they are done, assign each student in each group a letter (a-d/e); all of the students who have the letter A, one from each reading group, should form a new group. *If you do not have 16 or 25 students then you will either have groups with an article not represented or have 2 representatives with the same article, it works either way.*
5. In their new groups students should present their articles and together answer the following questions:

- What is the perspective of each article? Briefly summarize each perspective.
- Why do you think there are so many perspectives on the same issue?
- What perspective does each group member agree with? Why?
- Do you think a compromise can be made between these divergent perspectives? Please explain.

6. At the conclusion of the jigsaw, as a class, discuss the various perspectives represented.
7. Students should write their own perspective on sweatshops. They may use information presented in any or all of the articles or add additional information. What suggestions do they have to solve the dilemma?

√ **Assessment:** Evaluation will be based on participation, group work, and responses to questions.

√ **Homework:** Read *'Sweatshop' Protests Raise Ethical and Practical Issues* and respond to the article by writing a letter to the administrators of the college.

*Additional articles may be found in newspapers, magazines or on the Internet.*

**Time:** 90 minutes

**Materials:** Space to create a role play or fishbowl (large circle surrounding a small circle)

Lesson Five:

## “Insider/Outsider”

√ **Procedure:**

1. Ask students to write about sweatshops from one of the following points of view (these may be assigned or chosen).

*American high school student*  
*Owner of the GAP*  
*Thai child laborer*  
*Unemployed Thai worker*

*American labor union member*  
*Thai government*  
*Human rights activist*  
*Unemployed American worker*

2. Next, ask for a volunteer to express the perspective of each of the groups.
3. Ask the class to form a large circle with their desks, the volunteers should form a small circle inside the large circle (a fishbowl).
4. The outside circle should listen and jot down notes while the inside group holds a meeting role-playing the above constituents. The inside group should discuss the following: The Gap wants to open a factory in Thailand, what concerns should it take into consideration? (What wages should be paid? What hours should laborers be required to work? Can there be unions?.... )
5. This activity may also be done as a drama game of tag. At any point in the discussion the teacher may say freeze. All students must hold their positions and their tongues! A member of the outer fishbowl may then replace a member of the inner circle and the freeze is lifted with a slightly different configuration.
6. Follow with a whole class discussion using the following questions as guides:

- Was this a realistic meeting? Why or why not?
- What issues were raised?
- Who was right?
- Is there one right? Is there one perspective?
- How do you compromise?
- As an outsider, what is your perspective?
- Do you think it would be different if you were an insider? Please explain.

7. Students should conclude with a written reflection of the activity.

√ **Assessment:**

Assessment should be based on writing and participation in the fishbowl exercise.

- √ **Homework:** Write about a conflict, which you had from your perspective (insider). Then write about the same conflict from an outsider’s point of view. Finally reflect on the impact of examining situations from multiple perspectives.

**Globalization: The Garment Industry in Southeast Asia  
Factory Research Questions**

**Worksheet**

1. What is the name of the factory and where is it located?
2. What do they produce at the factory?
3. How many hours a day/week do laborers work?
4. What are the working conditions like?
5. Are there any benefits (health, education)?
6. How old do you have to be to work?
7. How much are they paid?
8. How much do they need to survive?
9. What other interesting facts did you about the factory?
10. From what you have read, what is your assessment of the factory?



IN THE NEWS

## American Samoa: Vietnamese Workers Have Nowhere to Turn

By John Gittelsohn  
*The Orange County Register*  
January 28, 2001

### Related Reading

More than 250 Vietnamese garment workers are stranded in American Samoa, lacking money, jobs and fearful of punishment if they return home.

They became castaways in the South Pacific through a Vietnamese government program created to send 1 million workers overseas by the year 2010, an effort to find employment for a labor force swelling by 1 million people a year. They are caught in an American anomaly: recruited by the Vietnamese government to work for a Korean-owned company in a semiautonomous U.S. territory 5,000 miles from North America to sew "Made in USA" clothing for J.C. Penney stores.

The workers - mostly women - have sued their employer, Daewoosa Samoa, for nonpayment of wages, poor working conditions and brutality by their bosses. The trial is expected to continue into February.

One worker, Quyen Truong Thi Li, was beaten so badly in a fight between employees at the plant last November that she lost her left eye. A Baptist church in Hawaii paid for her to go the islands last week to get an artificial implant. "We're so far away from everything, and so small, that nobody sees what's going on," said Virginia Sudbury, an attorney for the workers in Pago Pago, the capital of American Samoa. Vietnamese-Americans in Orange County say the seamstresses' plight illustrates the perils of Vietnam's overseas labor program. Local Vietnamese media have carried appeals for money, translators and other assistance on the workers' behalf.

"I don't think Vietnam has taken a role to ensure its people are protected and respected as

laborers," said Daniel Do-Khanh, a Westminster attorney and Little Saigon activist. "That's why we make an issue of American Samoa."

American Samoa, a palm-fringed Polynesian archipelago halfway between Hawaii and New Zealand, seems like a paradise compared to other places Vietnamese workers are being sent these days - Laos, Libya, Senegal. Last year, 40 Vietnamese women hired as domestic workers in Taiwan complained that their employers beat, starved or sexually abused them.

American Samoa law requires employers to follow U.S. Department of Labor standards, such as providing overtime pay after 40 hours, workers' compensation insurance and decent housing. But the minimum wage there is \$2.60 an hour - half the \$5.15 minimum on the U.S. mainland.

Vietnam's minimum wage is \$15 a month - about 10 cents an hour.

American Samoa sought foreign manufacturers to diversify its economy, which depends mostly on tuna canning. The attraction is quota-free and duty-free exports to the United States.

Chinese-American garment maker BCTC imported about 150 workers from mainland China to American Samoa in 1995 but closed in 1998. Daewoosa opened in 1998, with 73 Vietnamese seamstresses, growing to 251 last year.

Daewoosa workers first appealed for legal help from Sudbury in February 1999, complaining that they had received no pay and were threatened with being sent back to Vietnam. In June 1999, the U.S. Department of Labor fined Daewoosa \$175,000 for failing to pay back wages. In June 2000, the Department of Labor fined Daewoosa an additional \$580,000. Last August, Daewoosa attempted to repatriate 38 workers accused of fighting, lacking sewing skills, stealing, being "a bad influence" or being pregnant.

The factory was new and airy, but the Vietnamese workers complained of being confined by barbed wire to an industrial zone, housed in cramped, rat-infested dormitories and fed meatless meals of rice gruel. Violence flared

Nov. 28 between Vietnamese and Samoan workers in the company cafeteria, with several workers injured and Quyen losing her eye. "I've never encountered a situation like this," said Frank Strasheim, a veteran of 28 years with U.S. Occupational Safety and Health Administration, which is scheduled to conclude an investigation of conditions at Daewoosa next month. "This is the kind of thing like you see in the movies - workers beaten, deprived of food, a curfew. It's shocking."

The seamstresses' contract with their Vietnamese recruiter, International Manpower Supply, guaranteed they would earn a minimum \$408 a month plus payment for overtime work. Daewoosa would cover the cost of their meals and housing. After completing a three-year contract, they would receive return air fare from American Samoa.

But about half the workers' wages went to repay International Manpower to cover the \$5,000 costs of recruiting, visa processing and transportation. If a worker failed to complete her job on time, the contract required relatives in Vietnam to repay the \$5,000 plus return airfare - another \$1,000 because of Samoa's remote location. Many workers complained that they had never received any money.

Grover Joseph Rees, counsel for the U.S. House Subcommittee on Human Rights, holds the Vietnamese recruitment agencies responsible for the plight of the seamstresses and said the workers might be eligible for asylum under a new U.S. law that grants harbor to victims of human trafficking.

"A government agency was actively involved in trafficking its own people into what they had to know amounted to slavery," said Rees, who visited American Samoa this month to investigate the case. "They kept sending people after they knew workers were not paid, were locked up and beaten if they tried to escape the complex."

Vietnamese officials in Washington and Hanoi did not respond to questions from The Orange County Register for this story.

On Jan. 12, a judge removed Daewoosa from its

Korean owner, Lee Kil-Soo, and assigned the company to a receivership, American Samoa's version of bankruptcy protection. Lee must decide Tuesday whether to sell the company's assets or lose it.

Jim Fones, manager of American Samoa's shipyard, was put in charge of Daewoosa and closed the factory Jan. 18, because he had no money to buy materials or pay wages. A J.C. Penney attorney wrote him that the company would not accept Daewoosa clothing because it was manufactured in violation of U.S. labor laws.

Some of the seamstresses have found jobs as housekeepers. A few have been caught stealing coconuts and bananas from orchards, ruffling relations with native Samoans. Most depend on church donations for food.

"I'll make sure they get fed," Fones said in a phone interview.

American Samoa officials blame mismanagement and language barriers for Daewoosa's problems. Lee, a fisherman, had no experience as a garment maker and speaks neither English nor Vietnamese. There are no records to show whether he posted a required bond so workers could go home if the business went bad, Fones said.

Governments are at a standoff over helping the workers. Court efforts to obtain cash for Daewoosa from South Korea have gone nowhere.

The Vietnamese Embassy in Washington issued a statement in December asking the U.S. and American Samoan governments to protect the rights and safety of its workers in American Samoa.

Washington has not offered to return the workers to Vietnam. In mid-January, American Samoa asked the Vietnamese Embassy to pay for the workers' return.

"We haven't received a response yet," said Jerry Kappel, legal counsel to American Samoa's governor. Vietnam continues to regard American Samoa as a job destination. An employment recruiter for Tourism Co. 12, a subsidiary of Vietnam's National Administration of Tourism,

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scouted American Samoa in December and January, Kappel said.

A Jan. 14 report by the government-run Vietnam News Service concluded: “American Samoa is a potentially lucrative labor market, with several factories under construction that will need 3,000 overseas workers.”

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## Vietnam: New Export, People

By John Gittelsohn

*Orange County Register*

January 28, 2001

Overseas or guest workers have become a fixture in today's global economy, filling labor shortages in agriculture, construction and high-tech industries.

Vietnam plans to become one of the world's largest labor exporters, sending 1 million workers overseas by the year 2010.

"Sending laborers to work abroad is one of Vietnam's major efforts to settle issues of employment, especially for young people,"

Prime Minister Pham Van Khai said last year.

The Vietnamese Ministry of Labor, War Invalids and Social Affairs reported about 32,000 overseas workers last year, up from 22,000 workers who sent \$220 million home in 1999.

Leading destinations for Vietnamese workers were South Korea, Laos, Japan, Taiwan, Libya, the United Arab Emirates, Senegal and Pacific island nations and territories.

They worked in construction, manufacturing, sea transport, seafood processing, health care and agriculture.

Per capita income in Vietnam averaged \$370 in 1999, or about \$1 per day, according to the World Bank.

The average annual per capita income in Asia was \$1,000.

This month, a Hanoi company named Trancimexco announced it was negotiating to find 100 jobs in the United States for computer engineers, nurses, salespeople and sailors.

"The U.S. is a huge market we cannot afford to miss," Le Quoc Khanh, an official with

Trancimexco, told foreign reporters in Hanoi.

Khanh, whose company is among 159 licensed by Vietnam to send workers overseas, said he was negotiating with Uni Enterprise

International Inc. in Philadelphia and Miami Overseas Services in Florida. Florida records list no company called Miami Overseas Service, and Uni Enterprise recently vacated its office without leaving a forwarding address.

Officials at the Vietnamese Embassy in Washington said they had no knowledge of the efforts to find jobs for their nationals in the United States.

"All we know is what has been in the press," said Thong Nguyen, an embassy spokeswoman. Before communism collapsed in 1989, Vietnam had about 300,000 workers in Eastern Europe. Thousands of Vietnamese workers were caught in Kuwait when Iraq invaded in 1990.

But Lan Quoc Nguyen, a Westminster attorney and refugee advocate, was skeptical that Vietnam could become a legal source of U.S. workers.

"They don't have the training. They don't speak English," he said.

"I doubt any will set foot on the continental U.S."

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## El Monte Thai Garment Workers: Slave Sweatshops

By Julie Su, Sweatshop Watch Board Member/Asian Pacific American Legal Center

On August 2, 1995, the American public was horrified by press reports about the discovery at an apartment complex in El Monte, California, of seventy-two Thai garment workers who had been held in slavery for up to seventeen years, sewing clothes for some of the nation's top manufacturers and retailers. The workers labored over eighteen hours a day in a compound enclosed by barbed wire. Armed guards imposed discipline. Crowded eight or ten into bedrooms built for two, rats crawled over them during their few precious hours of sleep. From their homes in impoverished rural Thailand, these women and men had dared to dream the immigrant's dream—a better life for themselves, hard work with just pay, and decent living conditions. What they found instead was an immigrant's nightmare—a garment industry that reaps exorbitant profit from its workers, organized to disclaim any responsibility for the inhumane consequences. Starvation wages, long hours, and illegal working conditions are standard business practices in the industry, and the El Monte story has helped to dramatize public awareness of these crimes. But the story told here is about how workers have endured, and have mobilized to bring about change. The Thai workers were industrial homeworkers, forced to eat, sleep, live and work in the place they called "home." The slave labor compound where they were confined was a two-story apartment with seven units, surrounded by a ring of razor wire and iron guardrails with sharp ends pointing inward. Their captors, who supervised garment production and enforced manufacturer specifications and deadlines, ruled through fear and intimidation. Workers

were forbidden to make unmonitored phone calls or write uncensored letters, and were forced to purchase goods from their captors, who charged four to five times the market price for food, toiletries, and other daily necessities. Living under the constant threat of harm to themselves and to their families in Thailand, they labored over sewing machines in dark garages and poorly lit rooms, making clothes for brand-name manufacturers sold in some of the biggest retail stores in America: labels like **Tomato, Clio, B.U.M., High Sierra, Axle, Cheetah, Anchor Blue, and Airtime**. Many of these labels are privately owned and sold by well-known retailers—**Mervyn's, Miller's Outpost, and Montgomery Ward**. Others are sold on the racks of May department stores, **Nordstrom, Sears, Target, and elsewhere**. Immediately following the disclosure of conditions at El Monte, Sweatshop Watch, a coalition of organizations, attorneys, and community members, mobilized to bring support and social and legal services to the Thai workers with the aim of securing their release from further detention at the hands of the Immigration and Naturalization Service (INS). Formerly known as the Coalition to Eliminate Sweatshop Conditions, Sweatshop Watch was formed in 1992 as a state-wide network. Southern California members include the Asian Pacific American Labor Alliance, Asian Pacific American Legal Center, Coalition for Humane Immigrant Rights in Los Angeles, Korean Immigrant Workers Advocates, Thai Community Development Center, and UNITE. Northern California members include the Asian Immigrant Women Advocates, Asian Law Caucus, and Equal Rights Advocates, among others. Working around the clock, members of Sweatshop Watch demanded to meet with the Thai workers in INS detention to advise them of their legal rights and to advocate for their release. In detention, the workers were frightened and bewildered. Forced to wear drab yellow prison uniforms, they were

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shackled by the INS each time they were transported from federal detention at Terminal Island in San Pedro to the downtown Los Angeles facility. Using a makeshift office consisting of the pay phones in the INS basement waiting room, Sweatshop Watch broadcast the message that continued imprisonment of the workers was not only inhumane, but also conveyed the wrong impression about justice in the United States: that workers who have been exploited and abused will be punished further and sent to the INS if they come forward. This practice discourages workers from reporting labor and human rights abuses, and pushes operations like the El Monte slaveshop even further underground. With the help of the news media, which focused public scrutiny on the inaction of federal agencies, Sweatshop Watch held the INS office open into the wee hours of the morning and refused to accept any bureaucratic excuses for denying the workers their freedom. After meeting with federal prosecutors and public defenders to obtain bail reduction for each worker from \$5,000 to \$500, an appeal was sent out to the community that bonds were needed. Sweatshop Watch members themselves posted over fifty bonds. Churches, shelters, supermarkets, and hospitals stepped forward to help provide transitional housing, emergency food and clothing, and medical care. One worker, whose teeth had rotted from long neglect and who had extracted eight of his own teeth while confined in El Monte, received a brand new set from a generous dentist. Taking the lead from the Thai Community Development Center, Sweatshop Watch conducted a job search on behalf of the workers. This was no mean task in the garment industry, since it meant locating jobs that pay the minimum wage and overtime in shops that comply with health and safety laws. All of the Thai workers were re-employed within two months, a testament to the efforts of the community-based organiza-

tions working in coalition.

After the August 2 raid, eight of the immediate operators of the slave sweatshop were taken into federal custody, charged with involuntary servitude, kidnapping, conspiracy, smuggling, and harboring of the Thai workers. In February 1996, they pled guilty to—among other charges—criminal counts of involuntary servitude and conspiracy. The courageous testimony of the Thai workers made this criminal case possible, but their legal struggle has not ended there. As heinous as the conduct of the sweatshop operators was, it represents only the outward continuum of abuse in the garment industry. The true culprits responsible for slave labor in California are the retailers and manufacturers.

The El Monte compound was just one unit of a slave sweatshop operation which, as early as 1988, ran various locations in downtown Los Angeles, where Latina and Latino workers toiled long hours seven days a week for subminimum wages in unsanitary and degrading conditions. Each location performed a different role in the garment manufacturing process, together constituting one business operation sharing common ownership, control, coordination, and assets. The Latina workers downtown sewed buttons and buttonholes and performed ironing, finishing, checking, and packaging. The El Monte site was one of the locations where cut cloth was actually sewn into garments. The garment manufacturers employed the Thai and Latino workers' services through enterprises supervised by the sweatshop owners, operating as SK fashions, and D&R Fashions. Their downtown facilities, with fewer than ten sewing machines between them during all of 1995, could not possibly have produced the volume of garments, to the quality and specifications, with the turnaround time demanded by manufacturers. In fact, clothes were sent from these front shops to El Monte and another unregistered production site to be sewn to manufacturers' specifica-

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tions and patterns. The manufacturers' quality-control inspectors either knew or should have known that the orders they were giving to the sweatshop operators could not possibly have been filled at the downtown front shops. Had manufacturers taken their legal responsibilities seriously, the El Monte slave site would have been discovered and the workers' suffering ended much sooner.

The example of El Monte demonstrates how easily illegal conditions in the garment industry can deteriorate from sweatshop to slaveshop under the existing industrial system. In response to this system, the Thai and Latino workers have filed a landmark civil rights lawsuit in Federal District Court in Los Angeles. Peonage and involuntary servitude violate the U.S. Constitution and many other laws: the Racketeering Influenced and Corrupt Organizations Act (RICO), the minimum wage and overtime compensation requirements of the Fair Labor Standards Act and the California Labor Code, federal and state prohibitions on industrial homework, false imprisonment, extortion, and unfair business practices. The lawsuit holds responsible not only individual operators of the slave sweatshop but also the manufacturers and retailers whose profits were secured on the backs of slave labor. In addition to their immediate captors, the Thai and Latino workers have named Mervyn's, Miller's Outpost, B.U.M. International, Montgomery Ward, Tomato, L.F. Sportswear, New Boys, and Bigin in their suit.

The lawsuit strikes at the heart of the so-called subcontracting system endemic to the multibillion dollar garment industry, whereby sweatshop operators act, in effect, as supervisors and managers of labor on behalf of manufacturers and retailers, who exercise all meaningful control over the industry. The lawsuit charges that the latter are actually joint employers of garment workers and as such, bound by all the provisions of federal

and state labor laws. Manufacturers counterclaim that sweatshop workers are not employees but, rather, independent contractors. However, nominal contracting relationships are routinely ignored under both federal and state law, where an analysis of the factors underlying the relationship belies the independent contractor status. Thus, manufacturers employed these workers in violation of the Fair Labor Standards Act, the California Labor Code, the Industrial Homework Act's prohibition on homework, and the Garment Manufacturing Registration Act's requirements on wages, hours, safety, and registration. To the response that sweatshop operators were paid the "industry standard" or "fair market value," the lawsuit charges that, in an industry where all prices are substandard and artificially depressed by rampant abuses, the "industry standard" itself is an illegal one. Indeed, this response only highlights workers' points that manufacturers sustain and profit from an industry that operates outside the law.

So far, the workers can claim several victories, including a number of settlements critical in helping them rebuild their lives. In March 1996, the manufacturers and retailers sought to have the case dismissed, claiming the workers had no basis for bringing them to court. The U.S. District Court refused to grant the motion, rejecting the manufacturers' argument that they cannot be deemed joint employers. This decision was a major setback for the manufacturers and retailers, who have hired some of the most upscale law firms in California to defend them, firms that have flooded the workers with endless discovery requests and withheld crucial information on the companies' actual practices. In June 1996, the Latino workers employed at the downtown facilities joined the Thai workers in their legal battle. The inclusion of the Latino workers in this suit sends a broader warning to manufacturers and retailers throughout the industry. In March 1997, the trial judge refused to dis-

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miss the workers' claims that violations of the hot goods provision of the FLSA by retailers constitutes negligence: if sweatshop owners are the agents of retailers, then these violations do fall under the contracting relationship. With this important hurdle crossed, the case proceeded to summary judgement in the summer of 1997.

On trial here are not simply the conditions of involuntary servitude behind barbed wire, but all sweatshop conditions throughout the garment industry. In filing this lawsuit, the workers are suing not only to win back wages, but to put the entire industry on notice that this kind of exploitation must stop. While the Thai workers have come a long way in the last year—they have been studying English, taking the bus to work, paying their own bills, buying their own groceries—they have also entered the unenviable world of immigrant garment workers, who toil long hours and struggle to survive on the minimum wage. Their freedom from enslavement has not meant freedom from poverty or a host of other problems stemming from the long years of neglect to their health, physical exhaustion, and psychological abuse. It is difficult to evaluate the emotional costs of their ordeal, and impossible to place a monetary value on each day of freedom from which they were deprived.

In the face of anti-immigrant hysteria, these Thai and Latina workers are defying attempts to divide them along ethnic lines, and are appealing to U.S. law to remedy the kind of labor abuses that permit powerful forces to blame the victim. When workers face retaliation, intimidation, or deportation for standing up for their rights and pursuing legal redress, garment industry giants will continue to exploit them with impunity. With this lawsuit, the Thai and Latina workers say, "no more."

One-time handouts will not change the structure of an industry explicitly organized to protect profit and privilege and to depress

wages and working conditions. Government forums and calls for good corporate consciences are not enough. Manufacturers and retailers will continue to flagrantly disregard the law as long as they can get away with it. The workers' lawsuit is a warning that is long overdue. It is high time these corporate employers invested as much in the basic dignity of the workers who make their clothes as they invest in lawsuits to silence workers, creative advertising, and fancy marketing techniques.

<http://www.sweatshopwatch.org/swatch/campaigns/elmonte.html>

## Clean Clothes Campaign: NEWSLETTER 13 NOVEMBER 2000

### THAILAND

In April 2000 a Belgian TV crew reported on labour conditions in the sportswear industry in Thailand; looking into the compliance at the factory level with the Code of Conduct of Nike and Adidas. They were accompanied by Nike's management in Thailand to some of the factories where Nike is sourcing. Adidas refused entry to their suppliers. The TV crew conducted interviews among others with the management and workers of several factories. The documentary was aired on Belgian national TV during the European Championship Football. A researcher from the Clean Clothes Campaign went with them.

Nike's footwear is being sourced from 6 countries, 13-15% of which is being sourced from Thailand. Adidas stopped sourcing its footwear from Thailand all together and turned even more to countries like China and Vietnam, countries where reports show labour rights are much violated and trade unions are state controlled. Both companies are sourcing garments from several factories in Thailand. Nike management in Thailand named the political stability of the country, efficiency and quality of production as decisive factors to keep production in Thailand. The central question during our investigation concerned the implementation of the Code of Conduct of sportswear producers like Nike and Adidas. Are they really being implemented as Nike and Adidas have consistently assured its customers? Or are labour rights consistently violated inside footwear factories as the Clean Clothes Campaign claims, or is it more like Nike's management in Thailand says, "Nike did not exploit any worker. Mistakes have happened, but no-one of us is perfect." We also looked at whether workers can live on the wages they earn. According to the management of the factories they can. Nike's management goes even further and says "the wage is set at such a rate that workers can have a really comfortable living. They are quite well paid."

### Nice apparel

Nice apparel is one of the three factories of one larger company. Their main expertise is active sportswear for example for football, golf and tennis. They produce for Nike, Adidas, Fila, Reebok, Puma, GAP, JC Penney and Kostner. 60% of their export goes to the US, 30% to Europe and 10% to Japan. They have built up the company from scratch and the owners feel still a "close contact with the workers" although they now employ more than 5000 workers.

At the entrance to the factory the Code of Conduct of Nike, Adidas and Reebok (in Thai) and Puma (in English) can be found on large billboards. Recently, the Code of Conduct has more and more impact according to the management of the factory.

Companies like Nike, Adidas and Puma will have people like PwC who come to the factory and control the labour conditions. This monitoring will only grow in the future. "We explain the contents of the Code of Conduct to workers, these are customers requirements."

This sounded interesting and we wanted to ask workers outside of the factory if they knew about the Code of Conduct and how it was implemented. In the beginning no-one dared to answer questions. Finally we talk shortly to one worker who has been with the factory for 7 years and tells us that mostly she works from 8 o'clock in the morning until 9 or 10 o'clock at night. Overtime cannot be refused. She knows of the existence of a Code of Conduct, but when asked, she does not know what it is about.

When we come back later in the evening to film the workers coming out of the factory the security calls management and we are asked to leave the surroundings of the factory. It seems that only management is allowed a close contact with the workers.... It is now 9 o'clock. Often they come out of the factory even later, we are assured by the food vendors outside the factory. A normal legal working week is 48 hours (or 8 hours a day, from Monday to Saturday). But with overtime, it can go up to 84 (i.e. 14 hours a day) according to the Thai law. The codes of conduct suggest that a working week should not exceed 60 hours, but people sometimes work on Sundays, and overnight if necessary. Different sources report that 80% of Thai garment and sportshoes workers do overtime. They are not only forced to do it to provide for themselves, they also

say that they are forced to stay at work by the managers, because they can be dismissed if they refuse to.

What made us wonder even more about the implementation of a Code of Conduct in this factory was Nike's management who came with us to the factory and, while waiting for the management of the factory, told us: "Don't ask the workers about trade unions, it is a sensitive issue and will upset the management". The factory manager told us, when asked about trade unions, that these associations have no impact on the company's strategy and he doesn't negotiate with them.

*One line with 35 workers makes 250-300 Nike jackets per day. On the minimum wage, they will get 0.60 US dollar for one jacket. The factory will get about 12 dollars per jacket (this includes the transport of the jacket to the boat). Nike will sell this jacket for much, much more.*

### Saha Union

Union footwear is part of Saha Union, one of the two large footwear producing groups in Thailand. According to their annual report Saha Union manufactures over 6 million pairs of shoes per year. In this factory there are 4015 persons working, of which 79% are women. 61% are under 25 years of age. We are shown the whole factory, there is a dormitory on the factory compounds and numerous other facilities such as a canteen and a shop. We see the Nike's Code of Conduct on the wall. We speak with a few women during their lunch break who are all wearing a nameplate with Nike's code written on the back. When asked what their nameplate says, no one really knows. "Yes, I know what a Code of Conduct is. It means working very hard and make good quality of shoes." "these are regulations we have to follow". One of the women just started 2 months ago at the company and is earning 130 Baht per day. This is beneath the minimum wage, apprenticeship pays less. Several workers have told us, also in other factories, that workers are often rehired as apprentices a second time, for 4 months, although the legal period is only 4 months. The woman we are talking to has to wear an uniform and took out a loan of 2000 Baht to pay for this. Chakkarat Union Footwear is part of Union footwear and was established a year ago. The factory compounds are built on the grounds of the PDA, a government related NGO. The factory is in a rural area, about 5 or 6 hours on the road from Bangkok. There are 524 workers here, who work on upper part,

the most labour intensive part of the shoe. The minimum wage is lower in this part of Thailand, 140 Baht against 162 Baht in Bangkok and companies get incentives for starting production outside of Bangkok. In this factory sportshoes are produced for Nike. It is a model factory, at least looking at it from the outside... But is it? Talking to the workers and their families in the community nearby shows a much harsher reality.

According to the management the workers will make up until 4500 Baht per month, working 6 days a week 8 hours per day. The workers themselves say they only make minimum wage and will only be making more money with the overtime they are doing. The village nearby the factory has been chosen as the place for a development project by the PDA supported by Nike. The objective is to improve the villagers' living conditions thanks to micro-credits granted to buy some hens, ducks, cattle, as well as all sorts of facilities meant to improve cultivation and education. Nike's financial involvement is splashed across numerous billboards, showing Nike's symbol, the swoosh. Very nice, but how fare the workers in the factory?

A man tells us his daughter works in the factory. She will earn about 140 baht per day. This is less than she would make when working on the field. Without overtime it would be not possible to live on this wage. Another man tells the same story about his 2 nieces. They both work in the factory and will make no more than 140 baht a day, too little to live on he says.

Safe and healthy working conditions are covered in most Codes of Conducts and have been one of the corner stones of Nike's policy. When we walk into the factory the first thing we see is 6 women who are working on the loop at the back end of the shoe, which they burn together, with no protection for their fingers. Their fingers are swollen and scarred. The Nike management nor the management of the factory have noticed this, or are very worried about this when this is pointed out to them. The women execute these delicate operations without gloves or other protection all day long.

Asking the workers about the Code of Conduct they do not know what it is. When asked about some demands in the Code of Conduct they do not know what it means either.

*They make only the upper part of the shoe, one line of 100 workers (60 are stitching and 40 are cutting) on average makes 800 pairs of shoes per day which*

*is 8 per day. The workers will get then 0.45 US dollar per pair of shoes. The factory gets per pair of shoes*

*9-20 dollar (including transport to the boat). These shoes are sold for about 100-150 US dollar.*

We also went to a subcontractor, where we were not invited by Nike.

This factory is very small, the floors are covered with materials, there is a lot of dust. This factory looks worse than the other factories we've been to. It produces garments for Nike, adidas and Puma. One of the women tells us that if they don't do overtime they get into trouble. "If we really can't do it we're sacked." They work overtime almost every day and nearly always until 8 or 10 o'clock at night. Most workers do not like to work that late, one of the reasons is that they can't find transportation anymore. She tells that trade unions are not allowed in the factory. In the factory there is only control by the subcontracting factory, never by auditing firms or the companies themselves. Also there is no sign of a Code of Conduct in the factory. Part of the production is done by workers on a daily wage, part by workers on piece rate. The quotas are set so high that it is difficult for workers to reach it. Some of the workers earn as little as 80 baht per day. When working from 8 in the morning until 10 o'clock in the evening they manage to make the quota. Even when making the minimum it is hard to make ends meet. The minimum wage has not been increased for the last 3 years, and due to inflation their real wages have decreased.

### **Her expenditures per day:**

transportation costs: 10 baht per day

2 meals in the day: 50 baht per day

2 children to go to school: 80 baht per day

Dinner : 40 baht per day

This already amounts to 180 baht per day. Even without the costs for her house, for clothes etc, etc, she will not manage to pay without working overtime over her 48 regularly hours. Needless to say that this woman works very long hours, every day...

Most of the workers we talked to were not very informed about their rights at all. None of the workers in the above mentioned factories seem to be aware of the contents of a Code of Conduct. In the above mentioned factories there are no trade unions, nor did it seem that the environment was very open to their establishment. It may come as no surprise that in footwear factories in Thailand there are no trade unions at all and in garment factories they are very

scarce.

Most of the workers worked long hours, far more than the Codes of Conducts prescribed.

Workers will mostly work the overtime without complaining as their normal salaries will not cover basic needs for them and their dependents. But when they want to refuse this it is often not possible.

**The Village Voice**  
**February 12, 2002**

**SWEATSHOP BLUES**

**Andrew Friedman**

Citizens asserting their constitutional right to assemble were met with a veritable NYPD fashion show this week. Kitty Yee, a 46-year-old garment worker from Rego Park, lost her job in mid November, when the recession-battered shop in Long Island City where she made uniforms for postal workers closed its doors. She came to 54th Street and Fifth Avenue to protest the use of sweatshop labor abroad by the Gap and companies like it.

Like everyone who ventured into militarized midtown this week, Yee, the members of UNITE local 23-25 with whom she came, and a thousand supporters found themselves instantly corralled behind barricades and dispersed over several blocks along the eastern side of the street. Police officers lined the glittering glass facades around them. The cops wore navy blue pants, stiff shirts, caps, shiny hats with gold bands, flak jackets, ankle-length raincoats, thick gloves, snappy windbreakers, and skinny ties as they urged those not inside the barricades to hustle down the Great Wealth Way, past the speeches about the injustices of sweatshop labor. The irony was that some of the NYPD's uniforms are undoubtedly made by sweatshop labor.

NYPD gear is manufactured by a constellation of contractors and subcontractors scattered across the globe. Since companies traditionally have not been required to divulge their factory locations, it is almost impossible to say for sure where the uniforms are coming from. But UNITE uniforms coordinator Dan Hennefeld says non-union contractors such as Liberty Uniform Manufacturing Company and the massive, North Carolina-based apparel manufacturer VF Corp. raise alarms.

"VF is a company that sources products all over the world, including in countries where sweatshop conditions are frequently found," Hennefeld says. "They produce in China, Bangkok, Caribbean basin countries, Pakistan. These are countries that companies don't go to searching for good labor

conditions."

What may come as a surprise is that a law to ensure that uniforms are manufactured under good labor conditions has been on the books in New York City since April. Sponsored by former city council speaker Peter Vallone and passed over a Giuliani veto with broad union support, the measure declares that the city "should choose to allocate its purchasing dollars in order to enhance, rather than degrade, the economic and social wellbeing of people."

To this end, the law mandates that contractors chasing the city's lucrative \$68 million-a-year uniform business pay their workers in the U.S. a "non-poverty" wage of "no less than \$8.75 an hour, of which \$7.50 must be paid in hourly wages," and pay workers abroad a wage "sufficient to ensure that a family of three does not live in poverty." They must comply with all health, labor, environmental, and safety laws. Or they'd have to, that is, if city officials—including Comptroller William Thompson and Mayor Michael Bloomberg, neither of whom returned calls—would start to enforce the law. Under the act, contractors must reveal their list of subcontractors to the comptroller and open themselves to independent inspections. Violators would have to pay a \$5000 fine for false statements and face losing their contracts.

Some uniform companies aren't eager to discuss the measure. After relaying the topic to her bosses, a woman at Leventhal said, "They do not want to talk about it." A VF official stopped returning messages.

Liberty vice president Steven Robinson says his company sells \$50,000 in jackets to the police department in a good year. The company manufactures 90 percent of its garments in South Carolina and Mexico, he says, abiding by local minimum wage laws, but because his partner oversees that side of the business, he could not provide details. He is the first to say he hates unions, with whom he says he had bad experiences doing contract work in Manhattan in the '70s. He says the anti-sweatshop law is unenforceable.

"Every single company will say yes, they're doing everything and that they're positive," says Robinson, speaking from his offices in Huntington, Long Island.

“That’s bullshit. Literally you’re talking about Myanmar, which I learned was Burma two weeks ago, Pakistan, India, Africa, Russia, the deep bowels of China, you mean to tell me that people are going to monitor all that? No way. You physically can’t do it. You just have to assume that you’re dealing with reliable operations.”

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