

Sweatshops: A Dirty History of Discrimination and Ignorance

Amanda Wilson

Abstract

This essay examines the use of sweated labour as part of modern capitalist society, while focusing on the apparel industry. It undertakes a historical overview of sweatshops and an exploration of the causes of their existence. It is argued that modern apparel sweatshops in the Caribbean and Latin America do not encourage development, but rather only serve the needs of Western economies.

Résumé

Cet essai examine l'utilisation du travail sué en tant qu'élément de la société moderne capitaliste, tout en se concentrant sur l'industrie des textiles. Il entreprend une vue d'ensemble historique des bagnes et d'une exploration des causes de leur existence. Les bagnes modernes d'habillement au Caraïbes et en Amérique Latine n'encouragent pas le développement économique, mais servent plutôt seulement les besoins des économies les plus riches.

The word "sweatshop" is a term that evokes a variety of emotions from people without a great deal of understanding of what the term describes or the reasons for its existence. Sweatshops have plagued or, depending on one's viewpoint, built up economies and industry around the world. Throughout recent history there have been isolated events in which the issue of sweatshops and labour standards has taken centre stage in the media and government. A revelation of a particularly nasty sweatshop in some far off country or reports of the apparel industry's rhetoric concerning the elimination of such practices often incite such discussion. Unfortunately, there seems to be a lack of concrete comprehension and understanding of the subject.

The term "sweating" originated in the 15th century as a metaphor describing severe exertion of labour.¹ The term began to be associated with the practice of garment workers, described as sweated labour in the 1830s. The sweatshop was first defined in the 1890s. In the 19th century sweating was used to describe the system of subcontracting by which competing manufacturers farmed work out to contractors, who in turn farmed out their work to competing contrac-

tors and sub-contractors. In this system, the contractors and subcontractors would "sweat" as much labour as they possibly could from their workers. This practice then led to degradation of conditions and wages in factories.² Social activists Charles Booth and Sidney and Beatrice Webb described sweating as a variety of labour environments all containing these two essential elements: hard or excessive work and contracting.³ More recently, in 1994, the United States General Accounting Office (GAO) defined a sweatshop as "a workplace that violates more than one federal or state labour law governing minimum wage and overtime, child labour, industrial homework, occupational safety and health, workers compensation, or industry regulations."⁴ Regardless of society's recognition or understanding of sweatshops, they have existed throughout the 19th and 20th centuries, and

Amanda Wilson is a second-year Politics and Development Studies Major at Queen's University. She is involved in the anti-sweatshop movement on her campus.

¹ Nancy L. Green, "Fashion, Flexible Specialization, and the Sweatshop." *Sweatshop USA* (2003), 48.

² Ross, Andrew. *Low Pay High Profile* (2004) 23.

³ Green (2003) 48.

⁴ Ross (2004) 5

are barrelling ahead into the twenty-first. Sweatshops are generally associated with the apparel industry, but it is important to realize that sweatshops exist in a number of industries. What distinguishes garment sweatshops is their endurance over time. Moreover, garment sweatshops are often where the most gruesome labour violations occur. This essay will focus on sweatshops found in the apparel industry.

HISTORY

The modern concept of sweatshops first manifested in the United States and Western Europe (mostly England and France) in the 19th century. Following the industrial revolution people began to flock to cities in search of employment, creating an excess of labour. This excess labour mainly consisted of women, children and immigrants.⁵ In the early 20th century, sweatshops were often thought of as foreign workplaces.⁶ Sweatshop investigators blamed immigrant workers for the creation of such low wages and poor conditions, arguing that the shops were dirty because they were occupied by immigrants.⁷ There was an effort made by politicians and factory inspectors in the United States to distinguish these "foreign sweatshops" from what they referred to as the "American Factory," where all the ideas and values of the United States were upheld.⁸ The American Factory was the workplace of the middle-class white American; it was implied that these were the real Americans.

Jews represented the largest proportion of immigrants occupying sweatshops in the United States. It has been argued that racism, specifically anti-Semitism, played a primary role in defining the sweatshop and was a cause of society's general apathy towards the issue.⁹ There is substantial evidence that inspectors and observers blamed the "racial characteristics" of the Jews for

the problem of sweatshops.¹⁰ Immigrants were labelled as being workers who readily accepted and even offered lower prices for their work.¹¹ The Industrial Commission reports explain that Jews were considered unfit for factory work, arguing that their individualistic nature would not be compatible with factory discipline.¹² The "Annual Report of the Bureau for Labour Statistics for the Year Ended September 30, 1902" claimed that the Jewish immigrants were "the most helpless and inefficient immigrants that have ever entered this country." It continued by saying that the body type of Jews "naturally drew them to light occupations such as sewing."¹³

John Commons, an influential economist of the time, went a step further and argued that sweatshops were a Jewish invention, claiming that Jews were both physically and mentally suited for the sweatshop.¹⁴ Commons suggested that the industrial revolution was plagued by what he called the "substitution of the races," leading to "a downward spiral in racial standards". In this substitution of races, the garment industry was first made up of English and Scottish tailors, who were replaced by less-advanced Irish and German workers, who then had their jobs taken by the inferior Jews, hailing predominantly from Russia. According to Commons, each group of workers came from a country that was inferior to the preceding one, resulting in a demolition of labour standards and conditions.¹⁵ In the 1890s, inspections and the laws governing workplace conditions were originally intended to prevent sweatshop workers from contaminating the rest of society. There was the fear of disease, but also the concern that this racial degradation supposedly caused by immigrants would somehow infiltrate into the rest of the popu-

⁵ Daniel E. Bender, "A Foreign Method of Working." *Sweatshop USA* (2003), 22.; Nancy L. Green, 411

⁶ Daniel E. Bender, 22.

⁷ Nancy L. Green, 423.

⁸ Daniel E. Bender, 22.

⁹ Daniel E. Bender, 23; Nancy L. Green, 423.

¹⁰ Daniel E. Bender, 23.

¹¹ Nancy L. Green, 423.

¹² Daniel E. Bender, 23.

¹³ Ibid, 23.

¹⁴ Nancy L. Green, 423.

¹⁵ Daniel E. Bender, 23

lation.¹⁶ The Industrial Commission on Immigration admitted, "the legislation...has been undertaken not on behalf of the workers, but on behalf of consumers. It is the protection of the public against contagious and infectious disease."¹⁷

Immigrant workers and labour activists, of course, contested this argument, saying that it was the competition and exploitation inherent in the apparel industry that caused sweatshops, not racial characteristics. Sweatshops were a problem they faced, not one they caused. They insisted that the horrible conditions of their workplace caused their weak bodies and their susceptibility to disease, not the other way around.¹⁸ They agreed that sweatshops were linked to immigration but disagreed that sweatshops preyed on immigrants. Moris Fienstone, an immigrant worker, wrote, "when these fugitives came to America seeking the promised land, they were taken off the boats by contractors...and set to work in subhuman surroundings, for a miserable wage, and under conditions which made protest utterly impossible."¹⁹ Many social scientists have pointed to political disability as a cause of this disadvantaged labour force. Immigrants are often disenfranchised; having entered the country illegally, many of them are willing to take any job as a means of survival.²⁰

In the 1910s, public attention was first drawn to the subject of sweatshops following a series of workers strikes and workplace tragedies, most notably the Triangle Shirtwaist Company Fires. On March 25, 1911, one of the worst fires in United States history broke out at factories of the Triangle Shirtwaist Company in Lower Manhattan's East Side. In all, 146 women and children workers were killed.²¹ Public outcry following this tragedy led to a slew

of legislation aimed at preventing future incidents. Supposedly, it would also clean up labour conditions in sweatshops. Social concern and activism by labour organizations continued, leading to the creation of the Fair Labour Standards Act (FLSA) in 1935. This act set out a guaranteed minimum wage and overtime requirements, prohibited child labour, and required employees to keep adequate time and payroll records.²² To this day it is still considered the most significant piece of anti-sweatshop legislation in the United States.²³ Following the signing of this act by President Roosevelt on June 25th, many claimed the era of sweatshops over. In 1938, Life magazine declared the sweatshop a thing of the past. This declaration was followed by an article backing the claim, complete with a front-page cover depicting "wealthy American garment workers."²⁴ While this might have been the perception in the minds of many Americans, sweatshops continued to exist in full-force. The FLSA did guarantee certain labour standards, but it neglected many workers, mostly low-paid women in non-unionized sectors of the economy.²⁵ Its effectiveness depended solely on the government's ability to enforce it. The sweatshops were also kept alive in part by the increasing number of immigrants from Puerto Rico and Africa in the 1950s, and later from China, Korea and Southeast Asia. By the 1960s and 70s, this coincided with the tendency of the American government to relax many of its restrictive trade policies.²⁶ The 1970s saw a growing trend of garments increasingly being manufactured overseas.²⁷

Even the Cold War played a role in sustaining the sweatshop. Cold War analysts argued that the manufacturing of garments in the Caribbean would strengthen ties with the region and prevent its collapse

¹⁶ Daniel E. Bender 26; Daniel. Weil, "Everything Old is New Again. "Regulating Labour Standards in the US Apparel Industry." (2000), 3.

¹⁷ Daniel E. Bender, 26

¹⁸ Ibid, 28.

¹⁹ Ibid, 28.

²⁰ Nancy L. Green, 424.

²¹ Jean-Claude Khoury. "Re-emergence of Sweatshops" (1998), 59.

²² Jean-Claude Khoury, 59.; Daniel Weil, 3.

²³ Daniel E. Bender and Richard A. Greenwald, "Introduction" *Sweatshop USA* (2003), 10.

²⁴ Ibid 10.

²⁵ Eileen Boris, "Consumers of the World Unite!" *Sweatshops USA* (2003), 210.

²⁶ Daniel E. Bender and Richard A. Greenwald, 10.

²⁷ Richard A. Greenwald, "Labour, Liberals, and Sweatshops." *Sweatshop USA* (2003), 86.

into communist arms. Following the Cold War, both Democratic and Republican governments loosened restrictions on garment trade and opened the door to the free-market of sweatshops.²⁸

With the return of neo-liberalism as the dominant economic paradigm in the 1980s, the sweatshop became an increasingly global phenomenon.²⁹ The majority of sweatshops moved from Los Angeles and New York to the Caribbean, Latin America, India and Asia. The labour legislation in these areas was not comparable to any legislation that had been developed during the century in Western nations.³⁰ The "American Sweatshop" that had supposedly been eradicated in the 1930s was being exported around the globe.³¹ In these sweatshops labour violations such as 24-hour workdays, sexual harassment, forced birth control, suppression of labour organizations, meagre wages or even forced labour and debt bondage were commonplace.³² Free trade agreements are often the catalyst to the development of sweatshops in their search of cheap labour.³³ Agreements such as NAFTA are wiping out sweatshops in Los Angeles and the surrounding areas, and transplanting them to Mexico and other sources of cheaper labour.³⁴

Not surprisingly, until the mid-1990s, the public was largely unaware of the continued existence of sweatshops.³⁵ The label "Made in Canada" or "Made in the USA" still carried moral weight and people seemed apathetic toward the labour conditions in countries that they knew only from clothing labels.³⁶ In 1982, New York Senator Franz W. Leichter conducted an investigation into the New York garment industry. In his report, he described contemporary contractor shops as sweatshops and esti-

mated there were approximately 3,000 sweatshops in New York City, employing 50,000 people, an increase from the estimated 200 sweatshops a decade earlier. Unfortunately, the government and the public largely ignored this report. In 1995 there was a raid on several sweatshops in El Monte, California which generated several hundred newspaper and magazine articles causing moderate public concern.³⁷ However, this was only the tip of the iceberg. On April 29, 1996, activist Charles Kernaghan testified before Congress, detailing numerous human rights violations in factories in New York and Honduras. These factories were producing clothing for, among others, the Kathie Lee Gifford line, sold exclusively at Wal-mart. This story was seized by the media throughout North America and Europe and thrust the sweatshop back into the public consciousness.³⁸ Stories began popping up everywhere about sweatshops producing clothing for companies such as Nike, the Gap, and Disney. There was a newfound concern about the existence and consequences of sweatshops and labour exploitation.³⁹ This increased attention drove the United States Department of Labor to adopt a stronger opposition to both domestic and international sweatshops.⁴⁰ It is debatable, however, whether their rhetoric will be supported by action.

Now, China is the leading exporter of cheap labour, surpassing the infamous maquiladoras of Mexico and Latin America. It claims half of all direct foreign investment.⁴¹ It is widely argued that the proposed Free Trade of the Americas will only further open-up areas for the search of cheap labour, so who knows where it will move to next.⁴²

²⁸ Daniel E. Bender and Richard A. Greenwald, 10.

²⁹ Nancy L. Greenwald, (2003), 87.

³⁰ Andrew Ross, *Low Pay High Profile: The Global Push for Fair Labour*. New York: New Press, 2004.

³¹ Daniel E. Bender and Richard A. Greenwald, 11.

³² Andrew Ross, 24-25.

³³ Ibid, 8.

³⁴ Edna Bonacich and Richard P. Appelbaum. "Offshore Production." *Sweatshop USA* (2003), 149.

³⁵ Andrew Ross, 3.

³⁶ Ibid, 3.

³⁷ Daniel E. Bender and Richard A. Greenwald, 1.

³⁸ Jean-Claude Khoury, 59; Ronald J. Adams, "Retail Profitability and Sweatshops: A Global Dilemma." *Journal of Retailing and Consumer Services*. (2002), 147.

³⁹ Ronald J. Adams, 147.

⁴⁰ Ibid, 147.

⁴¹ Andrew Ross, 8.

⁴² Ibid, 8.

CAUSES OF EXISTENCE

There have been numerous explanations for the continued existence of sweatshops and sweated industries. Most fall into two categories, those who see sweatshops as a form of exploitation, having negative effects on workers and societies, and those who view sweatshops as necessary for economic growth, eventually leading to greater prosperity. A distinction must also be made between the continued existence of sweatshops in industrial nations and the exporting of sweatshops to developing nations.

One explanation looks at the subject from a state-centered point of view. The apparel industry is widely viewed as a starting point for underdeveloped countries to begin industrialization. The barriers to entry are very low: it requires minimal capital investment and machinery and it is labour-intensive without the necessity of specialized skills.⁴³ However, their ability to attract the needed capital depends on those who control the retail industries in developed countries. It is these developed countries that take home the majority of the profits, forcing contractors and supplies in developing countries to pursue an extremely tight profit margin or risk losing the investment.⁴⁴ Countries with a high minimum wage and comprehensive regulations are not going to attract the foreign investment they want, so developing countries characteristically have extremely low minimum wages and few, if any, industry regulations.⁴⁵ Developing nations are strongly encouraged by international trade organizations to decrease or eliminate regulations that might prevent firms from extracting maximum profit, creating a favourable environment for sweatshops.⁴⁶ Even in countries where labour standards exist, the chain of contracting and sub-contracting makes it nearly impossible to enforce these laws.⁴⁷ Especially when the majority of workers are low-class immigrants, governments seem to be less eager to

enforce labour rights and standards.⁴⁸ The globalization of economies and specifically of retail has facilitated this competition for cheap labour. Jack Welch, the former CEO of General Electric, one of the largest multinational manufacturing corporations, once described the perfect factory: "Ideally, you'd have every plant you own on a barge." This barge could then be moved around to whichever country happened to have the best investment climate and cheap labour.⁴⁹

Some contend that sweatshops are a product of the extreme competitiveness in the retail industry. It is argued that due to the depression of retail prices, companies are forced to pursue diminishing profits. This spurs the search for cheaper labour to cut production costs. This has a chain effect that is passed down to contractor and sub-contractor until it is eventually put on the shoulders of the workers, who see their meagre wages decrease, their forced hours of overtime increase, sexual harassment increase, et cetera. The list goes on and on. Retailers use their bargaining power to press contractors for lower costs. Contractors fear losing investments, so they rarely refuse.⁵⁰ Retailers are forced to choose between their morals and maintaining competitiveness in the market. Consumers must choose between demanding ethically made clothing and more affordable prices.⁵¹

Many economists and defenders of free-market economies argue that sweatshops are a necessary part of economic development.⁵² The theory is that sweatshops benefit people desperate for income and that without these jobs people would starve. Sweatshops are seen as the price for economic development. Countries with no capital and an unskilled work force need to accept them as a first step toward development and industrialization. It is argued that eliminating sweatshops will hurt the growing economy and slow development. La-

⁴³ Andrew Ross, 19.

⁴⁴ Ibid, 20.

⁴⁵ Susan George, "A Short History of Neo-Liberalism." *The Other Davos* (2001), 8.

⁴⁶ Daniel E. Bender and Richard A. Greenwald, 11.

⁴⁷ Andrew Ross, 23.

⁴⁸ Ibid, 24.

⁴⁹ Ibid, 16.

⁵⁰ Jean-Claude Khoury, 60.

⁵¹ "Sweating for Fashion" *The Economist* (2002) 14-16

⁵² Chris Myers, "Wrongful Beneficence: Exploitation and Third World Sweatshops." *Journal of Social Philosophy* (2003) 319. Ross (2004), 19.

bour activists and union organizers are criticized as taking a Eurocentric approach by comparing working standards in developing nations to those in the West.⁵³ Economist Ian Maitland has argued that when determining an acceptable wage level, the appropriate test is not to compare it to some predetermined concept of a living wage, but whether or not it is freely accepted by informed workers.⁵⁴ What Maitland fails to address is that many workers do not have the opportunity to be informed, nor are they in a position in which they can "freely" choose to accept a wage or not. Many in the Western world share the view that sweatshops are an unfortunate, but necessary step to development. An article in the *New York Times* on September 24, 2000, stated:

For all the misery they can engender, sweatshops at least offer a precarious escape from the poverty that is the developing world's greatest problem... The only thing a country like Cambodia has to offer is terribly cheap wages; if companies are scolded for paying those wages, they will shift their manufacturing to marginally richer areas like Malaysia or Mexico.⁵⁵

When examining the causes for sweatshops it is important to distinguish between the sweatshops that existed in the 19th and early-20th centuries in Western nations and the sweatshops of the 21st century that now permeate many developing nations in addition to the developed ones. The sweatshops of the 19th and early 20th century evolved and progressed with the development of the apparel industry. Sweatshops built up the industry to what it is today. The sweatshops in the Caribbean and Latin America are not helping to develop industry in their countries because the apparel industry of which they are a part is already developed and powerful. Sweatshops are no longer a force in developing the national economy; they only serve the needs of over-consumption and materialism. It is true that a country that is attempt-

ing to follow a Western concept of development must begin somewhere. They cannot simply jump into a specialized, technology dependent industry that requires a highly skilled labour force. However, one could also argue that there are many other things a country needs to do in order to become a developed country. The existence of labour laws and industry regulations should also be a prerequisite for entering a certain sector of the economy, yet it rarely is. Cheap labour is often the only area in which many countries can claim a comparative advantage, yet the question must be asked: for who, exactly, is this an advantage?

There is a misconception among the public and politicians regarding sweatshops. When the public is confronted with the notion of a sweatshop by a newscast describing a raid on a sweatshop in China, most often it is seen as abhorrent or, at the very least, morally troubling. However, it is viewed as an individual problem, and not the global epidemic that it is.⁵⁶ Politicians and governments are guilty of this behaviour as well. When they do choose to address the issue, the focus is the eradication of sweatshops in a specific area: their city or country. They fail to view the connection to the global system of trade, production and consumption.⁵⁷ Any discourse on sweatshops or sweated labour must be done in an international context. Sweatshops around the world are connected to each other; the sweatshop in Los Angeles is tied with the sweatshop in India, and to the maquiladoras in Mexico.⁵⁸ Each is competing with the others in a race to the bottom to provide the cheapest wages and most favourable conditions to firms.

This issue will not be resolved until electorates in Western countries are sufficiently aroused by the issue of sweatshops. Until then, political willpower will always be compromised by the neo-liberalist argument of the necessity of sweatshops for igniting development in countries. It is hard to envision a world without sweatshops. They

⁵³ Ronald J. Adams, 150.

⁵⁴ Chris Myers, 319.

⁵⁵ Nicholas D. Kristof and Sheryl WuDunn "Two Cheers for Sweatshops" *New York Times*.

⁵⁶ Ronald J. Adams, 149.

⁵⁷ Daniel E. Bender and Richard A. Greenwald, 10.

⁵⁸ Andrew Ross, 8.

are the factories of the world that sustain our economy and our way of life. While small gains can be made by pressuring individual companies and governments to improve labour practices, the problem originates at a much deeper level. Our economic system depends on these practices and a radical shift is needed to remedy the situation at its core. The elimination of sweatshops should not cause great concern for those countries that are attempting to develop. Without large transnational corporations dictating their economy policies, their domestic industries will have a chance to develop. It is we in the West who should be concerned, for it is our way of life that feeds on sweatshops, and it is our way of life that will come crashing down.

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