

How the Anti-Sweatshop Movement Hurts the People it Claims to Help

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AUSTRALIAN NGOs are increasingly active in opposing 'sweatshops' in the Asia-Pacific region. For instance, Oxfam Community Aid Abroad has a 'NikeWatch' campaign which aims to 'persuade Nike and other transnational corporations to respect workers' basic rights.' These campaigns typically generate positive press attention, but what real effect do they have? Look to America's extensive anti-sweatshop movement for the answer.

THE HOTTEST CAUSE ON CAMPUS

Earlier this year, students at Northwestern University, near Chicago, held a six-day camp-out on the library plaza to get their school to join the labour-union-backed Worker's Rights Consortium (WRC), a group formed to monitor clothing manufacturers' labour practices. The university's administration surrendered to their demands on 30 April. In May, the president of the University of Iowa ended a two-year protest by a student anti-sweatshop activist group by instructing the school's trademark licensing director to give the six companies that manufacture the university's logo apparel 30 days to sign a university code of conduct or lose their contract. Similar stories abound at other American colleges where the 'anti-sweatshop' movement is the hottest cause on campus.

Many student activists are attracted to the movement thanks to the

media firestorm created by one man, Charles Kernaghan.

THE NATIONAL LABOR COMMITTEE

Charles Kernaghan leads an organization called the National Labor Committee (NLC) whose stated purpose is to expose management abuses of workers in foreign factories that supply American retailers. The Committee brings to its banner idealistic college students and religious activists concerned about the poor, and it enjoys incredible success with the media. According to *The Los Angeles Times*, 'the committee's work would amount to little without magnification by the media.'

Kernaghan uses well-planned campaigns to set the terms of the 'sweatshop' debate and put his targets on the defensive. He selects high-profile companies and well-known celebrities who value their public image and fear for their reputations. The Gifford campaign was ideal: it combined the largest retailer in the world and America's queen of morning television talk.

After his attack on Gifford, Kernaghan made similar charges against the K-mart clothing line endorsed by former *Charlie's Angels* television star Jaclyn Smith. Other companies followed: Walt Disney, Liz Claiborne, Eddie Bauer, The Gap, and the Milwaukee-based Kohl's department store chain. Last Christmas, Kernaghan held a ceremony to hand out 'Golden Grinch' awards to Nike,

Kohl's, and Wal-Mart, alleging that they tolerated sweatshop abuses on the part of their overseas suppliers.

WHAT ABOUT THE POOR?

Charles Kernaghan and his allies may inspire college students to feel good about themselves, but do they help the poor?

Of course, the pay and working conditions in impoverished countries such as El Salvador and Nicaragua are often below developed nations' standards. But the *maquiladora* plants—Latin American textile factories that enjoy duty-free re-export rights into the United States—offer real alternatives to no work at all.

In Nicaragua, where the NLC has concentrated much of its effort, the Las Mercedes Free Trade Zone has spurred the country's recent economic recovery. Its 17 factories employ over 8,000 workers, mostly producing clothing. According to Nicaraguan Central Bank estimates, by 1996 the Zone enjoyed total exports of US\$160 million and had attracted US\$45 million in direct foreign investment. That year, the zone accounted for 22 per cent of Nicaraguan exports, which totaled US\$721 million, including US\$50 million in *maquila* value added. The previous year, Nicaragua enjoyed foreign investment of only US\$60 million. Duty-free zones like Las Mercedes attract manufacturers in labour-intensive industries such as textiles and apparel.

Kernaghan's activism does these workers no favors. He admits that 'the

people in that [host] country don't want a boycott that will hurt their jobs.' Yet NLC's strategy of attack and exposure produces harmful boycotts. 'I don't have a right to own products made by slave labour,' student activist Michael Guidice told *Newsday*. 'Just by being trendy and going to the Gap or Banana Republic has consequences on people around the world.' But they are not the kind of consequences Guidice thinks.

Interviewed by the *Milwaukee Journal-Sentinel*, Kernaghan said that wages were the central issue and acknowledged that working conditions are not in dispute: 'Frankly, the factories offshore look better than the factories in the US. I know it gets pretty hot in there, but that isn't the issue. It's the low wages, the union-busting.' The *Journal-Sentinel* sent reporters to Nicaragua last year to get a first-hand look at Chentex, one of the factories targeted by Kernaghan. It reported that they 'found people working hard for their money but saw no instances of physical or verbal abuse or other problems raised by the National Labor Committee.' The reporters described the factory as 'crowded but reasonably clean inside.'

Journal-Sentinel reporter Doris Hajewski interviewed Mariana Martinez, a Chentex sewing-machine operator, who has worked in the free-trade zone for three years. Martinez said she was treated well at Chentex, better than at the factories where she worked before. 'We never are out of work,' she said. 'There are helpers who bring work to the operators. At other factories, I had to get up from my machine and pick up the pieces.' Martinez earned US\$31 for two weeks' work at her previous employer. At Chentex, she makes US\$54 to US\$62 for two weeks, above the average of \$100 a month for Nicaraguan workers. She said she does not belong to a union. 'For the moment,' she said, 'I'm fine like this.'

Other workers' stories belie the NLC's portrayal of *maquiladora* workers as miserable. Jose Villares, who attaches waistbands to jeans, used to

be a member of the Sandinista-backed union—which Kernaghan supports—but quit late last year. 'They represent just one view,' he said. 'They're always complaining, not offering solutions.' He previously worked at a market in Managua, carrying baskets. He said he is much better off now. 'I have a good salary now, and I'm not going to risk going back to working in a market from 5 a.m. to midnight, making 60 cordobas (US\$4.65) a day,' he said. With overtime, he now makes 3,500 cordobas (US\$271) every two weeks as a machine operator, well above the

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country's US\$100 monthly average. 'I'm 20 times better now,' he said.

Candida Rosa Lopez, an employee at a Nicaraguan garment factory had a simple message for individuals in developed countries concerned about working conditions in Latin America. She told a *Miami Herald* reporter: 'I wish more people would buy the clothes we make.'

SUPPLY AND DEMAND STILL IN EFFECT

Kernaghan says, 'We want to keep the jobs in those countries. What we are saying is just ask the companies to do the right thing.' But raising wages while ignoring market considerations would have the opposite effect. 'In the long run, this plant would see their demand for jeans dry up,' said University of Wisconsin economist Rob-

ert Haveman in response to the *Journal-Sentinel's* questions about the protests against Milwaukee-based Kohl's. Syed Akhter, chairman of Marquette University's marketing department notes that many labour-intensive jobs are simply uneconomical to perform domestically. 'It would make sense for the US to produce something else,' he said. 'From an economic perspective, it all boils down to a law of supply and demand. As long as people are willing to work at those wage rates, they'll be able to hire more people. If Kohl's listens to the protesters, Nicaragua will no longer be an attractive site for retailers.'

Late last year, Jem III, another Taiwanese plant, gave reality to the economists' predictions when it announced it was shutting down operations in Nicaragua, leaving 400 people out of work. On 11 January 2001, approximately 2,000 Chentex workers protested against the National Labor Committee because they feared the negative publicity could cause the plant's closure.

Late last year, Nicaraguan Foreign Minister Francisco Aguirre-Sacasa accused US anti-sweatshop activists, including the National Labor Committee, of doing a dishonest 'hatchet job' on Nicaragua's textile assembly plants. He warned that their actions could lead to the loss of jobs and investment in Latin America's poorest country, which has an unemployment rate near 50 per cent. 'They are not trying to help our workers: by causing firms to leave they are going to leave our workers in the lurch.... They don't want to clean up our industry; they want to shut it down,' he said. 'We are on the first rung of the ladder. It is important we are not knocked off.'

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