

Is the Perfect Factory Possible?

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Aracelis “Kuky” Upia, a 39-year-old factory worker in the Dominican Republic, is participating in an experiment that, if successful, could help end sweatshops as a staple of the global economy.

A single mother of four, Upia has been sewing in factories since she was 15. For years she earned less than \$50 a week. Some employers simply refused to pay her. At one point she was so deeply in debt, the local market stopped extending her credit.

Today Upia sews T-shirts for \$2.85 an hour, a leap in income and nearly three times the country’s minimum wage. She has paid off her loans and can shop again at the grocery store. She has purchased a refrigerator, plans to add rooms to her home to rent out for additional income and has paid for her son Nisael’s long-postponed dental work. Her son Yacer is studying accounting at the university.

Upia was among the first workers hired by Alta Gracia, an apparel company named after the town where she has lived all her life and where the factory is based. One of 120 nonmanagement employees—mostly sewing-machine operators, but also cutters, packers and maintenance staff—Upia, like her co-workers, earns a living wage, plus at least 35 percent overtime for more than forty-four hours of work a week, and more on weekends and holidays. Alta Gracia’s T-shirts and sweatshirts are sold mainly at US colleges and universities at about the same prices as clothing made by Nike, Russell and other brands.

Beginning in the mid-1990s, students on American campuses used various forms of protest to pressure universities to adopt “codes of conduct” as a condition of allowing companies to use their names and logos. But implementing these standards was extremely difficult. College-bound goods are only a small fraction of the products made by the thousands of apparel factories around the world, and monitoring all these workplaces would be impossible. For years campus groups like United Students Against Sweatshops (USAS) refused to support companies claiming to make “sweatshop-free” clothing, because they couldn’t be sure the companies would keep their commitment. Today, USAS, as well as the Worker Rights Consortium (WRC), which was founded in 2000 to help enforce the “codes of conduct” drafted in the ’90s, have embraced Alta Gracia as a model that proves socially responsible clothing production is not only possible; it’s profitable.

“Surveys consistently show that 80 percent of consumers would be willing to pay a little more for a no-sweat product,” says Mark Barenberg, a Columbia University law professor and an

expert on global labor conditions. “The problem is that they haven’t had reliable information that there are factories that meet those standards. Alta Gracia is a game changer in that respect.”

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Alta Gracia is an unusual collaboration between labor rights advocates, student activists and Joe Bozich, CEO of Knights Apparel, the nation’s leading producer of college clothing, which beats Nike and Adidas to dominate the \$4 billion collegiate market. In 2005, Scott Nova, WRC’s executive director and a veteran human rights advocate, contacted Bozich to alert him that a company he had just acquired was doing business with a factory in the Philippines whose workers complained about labor violations to the WRC.

“Joe was unusual,” recalls Nova. “He didn’t just blame the subcontractor. He wasn’t looking for a quick fix just to get rid of a public relations problem. He was genuinely interested in how to improve conditions for the workers.”

Nova and Bozich started talking about whether the economics of clothing production allowed for “the perfect factory,” one that could produce well-made items in a safe workplace and pay workers decent wages and benefits. Worker abuse surfaces on factory floors, but it is rooted in the dynamics of the global apparel industry, in which so-called manufacturers—in reality, design and marketing firms—outsource the fabrication of clothing to independent contractors worldwide. In this labor-intensive industry where capital requirements are minimal, it is relatively easy to open a clothing factory. This has led to a global race to the bottom: there is always someplace, somewhere, clothing can be made still more cheaply. Today more than 90 percent of the clothing in US retail stores is imported.

Based in Washington, DC, WRC has a global network of experts who monitor factory conditions in response to workers’ complaints. Along with pressure from USAS, WRC’s investigations have forced Nike, Russell and other brands to improve conditions at some factories making clothing for the college market. It has not been easy.

“This is an industry obsessed with pennies,” says Nova. “We’ve had tremendous resistance from the big labels.”

Bozich’s interest posed a critical opportunity—although he was not the first to try to make clothing with a conscience a successful business model. In 2001, Ben Cohen, co-founder of Ben & Jerry’s, started a company called SweatX whose university apparel was to be produced in a sweat-free factory in a sea of sweatshops in the Los Angeles garment district. Its thirty-five workers had a union contract with UNITE and earned a living wage and health benefits. But the company was badly mismanaged from the start. In two years it went through five CEOs and lost a lot of good will when merchandise arrived at college retailers months late. SweatX closed its doors in 2004 [see Richard Appelbaum and Peter Dreier, “[SweatX Closes Up Shop](#) [1],” July 19, 2004].

Nova was well aware of the SweatX disaster when he began talks with Bozich about starting another sweat-free factory. He proposed a site in the DR where a Korean-owned plant had once made clothing for Nike and Reebok. The company, BJ&B, had shut the factory down after its

employees unionized. But its workers had forged ties with US activists, and USAS leaders convinced Bozich that students would encourage their peers to buy clothing produced there. In February 2010, after a \$500,000 renovation, the Alta Gracia facility opened for business.

The new factory is cooler than other nearby workplaces, with good ventilation, plenty of windows and overhead lighting that helps workers avoid eye strain. But the biggest difference, says Upia, are the chairs. In most Dominican sewing factories, workers sit on hard metal seats with no back support, leaning awkwardly to operate their sewing machines. “We would try to make cushions on the chairs from the scraps of leftover clothes,” she recalls. “Your body would hurt all day.” Soon after the Alta Gracia factory opened, the workers noticed some nice-looking office chairs being unloaded from a truck. “They must be for the managers,” Upia thought. But they had been ordered for the workers, at a cost of about \$50 apiece. “Now,” says Upia, “I don’t have the back pain anymore.”

In June 2010 Alta Gracia workers established a union and elected leaders. The vote took place in front of the factory with no opposition from management. In fact, the company and the union jointly sponsor employee workshops, on company time, about workers’ rights, conducted by the Dominican Labor Foundation. The union and management have a joint health and safety committee, and the union conducts vaccination programs and HIV prevention workshops. The union and management meet regularly to discuss production, employee morale and potential improvements to the facility.

Sarah Adler-Milstein, a Brown University graduate who wrote her thesis on Dominican labor conditions, visits the plant once or twice a week on behalf of the WRC. She says she’s “very impressed” with its middle management. “That’s where most conflicts happen—with insults and abusive treatment from supervisors. But this factory has a very different feeling. Management often fills in and sews next to people.”

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The survival of Alta Gracia will largely hinge on whether students are aware of the brand and its message. On many campuses efforts to promote it are in full swing. At the University of Maryland, students have circulated fliers reading, “Your sweatshirt can be a force for change in the world.” At Occidental College in Los Angeles, a Rock the Tag campaign, which included getting college president Jonathan Veitch to pose for a photo wearing an Alta Gracia T-shirt, was so successful the campus bookstore sold out its initial order in weeks. Other campuses have held fashion shows of union-made clothing. In September USAS sponsored two Alta Gracia workers who toured fourteen campuses from North Carolina to Boston. At Yale the visit inspired a student petition to get the university to purchase Alta Gracia T-shirts to distribute to incoming freshmen, at alumni reunions and other special events.

“Universities have a responsibility to be concerned about working conditions and compensation,” says David Skorton, president of Cornell University, where Alta Gracia items are sold in the bookstore. “We should encourage students to be aware that what they buy has an impact on the lives of many people.”

Whether campus bookstores prominently display Alta Gracia apparel makes a big difference. Some managers are reluctant to promote the label, which competes with brands like Nike, which pay universities huge licensing fees for the right to use their names, logos and mascots on the clothing they produce, mostly in Asian sweatshops. But others, like Jim Wilkerson, who runs Duke University's twenty-seven campus stores, are not so timid. At Duke's flagship store, Alta Gracia merchandise is prominently displayed, and a large flat-screen TV plays a video of smiling workers. Such efforts have paid off: since August 2010, Duke has sold more than 20,000 Alta Gracia items for \$430,000 in revenue.

Duke was the first university to adopt an anti-sweatshop code of conduct, in 1998. "We've long wanted to be able to sell Duke clothing products that we can be certain are manufactured under exemplary labor conditions with living wages," says Wilkerson, who has worked at the university for three decades. A member of the WRC board, Wilkerson has visited factories that make Duke products in Thailand, Cambodia and El Salvador. Last fall he visited the Alta Gracia factory. "It was almost unbelievable, and extremely heartwarming, to see the enormous impact that the living wage had on the lives of the workers," he says. "We just have to keep it alive."

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So far it's thriving. Large schools like the universities of Michigan, Florida, North Carolina, Washington and Wisconsin as well as Ohio State and UCLA have increased their orders of Alta Gracia merchandise or are carrying it for the first time. If such success builds, says Bozich, "then we can take the next steps, including expanding outside college bookstores and selling our brand to other retailers."

Alta Gracia recently signed a contract with Ethix Merch, a distributor of socially responsible merchandise, to sell T-shirts and sweatshirts to social justice groups, environmental groups and others. This is one way to bring the Alta Gracia model to scale, according to Barenberg. "The other is for companies like Nike to raise wages and improve conditions to appeal to consumers who care about working conditions," he says. "Once they see there's a market for sweat-free clothing, they'll want to go after it."

Local governments could also exert enormous leverage on the clothing industry by becoming large-scale consumers of sweat-free clothing, for example, for their workers' uniforms. Three states—New Jersey, Pennsylvania and Maine—and thirty-nine cities are already part of a purchasing consortium organized by the anti-sweatshop campaign SweatFree Communities.

Can the Alta Gracia label compete with Nike's swoosh? Are consumers willing to look for the Alta Gracia union label? These questions, too, will determine its success. If clothing companies can make profitable merchandise under humane conditions and sell it at competitive prices, it will challenge the basic race-to-the-bottom economics of the apparel industry and prove that conscientious consumers can have an impact on humanizing the forces of global capitalism.

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