

## **“The Race to the Bottom in the Apparel Industry”**

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### **Introduction**

What is the price of the jeans we wear?

This case examines working conditions in the apparel industry, focusing on a factory in Tehuacán, Mexico. The case has three actors: the owner of a high-end brand of blue jeans, a garment worker from a factory that subcontracts with this owner, and a university student on a fact finding mission to determine working conditions in the factory. Case participants will determine what these conditions entail and possible courses of action to improve them. Each participant has limitations as to the range of actions he or she can take. Each has varying levels of power, knowledge, and connection with the working conditions detailed. Students must decide how to create a course of action from each actor's unique situated perspective.

The situation draws out important themes from the following topics: workers' rights, the international division of labor, gender and development, social movements, and structure/agency debates. The case is also useful for examining the contours of free-market, Marxist, and world systems theories of explaining global stratification.

### **The Manufacturer, Los Angeles, California**

WhoCares? (WC?) Jeans, owned by Jeffery Cares, creates and markets basic denim pants at fine department stores throughout the U.S. Based in Los Angeles, WC? employs a production management team and marketing staff of 125 employees. Most of them are

native Californians. All of the production management team are male, with the marketing staff half women and half men. Their salaries range from \$25,000 to \$250,000 per year. They work in a quiet, air-conditioned office and have experienced only one workplace injury (a strained back) in five years. Since its inception, WC? has done none of its own production, contracting mainly Korean and Mexican owners of small factories in Los Angeles to sew jeans. These factories employ Asian and Latin American immigrants, mainly women, to produce garments.

But the pressure is on from retailers to reduce costs. Although a popular brand, retailers warn that consumers want less-expensive jeans -- and that other manufacturers are prepared to deliver. If retailers and consumers go elsewhere, WC? risks laying off staff in Los Angeles and even going out of business. Also, the constant monitoring of Los Angeles factory conditions -- most of which Mr. Cares has never seen -- creates an ongoing threat of bad publicity and fines from the Department of Labor.

Not wanting to lose out to the competition, Mr. Cares and his production team begin looking for an alternative to contracting their production in Los Angeles. After considering Bangladesh, Hong Kong, and Costa Rica, WC? locates a contractor with factories in Tehuacán, Mexico. WC? saves \$1.50 per pair of jeans as a result of the move.

### **The Garment Worker, Tehuacán, Mexico**

Patricia Gomez wakes up at 4 a.m. She prepares breakfast. She readies her husband's clothes for when he awakes at 5 to go to his work as a vegetable vendor. The couple relocated from Chiapas to Tehuacán four months ago. Although they miss their families in Chiapas, Ms. Gomez hopes the relocation will provide them with the income that they could not earn in the country.

She enters work at 7 a.m. Fabric particles fill the air, and the workers leaving the night shift cough and wheeze from hours of breathing in the poorly ventilated room. The factory where she works employs women to sew, like Ms. Gomez, mostly between the ages of 15 and 23. It is owned by a family from Mexico City; the plant managers are all men. She will work a twelve hour shift. The owners allow two bathroom breaks per day and twenty minutes for lunch.

She will sew the waistbands on over 100 pairs of jeans an hour. For this work, she is paid the equivalent of \$5.20 each day. Ms. Gomez completes her work quickly in order to meet the quota of 80 pairs per hour - any additional work becomes a bonus for her. The jeans Ms. Gomez completes will be shipped back to the U.S. and sold with the WC? label. They retail for \$54 in department stores. Including her labor, the jeans will cost WC? \$12 to produce.

Since she is a fast worker, the bosses never yell at her like they do some of the women who cannot make the quota. She is concerned, however, that her work rate will slow due to recent numbness she has experienced in her fingers towards the end of the day. (The managers fired co-workers who experienced similar numbness.) She worries about breathing the contaminated air as well, as well as other hazards her fellow workers have warned her about.

### **Sylvia Krauss, Tehuacán, Mexico**

A coalition of U.S. labor representatives, women's organizations, concerned consumers and student activists are in Tehuacán, Mexico on a human rights fact-finding mission about conditions in Mexican WC? factories. Sylvia Krauss, a representative of the University of

California Association of Students, is part of the delegation. She is concerned that WC? jeans, a popular brand on college campuses, forces workers to labor in unsafe conditions. She wants to recommend a course of action and recommendations for change to UC students and administration. Mr. Cares accompanies the mission. After hearing the above testimonies of Mr. Cares and Ms. Gomez, Ms. Krauss will ask questions about WC? manufacturing practices.

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<sup>1</sup> This case was researched and written by Darcie Vandegrift. The three characters are composites of actual manufacturers, workers, and activists, and the working conditions described are derived from actual reports on factory conditions in Mexico. This case study was written based on 1992 interviews with Texas garment workers (Vandegrift 1992) and Edna Bonacich and Richard Appelbaum, *Behind the Label: Inequality in the Los Angeles Apparel Industry* (Berkeley: University of California Press, 2000). The term “race to the bottom” refers to capital’s international search for ever-cheaper labor in order to reduce manufacturing costs. See Edna Bonacich, Lucie Cheng, Norma Chinchilla, Nora Hamilton and Paul Ong (eds), *Global Production: The Garment Industry in the Pacific Rim* (Philadelphia: Temple University Press, 1994).