

LABOR AND LACE

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Can an Upstart Women's Group Press a New Wrinkle into the Rag Trade Wars?

A LITTLE AFTER 4 ON A FRIDAY AFTERNOON IN MARCH, about two dozen women are congregating for a workers'-rights rally in San Francisco's Union Square. As its name suggests, this is a labor landmark, but that's not why the women have chosen to meet here. Surrounding the square is one of the city's toniest shopping areas, where seductive window displays show off buttery leather, jewel-tone silks and the latest designer fashions. Today, at least for a short time, the protesters are hoping to compete with the merchandise.

The women come from all over the map. There are jeans-clad Asian worker advocates, button-wearing lesbians, young black women sporting cornrows and hoop earrings, and middle-aged Latinas in heavy makeup. Some are college-educated lawyers, others are former seamstresses, all of them are seasoned activists. With quiet efficiency, they arm themselves with picket signs, glance over a sheet of protest chants and fall in for the "action."

Like battle flags, lacy dresses strung up on poles lead the line of women that weaves through frazzled shoppers and curbside vendors. They carry handwritten "boycott" signs and bright red banners painted with black Chinese and Korean characters for "justice" and "solidarity." In front of nearby department stores the women form orderly pickets, handing out flyers to curious passers-by.

The leaflets carry a simple message. The women are protesting against Jessica McClintock, whose clothing company does a reported \$145 million annually turning out her trademark romantic dresses. The rally, organized by Oakland-based Asian Immigrant Women Advocates, is part of AIWA's 6-month-old national boycott of McClintock. The designer has refused the nonprofit group's demand that she pay back wages owed to garment workers stiffed when one of her sewing contractors went belly-up.

Jessica McClintock Inc., however, is not the protesters' only target. AIWA advocates admit that the company is not legally liable for the back wages, but they have singled out McClintock in a calculated effort to highlight what they say are unfair-and often illegal-labor practices that plague the entire garment industry. AIWA's actions coincide with a renewed regulatory drive to clean up the industry by targeting manufacturers. The group wants the manufacturers, who contract out the bulk of their work to independent sewing shops, to be accountable for the workers who sew their clothes. AIWA also wants retailers, consumers and politicians to face up to an age-old injustice: the usually invisible plight of low-income, mainly immigrant women workers, many of whom toil in Dickensian conditions in sweatshops across the country.

In front of Macy's and Nordstrom, stores that carry McClintock lines, the women take turns leading chants, and they all stay cool when police arrive to keep an eye on things. Their final destination is a strip of chic boutiques on nearby Sutter Street, where they set up in front of McClintock's store, a pseudo-stone palace. The shop has just closed for the day, but that doesn't dampen the enthusiasm of the protesters. The fluttering dresses-McClintock designs-are lifted into the sky, and the chant rises: "Jessie, Jessie, stitch by stitch; sweatshop labor made you rich."

YOUNG SHIN, A DIMINUTIVE WOMAN IN A BLACK SILK DRESS AND A vibrant jacket woven with black, gold and red threads, has her ear to the telephone as she beckons a visitor into her office in Oakland's Chinatown. Shin has a clear view of AIWA's cluttered conference room, where one staff member is juggling incoming calls while designing a "Boycott McClintock" flyer, and another is offering suggestions and hurriedly eating a late lunch of Chinese noodles.

Shin wraps up her phone conversation and then pauses to collect her thoughts. Her manner is crisp but friendly. She recalls that it was a routine work day in May last year when 12 Chinese seamstresses from the Lucky Sewing Co. showed up at her office to ask for help. The women had been stuck with a string of bad checks, amounting to about \$15,000, for work they had done from April, 1991, to February, 1992. "They were really upset; they felt cheated," says Shin. Some of the women said they were desperately trying to make ends meet.

The seamstresses described the conditions under which they worked: 10- to-12-hour days, six or seven days a week, with no health benefits. They were paid by the piece and no matter how hard they worked, they rarely made \$4.25 an hour, the federal minimum wage, and they were never paid overtime-both of which are mandated by labor laws. "When you break the money we earn, it contains blood and sweat," says Fu Lee (not her real name) later through an interpreter, "so we use every penny very carefully."

The Oakland sewing shop was also poorly lit and inadequately ventilated, the seamstresses charged. It did have windows, says Bo Kwan, who worked there for about six years, but they were always sealed shut. A sign read, "No going to the bathroom. No loud talking." Quite simply, says Kwan, who also declined to use her real name and spoke through an interpreter, acceptable working conditions "were not present."

For Shin, it was an all too familiar story. A Korean-American lawyer who first came to the United States as an exchange student, Shin co-founded AIWA in 1983 to provide legal and job referrals to immigrant women workers. Before that, Shin was a social worker and most of her clients were women like Kwan, whose workplaces, she learned, were both abusive and appalling. "It's no accident that Asian immigrant women work in the garment industry," says Shin, who adds that few job opportunities exist for the newly arrived who don't speak English. "These women happen to be very invisible and voiceless," she says. "And the industry exploits the hell out of them."

Initially, AIWA approached the owners of Lucky for the back wages, but they had filed for bankruptcy. Workers, by law, are near the front of the line for payment in such a case. According to Lucky's bankruptcy attorney, however, the Oakland sewing company had few assets, and there was simply no money to pay the seamstresses.

This, again, was not news to Shin. The garment industry, she says, is so competitive that shop closures are "pretty common," and contractors readily admit that they violate labor laws just to stay in business. "They can hardly make a profit with the price (they get paid)," she says. Yet Shin doesn't blame the contractors. "The question is: Who makes the most profit?" she asks, "and who controls the price of labor?" "The manufacturers," she says, who have positioned themselves a convenient arm's length from the consequences of their own cutthroat competition.

The Lucky case gave Shin just what she had been looking for, a chance to wage a battle for better pay and working conditions by going after bigger fish than the sewing-company middlemen. All she needed was for the 12 seamstresses to climb on board. In the past, most of AIWA's clients were too frightened to confront manufacturers. But the Lucky workers, she says, "were very willing to fight. I was pleasantly surprised; they wanted something to be done." Jessica McClintock Inc. had done business with Lucky (formerly known as Fred Zees Garment Manufacturing Co., according to court documents) for at least six years. "We decided to ask McClintock to take some moral responsibility," says Shin, who concedes that the designer's was not the only company that contracted with Lucky. But McClintock is a well-known name in the industry and with consumers; her clothes are sold under the Gunne Sax, Scott McClintock and Jessica McClintock labels. And the way Shin saw it, here was an opportunity for a manufacturer to do the right thing; AIWA wanted McClintock to set an example.

Before they made any demands, however, the seamstresses took a field trip to the designer's San Francisco store. On the racks, they recognized a glamorous, green velvet, off-the-shoulder dress selling for \$175. They quickly calculated the number of pieces they had sewn to make the dress and how much they collectively were paid for it: \$5 all told. "I felt a pain in my heart," says Fu Lee, "because we sew for so little and (the dress) was selling so high out there. And even that little amount, we didn't get it."

After that excursion, AIWA's crusade moved into high gear. In a Sept. 29, 1992, letter to McClintock the group asked her to reimburse the workers. They also asked her to agree to a two-year independent contract with the seamstresses. Two days after AIWA sent its letter, a reply came by fax: The answer was no.

From McClintock's perspective, the matter is clear-cut-and closed. In her fax, McClintock wrote that she did not "exercise any control over contractors." And she pledged to "continue to do business with independent contractors who act in a responsible manner in the treatment of their employees and who produce quality products for our customers at competitive market prices."

AIWA and the Lucky workers were determined not to let McClintock off so easily. With the help of Public Media Center, a non-profit, advocacy advertising agency in San Francisco, they devised a spunky media campaign that did two things: It renewed attention to industrywide problems and lambasted McClintock. "Jessica McClintock knows this is not really a money issue," says Shin. "We know it's not really a money issue. It's about the working conditions of the workers who sew her dresses."

A few weeks later, a full-page advertisement chiding McClintock appeared in the national edition of the New York Times. Under the headline "Let Them Eat Lace," the ad set out to counter the romantic images associated with the designer's dresses by telling the decidedly unromantic tale of the Lucky Sewing Co. workers. It called upon consumers to write McClintock and tell her to pay up.

The AIWA ad duly noted McClintock's business acumen and her admirable record of philanthropy (McClintock was a major figure in the fashion industry's "7th on Sale" AIDS benefit last year), but charged that she ignores the plight of a disadvantaged group closer to home. "It's rags to riches for Jessica McClintock," read ad copy encased in a mock clothing label. "but the women who sew in the sweatshops have still not been paid. You can help."

McClintock fought back with a full-page ad of her own. Adamant that she would "not tolerate intimidation or a blatant shake-down," the ad stressed that she had paid the contractor for the work the women had done and that she had last done business with Lucky more than a year previously.

In a phone interview (she declined to be interviewed in person), the soft-spoken McClintock points out that she has gone to great lengths to educate contractors about labor laws and that she alone cannot rid the apparel business of bad operators. "I have tremendous sympathy for these women and the way they say they were treated," says McClintock, who adds that she was raised in a poor family in a small New England town and knows what it's like to work hard. "But there's a lot of energy being spent on the negative and not on working together."

Still, AIWA unabashedly devoted its energy to boycotting McClintock. During November last year, the group staged almost weekly pickets at McClintock's store and factory outlet in San Francisco. And AIWA began to broaden its reach beyond the Bay Area to win support for a national boycott. On the day after Thanksgiving-traditionally the biggest shopping day of the year-community rallies in support of what AIWA had begun calling the Garment Workers Justice Campaign were held in 10 cities, including New York, Chicago and Los Angeles. "My mother was a garment worker, this is a personal issue for a generation of us," says Roy Hong, of Korean Immigrant Workers Advocates in Los Angeles, who picketed in front of McClintock's Rodeo Drive boutique. "We don't want this kind of exploitation to continue for another generation."

In early December, AIWA turned up the heat with another New York Times ad. This time, the group had a trump card. AIWA's first ad had prompted an angry Eleanor Dugan, a former McClintock production supervisor, to write a letter. Dugan said she was sickened by the working conditions of seamstresses when she worked for the designer 20 years ago, and it seemed clear not much had changed. "I am thrilled that someone is taking a stand about this," Dugan wrote. "I hope your efforts will be the wedge that starts people re-evaluating their basic assumptions, like Rosa Parks refusing to move to the back of the bus."

McClintock seems genuinely perturbed by AIWA's campaign, now in its 10th month-protesters have even marched to her Victorian home in San Francisco's ritzy Pacific Heights. Still, she insists that the boycott has not affected business but charges that she has been vilified by AIWA as well as the press. "I'm just a single businesswoman who has always tried to be fair, who has always paid just about the best wages to contractors. What are they trying to do to me?"

MENTION THE MCCLINTOCK-AIWA dispute to Paul Gill and he sighs. "AIWA has a perfectly legitimate agenda. It's their techniques that are obnoxious," says Gill, co-owner of Mousefeathers, a children's clothing company, and president of San Francisco Fashion Industries, a trade association. "I can charitably call (the tactics) propaganda." Whether the campaign has made a dent in the multibillion-dollar garment industry is debatable. But Gill readily attests that "the industry in Northern California feels like it's in a state of siege."

Gill, an impassioned speaker with a boyish face, acknowledges that labor-law violations are a problem in his industry. But he points out that McClintock, who refers the media's calls on AIWA's boycott to his association, is being treated as if she did something wrong when she didn't. "She played by the rules given to her, she didn't write the rule book," Gill says. "This is a social problem. You don't have to paint one individual with a tar brush."

Gill jokingly shows off his "sweatshop," a spacious brick building in Berkeley where his company's upscale kids' clothes are designed and later sorted before being trucked to retail stores. Like most in the industry, Gill contracts out the middle process-

the actual production of his garments. And contrary to what Shin asserts, Gill says he "can't ever remember" dictating the amount a contractor gets paid. "We don't control the price we pay the contractors. They tell us what it's going to cost to sew, and we sign a contract for it."

Gill is first and foremost a businessman with a keen eye to the bottom line. But he also sympathizes with the Lucky workers and says that most manufacturers don't want to think they make a living by exploiting seamstresses. He is quick to note that Mousefeathers has never hired a contractor cited for violating labor laws. "We've never had a problem, and frankly I cross my fingers every day that we don't have a problem."

He is, however, tired of manufacturers' being cast as the industry villains. He puts the blame for abuses in the system on retailers who, he says, "demand" low prices-and on consumers. "There is an unbelievable appetite that people have for cheap clothes," says Gill. The price of clothing in the United States, he says, is driven by what store buyers and bargain-hunting shoppers are willing to pay. "This is one of the few industries that operates in a real competitive marketplace, not a phony marketplace, like most of them," he says. "There's always a downward pressure on price and on cost."

In a free-enterprise economy, that fact is unlikely to change. Pressure to reduce costs has increased in recent recessionary years, with department and specialty store closings and cutbacks. "Times are very, very, very tough for all of us," says Gill, who lost about \$1 million in sales last year.

While Gill says he is not privy to the profit margins of other manufacturers, he offers a pie chart to illustrate his own. According to the chart, on a Mousefeathers dress whose wholesale cost is \$40 (and whose retail price is \$80), Gill makes less than 5%, about \$1.50, after paying taxes, overhead, material and labor costs. "I think that's in the ballpark for other manufacturers," says Gill, who explains that in a good year he might make as much as 10% in profit, through an increase in sales volume. "But there haven't been any good years in a while."

For Gill, hard times do not justify garment workers' being paid less than minimum wage or being denied overtime or benefits. But he explains that even if the industry were free of predatory manufacturers and lawbreaking contractors, it would still be a low-wage paying proposition for garment workers. "Minimum wage is not all that great," says Gill. "So the fact that someone is in compliance is not necessarily an indication that all is well and rosy."

Indeed, all has not been well and rosy in the garment industry for some time. A 1988 U.S. Government Accounting Office report cited routine violations ranging from failure to pay overtime or minimum wage to child labor, fire hazards and working conditions that cause crippling injuries. According to the GAO report, the most recent federal study available, more than 5,000 sweatshops exist in New York City and Los Angeles alone.

And since the early 1960s, in search of even cheaper labor, U.S. companies have increasingly turned to Central America and Asia. "It's far more economical to have most products made overseas," Gill says matter-of-factly. While Mousefeathers' clothing is produced locally, most major manufacturers, including The Gap and Esprit, also produce offshore, where manufacturers are free to do business with contractors unencumbered by U.S. labor laws.

As McClintock, who feels she deserves credit for largely staying local, puts it: "You can't tell me that everyone, everywhere follows the law-in some countries (labor law is) nonexistent." In fact, says Randall Harris, executive director of San Francisco Fashion Industries, a trade group, some 15 countries in the world can now produce mass quantities of high-quality clothing, "and they produce at substandard wages and substandard levels of human treatment." According to Katie Quan of the International Ladies Garment Workers Union in San Francisco, "A (garment) worker in Mexico gets paid \$4.50 a day, in Guatemala it's only \$2 a day, and in El Salvador it's less than that."

The trend toward a globalized economy, with policies like the pending North American Free Trade Agreement, only make matters worse for U.S. garment workers. "(NAFTA) will increase the proliferation of sweatshops here because they will operate in competition with Mexican shops," Quan says. Manufacturers will continue to work stateside only if they can control costs. "That will increase the downward pressure on wages and labor conditions," she says. Even without NAFTA, Quan concedes that world economic pressures are taking a toll on her industry. "Labor has to develop a global strategy. It's tough trying to negotiate a contract for workers," she says, noting that fewer than 10% of Bay Area sewing shops are unionized. "You don't want to ask for too much because (factories) will just close down and move."

Former Lucky workers say that McClintock production employees told them in the spring of 1991 that one reason the designer stopped sending jobs to their shop-and several others-was that she was moving business to Mexico. McClintock, who says she has

shifted "some" work across the border, equivocates when asked about the charge. "I don't think it's true that we pulled out (of Lucky's) to go to Mexico," she says, adding that it may have been because it wasn't a well-run shop, but "I'm not sure what it was."

Gill, for one, believes that mass production of garments in the United States is a "dinosaur" industry. In fact, according to the ILGWU, the number of jobs for workers has dropped by about 25,000 a year. Gill says that raises questions about what jobs will be available for newcomers. He remembers his grandfather, who came to New York City from Eastern Europe and forged a living as a ladies' hat cutter. "The only two holidays they celebrated in his home were Labor Day and May Day," he recalls with a wry laugh. But that was 70 years ago. "Just coming here (now) as an immigrant, it doesn't mean you have an entree into America anymore-when in places like El Salvador they can sew things cheaper."

ACROSS THE BAY FROM WHERE THE LUCKY SEWING CO. USED TO be, investigator John Marquez has just completed a surprise inspection. Marquez surveys the scene around him and declares that, at least on the surface, all looks to be in order at this mid-sized sewing shop in San Francisco's eclectic neighborhood south of Market Street. Rows and rows of sewing machines are lined up and behind them, clad in cotton aprons, protective armbands and flimsy face masks, sit about 20 Asian garment workers intent on the same repetitive task. Some of them are surrounded by bins or shopping carts filled with pre-cut fabric waiting to be sewn. They barely look up as Marquez makes his rounds. The only sounds are the rapid-fire burst of sewing machines and a Cantonese radio station playing quietly in the background.

Marquez, who looks like a central-casting notion of an investigator-tall, with dark glasses and a slightly imposing manner-is inspecting this shop as part of a government enforcement program. He is checking for labor-law violations. He almost always finds some. "In about 80% of cases we find violations," says Marquez, who works for the labor standards-enforcement division of the California Department of Industrial Relations. In this instance, federal regulators suspected and later found overtime-pay violations.

Until recently, regulators were considered by those both in and out of the industry as ineffective at best. "Enforcement was horrible-there wasn't any," says Bernard Lax, president of the Coalition of Apparel Industries in California, an industry lobbying group. For example, labor officials confirm that in its almost 10 years of operation, Lucky Sewing Co. was never investigated by either U.S. or California regulators. But last November, state and federal investigators formed a joint strike force to increase efforts to discipline contractors. Since then, the Targeted Industries Partnership Program has cracked down on dozens of shops in the Bay Area alone.

McClintock's company has surfaced, indirectly, in two major investigations. In a sweep of San Francisco sewing shops late last year, government investigators discovered that 11 sewing shop owners owed nearly \$190,000 in back wages. That bust included companies under contract to manufacturers such as Esprit, Banana Republic and Ralph Lauren-as well as McClintock. And this April, Enchanted Fashion Inc., which sews bridal gowns for McClintock and body suits for another company, was cited for using an elaborate "algebra" to cook its books and avoid paying overtime. The contractor, who owed his workers \$36,000 in back wages, agreed to pay them. In the first case, McClintock claims that she was never told of the findings, and in the second, she says she stopped dealing with Enchanted Fashion when the government notified her of the company's labor-law violations.

Like Young Shin, federal labor-law enforcers are not content to simply go after the contractors. More than a year ago, they began to enforce a little-used provision of the U.S. Fair Labor Standards Act, routinely referred to as the "hot goods" provision. The law allows the government to block-within a 90-day period-the interstate shipment of garments sewn in shops that violate wage, hour and child-labor laws. Such action can be disastrous for manufacturers, who aim to ship merchandise-especially in the fickle world of women's fashions-to retail outlets as quickly as possible. Some manufacturers, fearful that they will be caught with "hot goods," are more carefully monitoring the contractors they do business with. "Everybody has gotten the message," says Paul Gill.

For instance, Guess? Inc., the Los Angeles designer-jeans manufacturer with annual sales in excess of \$700 million, began its own monitoring system last August, after repeatedly being cited for "hot goods" by the federal labor department. At the time, Guess? also agreed to pay more than \$570,000 to garment workers owed wages by five contractors. But the "hot goods" law has limitations. The Lucky seamstresses, for example, were owed wages for work that was done more than 90 days ago. That's not uncommon, says Shin. And government investigations don't uncover all the abuses. As Shin has discovered, "sometimes it takes a long time for these women to come out."

IN A PACKED HEARING room at the Oakland Museum on May 1-International Workers Day-AIWA sponsored a community hearing about the myriad problems within the garment industry. For the first time, nervous contractors and some of the Lucky seamstresses testified before a panel of local and state politicians. AIWA considered the hearing a resounding success because it

shifted the McClintock campaign to a new strategic level. The Berkeley City Council and Alameda County Board of Supervisors passed resolutions supporting the McClintock boycott, and both the Oakland City Council and the Alameda supervisors have set up task forces to investigate industry abuses. AIWA is now planning a similar hearing in San Francisco. "We need to get support there, where the action is-McClintock's headquarters," says Shin.

At the hearing, AIWA called for state legislation that would directly make manufacturers and contractors jointly liable for worker pay and conditions-a move apparel manufacturers say would kill the industry. "We can't be policemen," says Lax of the apparel lobbying group. "You can't make one business responsible for another." Such joint liability legislation has been vetoed in the past by both Govs. George Deukmejian in 1990 and Pete Wilson in 1992. This year, a bill sponsored by Assemblyman Terry B. Friedman (D-Brentwood) included higher fees and stiffer fines for contractors, and expanded manufacturer liability in some situations. Apparel-industry spokesmen called it "unworkable" and "an invitation to leave the state." Young Shin and other labor leaders also opposed the bill. Higher fines, they said, are too easy for the industry to pay-the bill would let "manufacturers off the hook." The legislation has passed in the Assembly and awaits action in the Senate.

Still, it's not only legislators that AIWA is appealing to. "We need the (public's) leverage to really get Jessica McClintock to listen-because I don't think she's interested in worker empowerment," says Shin. More than a thousand shoppers have mailed in coupons of support for the boycott, Shin says, and the group has received dozens of letters of endorsement from community, women's and labor groups nationwide. Some women have even reached into their wardrobes and donated McClintock dresses for AIWA street actions. "Ever since I was in high school, I bought Gunne Sax dresses and Jessica McClintock dresses," says Mary Gillespie, a San Francisco attorney who donated a bridesmaid's dress to the cause. "After I found out how they treated their workers, I couldn't keep that dress in my closet any longer."

AIWA's dispute with McClintock has moved no closer to resolution. After 10 months of arguing back and forth, neither side is willing to budge. About her attackers, McClintock is surprisingly generous: "I know they do a lot of good work." And she even compliments their strategy: "It was a good stand to take. I sell romantic clothes, and they always put that side by side with a woman bent over a sewing machine. It was well thought out and well planned." Still, she is angry. She says she has been made a scapegoat and that AIWA picked on "the wrong person."

Shin makes no apologies for doggedly pursuing McClintock. She acknowledges, however, that keeping the boycott alive is an uphill battle. AIWA, with a full-time staff of only four and a \$200,000 budget, can only do so much. But the campaign continues. "This is more than a labor issue," says Shin. "Fundamentally, it's a human-rights issue. Unless someone speaks up, I'm afraid it's going to get worse."