



THIS SPREAD: SLOBODAN MILJEVIC/ISTOCK (PHOTO); NATHANIEL KILGER (ILLUSTRATION)

At the start of every semester, professor Paula Chakravartty asks her students to peek inside one another's shirt collars to see where the shirts were made. The labels unfailingly read like a travelogue of the developing world—China, Vietnam, India, Mexico, Indonesia, Cambodia, Honduras, El Salvador, Sri Lanka, Bangladesh. The exercise is an instant lesson in something that everybody in the room knows but probably hasn't examined in the hard light of day: Almost all of us participate in the fashion sweatshop industry every time we get dressed.

Garment factories in poor countries, where the risk of fire and building collapse may be all in a day's work, are the grimy flip side to our shiny halls of retail—the rotting foundation beneath

the glamour of the catwalk. And gazing at the problem from H&M's checkout line or your Amazon cart can feel hopelessly defeating. "One of the ways that people justify not looking at the production side of fashion is to think, 'Well, there's nothing I can do. These countries are poor, these people need jobs, and that's just how my clothes get made,'" says Chakravartty, an associate professor at Gallatin and of media, culture, and communication at Steinhardt. She is one of many in the NYU community who are grappling with the issues surrounding the global garment supply chain: how the industry moved from New York City to far-flung nations, why working conditions in these places are often so deplorable, who's to blame, and where in the array of institu-

tionalized misery to start fixing things.

Those fixes are more than an academic issue. The industry's problems were thrust onto our collective Western moral radar on April 24, 2013, when Rana Plaza, an eight-story factory complex in Dhaka, Bangladesh, crumbled into a pile of rebar, concrete, and fabric bolts, killing more than 1,100 people and injuring thousands more. The previous day engineers had warned tenants that the walls of the building were starting to crack and had evacuated the building. But bosses ordered the garment workers—most of them young women, taking home some of the lowest wages on the planet—back into the building's upper floors the next morning. If they failed to comply, they would lose an entire month's pay. Factory thugs beat the point home,

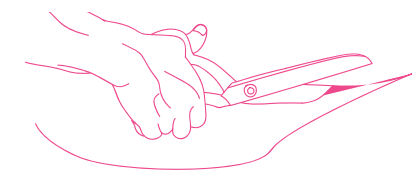
according to some reports. And then, soon after, the structurally stressed building pancaked to the ground.

It was the deadliest apparel-factory disaster in history. And it soon emerged that dozens of global clothing brands—including Benetton, Walmart, and JC Penney—had links to Rana Plaza. The garment workers had died, if not for our sins, then definitely for our sweatpants.

Only six weeks earlier, and half a world away, research scholar Sarah Labowitz and professor of business and society Michael Posner had embarked on a new project at the Stern School of Business to "challenge and empower" global businesses to improve human rights. The nascent Center for Business and Human Rights would investigate and analyze how businesses interact with their local partners, unions, trade associations, and institutions like the International Labour Organization and the World Bank. Human rights concerns "are still an embryonic part of business education," Posner notes, and this is the first such university program in the country. Posner likens the work to radiology. "We're doing X-rays of industry," he explains, whether the issue is privacy in the tech world or the conditions of migrant construction workers in the Arabian Gulf. The Rana Plaza tragedy could not have been more in the center's wheelhouse, crystallizing the intersection of globalized manufacturing and its human costs. Posner and Labowitz, both of whom have labor backgrounds, decided to focus their first efforts on garment workers in Bangladesh.

A year later—when bone fragments were still being plucked out of the debris in Dhaka—the center produced a landmark position paper: "Business as Usual Is Not an Option: Supply Chains and

Sourcing After Rana Plaza." Among the key findings was that identifying the components of the Bangladesh sweatshop chain of responsibility was a bit like playing whack-a-mole. The nature of the business is to produce cheap apparel as quickly as possible, especially at certain times of the year, such as the back-to-school season, when Westerners are likely to buy clothing. This means that subcontracting is rampant. Some 2,000 factories contract directly with global brands and are, at least theoretically, covered by inspections and other oversight. But in real life, these factories frequently hire workers from other factories, which in turn hire further down the chain—bringing the actual number of facilities operating in Bangladesh to as high as 6,000, according to the report. And, it notes, "the worst conditions



are largely in the factories and facilities that fall outside the scope" of what worker protections are on the books. These bottom-of-the-barrel outfits often lack clean drinking water and toilets. Basic safety procedures—fairly slipshod even at the top of the chain, thanks to government corruption and inefficiency—are nonexistent. The brands at the top generally don't even know about conditions at the facilities at the bottom.

"The whole premise of the business model is that you're pushing risk down," Labowitz says. For brands that are competing to sell the cheapest chinos and button-ups, it pays not to know what human rights corners are cut on their behalf. The report hammers hard on the need for companies to acknowledge this inevitable, invisible iceberg of outsourced labor. "The question all brands should

be asking themselves is not how to stamp out subcontracting," it concludes, "but how to do subcontracting well."

The center continues today to crunch the data it has gathered on all the outliers and is working on an interactive map to show where all the facilities are, says Labowitz, "and how many workers there are in small factories and in big factories, in peak season, seven days a week."

Until a few decades ago, most of the clothes that Americans wore were made in the United States. "For a brief golden period in the middle of the 20th century, garment working was a decently paid middle class job," says Scott Nova, executive director of the Worker Rights Consortium, an independent monitoring organization dedicated to protecting the rights of workers in factories whose garments bear the logo of 181 affiliated colleges and universities, including NYU. There were American garment sweatshops at the dawn of the industry, of course, and some still exist today in places like New York City and Los Angeles (and are staffed mostly with undocumented workers). But, in general, "that mess was cleaned up in the United States," Nova adds, largely by the hard-fought efforts of the organized labor movement in the 1920s and '30s.

One of the most galvanizing events for reform occurred at what is now the NYU Brown Building, at Washington Place and Greene Street. The infamous 1911 Triangle Shirtwaist Fire was the worst industrial disaster in the history of New York City. As in Rana Plaza, most of the victims were poor, young women with little power to fight abuses, such as being locked in the factory by bosses fearful the staff would sneak off for breaks. Some 146 died in the fire, many leaping to their deaths from the ninth



floor when they couldn't escape through the blocked exits. But the tragedy eventually led to new laws about fire escapes, fire drills, sprinklers, exit doors, and other safety advances.

Many at NYU hope that Rana Plaza's grim legacy will inspire a similar turning point for factories in the developing world. But the decentralized nature of today's game creates a whole new order of difficulty for reform. The rise of multinational companies and the deregulation of trade have given apparel brands an explosion of international options. "What they have replicated in dozens of countries around the world are the sweatshops of an earlier era in the United States, with the added problem that this is happening across borders," Nova says. "You're dealing with dozens of governments. The brands are less accountable than they were a hundred years ago."

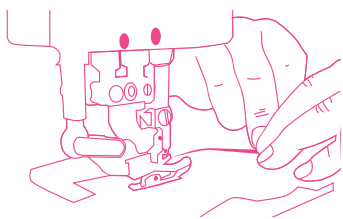
There's a whiff of the days of the robber barons when laborers do rise up. "What we see all the time is that when workers make a demand or start organizing, the factories just leave," says Liliana Goldin, a professor of social work and fellow at the McSilver Institute for Poverty Policy and Research who studies the garment industry in Central America, particularly the Guatemalan highlands. The factories "close down and move to Honduras or Nicaragua or China, wherever the state can guarantee that workers are docile."

Even if countries have sound labor and safety legislation—as many, including India and China, do—the rules don't apply in the "Export Processing Zones" of production, or EPZs, that have been carved out as part of international trade deals. Two and three decades ago, debt crises forced governments in the developing world to think differently about their priorities and to realize that, in the brave new world of globalization, what "they have most to trade is cheap

labor," explains Chakravartty, who led the shirt label exercise. EPZs, she says, have become "a no-man's-land in which national regulations about union rights, collective bargaining, and the environment don't apply. Mexico is a great example. NAFTA accelerated the process of deregulation, which benefitted a lot of people but also hurt a lot of people."

Bangladesh has basically followed the globalization playbook. South Korean entrepreneurs pioneered the garment sector there, and Americans and Europeans soon followed. New Bangladeshi governments deregulated the economy in the 1970s and '80s and sweetened the deal with easy credit and tax breaks for exporters. "The growth of the garment industry has been exponential," according to the report by the Center for Business and Human Rights. "There were 384 factories, with 120,000 workers in 1984.... In the next decade, the number of factories increased five-fold, and the number of workers was over a million.... By 2004, there were two million Bangladeshis working in textile factories, whose numbers had now reached 4,000." These figures, of course, do not even count work outsourced to down-chain facilities.

The backdrop to this explosive growth is convoluted. Bangladesh "is unbelievably dense," says Labowitz, who has



visited five times in the last two years. "It has a population the size of Russia—165 million people—in a land mass the size of New York State." Roads, transportation, and utilities are "fragile to dysfunctional," and among the worst

in the world, adds Posner. "Bangladesh is at the bottom of almost every indicator, and it's not just a factory problem. You're dealing with a country where there's a huge governance gap, and basic institutions of the state are not working very well." And a final ding: The architectural infrastructure in Bangladesh (and Pakistan, as well) favors tall buildings over the one-story factories that are typical almost everywhere else. This hyperurbanism makes factories especially difficult to escape from in an emergency. It also makes the installation of heavy generators and other industrial equipment incredibly dangerous. This was a factor at Rana Plaza, which housed five garment factories in a building zoned only for retail and residential use.

Rana Plaza was a public relations disaster for global fashion brands. Reform, or at least the appearance of significant reform, was essential. A charity to help compensate injured victims and the relatives of the dead was established. Two multibrand organizations also rose out of the rubble, both with the stated mission of establishing transparency in the Bangladeshi garment sector and improving safety.

The Alliance for Bangladesh Worker Safety, known informally as the Alliance, comprises 27 North American companies, including L.L. Bean, Macy's, Nordstrom, Target, Walmart, Costco, the Gap, and VF Corporation (owner of brands such as North Face, Timberland, Wrangler, Lee, Eagle Creek, and JanSport). Together they represent 90 percent of the clothing Bangladesh exports to the United States. The other organization, the Bangladesh Accord on Fire and Building Safety in Bangladesh, a.k.a. the Accord, has more than 200 members from 20 countries, including Benetton, H&M, Marks and Spencer, Monoprix, Helly

Hansen, and Abercrombie & Fitch, as well as several labor organizations.

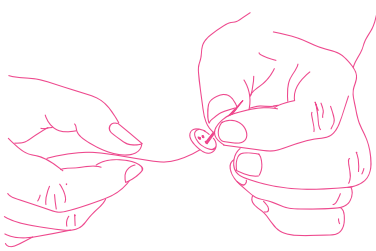
The center's report appraised both organizations and concluded that "the similarities between the two initiatives far outweigh their differences." Neither had an effective plan for who would be accountable for paying for factory repairs recommended by inspections. But, more crucial to its own research, the report noted that the scope of the Alliance and the Accord overlooked about two-thirds of the garment facilities operating in Bangladesh, thereby leaving out the vast majority of subcontracted workers.

On paper, the Accord is more traditionally union-oriented and the Alliance relies more on companies to police themselves and their contractors. This was a red flag to many labor activists, who do not support the Alliance, and ballooned into an issue on many college campuses, including at NYU.

"The Accord includes workers' voices, it allows the union to go directly into factories and talk to workers about safety, and it's a legally binding international agreement," says Robert Ascherman, a senior majoring in social movements and liberation theology at Gallatin and an activist with the Student Labor Action Movement (SLAM). SLAM is the local chapter of United Students Against Sweatshops, a national group founded in 1998 and considered to be the biggest antisweatshop organization in North America. "If a company [within the Accord] refuses to do something, they can be sued," he continues, "and none of this is true of the Alliance." More than 100 faculty members also signed an open letter to the Stern School arguing that the Accord is far more friendly to labor unions than is the Alliance.

It's a distinction with a difference, the Accord's backers maintain. "Bangladesh is the strongest example of

why voluntary corporate self-regulation is a failure," Nova says. "All those factories in which workers have died en masse were repeatedly inspected by Western brands and retailers who ignored the safety hazards that killed workers, even though they had every reason to know



what to look for and what to do about it, because this has been going on for 15 years, with three different massive building collapses and dozens of fires."

"Some in the labor community on campus and within the activist community really don't like our report [because it doesn't support the Accord over the Alliance]," Labowitz acknowledges. "At the end of the day the ideal scenario is that the government of Bangladesh enforces labor rights and protects its own people, but we anticipate that that's a long way away. The question is, what do you do in the interim? The Accord and the Alliance only cover, optimistically, half the work force. Two million minimum fall outside those initiatives. How do you ensure those workers are walking into a safe factory? Labor unions are part of the answer, but I don't think that gets you all the way there."

So where does all of this leave the individual consumer? Must we stitch our own jeggings? Buy only American? (Hello, \$140 tank top.) Crawl naked into bed, hoping the sheets are fair trade, and hide?

The experts think not.

"The last thing I want is for people to feel hopeless," says Chakravartty. "I want them to think about how to change the

world, but not through shopping. The solution is not better shopping skills."

Labowitz agrees: "I've talked to lots of workers in Bangladesh, and their message 100 percent of the time is 'Please keep placing orders.'" Nova suggests buying Accord rather than Alliance clothing brands for the present. (Ultimately, he'd like universities to use their clout way beyond Bangladesh and "expanded to a broader set of issues, like overtime wages, treatment of workers by supervisors, and sexual harassment.")

"I'm much against boycotts that would jeopardize the workers," says Goldin. "These are not well-paying jobs [in the garment industry in Guatemala], but compared to chicken processing factories or vegetable export plants, those jobs all pay less." But we do have some power as consumers, she insists, to put pressure on the brands to ramp up their social responsibility.

At the very least, imagine a face to your label. Goldin says, "I tell students, 'When you look at a commodity, think about the labor that is embedded in it. Everything we touch was in the hands of young women, and sometimes young men, on the other side of the world.'"

## THE ACCORD vs. THE ALLIANCE

Where do your favorite brands fall?

### THE ACCORD

Abercrombie & Fitch	Olga
American Eagle Outfitters	Sean John
Calvin Klein	Speedo
Fruit of the Loom *	Tommy Hilfiger
Izod *	Van Heusen
	Warner's

### THE ALLIANCE

Banana Republic	North Face
Dickie's	Old Navy
Gap	Timberland
Jockey	Vans
L.L. Bean	Wrangler
Nine West	

\* Members of both groups

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