Freedom for Whom?
Globalization and Trade from the

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Organized labour in Canada, as well as elsewhere, argue that globalization has led to work restructuring, job loss, and depression of wages, thereby impoverishing the livelihood of working people.

2001 will be a year in which the world becomes a richer and sharply more decent place. Europe expand its wealth at the fastest rate for a decade.... the 2.3 billion people of China and India will organise their societies so as to double their prosperity every ten years.... Globalization will raise the standards of human rights, law, ethics and corporate governance around the world, even in dismal Africa. The revolution in communications lies behind this imperative.... No pollution, no barriers, no dogmas, no sweatshops exist in the freer exchange of information. (9)

On the other hand, organized labour in Canada, as well as elsewhere, argue that globalization has led to work restructuring, job loss, and depression of wages, thereby impoverishing the livelihood of working people. Who is right? How do we see and understand the manifestation of these abstract, macro processes as concrete and actual relations that shape people's everyday lives? This paper examine will aspects of globalization in relation to the changing working conditions of garment workers in Canada. I will first explain what I mean by globalization and restructuring. I will then describe briefly the changing reality of the garment industry in Canada. I will focus on trade agreements as one component in the conglomerate of processes that shape the working conditions of garment workers against the backdrop of globalization and work restructuring.

Globalization, which should be called more appropriately "economic globalization," refers to the integration of national economies around the world into an international, global economy and market. It signals a stage of capitalist development where capital, embodied in multi- and transnational corporations, has developed the capacity to move across national boundaries. This capacity is partly facilitated by the electronic revolution (vis-à-vis the industrial revolution, which was an earlier stage of capitalist development that began in the nineteenth century), by computers and telecommunication systems that have the ability to "capture" and direct the market (the exchange of commodities and services virtually) simultaneously through cyberspace. The movement of capital globally has also led to a corresponding movement of people around the world, either in search of employment, a better livelihood, or through the displacement of their homes by the lack of secure economic and social opportunities, or by warfare. This latter phenomenon often is not considered part of globalization. However, it is economic globalization and colonization that have led to the displacement of people from their indigenous livelihood (Sassen).

In some ways, globalization is not new. Some argue that colonization, especially European colonization of the rest of the world, has been with us for several hundred years. What is new in this era of globalization is the ability of capital to move sites of production across national borders with relative ease, and the virtual and
Standpoint of Garment Workers

In addition to the low pay rates and non-payment of benefits, liberalization of provincial employment standards also mean that health and safety regulations may not be adhered to.

The garment industry is a predominantly Canadian-owned industry and a major employer of immigrants and women. Historically it occupied a secure position in Canadian manufacturing. It is the eighth largest provider of manufacturing jobs, and an important employer of women and immigrants. The garment workforce is comprised of about 50 per cent immigrants and 76 per cent women (Gunning, Eaton, Ferrier, Kerr, King, and Maltby"""). Historically, homeworking and sweatshop operation were an integral part of the garment trade. With the formation of the International Ladies Garment Workers' Union (ILGWU), first in the U.S. and later in Canada, garment workers became the few unionized female workforce that enjoyed decent wages and employee benefits. Unlike some other sectors with heavy concentration of female immigrant workers, garment workers were protected by labour standard legislation and rights to collective bargaining since the 1930s.2

Since the 1980s, however, the garment industry has been undergoing dramatic and contradictory changes. For instance, according to Industry Canada between 1989 and 1993 the sector experienced a staggering loss of 800 plants and over 33,000 jobs, leading to the prediction that it was a "sunset" industry. But since then the industry has been growing. From the mid-1990s on, both shipments and employment have been increasing (Gunning et al.). Some segments of the industry (e.g., private label manufacturing) are booming. Control within the industry has shifted from manufacturers to large transnational retail chains, such as Wal-Mart. Manufacturers have responded to their slip in control in different ways. Some retired and got out of the business altogether. Some become importers or contractors to retailers and sub-contract out work to plants in low-wage countries through a vast and expanding global production network, taking advantage of trade agreements between/
among governments, and of the establishment of free trade zones in third world countries (Yanz, Jeffcott, Ladd and Atlin). Some reorganize production locally by sub-contracting to smaller shops and jobbers to lower cost and increase productivity, for example by scaling back on their plants and by using home-based workers for the bulk of their production (Ng 1999b). The effects of this restructuring are job loss and the re-emergence of home-based work and sweatshop operations in the Canadian context.

To illustrate, my 1999 study on homeworkers and their working conditions (Ng 1999a) found that the wages of sewing machine operators have not risen since the 1980s. In her classic study in The Seams Allowance: Industrial Home Sewing in Canada, Laura Johnson reported that the piece rate for skirts was two dollars (Johnson and Johnson). Today, workers also make two dollars for a skirt. A shirt is around three dollars, and a dress pays four to five dollars. These are clothing that are retailing for up to 200 dollars. For section work (that is, sewing on pockets or collars), workers make between 20 to 50 cents per piece. Based on the piece rate and number of items completed per hour, the average hourly rate can be estimated at between six dollars and eight dollars. The highest hourly rate reported is 17 dollars per hour for evening gowns. The lowest is two dollars per hour. What is more critical to note is that as home-based workers become skilled at what they are sewing and begin to make more than minimum wage (about seven dollars per hour), the employers drop the piece rate so their earning is effectively reduced. For example, one woman reported that depending on the complexity of the design, she used to get three to four dollars per skirt; now she is paid two dollars and 80 cents to three dollars. This finding concurs with a larger study on the garment trade, which reported on a decline in the piece rate (Yantz et al.). Some of the other problems mentioned by the women in the study include: the employer will not give information on piece rate until the garments are completed; late payment or being paid less than the agreed upon amount; no vacation pay but employers include vacation pay on the T4A issued at year end to give the appearance of conforming to employment standards. In these situations the women feel that their only recourse, after pursuing the employer repeatedly, is to discontinue work with a particular employer. The story of this worker illustrates non-payment:

I don’t have very serious problem with getting paid. What may happen sometimes is getting late payment. One time there was this employer who owed me about $500-600. He admitted to it and kept saying sorry. But I still haven’t got any pay from him. It was six to seven years ago. He later referred me to another sub-contractor, who sent the fabric from Montreal to his place. So I would go to his place to pick up the fabric and my pay. Another time, he asked me to lend him money. I did. And he has never paid me back. I still see him from time to time, but I do not work for him any more.

In addition to the low pay rates and non-payment of benefits, liberalization of provincial employment standards and government cut-backs across the country mean that health and safety regulations may not be adhered to in the smaller shops. The overall picture, from the standpoint of garment workers, is one of decreasing protection and lower wages; that is, deepening exploitation.

The New Regime of Ruling in the Era of Globalization

Elsewhere, I have argued that what we witness in terms of increasing competition among employers and workers, and decreasing security for jobbers and workers alike, are not inevitable. They are the result of what I call a “globalized regime of ruling” that produce, in part, the
local conditions we find in centres of garment production in Canada and around the world (Ng 1998; 2001). I use the term, "regime" after George Smith, to indicate that these are not accidental processes. They are planned and effected by actual people in their actual everyday activities, working toward the integration of markets, including labour markets, on a global scale. With regard to garment production, I have identified four sets of processes that work in concert to produce the phenomenon we see around the world. I will mention them briefly, but will focus on trade agreements in this paper.

First of all, the increasing concentration of capital through corporate mergers and takeovers have had a tremendous impact on the present-day configuration of the garment industry. The shift of control away from manufacturers to large retail chains such as the Hudson's Bay Company (which also owns Zellers) and increasingly to transnational retail chains such as Wal Mart has centralized control of the industry while production is progressively fragmented. By fragmentation I am referring to the sub-contractual nature of most garment production, especially in sub-sectors such as ladies and children wear. In response to their slip of control, manufacturers scale down production by reducing plant size, retaining a couple of cutters, thereby becoming contractors to retailers. The making of garments is contracted out to a network of sub-contractors, called jobbers, who may use home-based workers or sweatshop operations to minimize operating costs and maximize profit margins. In Canada, we also witness the increasing penetration of large U.S. chains into the retail sector, pushing local retailers and manufacturers out of business. Apart from deepening class exploitation and creating new classes of workers, these kinds of shifts produce further inequalities between men and women because of women's location at the bottom of the production hierarchy.

Secondly, under the ideology of neo-liberalism (that is, the mentality of "letting the market decide"), many governments at all levels have cut back on or privatized social provisions, deregulated industries and services, and "liberalized" employment standards. For example, in spite of the increasing phenomenon of home-based work, the Ontario government has consistently resisted reforming labour legislation to enable home-based workers such as domestic and garment workers to unionize across work sites (Mirchandani). Furthermore, in Ontario the legal working hours for the work week have been extended to 60, effectively lengthening the work week of workers without giving them protection against possible employer exploitation. This development works in concert with coercive regulation of worker mobility, for example by tightening immigration and refugee policies, especially since the September 11, 2001 terrorist attacks on the U.S. Accompanying this move, in Canada, is the increasing use of workers on work permits, effectively restricting the mobility and citizenship rights of groups of workers, frequently from third world countries (Sharma). What we see here is not only the international division of labour between the economic North and South, but also the creation of third world enclaves within the North and the maintenance of existing racial hierarchy worldwide.

Closely related to this phenomenon of deepening the exploitation of citizens as workers is the increasingly coordinated international networks of human trafficking across national borders. Indeed, analysts monitoring this situation assert that human trafficking is the number one illegal activity across the globe, surpassing the illegal traffic of drugs and firearms (Kwong; Murphy). Illegal migrants are used to supply industrialized countries such as Canada and the U.S. with a cheap labour force, thus creating a new category of workers called "undocumented workers." Undocumented workers and illegal...
migrants are seen frequently as a third world phenomenon arising out of the appalling economic, social and political conditions of southern countries. In reality, we have to interrogate the way in which demand for cheap and docile labour in the developed and industrialized countries creates the impetus and incentive of illegal migration and for people to act as intermediaries for this activity. Illegal migration is often seen as an accidental phenomenon. In fact, it is an activity that requires a great deal of planning, coordination, and cooperation among groups of people (the intermediaries, those working in transportation companies and border control, to name only a few players). It is therefore through and through an integral part of the present condition we call globalization.

Finally, the forging of trade agreements between Canada and the U.S., not to mention internationally, has had a profound impact on the garment industry in Canada. It is to this that I will now turn.

Trade Agreements and their Impact on Garment Workers

I mentioned in the beginning of this paper that what distinguishes this period of globalization from previous colonizing efforts by western powers is the increasing capacity for capital to move across national borders. This capacity is facilitated by trade negotiations between and among nations and international trade organizations such as the World Trade Organization (WTO). These negotiations, leading to the signing of trade agreements, govern trade and investment between and among countries. The Canadian government has taken a progressively active role in these trade agreements for over 15 to 20 years, beginning notably with the negotiation and implementation of the Canada-U.S. Free Trade Agreement (CUTSA or simply the FTA) in 1989. It is not possible to outline all the trade agreements negotiated between Canada and other countries. I will only highlight the major agreements that concern the garment industry directly. I will then look at the implications of these agreements for the industry and for workers' security and conditions.

Until the 1980s, Canada's garment industry was relatively protected by tariffs and quotas. Trade liberalization began in the garment sector with the signing of the FTA in 1989. The FTA is a bilateral agreement between Canada and the U.S. Before the FTA, Canada's major apparel suppliers were China, Hong Kong, and Korea. Since the signing of the FTA, there has been a huge jump in the value of U.S. garments imported to Canada. According to Industry Canada statistics, between 1988 and 1995 apparel imports from the U.S. increased at an average rate of over 25 per cent (cited in Yanz et al. 79). Although as a bilateral agreement, the scope of the FTA was limited, it is an important legal document because it set precedents for future trade negotiations, such as negotiations around the North American Free Trade Agreement (NAFTA).

Trade liberalization was accelerated with NAFTA, released on September 6, 1992 and implemented in January 10, 1993. It played a major role in the re-configuration of the garment sector because this agreement enables the movement of production and goods more freely between/among Canada, the U.S. and Mexico. Specifically, it enables manufacturers to invest in, set up, or outsource to garment plants in Mexico where labour costs are much lower relative to U.S. and Canadian wages. Indeed major Canadian manufacturers such as Nygard International, which manufactures women's wear, and Gildan, the largest T-shirt manufacturer in Quebec, now have plants in Mexico, Latin America, and the Caribbean Basin. This has led directly to job loss, depression of Canadian wages, and the restructuring of garment manufacturing in the Canadian context (MSN). One strategy used by U.S. manufacturers, for example, is to ship U.S.-produced textile to Mexico, where garments can be made much more cheaply, and then import the finished products back to the U.S. market taking advantage of the free tariff and quota agreement of NAFTA (Vosko).

Since the signing of NAFTA, Canada's apparel export to the U.S. has also increased. However, the advantage of NAFTA to Canadian manufacturers is contradictory. According to Vosko, the "rules of origin" in NAFTA limit Canadian manufacturers in two ways. First, these rules stipulate that duty is only exempted for products containing textile made in North America. The high-end clothing produced in Canada, however, is made mainly with textile imported from Europe. Since much Canadian-made clothing would be considered non-originating, the work of Canada's apparel manufacturers and their employees are effectively devalued. Thus, NAFTA sets unfair export limits and duties on Canada's most competitive garments. Second, the same rules also force Canada and Mexico to import yarn from the U.S., thus giving U.S. textile and apparel manufacturing an unfair advantage.

In terms of international agreements, Canada first participated in the Multi-Fibre Agreement (MFA) negotiated through the WTO in 1974. The MFA involved negotiation, country by country, bilateral quotas concerning the quantity of garments that exporting countries from the South could send into Canada and other northern countries. This has protected the Canadian industry from southern countries that have a competitive edge in terms of lower labour costs, lower labour standards, and fewer workplace health and safety requirements. In 1995, a new agreement, the Agreement on Textiles and Clothing (ATC) came into effect, which replaced the MFA. Under the ATC, worldwide apparel and textile quotas will be phased out by 2005. This will enable countries such as
China to dramatically increase apparel and textile exports to western markets, thus significantly affecting garment production within Canada.

Although the effects of the ATC is unclear at this point, taken as a whole, we can begin to pinpoint certain trends in garment production in Canada and globally. It is clear that globalization, through the negotiation of trade agreements, has led to increasing competition among workers across national borders. For example, Canadian workers, who historically received protection through unionization and strict tariffs and quotas, will now face intense competition from workers in countries such as Mexico and China, who are paid much less. This has led and will lead to further depression of wages and erosion of labour protection for Canadian workers. To keep existing manufacturers and investors and attract new ones, provincial governments will likely respond by further de-regulating labour standards. This has indeed been the strategy of the Conservative Ontario Harris and the Alberta Klein governments. This strategy is being valiantly pursued by the Liberal government in British Columbia. We will thus see the increasing use of sweatshops and home-based work, as manufacturers and jobbers compete in the international market for garment production. Another logical extension of this trend is to use even more undocumented workers, thereby augmenting the demand for illegal migration and human trafficking. Canadian garment workers will face increasingly similar working and living conditions as their third-world counterparts. I have argued elsewhere that immigrant garment workers from third world countries are undergoing re-colonization in the first world (Canadian) context (Ng 1998). This trend has been and will continue to be exacerbated with the trade agreements we examined above. Workers everywhere will face more adverse working conditions as manufacturers compete for price advantage vis-à-vis their buyers—the transnational retail chains.

What Can Be/Is Being Done?

Giving the tremendous odds faced by garment workers in Canada and globally, it is clear that drastic measures are needed to ameliorate increasing labour rights violations. In addition to the efforts of unions and labour rights groups, there are at least three areas in which concerned citizens can be involved, and these are: research, public education, and activism. While I have separated them for the purpose of identifying areas of action, in fact they work in concert with each other.

First of all, we need more and better research done on the global production and organization of apparel and textile. Due to the private nature of ownership and the secretive character of garment production, it is very difficult to trace the extensive network and chain of garment production in Canada and globally. Tracking the global interconnections between among garment plants therefore requires researchers with different knowledge and skills. For example, statistical analysis of export and import figures of garment manufacturing coupled with interviews with garment workers illuminate the multi-faceted and contradictory nature of garment production. Tracking investment patterns of manufacturers indicates the movement and places of garment production across national borders. It is only through collaboration and partnership among researchers in different locations (e.g., in the academy, in unions, in the community) that we will begin to unravel the complex nature and organization of garment production in Canada and elsewhere.

Second, we need to bring to public awareness the complex system of exploitation of workers and the strategies used by retailers and large manufacturers to augment profit. Instead of de-regulation, governments need to put in better protective and monitoring legislation and regulation. But governments will only become more accountable with taxpayers’ forceful insistence. Thus, research and public education need to be bolstered by activism on the part of citizens. For example, as a result of lobbying by students and other concerned citizens, the University of Toronto developed, in 1999, a Code of Conduct for Trademark Licenses to ensure that suppliers of the university’s trademarked merchandise (such as T-shirt, sweatshirts, and souvenirs), meet minimum employment standards regarding such issues as wages and benefits, working hours, and overtime compensation. When the University learned about the allegations directed at Gildan Activewear, mentioned above, regarding their unethical treatment of workers in the third world through the CBC-TV program called “Disclosure,” aired on January 22, 2002, the administration asked Gildan to account for allegations about poor working conditions in its factories. This is the kind of pressure that can keep manufacturers and retailers accountable and responsible employers.

Finally, we need to develop alliances and multi-pronged strategies, not only to work with workers in Canada, but to make linkages with workers and groups in the South. Given the intimate connection of garment production between northern and southern countries, gains by one group of workers will have a ripple effect on other groups. An example of an organization that combines these three areas of action I identified above to show the feasibility of this approach is the Maquila Solidarity Network (MSN). This Toronto-based non-profit network of 400 plus organizations concerned with labour issues worldwide has been at the forefront of research and advocacy on garment production. It traces Canadian manufacturers’ involvement in garment production in Mexico, Central America, the Car-
community development program at the Ontario Institute for Studies in Education of the University of Toronto, Canada.

Some analysts and lay people use the term "globalization" to refer exclusively to the electronic and communication revolution. While this is not inaccurate, I insist that this development must be understood in the context of the transnational movement of capital. Technological innovations in communication should b seen as an integral part of economic globalization.

The International Ladies Garment Workers Union (ILGWU) was formed in 1900, and the Amalgamated Clothing Workers of America (ACWA) was founded in 1914 to organize the men's clothing industry in the U.S. While both unions quickly moved into Canada, workers did not win labour laws such as the Industrial Standards Act in Ontario and the Decree Law in Quebec until the 1930s. Thus, there was a time lag between unionization and when workers gained legislative protection. I thank Jonathan Eaton for providing this detail.

I am using the terms "third world" and "the economic South" or southern countries here interchangeably to refer to the common sense understanding between the developed and developing world. I recognize that these terms are problematic, because they reinforce, rather than name, power differential between and among nations. Indeed, elsewhere I have argued for a re-thinking of these categories with the advent of globalization (see Ng 1998).

The Multi-Fibre Agreement (MFA), an international agreement negotiated through the World Trade Organization (WTO), is an example that offers Canadian clothing manufacturing some protection against cheaper imports. How the MFA worked is explained later on in the paper.

For an outline of the trade agreements being negotiated up to 1998, consult Review—The North-South Institute Newsletter. Since 1998, trade negotiations have been accelerated, with the FTAA held in Quebec City in 2001 being one instance of this activity.

For the work of the MSN, which is also the secretariat of the Ethical Trading Action Group, see their website, www.maquilasolidarity.org.

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HOLLY DAY

Nothing

The man on TV claims he is not responsible for my remolding, that these images

of hygienic solvents, naked children wrapped in bathroom tissue, sweaters and pants

that dance all on their own are just figments of my own hard drive

imagination. Lies to me. There are not my visions

fingernails drag by, whisper

the barest of truths—sometimes, he sounds

just like you.

Holly Day has been writing for just over 15 years. Her poetry has most recently appeared in Limestone Circle, Bare Bone, and Little Engine. She lives in Minneapolis.

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