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More Information

1 The Chain and the Sweatshop

…. the apparel industry, as presently constituted, is exploitative at its core.

(Bonacich and Appelbaum, 2000, p. 22)

Global Products, Sweatshop Labour: Introducing the 'Made in India'

We wear and consume globalization on a daily basis. The majority of the products we purchase are global products, created through a complex organization of production stretching across the world economy. Garments are the global product *par excellence*. If we read the labels of the clothes we wear, we immediately realize that, at present, they come from a staggering number of different countries. Today, even the least remarkable among local clothing shops, malls and boutiques in many developed as well as emerging economies is likely to sell 'global' garments: jeans made in Bangladesh, T-shirts made in India, trousers made in China, Cambodia or Vietnam, coats made in Italy, Turkey or Mexico. Being produced in so many different parts of the world, these garments share a number of common traits. First, they are often extremely cheap. In the last four decades, the price of readymade clothing has fallen massively. In Europe and the US, retail stores such as Primark or Wal-Mart sell garments for the price of an ice cream or a slice of pizza. Second, garments come in myriads of different styles that change more rapidly that even fickle consumer taste could ever do. In fact, it is this continuous process of change – the 'fast fashion' model – that is increasingly leading to shifts in consumer taste among middle classes worldwide. Third, while vaguely indicating the country of production, garments hardly provide any other clue regarding their exact origins. This labelling politics contributes to the representation of production regions as undifferentiated lands, effectively hiding the exact location of production, and with it the source of value.

Eventually, we do learn where exactly given garments come from. Sadly, however, this process of discovery is generally linked to the unfolding of terrible industrial disasters or the unveiling of sweatshop scandals. Until April 2013, consumers had perhaps never heard of an industrial area called Savar, in Dhaka, Bangladesh. Now, many do, after the collapse of Rana Plaza, an eight-storey building hosting garment factories producing for global buyers. Probably the greatest industrial tragedy in the history of the garment sector (see Appelbaum and Lichtenstein, 2014), the Rana Plaza collapse claimed the lives of 1,134 garment workers, severely injuring thousands more (ILRF 2015:12). Sweatshop scandals have multiplied, since the first consumer movements and campaigns of the 1990s (see Frank, 2003) launched the first anti-brands wars, and despite (or perhaps also due to) the many attempts at imposing global labour standards. Today, these scandals are greatly represented in traditional and social media, thanks to the joint work of solidarity networks, consumer movements, academics and journalists. Major newspapers like *The Guardian*, host whole sections on the rise of 'modern-day slavery', often featuring the appalling conditions of garment workers. At times, this news targets a specific global clothing manufacturer or brand, whose unfair labour practices in some factory somewhere are uncovered. Naming and shaming strategies against renowned culprits can pay off, as brands are terrified of reputational damage. For instance, in April 2015, *Labour Behind the Label* and *War on Want* organized a march of Oxford Street in London, naming and shaming brands that had not yet contributed to the compensation fund in favour of Rana Plaza's victims and their families. The compensation target was eventually reached, also due to this mounting public pressure.

Despite the proliferation and increasing sensationalism of actions and demonstrations in favour of garment workers worldwide, their vulnerability is quite resilient. After Rana Plaza, and despite the global public uproar, the global garment sector has witnessed many other 'minor' disasters. In Cambodia, in May 2013, 23 workers were injured when a rest area outside a garment factory located near Phnom Penh collapsed and fell into a pond. The incident came just a few days after part of another garment factory collapsed, killing three people and injuring several others (O'Keefe and Narin, 2013). Besides, in many export-producing countries, even in the absence of disasters or scandals, garment workers are exposed to astonishingly high levels of risk. In January 2014, Cambodian garment workers were shot in the street of Phnom Penh during a demonstration for a rise in their low minimum wage. The Cambodian state was 'protecting' its position in the global economy (Mezzadri, 2014c), where garments and the wages of those who produce them must remain cheap, as they represent a crucial source of 'comparative advantage'.

With the rise of neoliberalism, the law of comparative advantage has increasingly become a globally imposed diktat, establishing an international division of labour in which developing regions should focus on labour-intensive manufacturers due to their cheap labour costs. This diktat had profound implications on the spatiality of garment activities. It progressively extended the geographical reach of the so-called global garment commodity chain, which has systematically relocated to areas characterized by cheaper labour costs (Ramaswamy and Gereffi, 2001; Mezzadri, 2008). At the same time, it has also reproduced the vulnerability of the global garment proletariat (Hale and Wills, 2005; Esbenshade, 2004; Seabrook, 2015). Their working poverty was reconceptualized as an asset for global competition. In short, the global garment chain has always been intrinsically structured as a global sweatshop.

The reproduction of garment workers' vulnerability is strongly linked to processes leading to the creation of 'cheap labour' as a key component of the production process. Often, when it comes to developing regions, the category 'cheap labour' is reified and naturalized, as if it was a promptly available input of production in given settings (De Neve, 2005). However, this is hardly the case. In garment production, cheap labour must be manufactured, no less than T-shirts or jeans. Its process of 'making' entails myriads of capital–labour relations, labour practices and outcomes, resulting in different typologies of vulnerability in workspaces and beyond, in realms of social reproduction. Dormitories, for instance, are becoming key sites for workers' control (Smith and Pun, 2006). In countries characterized by great regional disparities, and by huge reserve armies of labour, the making of cheap labour can 'creatively' bank on multiple socio-economic divides and inequalities. This is definitely the case for India, whose sweatshop this book places under the microscope.

Perhaps, less internationally renowned than the Bangladeshi case – ultimately, unlike Bangladesh, luckily India did not experience major garment sweatshop tragedies so far – clothing production in the subcontinent is hardly an outlier in relation to the overall labour conditions of its workers. On the contrary, the 'Made in India' is heavily produced on the shoulders of India's working poor, which represents the largest army of informalized labour in the world (ILO and WTO, 2009; NCEUS, 2007; Kannan, 2008; Srivastava, 2012; Chadrasekhar and Ghosh, 2015). Garment production is greatly fragmented and scattered across the whole country, and characterized by high levels of fragmentation and 'clustering' of production activities (Mezzadri, 2014a). This fragmentation strongly mediates India's integration into the global garment commodity chain, opening the door to multiple patterns of informalization involving both labour and capital (Mezzadri, 2008). In fact, these characterize India's accumulation pattern as a whole (Harriss-White, 2003; Breman, 2013). Overall, India seems to be made for the sweatshop, and the sweatshop for India.

This first chapter places emphasis on the geographical relocation and spread of the global garment commodity chain and its continuous reconstitution as a global sweatshop, as processes shaped by the rise of neoliberalism. Then, it presents a first general sketch of garment production and labour relations in India. By doing so, the analysis engages with debates on labour informalization and class formation in the context of contemporary capitalism and the rise of 'Global' India, drawing primarily from the work of Jairus Banaji (2003, 2010), Henry Bernstein (2007), Silvia Federici (2004, 2012) Maria Mies (1982, 1989), Barbara Harriss-White (2003, 2010) and Jan Breman (1996, 2013). Insights based on the work of these authors, Banaji in particular, guide the analysis throughout. The last section expands on the relevance of shifting the emphasis from the 'chain' to the 'sweatshop', and of theorizing the sweatshop as a regime. Let us now focus on the vicissitudes of the garment industry and the complex spatiality it acquired in the neoliberal era.

Neoliberalism and the Rise of the Global Garment Commodity Chain

The process of globalization of garment production has been progressive and relentless. This process has been marked by different patterns of location and relocation, which the industry has gone through since the 1960s, and which have actually peaked post-1970s, with the rise of neoliberalism and its emphasis on Export-Oriented Patterns of Industrialization (EOI). Today, the industry shows an extremely wide geographical reach, and incorporates a vast number of emerging economies and developing regions as main garment export producers. Asia, in particular, has increasingly emerged as a key region for the development of the global garment industry. In developed regions, the little garment production left is organized into informalized production pockets, often inhabited by migrant communities.[5]

Effectively, already in the 1950s textile production had started moving east, so much that, in the context of the protectionist paradigms of the time, the US had negotiated with Japan the first 'voluntary' export quotas, in order to protect

[5] See Hammer *et al.* (2015) on Leicester, UK, and Lan (2014) on Prato, Italy.

its own domestic production (Spinanger and Verma, 2003). However, it is only in the 1960s that a systematic process of migration of the industry towards Asia kicked off. It specifically targeted East Asia, which became the first site of global garment production. This initial shift of the industry was to be the first of many. By the 1970s, garment or apparel (terms used interchangeably in the literature and here), was one of the leading export sectors of the East Asian Newly Industrialized Countries (NICs) (Gereffi, 1994). Export success in light manufacturing, of which apparel was a key component, was a crucial factor (albeit not the only one) in East Asia's impressive economic take off, central to the accumulation strategies of the region.[6]

In the context of the changing development paradigms and policies of the 1970s, the East Asian 'miracle' (as it was labelled by the World Bank, 1993) of export success in labour-intensive production was soon mainstreamed as the way forward for many other developing countries. The rise of neoliberalism, in fact, attacked the basis of protectionist, state-led development, which had dominated the policy scene since post-World War II (see Preston, 1996). By the early 1980s, in the context of the new rising consensus, 'openness' to international trade was set as the '*deus ex machina*' for development. EOI started being mainstreamed as the 'right' industrial policy to follow, replacing cumbersome and costly Import Substituting (IS) strategies, which were considered unsustainable after the two oil shocks and after the onset of the debt crisis (Johnston and Saad-Filho, 2005). Supporters of the neoliberal doctrine highlighted how, in the context of EOI, countries could specialize according to their comparative advantage. In particular, developing regions had to exploit their abundance of a cheap labourforce and focus on labour-intensive productions. Classic models of international trade, such as the Heckscher-Olin model, highlighted how this choice would have unleashed countries' economic potential, eventually leading to a process of convergence of the price of factors of production (i.e. interest rates and wages, in models based on capital and labour). This would have triggered the economic catch up of the so-called 'Global South', in what Smith and Toye (1979) depicted as the 'happy story' of international trade.

[6] Wade (1990) highlights the relevance of import substituting policies; Kohli (1999) points at the relevance of 'path dependence', examining the role of Japanese colonisation; and H. J. Chang (2003, 2012) insists on the role of the 'developmental state' in the economic success of East Asia. On a different note, and paying attention to inequalities, Seguino (2000) highlights the relevance of gender discrimination in promoting growth in the region, and D. Chang (2009a) insists on the ruthlessness of East Asia's developmental project.

The neoliberal counterrevolution triggered a profound process of restructuring of the international division of labour, and of the industrial trajectories of developing regions. In the new division of labour, developing regions were not seen as mere providers of raw materials anymore, but rather as suppliers of cheap manufactures. Labour-intensive manufacturing production, in particular, started migrating towards developing countries, abandoning developed regions and their expensive labour. With the rise and fast spread of outsourcing, many developing areas became the new industrial production sites of the neoliberal capitalist architecture. This process favoured the formation of what Gereffi and Korzeniewicz (1994) conceptualized as global commodity chains (GCCs), i.e., production networks organized around specific commodities, spread globally according to specific spatial patterns, and also globally 'governed' by agents and actors who had a privileged position in the complex industrial hierarchy dominating the world economy. Developing regions were now the new manufacturing production 'nodes' of these global industrial formations, although obviously their incorporation in the world-system had a much longer history in international trade and capitalist production, as highlighted by Hopkins and Wallerstein (1977, 1986), who originally developed the concept of commodity chain to study the evolution of patterns of unequal exchange (on the evolution of the literature on chains, see Bair, 2005; 2009). The long history of the integration of developing regions into the world economy is also mapped by studies in global history illustrating the complex division of labour during colonial times (e.g. Roy, 2013; Beckert, 2015), an issue this analysis will return to later on.

Garment production had a particularly prominent place in Gereffi's first conceptualization of GCCs, as the best example of 'buyer-driven' chain, where the global governance of the chain was in the hands of large retailers, brand-named merchandisers and trading companies; actors who do not necessarily own their own manufacturing facilities, but rather make use of networks of suppliers in a variety of exporting countries (Gereffi, 1994, pp. 97–98; see also Gereffi *et al.*, 2002). One of the key features of this type of chains is its labour-intensity and the 'footloose', mercantilist nature of its dominating capital, prone to multiple relocations, and prone to use these relocations (or threats to relocate) as a way of disciplining its subordinate agents, namely the local suppliers based in developing countries. Arguably, this type of chain best represents the paradigmatic shift from IS to EOI policies, and the shift from the 'development project' to the 'globalization project' (Bair, 2005). In fact, this shift encouraged specialization in the kind of labour-intensive, light manufacturing industries generally associated with buyer-driven governance in the context of globalization.

In East Asia, quite rapidly, local manufacturers managed to move from simple garment assembly to 'full packaging' (Gibbon, 2001), further strengthening the new international division of labour between developed and developing nations (Jenkins, Pearson and Seyfang, 2002). By the 1980s, these suppliers were looking for new sources of cheap labour elsewhere, triggering processes of 'triangle manufacturing' (Gereffi, 1994). As US companies were outsourcing production to East Asia, East Asian firms too were relocating production to 'poorer neighbours' and other developing regions, acting as intermediaries in a process of trade triangulation. This process determined a second geographical shift of the global garment commodity chain (GGCC). By the 1980s, production rose also across Southeast Asia and Latin America, South Asia and – obviously – China (Ramaswamy and Gereffi, 2000).

This second set of processes of relocation was due to a combination of different factors. The process of rapid economic growth in the East Asian 'miracle' economies generated a general increase in wages in the region, partially eroding its original comparative advantage in labour-intensive production. However, also the evolution of international regulation in the sector played a crucial role in the further re-spatialization of global garment production (Mezzadri, 2008). Back in 1955, date in which the US negotiated the first voluntary export constraints with Japan, textile exports were regulated through bilateral agreements. However in 1961, importing and exporting countries started new negotiations with the scope of enabling a more systematic, multilateral agreement. This led to the birth of the well-known Multi-Fibre Arrangement (MFA) in 1974 (Singh and Kaur Sapra, 2007).

The MFA established the creation of standardized quotas for exporting countries. Despite protectionist measures were in sharp contrast with the principles of the new open trade consensus contained in the General Agreement on Tariffs and Trade (GATT), the MFA was the expression of developed countries' protectionist aims (Uchikawa, 1998). While in the 1950s and 1960s barriers had mainly focused on fabric exports (mainly cotton), the MFA signalled a shift of focus towards higher-value added products, such as garments and made-ups (Singh and Kaur Sapra, 2007). Therefore, in a sense, the evolution of developed countries' protectionist efforts mirrored in international trade regulations was somehow coherent with the evolution of developing regions' comparative advantage, and with the shift from the old to the new international division of labour (Mezzadri, 2008). The MFA dictated the rules in global textile and garment trade for two decades, until the birth of the World Trade Organization (WTO) in 1994, when it was phased out. The phasing out was carried out over a period of 10 years and in four different stages, and the agreement finally expired in January 2005. After 2005, some export constraints were re-negotiated on the basis of bilateral negotiations. For instance, in 2005, China, today's major global garment producer, agreed to initially place some 'voluntary' limits on its textile and apparel exports to Europe (Barboza and Meller, 2005).

Since the phasing out of the MFA, the global garment commodity chain has further increased its geographical reach. Today, garment export is also present in Africa. Despite gloomy forecasts, suppliers based in countries like Kenya, South Africa, Lesotho, or Madagascar, have not been completely wiped out by the end of the MFA, although they struggle significantly to compete with Asian economies, China in particular (e.g. see Bezuidenhout *et al*., 2007; McCormick and Kamau, 2013; Kamau, 2013), which in the post-quota world dominates the global market accounting for roughly one-third of all garment exports (Pun *et al*., 2015). Moreover, 'newcomers' like Ethiopia are becoming increasingly attractive for global buyers. In fact, they are also becoming attractive for Chinese companies, many of which have upgraded their role within the garment chain, becoming 'giant-contractors' (see Appelbaum, 2008), 'total-service-providers', or 'one-stop-shops' (Merk, 2014). Today, Chinese garment capital is already present in numerous developing regions and emerging economies, like Cambodia or Jordan (see Azmeh and Nadvi, 2013, on Jordan). The rise of these regional players has further complicated the governance patterns characterizing the garment chain (Mezzadri, 2014b). In effect, large regional (non-western) players have always played a key role in shaping production systems and trade routes (Banaji, 2010).

This brief sketch of the vicissitudes of readymade garment industry, and of its processes of location and relocation, highlights two specific points. First, while undoubtedly the garment industry has always been characterized by particular traits – like labour-intensity and ability to relocate easily – from the 1970s onwards these traits have been further reinforced and internationalized, providing the industry with its current global, 'footloose' character. Second, the progressive process of globalization of the industry has been considerably accelerated by its neoliberalization. On the one hand, neoliberalism re-instated comparative advantage – perhaps one of the stickiest concepts of economics, courtesy of David Ricardo – as the golden rule to follow.[7] In a neoliberal world, countries can be competitive in light manufacturing production like garment only insofar they are able to reproduce their comparative advantage in cheap products, manufactured by cheap labour. On the other hand, during the onset of the neoliberal era, the sector adopted a specific global institutional framework, ruled by the MFA, which also participated to increase the geographical spread of the global garment commodity chain. In fact, although clearly dictated by the protectionist aims of developed nations (that have never been incompatible with neoliberalism), the establishment of specific production quotas meant that international buyers and clothing brands were unable to source only from a few countries. Rather, they were compelled to diversify sourcing strategies and work with multiple suppliers in multiple regions. This drew into garment-making even countries with no traditional history or competitive edge in either tailoring or fabric production, as they were still able to become 'cut and stitch' centres, i.e., centres for garment assembly. After all, all they needed was an army of cheap workers sitting in front of a stitching machine.

The Rise of the Global Garment Sweatshop

In the imaginary of many people, garment production is by now considered a synonym of 'sweatshop labour'. Its progressive globalization during the neoliberal era has always been tightly linked to finding reservoirs of cheap labour. Since the 1990s, scholars, researchers and journalists have denounced the harsh labour relations and poor working conditions associated with garment work (e.g. Bonacich *et al.*, 1994; Bonacich and Appelbaum, 2000; Rosen, 2002; Esbenshade, 2004; Hoskins, 2014; Seabrook, 2015). Arguably, these have characterized the industry since its early origins. The first tragedy in the history of garment production, took place more than 100 years before Rana Plaza, on March 25th 1911. On that date, the Triangle Shirtwaist factory, based in New York City, burned down killing 146 workers who were locked into the industrial premises. Even the very term 'sweatshop' is far older than what one may think. It was 1901 when the economist John R. Commons (quoted in Howard, 1997, p. 152, see also Esbenshade, 2004), deployed this expression to refer to the small shop-based or home-based clothing units composing the US clothing industry at the beginning of

[7] For a powerful political economy critique of comparative advantage, see Shaikh (2005). A recent attempt to undermine the concept from a legal perspective is made by Kishore (2014).

the twentieth century.[8] Today, however, the term sweatshop hardly simply evokes a particular type of pre-industrial production space. In fact, it is considered strongly linked to the development of contemporary processes of late industrialization. It is broadly associated with a particularly intense and despotic work system based on abysmally low standards, a system by now subjugating millions of workers across developing regions – 40 millions, according to some estimates (Hale and Wills, 2005). Briefly, the meanings and use of the word sweatshop have significantly expanded together with the systematic process of multiplication of the number of labouring bodies subject to its harsh rule. Again, this process of multiplication can only be understood in relation to the rise of neoliberalism.

In fact, by promoting the move of labour-intensive manufacturing production like garment to new production sites, the rise of neoliberalism not only led to the constitution and spread of today's globalized industries but also broadly signalled the end of the 'labour-friendly international regime' (Silver and Arrighi, 2000) and the rise of a 'labour-unfriendly' regime (Lerche, 2007; Mezzadri, 2008). In particular, within the 'new' neoliberal conceptualization of development, based on the diktat of comparative advantage, poor working conditions were reconceptualized as a strategic asset to exploit. As observed by Jan Breman (1995), under the logic of comparative advantage, labour in the developing world was asked to surrender to capital since the very start, for the 'greater good' of development. Unsurprisingly, the neoliberal era triggered a deep process of informalization of labour. It promoted the spread of multiple sets of informal labour relations through multiple 'channels of transmission', ranging from structural adjustment programmes (SAPs), to the multiplication of flexible production circuits, and the rise in processes of labour deregulation (Mezzadri, 2008, 2012).[9] It entailed both the 'informalization of the formal' (Chang, 2009b), as well as the expansion of the traditional 'informal sector' (Mezzadri, 2008).[10]

Processes of labour informalization widely characterize the whole global garment commodity chain (Mezzadri, 2008, 2010, 2012), whose very structure

[8] Commons (see Howard, 1997, p. 152) defined the sweatshop as 'a system of subcontract, wherein the work is let out to contractors to be done in small shops or homes', to be contrasted with the factory-system, 'wherein the manufacturer employs his own workmen … in his own building'.
[9] Mezzadri (2012) highlights the presence of three channels of transmission of informality into the global era: structural adjustment programmes (Meagher, 1995; Portes and Hoffman, 2003), the formation of global production chains and networks, and the rise in processes of labour deregulation.
[10] For a review of the debate on the informal sector from the 1970s to date, see Moser (1978), Rakowski (1994), Castells and Portes (1989) and Chen (2012). On the channels of transmission of informality into the global era, see Mezzadri (2009, 2012).