

*The Alta Gracia Project Factory: A Story of Worker and Student
Resistance Against the Race to the Bottom in the Apparel Industry*



Alta Gracia Family and Their First Motorcycle 8/15/2011

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Executive Summary

Factory apparel workers scattered throughout the globe face low wages, mistreatment in the work place, and punishment for attempts at unionization. Throughout this paper we discuss the impact of exported production by U.S. brands on factory apparel workers in developing countries. We interviewed 13 workers in the Dominican Republic who have experienced working in sweatshops and who now work in the one and only union-recognized and living wage apparel factory, Alta Gracia. We also interviewed four important figures in the U.S., who are advocates for labor rights within the apparel industry. These labor rights advocates ranged from professional and student organizers working for United Students Against Sweatshops to Professor Soule—a Georgetown University professor who is researching the business implications of the Alta Gracia Factory. We also interviewed Scott Nova, the Executive Director of the Workers Rights Consortium, an international “watchdog organization” that ensures that the codes of conduct and rights of workers are met through monitoring the enforcement of labor codes throughout the globe.

Through interviews with current Alta Gracia employees, we were able to compare their present living and working conditions to their previous experiences in other apparel factories in the Dominican Republic. At the heart of our research lies the story of the workers who fought against the ruthless treatment and dismal wages provided by their former employers. The workers gained the attention of U.S. organizers, and FEDOTRAZONAS (The Dominican Federation of Free Trade Zone Workers), who joined forces with them to form the Alta Gracia Project Factory. This is the first and only apparel factory in the developing world that built its business model on providing

workers with dignified working conditions, paying a living-wage salary, and recognizing a union while being constantly monitored by the WRC. The model is faced with many financial challenges while attempting to balance strong economic performance with provision of a living wage and acceptable working conditions for the employees. The story of Alta Gracia is positive with much potential for success for the future of workers in the garment industry.

One of the main challenges that the factory faces is its role of combating the “race to the bottom” economy within which the export-led industry functions. The “race to the bottom” is the phrase used to define the ruthless hunt that apparel companies undertake to search for the lowest-cost labor. The system of lowest-cost labor is perpetuated by a history of policy initiatives brought about by the U.S. to ease tariffs on goods transported from developing countries and sold to consumers in the United States. These policies include: Free Trade Zones, the North American Free Trade Agreement (NAFTA), the Caribbean Based Initiative (CBI) and the Dominican Republic-Central American Free Trade Agreement (DR-CAFTA). In addition to these policies, the U.S. has promoted a business climate for private investment through U.S. economic and military support throughout Latin America and the Caribbean. This military and industrial policy has often set the stage for authoritarian governments to suppress workers basic human rights.

In many underdeveloped countries such as the Dominican Republic, a large portion of the economy depends on the garment industry for employment, at whatever pay the factory is willing to provide. The pay is usually far below a survivable wage. Once a factory is established as the regular source of income in a country, workers confront the harsh reality that their lives and the local economy could be devastated if the

factory transfers to a country where the wages are even lower, which is often the case. Knowing that relocation of the factory is a possibility, workers are often reluctant to make demands for better wages and working conditions. As a result, low wages and abuse in the workplace go hand-in-hand as workers are forced to work overtime without compensation, and in many cases experience physical, psychological and verbal abuse.

The Alta Gracia Factory is a complete aberration from the norm, as it provides workers with a living wage and the right to unionize and maintains a respectable working environment free of abuse. Most employees of the Alta Gracia Factory once worked at the BJ&B factory, in the same Free Trade Zone where the Alta Gracia factory now resides. The BJ&B factory was Korean-owned and manufactured hats for Nike, the NBA, MLB, NFL and various U.S. colleges and universities. Many current Alta Gracia employees also worked at the TK factory, which had similar conditions to those of BJ&B. Despite the dismal wages, these factories were also some of the sole providers of employment for the town of Villa Altagracia. Many of the workers who worked at the former BJ&B factory in the town of Villa Altagracia, describe the abuse that they suffered in the workplace as both physical and verbal. In addition, clean water and safe working conditions were not provided, and when necessary, bathroom breaks were not permitted by the management. Women were targeted as the main recipients of verbal abuse and intimidation by the management and consequently affected the most because most of them are single women with multiple children. This is an important aspect of our research since the primary organizers who fought for the union to exist at BJ&B are women. Many of the organizers, particularly Maritza Vargas, Yenny Pérez and Pablo

Tolentino were placed at great risks for their jobs, their personal lives and their children's welfare simply for mentioning the word "union".

Apparel brands and factories fire workers who actively attempt to form unions because these labor organizations are a powerful tool to bring employees together to fight for their rights. This is against the wishes of the manufacturers due to their constant search for the lowest possible production rate. Some factory owners feel the need to punish any worker who instigates the formation of a union. In many cases, employees who attempt to organize unions are warned, intimidated and threatened by factory management if they should affiliate.

Considering that Alta Gracia is the first factory whose owners collaborated with employees in the effort to challenge the "Race to the Bottom" model of export-led clothing production, there is speculation as to whether the factory will survive. The answer from the United States and the Dominican Republic is that Alta Gracia has hopes of surviving if students within the U.S. continue negotiating and organizing on college campuses—college bookstores must uphold their codes of conduct. However, since this business model is new, it isn't clear yet if the model will enable Alta Gracia to earn a sustainable profit that will allow it to continue.

The goal of this paper is to chronicle the past and present tale of workers who were once victims of the 'race to the bottom'. Our purpose is to tell the story of how workers fought and attained the basic rights that they are entitled to as human beings, and what we in the United States can do to ensure that these rights are maintained. We also explore how the U.S. can work to spread fair labor practices, conscious consumerism and support this exemplary business model.

Table of Contents

Introduction	8
Personal Statements: Why we chose this issue	13
Process and Methodology	15
Chapter One: Left Out To Dry: The International Apparel Industry: The Relationship Between the United States and The Dominican Republic.....	18
A. History of Policy and Trade within the Apparel Industry in the DR.....	18
B. Economic Changes within the Dominican Apparel Industry: From Sugar-cane Harvesting to Factory Assembly Manufacturing.....	19
C. The U.S. and DR Apparel Industries: Policy Relations and Socio-economic Consequences	23
I. History of Dominican Free Trade Zones (FTZ):	23
II. Life in the Dominican Republic & a Glimpse of Working in a Dominican Free Trade Zone	26
III. Free Trade Zone Parks and Businesses in Operation.....	28
IV. Historic Vision of Businesses in the Textile Sector in Free Trade Zones	29
V. Exports and Imports	31
D. International Trade Policy: Impact on the Apparel Sector.....	32
I. The Termination of the Multi-fiber Agreement (MFA):	32
II. North American Free Trade Agreement (NAFTA)	33
III. Caribbean Based Initiative (CBI):.....	34
IV. Trade and Development Act of 2000:	35
V. Dominican Republic-Central American Free Trade Agreement (DR-CAFTA):.....	36
Chapter Two: Trade Policy Impacts on Workers in The Dominican Republic: Working in a Dominican Free Trade Zone	38
I. Background of International Exported Labor in the DR.....	38
II. Employees and Salaries.....	40
III. Working Conditions, Abuse, Affect on Quality of Life: Based on Primary Research....	42
Chapter Three: Student Organizing in the United States	45
A. United Students Against Sweatshops: Formation of the Organization.....	45
I. Effect and Purpose of United Students Against Sweatshops	46
II. Advocacy for USAS: Contributing and Recruiting for a “Sweat-free Apparel Industry”	49
B. The Workers Rights Consortium: The WRC’s Role in ensuring that labor standards are met and respected.....	50
I. The Importance of third-party monitoring in developing countries: upholding contract agreements and negotiations at factories.....	50
II. The Designated Suppliers Program (DSP).....	53
III. Organizing and Advocacy.....	56
IV. Techniques for Student Organizing: Working with Universities, Bookstores and Utilizing Power in Numbers	57
Chapter Four: Community Organizing in Villa Altagracia, San Cristóbal, The Dominican Republic.....	59
A. Case Study #1: The Yopoong Cooperation’s BJ&B factory.....	61
I. History of Yopoong Cooperation and the BJ&B Factory	61

II. The BJ&B Union, FEDOTRAZONAS, UNITE, USAS, & the WRC: Anti-Sweatshop Campaign.....	63
B. Case Study #2: Pablo Tolentino: The history of TK Factory and the Exploitation of Labor.....	72
C. Social Persecution, Gender Dynamics and A Women’s Role in Organizing: The Yoopong Cooperation’s Anti-union Campaign	78
Chapter Five: The Birth of the Alta Gracia Project Factory: “A Gift From God”	93
A. History of Foundation: Planting Seeds of Hope	94
B. Labor Rights Compliance with the Workers Rights Consortium	99
C. The Alta Gracia SITRALPO Union: A Voice for the Workers.....	101
D. What is a living wage and how does it impact the Alta Gracia Workers lives?	104
E. The Domino Affect: How does the living wage benefit the town of Villa Altagracia?	112
Further Research	129
Conclusion: Alta Gracia should be the norm, so why is it not?	130
Appendices.....	132
Bibliography.....	142

Introduction

“There are many forms of slavery, its not only when people think about slavery that they think about when Christopher Columbus discovered America and decimated all of the natives and brought slaves from Africa, but there is another model of slavery and that is exploitation.”—Pablo Tolentino, Alta Gracia Union Leader

This island of Hispaniola, home to both Haiti and the Dominican Republic, was first inhabited by the Native Taíno—in 1492 with Columbus’ arrival the decimation of the native’s began. This is when the first chains of bondage were forced upon the new world. Nowadays there does not remain a single full-blooded Native Taíno. Although much time has passed the system of slavery is still present, it just has a new face: the face of sweatshop labor. The Spanish words “Hay que tirar pa’lante” encompass the spirit of Dominican workers in the Free Trade Zones and the seemingly impossible uphill battle that they continue to face against the colonial and imperialistic chains that still have control of the country. In English the saying translates to “One must continue pushing forward,” which is precisely what workers do every single day, despite facing verbal and physical abuse, dehumanizing, unsafe and unclean working conditions, and miserable pay. The system of slavery paved the way for the globalization of business and export led-labor. With this inhumane system that is so deeply rooted in our history, it is inevitable that the policies to increase trade and production to and from under-developed countries reflects this infamous exploitation of people in the developing world and the labor they provide. According to supporters of globalization, the presumed key principal is that only through globalization, can humanity progress. The deregulation of our markets is central to globalization and our economy and treatment of people fluctuates

with capital.¹ The key aspect of globalization is a constant increase of capital and benefit, which is detrimental to the disadvantaged and previously colonized countries. This assumed necessity of capital, does not acknowledge the national, ethnic, local or cultural implications that result from economic greed.

The postcolonial effects of European colonization in Latin America and the Caribbean still exist and have manifested themselves in globalization. Although postcolonial theory and globalization originate from different disciplinary origins (globalization theory in the social sciences, particularly sociology, and postcolonial theory in the humanities, specifically literary criticism), both intersect at imperialism, capitalism, and modernity.² They may concentrate on two different points in time: Post colonialism on a Eurocentric colonial past and Globalization theory mainly on an Ameriocentric post/neocolonial present, but they show how western practices have affected the rest of the world—specifically the developing world.³ Globalization would not exist without Postcolonialism, and through the creation of sweatshops, it is evident that the western world maintains economic control over markets overseas in previously colonized nations.

The term sweatshop has European origins as factory workers in garment factories in England in the 1850's referred to their employers as "sweaters" for the monotonous and labor intensive environment that they were forced to work in. The term for this style of labor developed into "sweating" in the 1880's when eastern and southern European

¹ Castells, Manuel. "Globalización y antiglobalización." *El País: Edición Empresa*. Spain. 2001

² Krisnaswamy, Revathi. "The Criticism of Culture and the Culture of Criticism: At the Intersection of Postcolonialism and the Globalization Theory." *Diacritics*. Volume 32, Number 2. Summer 2002: 106-126

³ Ibid

immigrants were desperate for employment in central Europe and the United States.⁴ Spanish Conquistadors forced the native Ecuadorian population to work in crude textile mills under extremely physically tolling and emotional conditions. During the 20th century, due to mass industrialization, lowering of international trade barriers (which we will discuss further in our policy analysis), and an increase in demand for consumer goods in the western world, sweatshops began to appear in parts of Latin America and Asia. They serve as a way for corporations to produce the highest amount of goods possible, while spending the least amount of money. This method of cutting costs is called the “Race to the Bottom.” The race to the bottom refers to the ways in which companies are constantly searching to cut their costs. They do this by creating factories in free-trade zones in developing countries—areas where companies receive tax breaks, and where there are weak health and safety regulations.

This research paper will focus on the negative effects of globalization in the Dominican apparel industry, through an analysis of global trade policy and the impact on living and working conditions for garment factory workers. Additionally, we will focus on the positive impacts of a consumer and worker coalition to challenge those effects through successful student and Dominican worker community organizing.

The town of Villa Altagracia, where the Alta Gracia Project Factory is located has an organizing history of roughly 15 years. This history stems from the Korean owned BJ&B factory that was located in the same place where the Alta Gracia Factory now stands. Of the 133 workers at Alta Gracia, 60% once worked at the BJ&B factory. In the late 1990s, the factory produced over 14.4 million hats per year for U.S. colleges and

⁴ "Sweatshops." *Encyclopedia of Management*. 2009. *Encyclopedia.com*. 17 Apr. 2012 <<http://www.encyclopedia.com>>.

universities, the NFL, MLB and NBA. These hats were sold for roughly 20 dollars apiece, while workers in these factories were working uncompensated overtime and earning barely enough money to afford food to physically sustain themselves let alone their children. One other factory that formerly employed Alta Gracia workers was TK, where workers endured similar conditions to those of the BJ&B factory. The workers at the BJ&B and TK apparel factories combated the injustice that they faced every single day in the work place, the details of which we will cover later in this report. We also analyze the contributions of organizations such as the international watchdog organization: The Workers Rights Consortium and the United Students Against Sweatshops, throughout the formation of the Alta Gracia Project Factory. This project recognizes workers rights in a globalized economy that views them solely as one of the 20 million workers producing clothes for the U.S. and European markets.⁵

The Alta Gracia Project Factory has the possibility of overcoming the “Race to the Bottom” through social entrepreneurship, which is the recognition of a social problem and the active initiative to cure it through a progressive business model that challenges the assumptions of many other business approaches. It is the first union-made, living wage apparel brand of its kind. The workers are paid more than three times the Dominican minimum wage and there is full recognition of the Alta Gracia SITRALPO union. The WRC consistently monitors the health and working standards within the factory and helped the union negotiate their demands for a dignified factory work environment. Although sales are increasing, the future of the factory is still at a fragile stage as speculation from academics and the apparel industry question the sustainability of the factory in the exploitive production system of the apparel industry. Our research

⁵ Nova, 1/7/12

questions are: What are the ways in which the U.S. international trade policy impacts workers? How did Dominican worker and U.S. student organizing pave the way for the Alta Gracia Project factory to implement economic and social change within the global apparel industry?

Personal Statements: Why we chose this issue

I, Allie Brown, lived in the Dominican Republic for three months during the summer of 2010 and one of the first things I learned was that that the people with the least seem to make the most out of life. I asked myself, how do people cling onto hope when they experience the same pain and mistreatment on a daily basis? The truth is that I do not have a clear answer and could spend my entire life searching for it. I may not have the answer, but at my young age I do know that the reason is spiritual and comes from within. As humans, we are constantly faced with tribulation, but we make the impossible possible by standing up for what we are entitled to. It is human nature to endure what is necessary in order to survive; however, history has proven that the voices of the oppressed will not stay silenced.

I, Helen Wright, have always had a deep connection to justice and equal treatment for human beings in every context, whether it be gender, race, economic or labor rights. From a young age I was always interested in the origin of our clothing, as my mother is a costume designer and seamstress in the entertainment industry in Los Angeles. Many of my clothes growing up were hand-sewn by my mother, Christina Wright, and I have spent many hours listening to the hum of a sewing machine, observing the physical toll and time it takes to sew a single garment. To think that the clothing we buy in the U.S. everyday is sewn at the peril and abuse of human beings all over the globe is something that is unimaginable for most consumers in the United States to hold in our conscience (and I of course include myself).

During the fall semester of our junior year in our Community Organizing class, Professor Peter Dreier assigned our class the task of researching the organizing history

and methods of the Alta Gracia Project in the Dominican Republic. We were also asked to promote the sale of its products on the Occidental College campus. We not only spread awareness, but also sold out all of the small and medium sizes of the Alta Gracia T-shirts in the Occidental bookstore. During our “Rock the Tag” Campaign, which encouraged students to think about the sweatshop origin of collegiate apparel, the two of us quickly bonded over our passion for fair labor and wrote a grant application to conduct on-site research at the factory during the summer of 2011. We were awarded the grant and during the month of August and studied the unionizing efforts at the Alta Gracia factory on site in Villa Altagracia, The Dominican Republic.

Process and Methodology

With the help of Professor Dreier, Department Chair of Urban and Environmental Policy at Occidental College, we were put in contact with Sarah Adler Milstein, the former Field Representative for the Workers Rights Consortium in the Dominican Republic. The WRC is an international independent labor rights monitoring organization founded with a purpose to “combat sweatshops and protect the rights of workers who make apparel and other products.”⁶ The organization has the support of over 175 college and university affiliates and monitors labor rights by conducting “independent, in-depth investigations; issues public reports on factories producing for major brands; and aids workers at these factories in their efforts to end labor abuses and defend their workplace rights.”⁷

We began our work by contacting Sarah to use the “snowball effect”; she put us in contact Rachel Taber (Alta Gracia Community Education Coordinator) who then introduced us to Maritza Vargas (Secretary General of the Alta Gracia Union). We previously met Maritza when she accompanied USAS and another sweatshop worker on a visit to deliver a talk at Occidental College during our “Rock the Tag” campaign in December of 2010. They spoke about their struggles for justice in the apparel industry in Latin America and community organizing efforts to combat discrimination and abuse in the workplace.

Maritza opened her home to the two of us and encouraged us to stay with her and her family in Villa Altagracia for two weeks. During that period we conducted thirteen

⁶ Nova, 1/7/12.

⁷ Nova, 1/7/12.

face-to-face interviews with the workers that held various positions at the Alta Gracia Project Factory. Our initial research question was to determine how the living wage has affected their quality of life at home and in the workplace. The Alta Gracia Factory has received a lot of publicity because of the living wage, but as soon as we stepped foot into Maritza's newly constructed house, we were exposed to the fact that there was more to the Alta Gracia story than we were aware of. For instance, the town of Villa Altagracia has a community organizing history that is fifteen years old—this history directly influenced the CEO, Joe Bozich, of the Alta Gracia Project and their business decision to plant its roots in this small town. We quickly learned about other issues such as gender subordination in the workplace, gender dynamics in community organizing in the Dominican Republic, the detrimental closing of the BJ&B factory (which was the largest employer in the town), and issues regarding the sustainability of the factory in the future.

With the help and guidance of Maritza and her family members, we were able to conduct thirteen filmed interviews, ranging from twenty minutes to an hour. Since women are presumed to be the most vulnerable workers, we wanted to speak to them about the abuses that they have faced in the free trade zones, how they dealt with them and if and how they resisted inhumane treatment.⁸

Our next phase of interviews focused on the following United States based subjects: Scott Nova (CEO of the Alta Gracia Project Factory), Teresa Chang (USAS International Campaigns Coordinator), Casey Sweeney (student USAS organizer at Cornell University), and Edward Soule (Professor at Georgetown University).⁹ We wanted to gain insight into what campaigns U.S. student organizations such as USAS led

⁹ Please see appendices A for full biography of interviewees.

during the late 1990s in conjunction with the union workers at the BJ&B factory. In addition to using our interviews as primary research, we also used official reports from the WRC as background information as a way to provide credibility to our findings. Having lived in Villa Altagracia for two weeks we conducted observational research in the natural setting of the community, which provided us with the insight to the larger implications of employment and gender dynamics in the Dominican Republic. With our research, we share the ultimate goal of spreading awareness among students and consumers in the U.S. to buy clothing made in a socially aware and sustainable manner.

Chapter One: Left Out To Dry: The International Apparel Industry: The Relationship Between the United States and The Dominican Republic

A. History of Policy and Trade within the Apparel Industry in the DR

What policies and trade initiatives paved the way for sweatshops?

The relationship between the Dominican Republic and the United States is one of economic dependence through import and export trade, which can be observed in the policies and economic reliance on the United States through export-led industry and labor practices. The design and marketing is completed in the U.S. by specific apparel companies and then is outsourced to independently contracted clothing manufacturing companies across the globe, where there lacks a precedence for labor standards. Wages are lower in the developing world yet production is highly efficient in terms of quantitative productivity.¹⁰

Today, some may argue that the country is still colonized although it is no longer a colony—approximately 60% of the Dominican Republic’s economy is reliant on manufactured exports to the U.S., and 42.2% of the country’s population falls below the poverty line.¹¹ Citizens whose income falls below the poverty line receive only one-fifth of the GDP, while the richest 10% of the population receives 40% of the GDP.¹² Unemployment continues to be one of the biggest challenges for the country as the rate of unemployment was reported to 14.2% in 2010 (but it is suspected to be much higher).¹³

As clearly indicated by the gap in income distribution, employment remains rare and

¹⁰ Dreier, Peter. *The Campus Anti-Sweatshop Movement*. The Prospect. Dec.19th, 2001. Accessed. 12/9/11.<http://prospect.org/article/campus-anti-sweatshop-movement>.

¹¹ CIA. *CIA World Factbook: The Dominican Republic*. 2012. Web. 2012. <<https://www.cia.gov/library/publications/the-world-factbook/geos/dr.html>>.

¹² Ibid.

¹³ Op. Cit.

quality of labor and career opportunity is subsequently stunted by lack of available social resources such as quality education, which will be discussed further in the following chapter.¹⁴

The United States-based initiative to create policies that “open the doors” for employment and trade-based initiative were welcomed by the country’s government, without much concern for the future impact that these policies and trade-agreements would have on the economic autonomy of the country. The policies that created a cycle of dependence on the textile manufacturing industry include: the North American Trade Agreement, the subsequent termination of the Multi Fiber Agreement, and the Caribbean Based Initiative. The Dominican Republic is now reliant on export-led goods to wealthier countries (primarily the United States) for employment and ensuing economic survival.

B. Economic Changes within the Dominican Apparel Industry: From Sugar-cane Harvesting to Factory Assembly Manufacturing

The primary source of economic export-led production for the Dominican Republic once lay in the agricultural sector as tobacco, coffee and predominantly sugarcane were once resources exported from fertile land of the Dominican Republic. The dependence on U.S.-led exports, however, has been present since the later part of the 19th century. The tobacco industry, which was perpetuated mainly by Cuban immigrants, declined in the latter half of the 19th century as the price of tobacco products fell drastically. The U.S. took advantage of this crash in tobacco, and invested heavily in the sugar-cane industry. This gave the U.S. strong political advantages as the sugar industry provided great economic gains and instituted a lasting relationship of reliance and power favoring the U.S. United States Marines occupied the country for nearly 10 years (1916-

¹⁴ Op. Cit.

1924) in order to assist the Country in restoring political and economic stability. As the Dominican sugar, tobacco and cocoa industries began to ship their products to the U.S. instead of European markets, the U.S. turned into a powerful presence in the Dominican banking and transportation industries as well. Many physical improvements were completed due to the economic influx of trade between the U.S. and the Dominican Republic. However, political corruption brought on by the Trujillo dictatorship ended the U.S. Marine occupation in the Dominican Republic:

Although politically unpopular, the United States presence helped stabilize Dominican finances and greatly improved the physical infrastructure, as roads, sanitation systems, ports, and schools were built. The United States Marines left in 1924, but United States economic advisors remained to manage customs revenues until 1932, two years into the thirty-one year Trujillo dictatorship.¹⁵

Raphael Trujillo ruled officially and unofficially through an oppressive dictatorship for 30 years in the Dominican Republic. His regime was known as one of the most violent and bloody: those in opposition were either incarcerated or murdered and attempted to ethnically cleanse the country by murdering Haitians and darker-skinned Dominicans. Once Trujillo gained full dictatorship over the D.R., in the 1950s, he focused mainly on expanding the sugar industry, which was where his personal economic interests were invested. After his assassination in 1961, it was revealed that Trujillo had seized approximately 60% of the land for sugar production, which was rightfully owned by citizens of the Dominican Republic.¹⁶ From 1966-70 Joaquín Balaguer Ricardo held the presidency and greatly diversified the economy to focus on industry as well as agricultural production. Despite the tireless efforts of the Balaguer administration and the

¹⁵ Library of Congress. "Dominican Republic-Economy".
http://www.mongabay.com/reference/country_studies/dominican-republic/ECONOMY.html 11/30/11.

¹⁶ Ibid.

brief increase in economic gain due to Law 299, (the Industrial Incentive Law, which greatly increased assembly manufacturing and mining production in the D.R), the sugar cane industry remained a prevalent source of trade.¹⁷ However, in the 1980s, the sugar industry hit a low that had not been seen in 40 years. Sugar exports to the United States were cut by 70% from 1981-1987; as a result of the U.S. sugar producers lobbying efforts demanding supply from within U.S. borders.¹⁸ Due to inflation rates fueled by the “expansionary fiscal policies” of the Balaguer administration, the peso was at an all time low, and the country faced four billion dollars in national debt. During this time, there also came a rapid shift in employment and labor as manufacturing and assembly grew from 16,000 jobs in 1980 to 100,000 in 1989.¹⁹

The sugar-cane economy recovered from its loss in the 1980s as high-fructose corn syrup and other corn-based sweeteners were introduced to drinks and used as a substitute for sugar in the U.S. The sugar-cane economy has subsided even further since the 1980s:

Data estimated by SRI Consulting and published in their Chemical Economics Handbook (CEH) shows in the next-to-last column the sucrose equivalence of available high-intensity sweeteners saccharin, aspartame, acesulfame K, sucralose, and cyclamate. The supply of these sweeteners has been growing over time, from 2.91 million tons in 1992 to 4.57 million tons in 2007.²⁰

With the down scale of the sugar-cane demand in the U.S., many jobs and sugar-cane mills were forced out of business. This imposed even more pressure on export-led manufacturing industries, with the greatest reliance being on the textile and apparel

¹⁷ Richard A. Haggerty, ed. *Dominican Republic: A Country Study*. Washington: GPO for the Library of Congress, 1989.

¹⁸ Ibid.

¹⁹ Op. Cit.

²⁰ Haley, Stephen. Toasa, Jose. Valdes, Constanza. Jerardo, Andy. “*Sugar and Sweeteners Outlook.*” 27th, May, 2008.

industry. Current estimates for the *agricultural* labor-force lie at 14.6%, while *industry* stands at 22.3% and *service* takes the majority at 63.1%.^{21 22}

As labor and the economy have shifted from sugar cane to assembly manufacturing (mainly apparel), dependence on the U.S. for the country's economic health has not changed. Export-led employment, which is crucial to The Dominican Republic's economic health, remains highly dependent on the United States. While this shift in labor sources occurred, the World Trade Organization, the U.S. and Dominican Governments established specific international policies, that resulted in negative consequences on the wage and working conditions of apparel workers employed in apparel factories. These policies included: Free Trade Zones, the North American Free Trade Agreement (NAFTA), the termination of the Multi-Fiber Agreement (MFA), the Caribbean Based Initiative (CBI), and the Dominican Republic- Central American Free-trade Agreement (DR-CAFTA).

²¹CIA. *CIA World Factbook: The Dominican Republic*. 2012. Web. 2012.
<<https://www.cia.gov/library/publications/the-world-factbook/geos/dr.html>>.

²² Ibid.

C. The U.S. and DR Apparel Industries: Policy Relations and Socio-economic Consequences

How have certain trade negotiations between the U.S. and the D.R. affected working conditions for apparel workers?



“Zona Franca/Free Trade Zone”: Villa Altigracia, 8/15/11

I. History of Dominican Free Trade Zones (FTZ):

The trade policies instituted by the Dominican Government in the 1950s created the FTZ in order to expand the economy and global trade and encourage foreign investment in the Dominican Republic. However, the first Free Trade Zone was actually established in 1969 and did not begin to flourish as a means of production until the 1980’s when the sugar cane economy underwent its final crash. The establishment of Free Trade Zones became responsible for 10% of all exports in 1981 and increased to 31% of all exports in 1987. By the mid-1990s textiles and apparel factories dominated the Free Trade Zones, as approximately three-quarters of the factories were garment factories. However, by 2010 only 96,800 workers remained employed in the garment assembly industry due to the shift in policies, which will be further explained in this

chapter.²³

The Caribbean Based Initiative stimulated this rise in FTZ use in 1984, which ultimately expanded textile trade. Additionally, in 1979 “Law 69” was created, securing “duty-free” trade for imported and exported goods manufactured within the Free Trade Zones.²⁴ The U.S. and Dominican Government in accordance with the World Trade Organization (WTO) affirmed all of these negotiations. As described by the U.S. Library of Congress report on Free Trade Zone manufacturing, the popularity of Free Trade Zones were fostered by a growing demand for companies to produce cheaply and take advantage of the Dominican Republic’s need for employment and economic stimulus, at whatever wages or working conditions deemed necessary:

From 1985 to 1989, the number of free zones had more than doubled, from six to fifteen; employment had jumped from 36,000 to nearly 100,000. The number of companies operating in free zones had increased from 146 to more than 220.²⁵

Some of the regulations that Free Trade Zones used to lure foreign trade investors have included: The excuse of import and export tariffs on goods being produced, “relaxed regulations and restrictions,” and “lower labor and other costs than may be found in the manufacturer's present place of business.”²⁶ In 2000, 53.6% of all exports made in FTZ were in the garment and/or textile sector.²⁷ Since 2000, the FTZ exportation of goods and income has dropped 62% due to the competition with China’s lower manufacturing cost and the termination of the Multi-fiber Agreement. Approximately,

²³ According to the Consejo Nacional de Zonas Francas de Exportación (CNZFE) labor chart calculations.

²⁴ Ibid.

²⁵ Op. Cit.

²⁶ Shroder, John. *Manufacturing in the Free Zones in the Dominican Republic*.

<http://www.thedominicanrepublic.net/freezone.htm> 12/9/11

40% of FTZ businesses are owned by the U.S., 36% are under ownership of the D.R., and the remaining 12% are primarily run by Asian companies and other countries such as Holland, Canada and Puerto Rico own the remaining 12%.²⁸²⁹

The law that allowed for these tax-exemptions and relaxed regulations in factories was called the Free Zone Law 145, which ultimately allowed for “very liberal incentives for free-zone investment, including total exemption from import duties, income taxes and other taxes for up to twenty years.”³⁰ By the early 1990’s the number of companies operating in the FTZ bounced from 146 to 220 as the number of FTZ had increased dramatically from six to fifteen, and employment had increased by 64,000 (from 36,00 to 100,000).³¹

Although they provided numerical stats for employment, FTZ ultimately did not cultivate the economic benefits they should have received, because the duty-free and tax-exemption policies ultimately hindered the government’s ability to gain economic benefits from the export manufacturing. Furthermore, trade agreements such as NAFTA, and the termination of the MFA were implemented, and the race to the bottom scorched most of the opportunity for export-led manufacturing as companies began to compete for the lowest production wages possible. Free Trade Zones were the nesting grounds for sweatshop apparel production, which cultivated environments of abuse to instigate faster production and low wages to keep companies producing for the country.

²⁸ "VISION HISTORICA DE LAS ZONAS FRANCAS DEL SECTOR TEXTIL." *VISION HISTORICA DE LAS ZONAS FRANCAS DEL SECTOR TEXTIL*. 2010. Web. 2012.
<<http://www.cnzfe.gov.do/documentos/informestecnicosestadisticos/sectortextil2010.pdf>>.

²⁹ See appendix B. for graphs depicting distribution of FTZ ownership

³⁰ Richard A. Haggerty, ed. *Dominican Republic: A Country Study*. Washington: GPO for the Library of Congress, 1989.

³¹ *Ibid.*

II. Life in the Dominican Republic & a Glimpse of Working in a Dominican Free Trade Zone

The Dominican Ministry of Labor defines a free trade zone as: “a clearly marked industrial space that constitutes an enclave of free trade with regards to a country’s commercial structure and tariff system and where foreign or national companies that produce principally for export enjoy a certain number of economic incentives because of preferential quotas or tariff systems.”³² Free Trade Zones operate duty free, which means that the companies can only export their goods. In other words, workers withstand conditions and do not even have the right to wear the clothes they produce with their own hands. Due to a lack of regulation and poor enforcement of laws, workers in free trade zones face verbal and physical abuse, poor, unsafe and unclean working conditions, forced overtime, and low wages. This combination is a recipe for inescapable poverty, which results in compounding psychological impacts. The power to organize and create strong unions to combat the system is seemingly nonexistent due to limited knowledge of rights, limited power to bargain collectively, and the threat of job loss and blacklisting from employers. Employment and educational opportunities are limited; thus, workers in Free Trade Zones across the entire world endure appalling conditions in order to survive.

The small island of the Dominican Republic has a population of 9.9 million people, with the majority of the population facing an unimaginable opportunity gap due to lack of access to proper education. In 2010, according to the World Bank, only 62% of children were enrolled in education at the secondary level (U.S. equivalent to middle

³² Pared Pérez, Reinaldo, Amarilis Santana Cedano, Diego Aquino Acosta Rojas, Julio César Valentín Jiminián, María Cleofia Sánchez Lora, Leonel Fernandez and Teodoro Ursino. "EL CONGRESO NACIONAL En Nombre De La República." El Congreso Nacional. Web. 17 Apr. 2012. <<http://www.cnzfe.gov.do/documentos/Ley5607/Ley5607.pdf>>.

school) in the Dominican Republic in comparison to the 90% in the United States in 2009.³³ The tax system favors the middle and upper middle classes, which continues to widen the gap between rich and poor. Subsequently opportunities available for youth in the poor classes are limited. Only a university education would assure significant benefits in the labor market. One of every three young people between the ages of 18 and 25 complete basic education (U.S. equivalent to elementary school), and only one third that finish basic education do not complete secondary.³⁴

In 2010, 42.2% of the Dominican population was living in poverty with a rampant unemployment rate of 22.8% among women in 2008 compared to the 8.5% of men in the same year.³⁵ ³⁶ The employment opportunities for young women are limited and many times women are forced to provide for their children alone. For instance in 2007, one fifth of young women between the ages of 15-19 were either pregnant or had children.³⁷ For young women, employment is more difficult to attain than it is for men and some of the only jobs available to them are in the textile industry. In the same year 44.5% of young mothers in the active female population between the ages of 15-24 were unemployed compared to the 21.2% of the young male population.³⁸ Furthermore, access to basic services such as trash collection, running water, and electricity has a greater

³³ Dreier, Peter. "The Campus Anti-Sweatshop Movement." *The American Prospect*. The Prospect, Apr. 1999. Web. 16 Apr. 2012. <<http://prospect.org/article/campus-anti-sweatshop-movement>>.

³⁴The World Bank. "Recursos." *Noticias*. The World Bank Group, 2012. Web. 10 Apr. 2012. <<http://web.worldbank.org/WBSITE/EXTERNAL/BANCOMUNDIAL/NEWSSPAINISH/0,,contentMDK:20951437~pagePK:64257043~piPK:437376~theSitePK:1074568,00.html>>.. 2012. <<http://data.worldbank.org/indicador/SE.SEC.NENR>>.

³⁵ The World Bank. "Inscripcion Escolar, Nivel Secundario (% Neto)." *Inscripcion Escolar, Nivel Secundario (% Neto)*. The World Bank Group, 2012. Web. 08 Apr. 2012. <<http://datos.bancomundial.org/indicador/SE.SEC.NENR>>.

³⁶ The World Bank. "Indicadores." *Datos*. The World Bank Group, 2012. Web. 09 Apr. 2012. <<http://datos.bancomundial.org/indicador>>.

³⁷ Ibid.

³⁸ The World Bank. "Unemployment, Youth Male (% of Male Labor Force Ages 15-24)." *Data*. 2012. Web. Accessed. 09 Apr. 2012. <<http://data.worldbank.org/indicador/SL.UEM.1524.MA.ZS>>.

impact on the populations like young mothers and persons living in extreme poverty. The availability of running water and electricity in the Dominican Republic is ten times less than other typical Latin American countries—equivalent to three days of water each week.³⁹ Many cannot pay for their homes, running water, or electricity due to either unemployment or low wages. For example, when the BJ&B factory was operating in Villa Altagracia, a worker reported making 69 cents an hour.⁴⁰

III. Free Trade Zone Parks and Businesses in Operation

The 2010 statistical report revealed that there were 48 free trade zone parks and 555 businesses in operation by the end of the year.⁴¹ Of the parks in operation, 45.8% were located in the north, 25% in the National District/Santo Domingo Province, 10.4% in the east, and 18.8% in the south. In respect to administration: 64.6% belonged to the private sector, 29.2% to the public and the remaining 6.2% was mixed. Of the 555 businesses operating, 42.3% were located on private property in free trade zones, 20.9% public property, 14.8% mixed administration and the remaining 22% to special free trade zones. Due to the location of parks, the majority of businesses also operate in the north, as 47.9% are located in the north, 25.2% in the National District/Santo Domingo, 15.3% in the south and 11.5% in the east. Of the 555 businesses 221 or 39.8% belong to the United States, 203 or 36.6% are Dominican.⁴² The majority of the production activity is

³⁹The World Bank. "Recursos." *Noticias*. The World Bank Group, 2012. Web. 08 Apr. 2012. <<http://web.worldbank.org/WBSITE/EXTERNAL/BANCOMUNDIAL/NEWSSPANISH/0,,contentMDK:20951437~pagePK:64257043~piPK:437376~theSitePK:1074568,00.html>>.

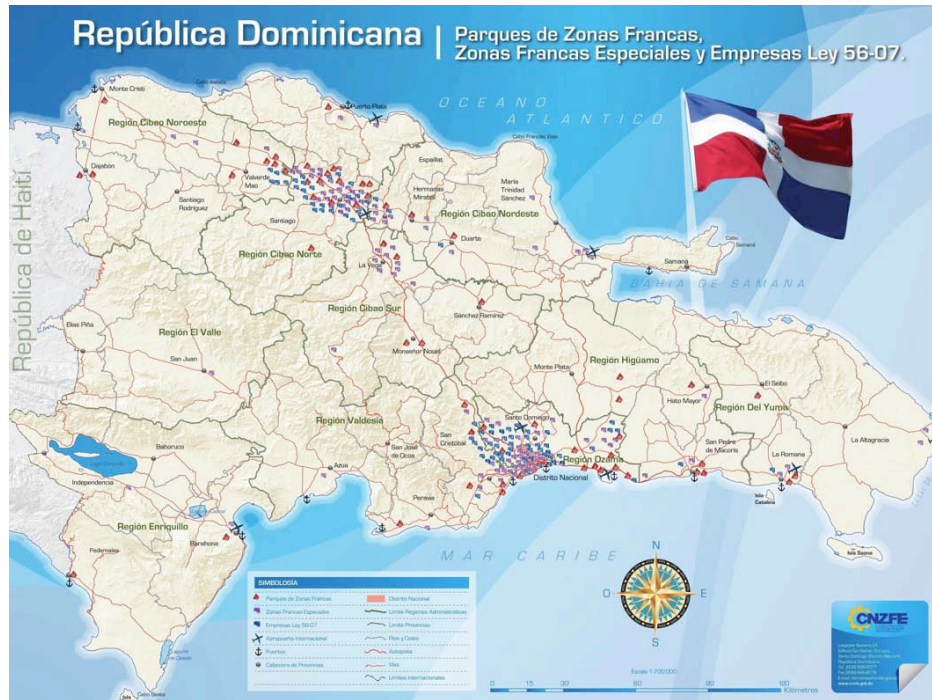
⁴⁰ Ross, Robert J.S. "The Tale of Two Factories: Successful Resistance to Sweatshops and the Limits of Firefighting." *Labor Studies Journal* 30.4 (2005): 65-85. Print.

⁴¹ Guerrero, Pablo. "...:Consejo Nacional De Zonas Francas De Exportaci3n:..." "...:Consejo Nacional De Zonas Francas De Exportaci3n:..." Web. 16 Apr. 2012. <<http://www.cnzfe.gov.do/estadisticas.htm>>.

⁴² Please see appendices B. for graph of businesses operating by region

dedicated to textile with 120 factories or 21.6%, followed by a 20.7% for services, 9.2% for tobacco manufacturing and 8.5% of merchandising.⁴³

Figure 2: The Concentration of Free Trade Zones in the Dominican Republic
Translation: FTZ Parks, Special FTZ and Businesses Operating Under Law 56-07



Pared Pérez, Reinaldo, Amarilis Santana Cedano, Diego Aquino Acosta Rojas, Julio César Valentín Jiminián, María Cleofia Sánchez Lora, Leonel Fernández and Teodoro Ursino. "EL CONGRESO NACIONAL En Nombre De La República." El Congreso Nacional. Web. 17 Apr. 2012. <<http://www.cnzfe.gov.do/documentos/Ley5607/Ley5607.pdf>>.

IV. Historic Vision of Businesses in the Textile Sector in Free Trade Zones

Apparel and textiles make up 23% of the businesses in the free trade zones. Of those businesses the majority are located in the northern region: 57% in the north, 17% in the east, 15% in the national district/Santo Domingo, and the remaining 11% in the south. Due to changes in policy and international trade agreements, the free trade zones in the country have fluctuated over the years and declined by more than half in less than a

⁴³ Please see Appendices B. for further charts depicting employee distribution within the textile industry

decade. In 2003 there were 269 textile/apparel businesses operating in the free trade zone and by 2010 the number drastically dropped to 120, which resulted in a significant number of lost jobs. In 2003 textile/apparel factories accounted for 50.7% of activity within the free trade zones and by 2010 this percentage had dropped to only 21.6%. This reduction in apparel factories is a result of the United States' detrimental influence over Dominican foreign trade policy. The U.S. not only has major control over the country's policy, but also of the businesses within the free trade zone. In 2010, 44.2% (53 businesses) were of U.S origin and 40% (48 businesses) were Dominican, followed by 5% Korea (6 businesses) and 3.3% (4 businesses) Canada.⁴⁴

Table 1: Textile Businesses Divided by Country Origin 2010

Countries	Businesses
The United States	53
The Dominican Republic	48
Korea	6
Canada	4
Puerto Rico	2
Holland	2
Colombia	1
Mexico	1
Taiwan	1
Honduras	1
China (Popular Rep.)	1
Total	120

VISION HISTORICA DE LAS ZONAS FRANCAS DEL SECTOR TEXTIL." *VISION HISTORICA DE LAS ZONAS FRANCAS DEL SECTOR TEXTIL.* 2010. Web. 2012. <<http://www.cnzfe.gov.do/documentos/informestecnicosestadisticos/sectortextil2010.pdf>>.

⁴⁴ VISION HISTORICA DE LAS ZONAS FRANCAS DEL SECTOR TEXTIL." *VISION HISTORICA DE LAS ZONAS FRANCAS DEL SECTOR TEXTIL.* 2010. Web. 2012. <<http://www.cnzfe.gov.do/documentos/informestecnicosestadisticos/sectortextil2010.pdf>>.

V. Exports and Imports

Exports from the free trade zone in 2010 in U.S. Dollars was valued at \$4,080.1 million, which represented 61.8% of the Dominican Republic's total exports. Exports for medical equipment and products were valued at U.S. \$1,064.1 million (26.1%), apparel and textiles (most valued export) U.S. \$964.2 million (23.6%), electronic products U.S. \$534.7 million (13.1%), jewelry U.S. \$464.2(11.4%), and tobacco/related products U.S. \$445.4. Because of the country's trade policy, the country exports more than it imports. For instance, exports of apparel and textiles in 2010 were valued at 964.2 million dollars and imports 740.7. The United States benefits greatly from tax breaks and is responsible for 36% of this consumption.⁴⁵

Table 2: Balance of Exports Versus Free Trade Zone Imports Divided by Activity (In Millions \$USD) 2010

Activity	Exports	Imports	Balance
Textiles	964.2	740.7	223.5
Footwear	247	137.1	109.9
Electronics	534.7	259.3	275.4
Tobacco & Related Products	445.4	206.9	238.5
Medical & Pharmaceutical Products	1,064.10	495.1	569
Jewelry	464.2	251	213.2
Other	360.5	323.6	36.9
Total	4,080.10	2,413.70	1,666.40

"INFORME ESTADISTICO DEL SECTOR ZONAS FRANCAS 2010 República." *Consejo Nacional De Zonas Francas De Exportación*. Consejo Nacional De Zonas Francas De Exportación. Web. 2012. <<http://www.cnzfe.gov.do/documentos/informesestadisticos/InfEst2010Esp.pdf>>.

⁴⁵ Pared Pérez, Reinaldo, Amarilis Santana Cedano, Diego Aquino Acosta Rojas, Julio César Valentín Jiminián, María Cleofia Sánchez Lora, Leonel Fernandez and Teodoro Ursino. "EL CONGRESO NACIONAL En Nombre De La República." El Congreso Nacional. Web. 17 Apr. 2012. <<http://www.cnzfe.gov.do/documentos/Ley5607/Ley5607.pdf>>.

D. International Trade Policy: Impact on the Apparel Sector

I. The Termination of the Multi-fiber Agreement (MFA):

The World Trade Organization instituted the MFA as a worldwide agreement in 1974 to protect and regulate the import and export of goods in the apparel industry, and to ultimately distribute the production and labor throughout all countries exporting apparel and textiles to the United States and Canada. As explained by Shubha Madhukar in an article titled “*What Is the Multi-fiber Agreement?*” written in 2004, which was ten years after the beginning of the phase-out and eventual 2005 termination of the MFA:

MFA came into force to allocate export quotas to the low cost developing countries, limiting the amount of imports to countries whose domestic industries were facing serious challenge from rapidly increasing imports. It sought to expand trade, reduce barriers to trade and progressively liberalize world trade.⁴⁶

During the years that the MFA was instated, by allocating the quota’s for fiber products, apparel and textiles, developing countries that were not at the bottom bracket of production costs were still able to produce and profit from apparel and textile manufacturing. Once the MFA was terminated, countries such as China and Bangladesh that offered lower production costs for apparel and textiles benefited greatly, as companies chose to relocate for the lower-production costs. However, countries in the Caribbean could no longer compete with the lower cost production offered in China and Bangladesh, due to the lifting of quotas and limits on imports to the Unites States. This is what contributed to the immense loss of jobs in Free Trade Zones (FTZ) within the Dominican Republic as factories were transferred to countries with lower-wage and

⁴⁶ Madhukar, Shubha. “*What is the Multi-Fiber Agreement?*” 29 December 2004. http://www.domainb.com/industry/textiles/20041229_multi_fibre_agreement.html

production standards. The devastating results can be seen as the U.S. imports of garments manufactured in China accounted for 30% of the U.S. market, and imports from China increased by 65% in the two years between 2004 and 2006, while 25% of the garment industry came from other countries in Asia. In the early 2000s the Dominican Republic was responsible for 4% of garment industry imports to the U.S. and by 2006, they were responsible for only 1.6%.⁴⁷

The Dominican Republic was wary of losing 30,000 to 40,000 jobs in the apparel industry. They were hit harder than expected and lost 60,000 to 70,000 jobs as indicated by Jose Torres, the Vice-President of the Dominican Free Trade Zone Association.⁴⁸ The termination of the Multi-Fiber Agreement essentially allowed for the “race to the bottom,” as there was no longer any limitation on the quantity of garment and textile goods exported from any particular country.⁴⁹

II. North American Free Trade Agreement (NAFTA)

The formation of NAFTA started percolating in 1984, ten years after the MFA was instituted and when Ronald Reagan was elected President of the United States. In 1984 President Reagan signed the Trade and Tariff Agreement, which removed all power from the Congress to take part in negotiating free trade agreements. The Trade and Tariff agreement ensured that the President maintained all power of negotiation while the only power Congress maintained was to approve or disapprove trade agreements. However, it

⁴⁷ Arthur, Charles. “Coming Undone: the Dominican Republic’s Garment Assembly Sector.” *Making it Magazine*. March 30th, 2011.

⁴⁸ Kline, Joseph. *Alta Gracia: Branding Decent Working Conditions Will College Loyalty Embrace “Living Wage” Sweatshirts?* 2010. Kalmanovitz Initiative for Labor and the Working Poor, Karl F. Landegger Program in International Business and Diplomacy.

⁴⁹ Macdonald, Stephen. “The World Bids Farewell to the Multi-fiber Agreement.” *Amber Waves*. February 2006. Accessed April 11th 2012. <http://www.ers.usda.gov/AmberWaves/February06/Features/feature2.htm>

was not until 1993 that President Clinton signed the agreement that instituted NAFTA on January 1st, 1994. The agreement was between the U.S., Canada and Mexico, in order to end the tariffs on goods traded from Mexico to the United States and Canada. This agreement ultimately focused trade between North American companies and especially affected the textile and apparel industry, as the agreement was designed to favor goods imported from Mexico only. The signing of NAFTA ultimately contributed to the perpetuation of sweatshop labor in Central America and the Caribbean, as these countries were forced into cheaper manufacturing practices and subsequent labor degradation.⁵⁰

III. Caribbean Based Initiative (CBI):

The Caribbean Based Initiative was a unilateral U.S. program developed in 1983 in order to ease the tariff on goods produced in the Caribbean and imported to the United States. The effect of the CBI on the apparel industry within the Caribbean was initially positive as the taxes on textile and apparel goods manufactured and exported in the Caribbean and imported to the United States were no longer taxed at such a high rate. This paved the way for cheaper production costs that provided the subsequent incentive for clothing companies to produce in the Caribbean. The CBI ensured that products made in participating countries in the Caribbean were free of transport fees directly to the United States.⁵¹ This initiative is expanded the apparel industry in the Dominican Republic, and contributed to the growth of the labor and economic prosperity for the country through apparel and textile manufacturing.

⁵⁰ Bolle, Mary Jane. CRS Report for Congress: DR-CAFTA Labor Rights Issues. 2005. Congressional Research Service.

⁵¹ Pellerano, Luis. "Pellerano and Herrera, Attorneys at Law." http://www.phlaw.com/en/publications/articles_101201.htm. 12/8/11

As the apparel industry expanded in the Caribbean, especially in the Dominican Republic, labor conditions were overlooked and in many cases were an afterthought or outright ignored. Due to the pressure to produce large amounts of clothing rapidly, sweatshops conditions emerged and became a natural part of the globalized production line. The Caribbean Basin Trade Partnership Act (CBTPA) was an amendment to the CBI, it was enacted in 2000 and provided “beneficiary countries certain trade benefits similar to Mexico’s under NAFTA.”⁵²

Essentially the trade benefits referenced as “similar to NAFTA” in this statement involved the easing of taxes on imported and exported goods, with the desired influence for expanded manufacturing and trade within the Caribbean. Despite the fact that the CBI was developed to expand production in the Caribbean, this policy was not effective enough to end the ruthless search for the cheapest manufacturing options available for apparel-producing factories. The “race to the bottom” left countries such as the D.R. with enormous rates of unemployment, and further perpetuated undignified working conditions and inadequate salaries for garment workers.

IV. Trade and Development Act of 2000:

The Trade and Development Act of 2000 was designed in response to counteract the effects of NAFTA and the influx of traded produced in Mexico and China. The purpose of the Act was to essentially rebalance the trade initiative between Africa and the Caribbean. This is due to the dire economic effects of losing the trade source from the U.S. after the agreement was signed between Mexico, Canada and the States. As

⁵² U.S. Department of Commerce. “*Guide to the Caribbean Based Initiative.*” November 2000.

described by Luis Pellerano, the act had great potential for fueling growth within the textile and apparel assembly manufacturing:

The Dominican textile industry will benefit mainly from the categories related to the cut, assembly, and processing of clothes, which will promote the return of companies that had moved to Mexico, as well as the moving of cutting and termination companies to the country. In fact, since the implementation of textile parity, the National Free Zone Council has received several applications from companies seeking to move to the Dominican Republic.⁵³

While this trade act was meant to re-establish an incentive for companies to produce in the Caribbean, not even Mexico with the newly established trade initiatives with the United States could withstand against the “race to the bottom,” as China’s apparel industry rose by 71% from 2000 to 2004, and Mexico’s apparel trade dropped by 17%.⁵⁴

V. Dominican Republic-Central American Free Trade Agreement (DR-CAFTA):

Instituted on August 5th, 2004, The Dominican Republic-Central American Free-trade Agreement was developed to increase trade between the United States and the seven countries included in the agreement: Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua and the Dominican Republic. As stated by the Office of the United States Trade Representatives: “This agreement is creating new economic opportunities by eliminating tariffs, opening markets, reducing barriers to services, and promoting transparency.” In 2008, DR-CAFTA was altered by participating parties, to include the manufacturing and distributions of “pocket fabric” in all members of the DR-CAFTA agreement including the United States. However, also included in this change was the ruling that textiles produced in Mexico would also provide duty-free exports and

⁵³ Pellerano, Luis. *Textile Law Has Big Impact on the Caribbean*. http://www.phlaw.com/en/publications/articles_101201.htm. 2006.

⁵⁴ Gelb, Bernard A. CRS Report for Congress. Textile and Apparel Trade Issues. Jan. 5th, 2007.

imports on all fabrics created in the participating countries of the DR-CAFTA agreement. The hope for these changes was to expand production in all countries, including Mexico, for lower costs and therefore increase trade.

Chapter Two: Trade Policy Impacts on Workers in The Dominican Republic: Working in a Dominican Free Trade Zone

The termination of the MFA, the implementation of NAFTA and the CBI, are policy initiatives that deeply affected workers in the garment sector in the Dominican Republic. This chapter discusses these impacts and brings attention to the socio-economic disparity for textile workers employed in Free Trade Zones in the Dominican Republic.

*“I feel super good, because what I am learning is that more people are finally realizing that we are human beings and that we all have rights. This isn’t just what we are owed. We the poor, humble people-- we only think in terms of things that we should do: we should work, and we should earn money. But we don’t think in terms that we have rights. I have a right to respect, to dignity, to speak up and to ask for what I want.”*⁵⁵ —Maritza Vargas, Alta Gracia Union Leader

I. Background of International Exported Labor in the DR

It is a hot summer day during late August in Villa Altagracia, a small town in the Dominican Republic, surrounded by verdant mountains covered in trails of mist with white fluffy clouds rolling through their peaks. The air is humid and the sun beats down in a soft, yet glaring and hot light. The workers in the Alta Gracia factory work tirelessly and rapidly as large fans blow out the hot air and circulate a nice breeze through the building. Despite the heat, and the seemingly endless chain of fabric in front of them, the workers making the clothes are joyful and lighthearted, sewing the stitches into repetitive seam lines on each piece of fabric that comes their way. There is a sense of ease within the Alta Gracia factory, because the men and women working there make their own rules. They create the guidelines for their employment environment and conduct: they have an

⁵⁵ Vargas, Maritza. 8/18/2011

active and respected union and are paid a living wage, which is three times the country's minimum wage requirements.

Today, in the U.S. it is rare to find a garment that is not made abroad as most of U.S. consumers clothing tags read: "Made in China", "Made in Bangladesh", or "Made in the Dominican Republic". The three regions throughout the globe that consume the most clothing manufactured in other countries include: the European Union at 47.3%, the United States at 22% and Japan accounting for 6.9%, while the Russian Federation stands at 5.7% in 2008.⁵⁶ Design and marketing firms outsource their labor to independent contractors throughout the globe, mainly to countries where the equation of labor plus price per garment is the most profitable for the brand.⁵⁷

Until the 1970's, the garment industry in the U.S. was one of the strongest unionized industries as clothing was designed *and* produced within the U.S. borders. The industry provided a plethora of well-paying jobs for many U.S. citizens. However, upon the termination of the Multi-fiber Agreement and the implementation of other global trade policies that opened the doors for exported labor to other countries, devastation of the apparel production industry within the United States occurred. In the 1970's there were 1.4 million apparel workers in the United States, and by 2001 only 800,000 legal apparel workers could be accounted for in the United States.⁵⁸

Scott Nova, Executive Director of the Workers Rights Consortium, speaks about the moral failings of brands and factories producing apparel at the plight of the workers hired

⁵⁶ Gereffi, Gary, and Stacy Frederick. *Http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2010/04/27/000158349_20100427111841/Rended/PDF/WPS5281.pdf*. Policy Research Working Paper, Apr. 2010. Web. Apr. 2012. <http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2010/04/27/000158349_20100427111841/Rended/PDF/WPS5281.pdf>.

⁵⁷ Dreier, Peter. "The Campus Anti-Sweatshop Movement." *The American Prospect*. The Prospect, Apr. 1999. Web. 16 Apr. 2012. <<http://prospect.org/article/campus-anti-sweatshop-movement>>.

⁵⁸ Ibid.

as something that is completely at the fault of the business methodology behind apparel production. The whole reason why these factories exist in developing countries is because of the fact that businesses rely on the inhumane treatment and payment of workers in outsourced factories:

A key reason why these countries don't respect human rights in the labor industry is because they recognize that the international labor market expects them to have weak enforcement. In other words, brands and retailers will move towards those countries that do not enforce those laws aggressively and move away from those countries that DO enforce their laws aggressively.⁵⁹

He further states that this is a moral choice because the exchange rate compared to the United States within these countries already provides for lower living and sustainable wages. The constant stream of pressure to reduce the price of production and to increase quantity drives the immorality inherent in the actions of these large corporate brands. Nova states that there is no reason why living wages cannot be paid in every factory, as the living wage in the Dominican Republic is 3.00 US dollars, while in Bangladesh the living wage is only 1.00 US dollar per hour. The brands that are producing in these countries can easily afford to pay workers at this higher standard, but the system is designed to keep them impoverished. The wages and conditions for workers in Free Trade Zones in the Dominican Republic are especially dismal.

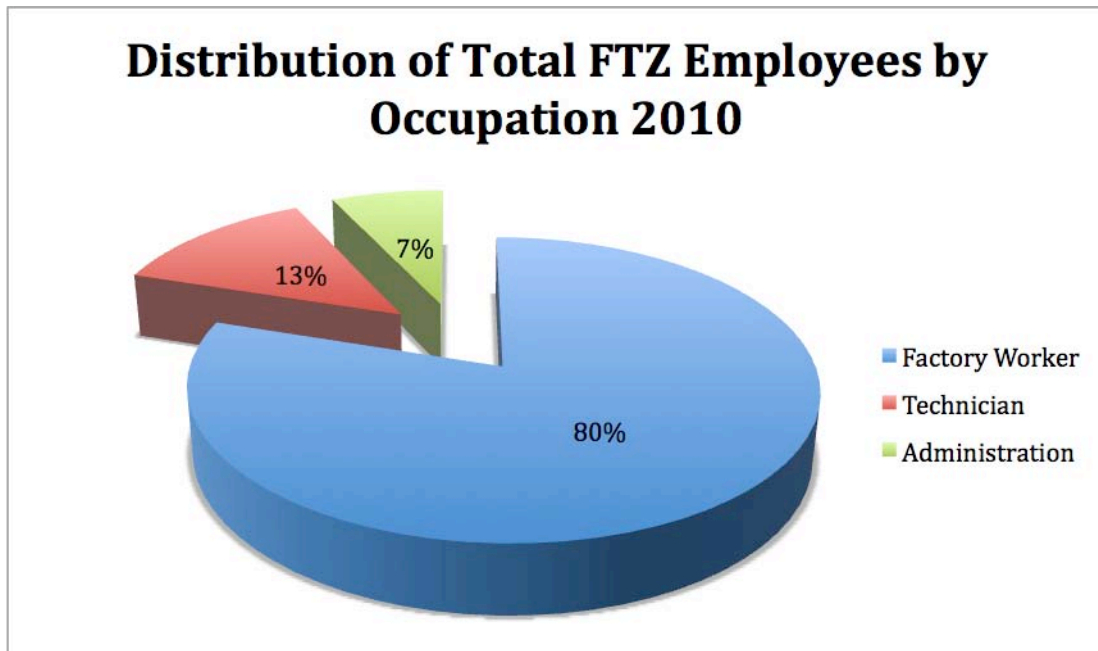
II. Employees and Salaries

According to the CNZFE's (Consejo Nacional de Zonas Francas de Exportación/Free Trade Zone National Counsel for Export) 2010 statistical report for the free trade zone sector, there were 121,000 employees in the free trade zone, including

⁵⁹ Nova, Scott. 1/07/12

apparel workers, technicians and administration. The apparel and textile sector employed the majority of workers with 41,882 employees (35%). Furthermore, 80% of employees are apparel workers, 13% are technicians and 7% are held administrative positions. The factories located in the north account for 41.8% of the employees in free trade zones, the National District/Santo Domingo 26.2%, the south 15.7%, and the east 16.3%. Weekly wages remain extremely low although they have increased: in 1995 apparel workers gained on average 539.96 Dominican pesos/week (\$13.38USD) and in 2010 1,829.03 pesos/week (\$46.85USD).⁶⁰

Figure 1: Occupation of employees working in Free Trade Zones



Pared Pérez, Reinaldo, Amarilis Santana Cedano, Diego Aquino Acosta Rojas, Julio César Valentín Jiminián, María Cleofia Sánchez Lora, Leonel Fernandez and Teodoro Ursino. "EL CONGRESO

⁶⁰ Pared Pérez, Reinaldo, Amarilis Santana Cedano, Diego Aquino Acosta Rojas, Julio César Valentín Jiminián, María Cleofia Sánchez Lora, Leonel Fernandez and Teodoro Ursino. "EL CONGRESO NACIONAL En Nombre De La República." El Congreso Nacional. Web. 17 Apr. 2012. <<http://www.cnzfe.gov.do/documentos/Ley5607/Ley5607.pdf>>.

III. Working Conditions, Abuse, Affect on Quality of Life: Based on Primary Research

"Many times workers don't know their rights. Many times as a product of the economic situation of these types of societies and because of the unemployment people endure a lot. These people are exploited, sometimes with knowing and other times not. Therefore, almost all of workers are left to be exploited and manipulated."

–Pablo Tolentino, Alta Gracia Employee/Community Organizer

In order to produce high quota and make unrealistic delivery dates, workers are abused at the hands of the management and are treated as human capital instead of human beings. In other words, the production system is a prescription for worker abuse. Workers face psychological pressure, verbal and physical abuse, unclean and unsafe working conditions, forced overtime, and work with crude materials. In every one of our interviews there was an underlying theme of psychological, verbal, and/or physical abuse mentioned from their work experiences outside of the Alta Gracia Project Factory. Giovanni, a current Alta Gracia employee and native of the town equated the sweatshops to a jungle:

Sometimes they mistreated the workers verbally and there was psychological pressure without reason. One day I saw a lady and asked her what is all this worth? I said is this a jungle here? I said that I wasn't going to work for a jungle anymore and that was a jungle.⁶²

Giovanni, studied painting at the university, but because of necessity dedicated himself to sewing. Like many of our other interview subjects he said that it was impossible to make a living and support his family because of low wages and checks with short amounts. Not

⁶¹ Please see Appendices B. for further graphs explaining Free Trade Zone employment

⁶² Tolentino, Pablo. 8/15/11

only are wages low, but also workers' health is compromised because of the materials they work with. Maritza remembers working at another apparel factory:

In that factory we made pants, jeans, working with the raw material, the material was unwashed. Because once the jeans are made we send them some place to get washed. It is very rough material that creates a lot of lint or fuzz. The factory had a very low roof and it had incredible amounts of lint in the air. If people were very tall they would hit the fans on the ceiling. It was horrible conditions. The verbal abuse was very bad; because nobody signed anything it was all just verbal abuse. The agreement was really bad, we had to work standing up, and we had to work extra time, and pregnant women could not work there.⁶³

The supervisors were used to intimidating workers, especially women because they are perceived as the most vulnerable due to the fact that many times they have no other way to provide for their families. Our interviewees reported either working while pregnant or having coworkers that worked while pregnant. Because pregnancy can be seen as a liability and extra cost for employers, many times they will not hire women if they are pregnant. Maritza Vargas, President of the Alta Gracia SITRALPO union, mentioned that although pregnancy tests were not permitted to be given by the management, women including herself were examined psychologically sometimes without being aware through questioning designed to determine if they were carrying a child. Many times workers are not permitted to take a break for health concerns, water, food, and are forced to work standing—resulting in miscarriages and other health concerns. Yenny Perez recalls her experience from the Korean owned BJ&B factory in Villa Alta Gracia:

The experience from BJ&B taught me about the verbal and physical mistreatment, it was a very difficult experience for the woman worker, many times they would be sick and it was impossible to go to the doctor and they

⁶³ Tolentino, Pablo. 8/15/11

had to work obligated hours. They could be in the sick condition that they were in and it was impossible to go to the doctor. There were two occasions when there were pregnant women that lost their babies because of the excess of work, because sometimes they had to move heavy boxes and in other occasions there were Koreans that pushed the women workers and the situation there was truly very difficult.⁶⁴

Women workers bear a heavy burden because of health concerns, the likelihood of being a single mother, the physical and verbal abuse, and sexual harassment. However, despite the odds that are against women they have proven not only to withstand these conditions, but also to combat against them. We will explore women's roles in community organizing and fighting the race to the bottom in another chapter.

The working conditions that workers endured in the global south, as described in the testimonies of Maritza, Pablo and Yenny during their time working at the BJ&B and TK factories, led and inspired students in the global north to organize in the United States and fight to improve working conditions in the global south.

⁶⁴ Perez, Yenny. 8/17/11

Chapter Three: Student Organizing in the United States

Have better working conditions in the D.R. resulted from the combination of student organizing in the U.S. and community organizing in the D.R.?

Student organizing in the U.S. is a vital element for maintaining workers rights in developing countries. Student organizers working with United Students Against Sweatshops (USAS) bridge the gap between the people who make the apparel and the consumers who are purchasing the apparel in the U.S. In the Dominican Republic, USAS has played an important role in the unionization of workers at BJ&B as well as the consistent monitoring of workers' rights in the formation and current environment at the Alta Gracia Project Factory.

A. United Students Against Sweatshops: Formation of the Organization

The anti-sweatshop movement began in the 1990s as Kathy Lee Gifford, a television star, was exposed for having children in Honduras manufacture her clothing. After the anti-sweatshop movement became a trendy political issue, the Clinton Administration worked for two years to establish a remedy to the situation. The Fair Labor Association (FLA) was the result of this policy initiative. The FLA is essentially a watchdog organization started by the U.S. government to “monitor” production environments and methods in factories. The funding for the FLA, however, has come from the very organizations that perpetuated the issue of sweatshop labor, NIKE and GAP. Students on college campuses throughout the United States banded together to organize United Students Against Sweatshops in order to educate, monitor and expose companies that produce clothing in sweatshop conditions.

Students at Duke University organized their college campus to form “Students Against Sweatshops”. Students who organized and eventually forced the college to agree to sell clothing that was manufactured in fair-labor conditions successfully built the movement from the bottom up. The energy that Duke students created spread throughout large Universities throughout the country as students used creative methods to raise awareness around the issue of sweatshop labor used by the contracted garment suppliers:

Duke students published a coloring book explaining how (and where) the campus mascot, the Blue Devil, is stitched onto clothing by workers in sweatshops. Activists at the University of Wisconsin infiltrated a homecoming parade and, dressed like sweatshop workers in Indonesia, carried a giant Reebok shoe. They also held a press conference in front of the chancellor's office and presented him with an oversized check for 16 cents—the hourly wage paid to workers in China making Nike athletic shoes.⁶⁵

The success that students at Duke and other colleges exhibited became the inspiration for other colleges throughout the country to join in the movement to form United Students Against Sweatshops. This movement was once quoted as being the second largest student movement next to “Free Nelson Mandela”.⁶⁶

I. Effect and Purpose of United Students Against Sweatshops

One aspect of United Students Against Sweatshops that differs from other monitoring groups such as the National Labor Initiative or the FLA, is the fact that in the mission statement, USAS declares the importance and purpose of solidarity in operation:

To work in solidarity with working peoples' struggles; to struggle against racism, sexism, heterosexism, classism, and other forms of oppression within our society, within

⁶⁵ Dreier, Peter. *The Campus Anti-Sweatshop Movement*. The Prospect. Dec.19th, 2001. <http://prospect.org/article/campus-anti-sweatshop-movement>. 12/9/11

⁶⁶ Ibid.

our organizations, and within ourselves; to build a grassroots student movement that challenges corporate power and that fights for economic justice; and to strive to act democratically.⁶⁷

As expressed by this statement, USAS does not declare itself to be the enforcing power behind labor standards, but instead, a vessel for change through communal effort between workers and consumers. This illuminates the true strength that the organization can foster for a community working against sweatshop labor, with workers and consumers working together in common purpose. The issue of sweatshop labor will not be solved until the people who are working in the factories are able to stand up and organize themselves and consumers refuse to purchase apparel in a state of ignorance. It is with USAS and the WRC that this movement and the workers at the Alta Gracia factory were ultimately given the guidance to form a union and demand the environment and rights that they deserve in the work place. The human connection between worker and consumer must be bridged in order to demand fair wages and working conditions in apparel factories all over the world.

As USAS continued to grow in the late 1990s through their success and power, they were able to form the Workers Rights Consortium (WRC). The WRC effectively monitors international clothing factories to ensure that working conditions and wages are continuously upheld. Despite the rigorous work and attempts to ensure that all factories are producing under fair labor standards, the challenge still perpetuating sweatshop abuse lies in the fact that there are numerous factories in so many diverse locations across the globe that the monitoring of every single factory is virtually impossible. Sweatshop and deplorable working conditions are still perpetuated by the 'race to the bottom' economy.

⁶⁷ Anonymous. Unites Students Against Sweatshops. Date Accessed: 11/13/11 <http://usas.org/about-us/>.

Currently, USAS in coordination with the WRC has developed an anti-sweatshop policy called the Designated Suppliers Program (DSP). However, colleges and the U.S. government have not yet acted on this policy. In effect, the policy is designed to focus on collegiate apparel and to ensure that all distributors and manufacturing companies will strictly enforce labor standards and adequate wages from all suppliers.

USAS is also focused on working against the false labeling of factories and clothing as “Fair-Trade Certified” by inadequate monitoring organizations such as the FLA. The WRC maintains a relationship with factories, and actually monitors factories on a daily basis to ensure the coverage and truth in daily practices. Oftentimes monitoring organizations such as the FLA will send a representative once a year and the factory is well informed of their arrival. This leaves room for false advertising and certification, as the monitoring does not occur at a frequency or with the diligence that is required to truly ensure the safety and practices of factory environments. Workers are also threatened with employment termination for spilling any “truth” or if they do not act according to factory managers’ commands. False fair-trade certification is becoming a rising issue, as consumers are increasingly conscious of what they purchase. However, labor standards are not agreed upon nor enforced or adequately monitored. USAS recently filed a campaign against the FLA titled “Don’t Pay the FLA” in order to raise awareness of this very issue. The campaign is ongoing, as the USAS website states that the campaign has been running for over a decade.

II. Advocacy for USAS: Contributing and Recruiting for a “Sweat-free Apparel Industry”

Establishing and fighting for fair wages and dignified working conditions within the work place is only one part of the fight for supporting fair working conditions for workers in the apparel and textile industry. The apparel industry in the Dominican Republic is a large contributor to the economy, as well as source of employment, yet the industry is completely dependent on United States consumers for survival. This relationship has created a long lasting dependence on the American consumer's steady appetite to buy clothing, while maintaining cheap production costs on the supply side in the Dominican Republic, so that the companies eventually profit from the dual benefits of cheap labor and inflated prices. At this stage in the movement for fair wages and production in a dignified working environment, there is a necessity for reciprocity in production and consumption. As stated by the head Union Organizer at Alta Gracia, Maritza Vargas:

Students Alta Gracia is in your hands. Right now Alta Gracia is selling to Universities, so in this moment you have the power to keep Alta Gracia so if you let us go, we lose. So it's not just a loss for the workers but a loss for the working world because the working world is changing especially in the Free Trade Zones, which are so exploitive, we want to change this way of working so that workers in this situation in any part of the world, so that they have an Alta Gracia and that they have a factory like this.⁶⁸

Consumers must be informed about their purchasing choices, and must be made aware of the conditions that under which their clothing is made. Furthermore, the practices of sweatshop corporations paying off federally run monitoring organizations like the FLA must stop. Also, requiring higher standards for dignified working conditions must be

⁶⁸ Vargas, Maritza. 8/18/2011.

enforced and monitored ethically. Although there is a challenging road ahead to achieve fair wages and dignified working conditions in every apparel factory across the globe, consumers must take a more activist role in choosing which clothing factories to support through a selective choice in clothing that they purchase and wear.

B. The Workers Rights Consortium: The WRC's Role in ensuring that labor standards are met and respected

Scott Nova describes the relationship with Alta Gracia and the WRC as the guiding force between determining what the labor standards and agreements between workers and the factory should be and ensuring that these agreements are continually upheld. When the idea for creating a model factory for these labor standards came about, it was a tri-partied agreement between Knights Apparel, the Union in the DR and the WRC that transformed the idea of the factory into a reality. The role that the WRC plays in the relationship between brands and student organizing is in fact the actual monitoring of the follow-through with the terms and conditions agreed upon between these said players. The WRC played an important role in setting forth the appropriate agreements to be upheld within the factory during the formation of Alta Gracia. Most importantly, they calculated the target actual living wage to be paid at the factory. To this day they have a WRC specialist working with the workers to manage individual worker cases and to negotiate terms of treatment with the factory management.

I. The Importance of third-party monitoring in developing countries: upholding contract agreements and negotiations at factories

When asked if there was anything in particular that he would like to contribute to the conversation of Alta Gracia, labor rights, and community organizing in the apparel industry, Nova raised the particularly important issue of false advertising. The marketing

of the “fair trade” and “eco-friendly” monikers in the industry has become a successful and popular socially appealing tool for brands. Nova states that without the WRC there is no way to determine whether these marketing strategies are true or false. Without consistent monitoring of the environment, there is no way to determine the consistency or regulation that these brands claim to uphold in their product manufacturing process. He states:

It is important to recognize that there are a lot of companies out there now that are touting products, which they are offering to consumers as ‘socially responsible products.’ It will be increasingly important as companies that continue to use this marketing technique to distinguish what is real and what is not real, because there will be a lot of companies hocking products that they claim are fair-trade or sweat-free or green products that are in fact not made in a matter that is not meaningfully distinguishable from the way that everything else is made.⁶⁹

He further explains that it is vital to have an independent mechanism to determine whether or not these claims are real. The WRC is one of the few trustworthy watchdog organizations that provides the essential elements of consistent monitoring and regulations within the industry, not to mention the guidance needed for workers, unions, and brands to negotiate and uphold socially responsible manufacturing within the workplace. The WRC also works to spread the knowledge of what really happens and the conditions that workers face in sweatshops everyday.

The first and foremost issue perpetuating sweatshop made product consumption is the lack of awareness or knowledge about the people who make clothing products in factories and the conditions that they endure. By raising awareness around sweatshop conditions and by promoting factories such as Alta Gracia that produce living-wage,

⁶⁹ Nova, Scott. 1/07/12.

union made clothing at the same price that other apparel goods are sold, the movement for sweatshop-free clothing does have the potential to spark the interest and alternative purchasing trigger for consumers. One way that this can be achieved is through campaigns, particularly on college campuses. The organizing success of the workers at BJ&B and the consequential formation of Alta Gracia proves that students do have considerable leverage in convincing brands to change working standards in outsourced factories.

Given that Alta Gracia is the only living wage, union-made apparel factory producing collegiate apparel, colleges and universities across the United States have begun to campaign for their college bookstores to sign long-term contracts to sell products manufactured by Alta Gracia. Apparel is available for purchase in more than 450 colleges and universities.⁷⁰ This is a huge step forward, as most collegiate apparel is created by powerful corporations such as Champion, Nike and Reebok, all apparel manufacturing companies who have economically benefited from the reduced prices of their worker's wages and conditions. In Spring 2011, New York University students were able to run a successful campaign to encourage their bookstore to stock the largest percentage of Alta Gracia clothing of any university in the country. Their campaign methods included several actions, one of which included publicly handing the bookstore manager a giant letter describing the story and the importance of selling Alta Gracia at NYU. Secondly, they ensured that Alta Gracia has a visible place in their store, so that consumers can read and see the actual faces and testimonies of the workers who created the clothing:

⁷⁰ Alta Gracia. "Alta Gracia: FAQ." *Alta Gracia Apparel*. Web. 16 Apr. 2012. <<http://altagraciaapparel.com/story/FAQ>>.

We decided early on to give the product a prominent position in our store - just as you walk in off Broadway. We have also featured Alta Gracia in our Broadway show windows. The merchandising materials that we have received have been very effective in drawing the customer to the social responsibility story, and the product itself than closes the sale!⁷¹

By ensuring that the clothing is visible, and that consumers are able to see the clothing and the story behind its production, this creates an environment of conscious and morally driven consumerism. Triggering the psychological decision to purchase clothing that is made in support of moral production methods is another key component in ending sweatshop methods of producing apparel.

II. The Designated Suppliers Program (DSP)

The Designated Suppliers Program is a plan conceived by USAS and the WRC. The DSP is still in its beginning stages, and includes the signing of a contract between all universities and colleges throughout the United States to agree to supply their university bookstores with clothing made in socially responsible factories that are consistently and trustfully monitored. The WRC has drafted a manifesto for the Designated Suppliers Program; however, it is difficult to employ the actual program and to convince universities to commit to the DSP, due to contracts with corporate brand names:

Under the Designated Suppliers Program, university licensees are required to source most university logo apparel from supplier factories that have been determined by universities, through independent verification, to be in compliance with their obligation to respect the rights of their employees – including the right to organize and bargain collectively and the right to be paid a living wage.⁷²

⁷¹ Christopher, Phil. "Alta Gracia Success at NYU-Bookstore Manager Tells All." 12/6/11.<http://altagraciaapparel.com/blog/entry/alta-gracia-success-at-nyu-bookstore-manager-tells-all>. 12/8/11

⁷² WRC. "The Designated Suppliers Program- Revised." *Workers Rights Consortium*. Web. Mar.-Apr. 2012. <<http://www.workersrights.org/dsp.asp>>.

Alta Gracia is the model for the DSP standards. The DSP is required only for textile products sold in the bookstores (for example hats, backpacks, T-shirts). It also applies only to factories that manually assemble and manufacture products. The movement is currently one of USAS' and the WRC's main campaigns, yet there are many logistics still to be negotiated for the program to actually be accepted within the Universities, due to the bookstores' longstanding contracts with major sweatshop-producing brands. Professor Soule of Georgetown University describes the difference between a morally constituted agreement, and an agreement signed simply to please the wishes of the party fighting for the negotiations, which is exhibited in this case between the brands, the students, and administrators at the universities:

What the DSP aspires to do is something a kin to AG: rather than taking a set of rules and mandates for how a company is going to operate and embedding them in a contract, it would basically be in the DNA of the company and the company would embrace these ideas. The ideas of collective bargaining and the idea of treating people fairly and respectfully, and not harassing them on the job and firing people for attempting the collective bargain—that would be a basic part of the company from day one. So in other words no sane owner of an apparel production company would enter the DSP unless their heart was in it and that was the difference between the DSP *ideal* and the idea that you can use the same outcomes by putting them in a contract.⁷³

Professor Soule's premise that signing contracts in established businesses that use brutal techniques for increasing price per garment efficiency is not enough to ensure that workers rights are met. The Designated Suppliers Program would ensure that the moral foundation of the factories and contracted brands prioritize the rights of the workers; therefore, factories would not have the ability to relocate to countries with lower wages.

⁷³ Soule. 1/05/12

Georgetown University was the first to sign the DSP. Student leaders and board members alike are working with the college to ensure that moral Jesuit foundation of the college is upheld through their clothing contracts which includes the premise that labor conditions within all of the factories that supply clothing sold at the bookstores continuously uphold DSP qualified working standards. As described by Samuel Geaney-Moore who is an active member of the Georgetown Solidarity Committee:

When DSP is fully implemented, Georgetown apparel will be produced in factories that already have all the conditions that avoid labor disputes. The DSP will make sure that all Georgetown apparel is made in good factories, whereas right now we're just kind of hoping that's the case.⁷⁴

Georgetown is looking to implement the DSP by summer 2012. However, it has not been easy for students to convince the university to comply with the terms of the DSP as the movement faced a challenge on the basis of anti-trust. Just before the New Year, the Department of Justice stated that there would be no case filed, as the DSP would be “unlikely to have any significant anti-competitive affects.”⁷⁵ This is the kind of issue that many universities may run into considering the longstanding contracts that brands have with college bookstores. It is important to recognize where these different issues stem from, as the DSP in theory would be a highly efficient way to ensure the rights of collegiate apparel workers. The implementation needs to also come from other brands that are contracted with university bookstores. Brands should be more than legally obligated by the university contract to comply with the DSP; it should be a nation-wide policy throughout the United States to ensure the rights of outsourced garment

⁷⁴ Jones, Connor. "University to Implement Anti-sweatshop Regulations." *The Georgetown Voice*. 22 Mar. 2012. Web. 23 Mar. 2012. <<http://georgetownvoice.com/2012/03/22/university-to-implement-anti-sweatshop-regulations/>>.

⁷⁵ Ibid.

production. The DSP is the first step to building and ensuring that collegiate clothing is produced in conditions similar to Alta Gracia. It is now up to universities to reach an agreement through the contracts with bookstores and brands, to ensure that labor codes of conduct are being met and are up to DSP standards.

III. Organizing and Advocacy

If USAS students at large universities such as NYU continue to encourage bookstores to maintain a large supply of Alta Gracia clothing, it will cause a ripple effect in universities throughout the United States. Alta Gracia is arguably the most important movement supporting fair wage and dignified employment within the apparel industry. Currently, the Alta Gracia factory is “breaking even” in regards to profit. Sales must remain consistent for the factory in order to maintain a living wage for the workers. It is the responsibility of students to organize their bookstores to consistently stock Alta Gracia apparel. Currently 450 university bookstores supply Alta Gracia apparel. Consistency and visibility within the bookstores is vital to ensure the future of the factory. As stated by Union leader Maritza Vargas:

Students, the future of Alta Gracia is in your hands and the hope that it will last for many years and that other factories that exploit the workers will change their methods. If you buy Alta Gracia you are saying— *change the way you treat your workers!* Then we will have Alta Gracia factories all over the world!⁷⁶

Maritza makes clear in her statement that it is not only the responsibility of the organizers in the DR to sustain the success of the factory and the anti-sweatshop movement, but for consumers working in the United States to advocate and organize to promote conscientious consumerism. USAS is the link between the manufacturing practices and

⁷⁶ Vargas, Maritza. 8/18/11.

consumers and the organization is a necessary tool to promote the anti-sweatshop movement.

The relationship between the United States and the developing countries that rely on the U.S. for employment and economic growth is one of fragile dependence. Essentially, consumers in the United States need to ensure that purchasing from companies using sweatshop labor is unattractive while purchasing from factories like Alta Gracia that promote fair labor wages and working conditions becomes the desired option. The issue delves far deeper than educating consumers; education is the first step towards changing sweatshop conditions in the apparel industry, organizing to change manufacturing practices is the second.

IV. Techniques for Student Organizing: Working with Universities, Bookstores and Utilizing Power in Numbers

“It was a really unique campaign (Alta Gracia) because usually USAS tries to pressure corporations and brands to actually do the right thing.... and this time we were trying increase orders for a brand that is actually doing the right thing, instead of trying to convince the bookstore to decrease orders.”- Casey Sweeney, January 2012

As a student organizer who has been with USAS for 3 years and has a national position within the organization, Casey Sweeney provided much insight into what particular techniques are the most useful for student organizers working in the United States. She described that considering the longstanding relationship between USAS and the workers at BJ&B, specifically noting Maritza and Yenny who have been involved for just over 10 years, it is clear that the element of student organizing for the Alta Gracia Factory is essential to the future of the factory.

The most successful techniques that students have used to increase orders and ensure the long-term purchasing of Alta Gracia lie in the relationship between

universities and their designated bookstores. For example the “Reign in Russell” campaign was directed towards the administration of universities and colleges, challenging them to assess their mission and morals.

Alta Gracia is an independent producer, and bookstores order specifically from the factory. Student pressure can directly impact the ordering and consumption of the product by making it more visible and accessible in the stores once it is in stock. For example, at Cornell University, Casey Sweeney described that when the university first housed Alta Gracia, she could not even find where the T-shirts were located in the bookstore. USAS took action against this by creating letter-writing campaigns to both the President’s office and to the bookstore. This technique proved both accessible for students and effective because it was efficient in terms of maximizing the effect of student’s time and energy. Cornell was able to pressure the bookstore to not only increase orders, but also to create a visible and marketable display for the Alta Gracia product, because they targeted both the school administration and the bookstore together.

Chapter Four: Community Organizing in Villa Altagracia, San Cristóbal, The Dominican Republic



View of AG from Maritza's New Balcony, 8/14/11

This chapter will introduce the BJ&B and TK factories, their appropriate case studies and the organizing efforts of the workers that led to the formation of the Alta Gracia Project Factory. The next chapter will introduce the Alta Gracia Project Factory's history and impact within Villa Altagracia.

Introduction to Case Studies: BJ&B & TK Factories

The town of Villa Altagracia is located twenty miles northwest of the capital Santo Domingo.⁷⁷ The Free Trade Zone was once highly populated with workers and multiple factories, but due to the bankruptcy of the FTZ and the relocation of multiple factories, the town suffers from mass unemployment. The histories of these two factories and the Alta Gracia Project Factory are all intertwined because the actions of each factory influenced the others and contributed to the fight for labor rights and humane treatment in the town. The workers of the BJ&B factory unionized, which inspired the employees of TK to do the same. The stories of the workers were heard by USAS, the WRC, and UNITE HERE, which inspired them to fight for justice in the apparel industry in the United States. The rich organizing history of Villa Altagracia, influenced the founders of the Alta Gracia Project Factory start their model factory in the town.

The BJ&B factory was in operation for roughly twenty-five years until its close in 2007; during that time period workers, especially women, endured unimaginable treatment that affected their quality of life inside of the workplace and in their own homes. The majority of the factory workers at BJ&B were women and more specifically single women with multiple children that had the responsibility of fighting for justice, while simultaneously supporting their families.

⁷⁷ Ross, Robert J.S. "The Tale of Two Factories: Successful Resistance to Sweatshops and the Limits of Firefighting." *Labor Studies Journal* 30.4 (2005): 65-85. Print.



Maritza Vargas, Pablo Tolentino, & Yenny Pérez

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A. Case Study #1: The Yopoong Cooperation's BJ&B factory

"All of the students gave me the strength to encourage the workers of BJ&B to keep fighting for a future"--Yenny Perez, Former BJ&B Employee

How did community worker organizing in Villa Altagracia and US student organizing create better conditions for the BJ&B factory?

I. History of Yoopong Cooperation and the BJ&B Factory

The workers in the Free Trade Zones in Villa Altagracia, UNITE HERE, United Students Against Sweatshops, and the WRC share an organizing history that spans more than a decade. Without the organizing and unionizing efforts of the workers and the initial investigation of UNITE in 1998 of the BJ&B factory, there would have been neither the wave of international support nor support from the anti-sweatshop labor movement that was fervent on U.S. college campuses in the 1990's.⁷⁹ UNITE is a U.S. union that represents workers throughout the U.S. and Canada who work in the hotel, gaming, food service, manufacturing, textile, distribution, laundry, and airport industries.⁸⁰

⁷⁸ "Shop Alta Gracia." *Alta Gracia Apparel*. Web. 17 Apr. 2012. <<http://altagraciaapparel.com/>>.

⁷⁹ Adler-Milstein, Sarah. "Resisting the Race to the Bottom: Gender, Power, and Worker Organizing in the Global Apparel Industry." Bachelor's Thesis, Brown University, 2008.

⁸⁰ "UNITE HERE: About," UNITE HERE, accessed December 10, 2011, <http://www.unitehere.org/about/>.

The BJ&B factory was the biggest single employer in Villa Altagracia for many years, which provided economic stability for the small town. In 1997, due to the high levels of abuse known in the factory Federación Nacional de Trabajadores de Zonas Francas (Fedotrazonas/National Federation of Free Trade Zone) workers began communicating with the factory employees.⁸¹ UNITE's campaign against the Korean-owned Yoopong Cooperation's BJ&B factory, coincided with the newly established USAS organization's goal to eradicate abuses in sweatshops. The initial investigation culminated in a report that was directed to college students whose universities carried products that were produced in the factory. The report revealed the level of abuse that the workers faced and uncovered that they were underpaid. At the time the workers were paid sixty-nine cents an hour—lower than the Dominican government's standards for providing food, proper housing and clothing for an average family.⁸² The Korean hat and cap manufacturer Yoopong Inc. was established in 1974, but grew substantially in the years to follow—in 2002 it claimed to be the largest producer of baseball caps.⁸³ In the late 1990's, the Yoopong's BJ&B factory, Moca factory, and subsidiaries in other parts of the country produced on average 14.4 million hats per year.⁸⁴

Yoopong had contracts with American Universities (Cornell, Purdue, Tulane, San Diego State, North Carolina, Washington, etc), major brands (Nike, GAP, Disney, Fila, etc), and American professional sports leagues (MLB, NFL, & NBA). These millions of hats were sold for twenty dollars each in the United States, a concept that many of the

⁸¹ Adler-Milstein. "Resisting the Race to the Bottom: Gender, Power, and Worker Organizing in the Global Apparel Industry." Bachelor's Thesis, Brown University, 2008.

⁸² Ross, Robert J.S. "The Tale of Two Factories: Successful Resistance to Sweatshops and the Limits of Firefighting." *Labor Studies Journal* 30.4 (2005): 65-85. Print.

⁸³ Ibid.

⁸⁴ Op. Cit.

workers could not comprehend. When one employee was told about the cost of the hat he asked, “Why do we get paid so little if these caps sell for so much? I’m working fifty-six hours a week and sometimes I can’t afford clothes for my children.”⁸⁵

II. The BJ&B Union, FEDOTRAZONAS, UNITE, USAS, & the WRC: Anti-Sweatshop Campaign

“I never thought a group of students, could put so much pressure on these brands. We were determined to win, but without them it would have taken five more years.”- Ignacio Hernandez, General Secretary of FEDOTRAZONAS⁸⁶

UNITE’s campaign began to spread awareness of the negative effects that the apparel industry has on its workers. During the initial stages of the campaign, the founding group of USAS activists at Duke University witnessed the first code of conduct adopted.⁸⁷ The union spread awareness by touring two BJ&B workers (nineteen-year-old Kenia Rodriguez and twenty-one-year-old Roselia Reyes) at Harvard, Brown, Georgetown, Cornell, the University of Illinois, and Rutgers. As a result, the workers of BJ&B’s stories were finally being told and articles were printed in the New York Times, Boston Globe, Boston Herald, Irish Times, and college newspapers. Public officials and students were becoming aware of the hazardous conditions under which university apparel was being produced. For instance, former Senator Edward M. Kennedy put pressure on Massachusetts’s schools to adopt and implement codes of conduct requiring that merchandise suppliers pay workers a “living wage”.⁸⁸ UNITE and the BJ&B’s workers success increased even more when the partnership between USAS & UNITE

⁸⁵ Op. Cit.

⁸⁶ Ross, Robert J.S. "The Tale of Two Factories: Successful Resistance to Sweatshops and the Limits of Firefighting." *Labor Studies Journal* 30.4 (2005): 65-85. Print.

⁸⁷ Ibid.

⁸⁸ Op. Cit.

began to grow particularly strong after the USAS founding conference during the summer of 1998, during which BJ&B was the primary example of injustice within sweatshops.

During the years that followed, the BJ&B union continued fighting and slowly improved conditions. In 2001 the union filed for government recognition, which resulted in the persecution of many workers and the union by the management. The WRC was established in April of 2000 and became involved in 2001 with the BJ&B factory, with hopes of helping enforce codes of conduct within the collegiate apparel industry.⁸⁹ Before the WRC was formed, USAS campaigned to force colleges to enforce labor rights and codes of conduct into their licensing agreements, but there was no way for it to actually ensure that these codes were being respected. One of the first reports that the WRC conducted was at the BJ&B factory, and they found that Nike had been a major brand operator working with the factory as they were producing Flex-fit hats. After immense pressure from USAS groups across the country, they were able to win the campaign to enforce that BJ&B allow their workers to unionize and that workers would not be penalized or disrespected in any way for joining the union. The national campaign in the U.S. was centered on pressuring universities to force the actual contracted brand, Nike, to reinstate the workers fired for joining the union, and for the union to actually be respected and recognized by the factory. This was one of the first and strongest collective bargaining agreements in the Caribbean region.⁹⁰ Yenny Pérez, union affiliate, recalls her experience affiliating with the union:

One day, in 2003 I realized that a union was forming to defend the rights of the workers that had been abused against a lot. This process of forming the union was very

⁸⁹ Adler-Milstein. "Resisting the Race to the Bottom: Gender, Power, and Worker Organizing in the Global Apparel Industry." Bachelor's Thesis, Brown University, 2008.

⁹⁰Ibid.

secret, nobody knew anything until everything was legally confirmed. When the business was notified it couldn't break apart the union because this union had a deal with a federation and the WRC and the students of USAS and because of this reason the business couldn't and did not have the force to deliberate with the union even though the laws here in the DR aren't reliable how they should be. The business always looks to benefit itself.⁹¹

She also remembers many of the ramifications that resulted from forming the union:

When the business was notified of the union, they wanted to fire all of the people that were involved and they fired them, but because of all the support that the union had, it had to reintegrate all of these workers that were fired, it was 16 workers at the time that followed the law to have a union director. So, when the business rehired the workers that left them to work outside, picking up trash, they left them isolated from the other people, the workers were scared to get close to them because the moment they did they would be fired and nobody wanted to lose their job or were aware of what a union was or that it was fighting to improve the rights of the workers.⁹²

According to current AG employee Ana Mariñe “when a person is affiliated (with the union) they are looked down upon, it is like having a worker that is ungrateful.”⁹³ (Community organizing is a powerful tool, and companies like BJ&B feel threatened when the workers are mobilized because they finally become aware that the inhumane treatment and verbal and physical abuse legally must come to an end. The BJ&B management knew that the union was established and could not break it apart, so they imposed fear on workers through an anti-union campaign.

Despite the factory's intimidation tactics, the union affiliates and leaders started a campaign to encourage more workers to affiliate. In 2003 after two years of organizing,

⁹¹ Pérez, Yenny. 8/17/11

⁹² Ibid

⁹³ Mariñe, Ana. 8/13/11

the BJ&B union had the necessary fifty percent of the factory's workers affiliated in order to negotiate a collective bargaining agreement, to combat degrading treatment within the factory. That year the management signed the strongest contract in a Free Trade Zone in the Caribbean—making it the first Dominican factory in a free trade zone to have to pay above minimum wage.⁹⁴ Yenny explains the importance of the WRC and USAS during the process and the effects the collective bargaining had on the workers:

Because of the unwavering support from the WRC and the students of USAS, we achieved a collective bargaining agreement and the business reacted very negatively and opposed to what was the law and the business put in place. There was a lot of change and benefits for the workers, thanks to this fight.⁹⁵

Due to the publicity that workers at BJ&B had gained (not only in the Dominican Republic, but also in the United States), and lowest-cost production competitive pressures in the apparel industry, Nike, Russell Athletic, Reebok, and other large apparel brands that were contracted with the factory began to pull orders out and transfer them to factories in Bangladesh. Teresa, (give official title: former USAS student at USC/current etc) remembers her efforts as an organizer on the USC campus during this time period and the pressure put on universities to pressure Nike:

And what we told all of our universities at the time, especially when I was at USC was: "Look, if we don't put pressure on Nike and demand that they stay in the factory, Nike is going to pull out all of their orders and the factory is going to shut down." And a lot of universities refused to do anything about that saying it was Nike's right to move orders however it pleased.⁹⁶

⁹⁴ Adler-Milstein. "Resisting the Race to the Bottom: Gender, Power, and Worker Organizing in the Global Apparel Industry." Bachelor's Thesis, Brown University, 2008.

⁹⁵ Perez, Yenny.

⁹⁶ Cheng, Teresa. 1/03/12.

When the contract was signed, dues were subtracted from the union workers' paychecks, which revealed their names to the management, allowing them to be blacklisted and threatened. Additionally, universities refused to take action, because the Fair Labor Association conspired with Nike and various universities and encouraged them to not take action.⁹⁷

On February 16th, 2007 the union met with the management to discuss the possible future of the closing. The Korean management informed them that the factory would continue to operate. Without notice on February 17th, the factory closed its doors, leaving Villa Altagracia economically devastated. Maritza vividly remembers this calamitous day of closing:

We asked them when it would close. They said no everything is fine, even though the demand has gone down a little bit. Even though the orders had gone down. No one in the offices was talking about closing the factory. We weren't that comfortable with what they were saying because we knew that they did not always say things that were true, but we went back to our workstations. And then the next day at 8.30am they were closed. So it was like a death sentence, we all started crying. Some people got sick, some people fainted and it was catastrophic for us. This was the worst thing that could happen to us. So we stopped crying, we gathered ourselves and started to talk about the union, to figure out what we were going to do. We have handicapped people, pregnant people; we have to have consideration for these people because they are the most vulnerable in our group. What are we going to do? That's when we decided to call USAS and WRC, because they were always there to help us. We also called Fedotrazonas All of these people that we called responded to our plea for help and we felt better and we felt more protected.⁹⁸

⁹⁷ USAS. *Abandoning BJ&B Union Workers*. Web. 9 Mar. 2012. <<http://usas.org/campaigns-old/sweat-free-campus/dont-pay-the-fla/about-the-fla/corporate-cover-up-3-bjb-factory-case/>>.

⁹⁸Vargas, Maritza. 8/18/11.

When the factory closed, the WRC and students of USAS were hard to contact because they were in another country. Maritza says that the union reacted calmly and decided to take action. The union met with Fedotrazonas and the co-federation and other Dominican groups that were supporting the union, because they were aware that these products were going straight to colleges. The union continued fighting against the abuse from the Yoopong Cooperation and unfair attempts at compensation. For example, the workers were offered 20,000 pesos to help alleviate financial strain, but this was not nearly enough for the workers who dedicate their lives to the factory:

We had a reunion with the people who remained in the Zona Franca, saying don't take the money they were going to give you, because it was fraud and not enough money. There were people like me, who owed more than 20,000 pesos, and they were offering me a 20,000-peso vacation for Christmas. Everything that I was entitled to was only offered 20,000 pesos. And I owed only one-person 20,000 pesos so then I thought what am I going to do with my kids and with myself? So at that moment I decided not to take the offer.⁹⁹

Shortly after this incident, the WRC came to investigate and exposed the truth: the BJ&B was not failing financially, which the management told the workers, but they were going to move the factory to Bangladesh:

They just wanted to lower the price of the making the hat by taking it to another country where the hands that make the product are much lower. Obviously that's a better product for them without caring about what happens to us in the factory. They didn't care what we left behind and what we left behind at BJ&B: our youth, and the time that we dedicated to our children we left behind. So in the 25/26 years that we worked at BJ&B we were leaving part of our lives and the lives of our children.¹⁰⁰

⁹⁹ Vargas, Maritza. 8/18/11

¹⁰⁰ Ibid.

All of the brands and companies that were producing in the factory left, because organizing means that workers demand to be treated with dignity—the workers were denying the existence of the race to the bottom. However, one factory (unnamed) relocated to the US because they saw all of the abuse that took place. The union worked with WRC and USAS to make sure that the factory could not leave the country without leaving the workers protected.¹⁰¹

The union did not accomplish everything they desired, but they received a three-month salary for the workers, six-month salary to pregnant women and handicap people who had suffered injuries in the factory that could no longer work, and assurance that women were able to give birth inside the hospital and receive medical treatment for three years. In every thirteen of our Dominican interviews, after we asked the question “How was the town affected by the close of the factory?” a look of pure agony came across the interviewees face and they paused before answering the question. The town of Villa Alta Gracia is not a stranger to losing sources of employment. When the sugar industry declined, the predominantly male population of workers lost their jobs and the population, which resulted in a ghost town. However, when BJ&B opened it gave life to the free trade zone because it employed thousands of workers. Although the workers’ salary was low it gave women the opportunity to make their own income and provide for their families. The town became barren when the factory relocated to Bangladesh. People either remained unemployed for years, were forced to relocate to other towns or the capital to find employment, borrow money from family members, live with family members, or commute to the capital to work during the day or night. Many of the employees had been there for twenty-five years and their primary skill was sewing, not only were they left in economic limbo, but with also without other skills.

¹⁰¹ Op.cit

Ninety-five percent of the employees at BJ&B were women and many of them were single mothers with multiple children so they were affected the most drastically.¹⁰² As a result many children were left malnourished and unfed because their mothers could not find employment. Children were sent to live with family members in other parts of the island, because their mothers could not support them. Maritza, had five sons living in all different places, and she was forced to leave her adolescent son at home. Juana (Kuki), Maritza's daughter recalls:

I didn't live with my mother because we had very few resources, and she has a lot of children. I lived very far from here (Villa Altagracia) with a family member of my mother's. One of the hardest things was living so far from Mommy, because when I was in school it was a very hard trip and it was very dangerous because there were a lot of people that could cause me harm and I was scared.¹⁰³

Many women entered the world of prostitution in order to provide the minimum for their families. There are stories where women attempted to immigrate to Spain and were trafficked and left in Turkey.¹⁰⁴ Yenny said, "The closing of the factory "left Villa Alta Gracia completely desolate and in a state of sorrow".¹⁰⁵ Despite the unforeseen and rapid close of the factory, the union, WRC and USAS continued to fight in the Dominican Republic and USAS students demonstrated on US campuses. Russell Athletic was one of the main suppliers of the factory at that time, and once the factory had been shut down USAS launched a tour for BJ&B workers to come to the US and testify on college campuses. The factory had shut down in 2007, when Yenny Perez (a current AG

¹⁰² Ross, Robert J.S. "The Tale of Two Factories: Successful Resistance to Sweatshops and the Limits of Firefighting." *Labor Studies Journal* 30.4 (2005): 65-85. Print.

¹⁰³ Mateos, Juana. 8/16/11

¹⁰⁴ Cheng, Teresa. 1/03/12

¹⁰⁵ Perez, Yenny. 8/17/11.

employee and head organizer) was pregnant and she spoke on USC's campus, as Teresa quotes her saying:

I can't get laid off, If I get laid off I am going to get blacklisted which means that I won't be able to find a single other job in any other garment factory because I am going to come up on this blacklist as being a union member. We really need your support again.¹⁰⁶

Teresa and fellow USAS members marched to their president's office demanding that a campaign against these brands be launched in support of the workers, however the school refused to do anything. So, USAS students launched a campaign titled the "Reign in Russell Campaign". This was the first ever campaign in the garment industry to have such success in achieving their goals for the workers. After influencing 110 universities to cut their contracts with Russell, the factory was re-opened. That was the first time in history that USAS had seen a unionized factory be re-opened in the college garment industry.¹⁰⁷ Following the re-opening of the factory, Knights Apparel, the largest collegiate apparel licensee in the United States, saw the hard work of USAS and what the workers at BJ&B had accomplished, and decided to re-open the apparel factory with the name Alta Gracia:

USAS and workers from BJ&B, together, were able to get this mega company to re-open the BJ&B factory and renamed the factory Alta Gracia and demanded that the factory operate in compliance with university codes and upheld student and workers standards, which was paying workers living wages, bargaining in good faith and recognizing their union.¹⁰⁸

Before telling the story of the Alta Gracia Project Factory, it is important to examine and present the history of the TK factory, another major source of employment in the town;

¹⁰⁶ Ibid.

¹⁰⁷ Cheng, Teresa. 1/03/12

¹⁰⁸ Ibid.

the factory's union also faced similar trials during the same time period. Their struggle lasted three years before the factory closed in 2003 and moved to Bangladesh for cheaper labor. Unfortunately, the factory's union was not able to complete its collective bargaining agreement with the Korean management like the BJ&B factory, but their efforts were not in vain. The history of the BJ&B factory is told through the following testimony of community organizer and previous TK employee Pablo Tolentino.

B. Case Study #2: Pablo Tolentino: The history of TK Factory and the Exploitation of Labor

“Many times workers don’t know their rights. Many times as a product of the economic situation of these types of societies and because of unemployment, people endure a lot. These people are exploited, sometimes without knowing and other times not. Therefore, almost all workers are left to be exploited and manipulated.” —Pablo Tolentino (Alta Gracia Union Leader)

Pablo Tolentino, community organizer and union leader of the Alta Gracia workers union, has been fighting for worker's rights for more than a decade. He started organizing and mobilizing the community of Villa Altagracia at the young age of twenty years old. Tolentino worked in the free trade zone at a Korean owned factory named TK—when the abuse towards himself and his co-workers became unbearable he began to motivate and unionize the workers with the help of Fedotrazonas (Federación Dominicana de Trabajadores de Zonas Francas, Industrias Diversas y de Servicios/Dominican Federation of Workers of Free Trade Zones, Diverse Industries and Services). During an hour-long interview, we discussed the difficulties of establishing a union in a Dominican Free Trade Zone, the abuse committed in the factory, and how the fate of the small town is changing because of the Alta Gracia Project Factory.

The first thing that we asked Tolentino was “What were some of the conditions that you faced in TK that made you want to start the union?” Having lived in the city of Santiago, Dominican Republic the summer before, where the pay in the Free Trade Zones is \$1.40 an hour, I (Allie Brown) was witness to how people had no choice but to endure inhumane conditions in order to support themselves and their families. We wanted to know what inspired Tolentino to change the systematic nature of work in the country. A natural born leader is somebody that has that certain “it” factor and the workers in the TK factory saw something in him and felt like they could express their pain to him. Because of all the abuse in the FTZ, a spirit of the desire to fight against these atrocities spread across Villa Alta Gracia. Tolentino had never been part of a unionizing process in his entire life, but because the community came to him he realized that he had potential to be a leader and give voice to his community against the Korean owned factory. Along with some of his co-workers, one of his friends Ygnacio Hernandez Hiciano (the Secretary General of Fedotrazonas) put the union in contact with Aurelia Cruz, an organizer that he knew from the organization.

Tolentino said that workers were too “scared to affiliate with the union because as you know in this country, when a person talks about a union they can be fired.”¹⁰⁹ The TK factory workers first attempted to unionize in 2001. Cruz began talking to workers, but they were intimidated because the labor system in the Dominican Republic is organized in order to create fear and strip workers of their basic human rights. However, despite their fears many workers began to support the union and the organizers found the ninety persons needed in order to establish the union. The workers were motivated because they could see a better future for themselves, and for their co-workers as well.

¹⁰⁹ Ibid.

Shortly after this victory, the factory began persecuting and firing workers that were involved with the union. Pablo suspects that someone from management was an infiltrator during some of the union meetings, and told the rest of the management about the efforts of the workers to unionize. Remembering this period of expulsion Pablo recalls: “I thought that they (the management) were going to fire me as well, and I was waiting for someone to come fire me, and that at any moment they were going to come find me. I would always sew and look behind me, sew and look behind me.”¹¹⁰

The union, motivated by the horrible conditions that they worked in daily, continued to organize the workers, but this time with a more subtle approach. This was the beginning of the second phase in 2001, which lasted two years. Tolentino has a number of admirable qualities, but what we praise the most is his tenacious attitude and desire to fight for what we are entitled to as human beings. The right to unionize is in the code of conduct and the laws so the union continued its uphill battle against the exploitive production system. The management isolated the union and spread the myth to workers that if they affiliated with the union or were seen talking to any of the members, they would be fired. The management warned the union that it could not have any type of movement inside of the factory, because they would be fired as well. Therefore, they started talking with the workers in public spaces such as the park. Reminiscing, Tolentino, told me about how one day he stopped at the park in front of a statue of Juan Pablo Duarte (ironically the visionary and progressive founding father of the Dominican Republic) and began telling the workers that they should join the union—more and more people began to accumulate around the statue to listen to him. One of the workers questioned his intentions because he believed that they would result in the closing of the

¹¹⁰ Tolentino, Pablo. 8/15/11

factory; Tolentino responded “no, I don’t want them to close it but what we were doing is looking for is better conditions.”¹¹¹

Accomplishments of the TK Union Against Abuse

The union challenged the Korean management in a number of areas: the unlawful firing of workers, excessive amount of heat inside of the factory, unsanitary bathrooms, dangerous work station conditions, and women’s rights. The management’s implementation of fear tactics and the high unemployment rates of the country, kept workers locked into their jobs. Many workers were threatened with death and described how the boss’ driver would circle his house many times to threaten them. He recalled one day when a young pregnant woman was pushed by a Korean manager and how the management wanted to fire her because of this incident completely instigated by the manager. Typically pregnant women are not allowed to work in factories because of the risk and health costs. The management offered her money if she quit, but the union encouraged her not to take the money, because they would support her. After the union became involved, the management reinstated her. A smile came over his face when telling this story because as he recalls “this was the first fight that we actually won, and when she saw me in the street I felt proud because I knew that for her we did something wonderful!”¹¹²

Another unbearable condition was the heat that the workers were forced to endure. He laughed explaining that Dominicans are accustomed to the heat because of the natural hot and humid climate. He repeats Maritza Vargas’ (the secretary general of the Alta Gracia union) joke: “we should get all of us into a car and drive to the north pole”

¹¹¹ Ibid.

¹¹² Tolentino, Pablo. 8/15/11

because sometimes the heat is unbearable. There was an ironing area that was “hot as a stove” where men worked that were extremely skinny because of the intense heat. The union asked for ventilators and fans to be installed. The union initiated an investigation with the secretary of the Ministry of Labor, and they began to note all of the atrocities. As a result, the factory installed fans and ventilators and the air began to flow better.

Another atrocity was that there were 3,000 workers and only two bathrooms for the men and three for the women.¹¹³ The bathrooms were not only unsanitary, but in the men’s there was transparent glass that allowed them to be seen from mid-chest up while they were urinating. The union scheduled meetings with the management, but they initially rejected their requests and the conditions remained the same. Once again, the union began working with the Ministry of Work and the organization informed the management that there would be issues if they bathrooms were not fixed. Eventually the restrooms were repaired. Tolentino explained that: “The people were motivated because they could see that the union was doing something important for them and their lives.”¹¹⁴

The union asked for improvements such as an incentive for the workers and to make them feel appreciated such as: a ten-cent increase after production and that the factory gave a crib to workers when they had a child. Unfortunately, it was the year of 2003 and the Multi Fiber Arrangement would soon come to an end, which endangered the Dominican apparel industry. Tolentino explained that the MFA gave preference to free trade zones for markets that export to the United States. At this point in time there was a cap on China’s exports, which allowed the Dominican clothing industry to stay afloat. Korean management was aware of the change that was about to occur, and despite

¹¹³ Tolentino, Pablo. 8/ 16/11

¹¹⁴ Ibid.

the successful level of community organizing; the company left Villa Alta Gracia for Bangladesh for lower labor costs. The management wanted the entire community to believe that the factory was closed due to the union, but this was not the case. The factory had the ability to exploit the workers because the Dominican government allows injustice to continue. The ex-workers of the TK factory were left in economic limbo.

The factory closed in 2003, but the union continued to encourage workers to affiliate and initiated a collective bargaining agreement with the management. Rights for women and specifically pregnant women were at the forefront because they were left unprotected. The union asked that a year of health insurance would be covered for women (something that still has never been done after the closing of a factory), and that 3 months of salary be paid to pregnant women in conjunction with liquidation. In the end, the union obtained 3 months of pay and one year of insurance, but not the entire collective agreement because the factory moved. Pablo reflects on the treatment of the workers: “We thought that maybe they saw that they couldn’t continue doing this, exploiting the people so much, and that they couldn’t continue having workers wake up and start working, not paying overtime, and having people closed in like prisoners”. He also said:

“There was a high price to pay working there in the factory, it was like a jungle, because the people were treated like animals in the factory”. There were no rules inside, because “it was like if you don’t like it, there’s the door”. Although the factory closed, “at least the workers were left with this satisfaction and us also as the union” and hopefully the Korean management realized that “you could treat a person like a human being and that they treated the people horribly and that they needed to thank the workers of villa Alta Gracia, because there were people that devoted everything to this production.”¹¹⁵

¹¹⁵ Tolentino, Pablo. 8/15/11

Tolentino described the moment he decided to fight: “when I started to see all of the mistreatment, especially with the women, the pregnant women and the ironing area. And because of the pregnant lady that miscarried and lost her baby because they wouldn’t give her permission to use the bathroom. All of these things started to motivate me to fight for the benefit of the workers.”

Tolentino’s Life after the closing of TK Factory

After the business closed, he went to many places to find work, but was not able to because a list was distributed with the organizer’s names on it to various factories in the free trade zone. After the closing of this factory in 2003 and BJ&B in 2007, the town became a ghost town, because people were forced to leave to find work in other places. Many times this meant jobs as house cleaners, maids in hotels, and prostitution for some women in order to support their children. Many women in the country have multiple children, and no male support. Pablo started an organizing project, and worked as an organizer in the country’s second largest city Santiago. Santiago he explained “is a city where many people have lost faith”. He could not work in the free trade zone any longer because the pay was miserable and started a union in a factory in the city, which inspired the factory next door to do so as well. In March of 2010, his entire world would be changed—Alta Gracia was born.

C. Social Persecution, Gender Dynamics and A Women’s Role in Organizing: The Yoopong Cooperation’s Anti-union Campaign

Employment for women in the free trade zones, although the wages are low, gave women the opportunity for economic freedom, but at a costly price. Before the BJ&B factory opened in Villa Altagracia, there was a sugar company that operated that

employed mostly men. Yenny Pérez, reflects on the impact that the opening had on the free trade zone:

The reality is that in the times of BJ&B the town of Villa AG maintained a lot of movement because the closing of a sugar company where practically no one else but men worked. It closed and the town was left completely uninhabited, but there weren't many consequences because shortly after BJ&B came about. What happened was that BJ&B expanded more and more—the greater percentage of workers were woman than men and there were 3000 or so employees. The free trade zone was immensely full of life, because was truly a source of employment even though we gained a low salary.¹¹⁶

The price that workers pay for economic freedom is grand: they are subject to verbal, physical and psychological abuse and poor, unclean and unsafe working conditions, but unlike their male coworkers, women withstand foul mistreatment during pregnancy and are forced to neglect their children at home in order to keep their families afloat economically. Despite the odds against them and the chauvinistic attitude so deeply ingrained in their society, the women in the town of Villa Altagracia were and continue to be instrumental in the process of forming unions and community organizing. The BJ&B union began its formation in 2003 with the support of Fedotrazonas, the WRC and the students of USAS, which reduced abuse within the factory, but worsened the conditions of the organizers lives because of the factory's anti-union attitude and actions. Despite, the difficulty that these women faced, their stand against injustice was unbreakable and they persevered. Even though the Korean Yoopong cooperation relocated to Bangladesh, their organizing efforts led to the opening of the Alta Gracia factory in 2010. Yenny Pérez and Maritza Vargas are current Alta Gracia employees and Alta Gracia SITRALPO

¹¹⁶ Pérez, Yenny. 8/17/11

Leaders. Along with other women, their actions forced their country, male coworkers, collegiate apparel consumers, and the world to see them as human beings, not solely a pair of hands that sew clothes. They are a force to be reckoned with— in other words there is nothing more powerful than a woman with an agenda.

Yenny Pérez

Yenny is a single mother of five beautiful children, a former BJ&B worker, current Alta Gracia employee and activist for worker's rights. All of the women that we interviewed lived and breathed the abuse that encouraged them to fight for their own rights and the rights of their coworkers. Interviewing her was particularly moving and emotional because it was clear that her words were not scripted—everything came from within because it is what she lived every single day and she brings her fighting, yet gentle spirit with her wherever she goes. Because of her kind and tender nature, the management did not give her any problems, but she could not endure witnessing the mistreatment of her coworkers. She was aware that the process of forming the union was done secretly and decided to take part in the process while she was taking care of her children and pregnant with another. The Yoopong cooperation had a strong anti-union attitude, because of fear that workers would revolt against their working conditions and the abuse that they received. When the management became aware of union, they did not have much leverage because the union had support from Fedotrazonas, the WRC and USAS. Workers were fired, but because of the union's power and overseas support they were rehired but only to pick up trash outside of the factory. Yenny recalls why she decided to learn more about the union and its formation while she was on pregnancy leave:

The true experience that I have from BJ&B was an experience from which I learned a lot, I learned how to defend all of the workers. The experience from BJ&B taught me about verbal and physical mistreatment. I had the luck of when I started to work there, the boss liked me a lot and I didn't have any problems. My only problem was that I never accepted the mistreatment directed to the other workers. I always saw how they treated the others, and I was always in the defense of them. Until one day, in 2003 I realized that a union was forming to defend the rights of the workers that had been severely abused.¹¹⁷

When she returned to work she decided to participate because in her words “one day there has to be justice.” Although abuse is accepted the majority of the time because of fear of losing one's job, Yenny thought about her experience as a woman and as a mother in the workplace. She explains the difficulty of being a woman in the factory:

It was a very difficult experience for the woman worker, many times they would be sick and it was impossible to go to the doctor and they had to work obligated hours. They could be in the sick condition that they were in and it was impossible to go to the doctor. There were two occasions where there were pregnant women that lost their babies because of the excess of work, because sometimes they had to move heavy boxes and in other occasions there were Koreans that pushed the women workers and the situation there was truly very difficult.¹¹⁸

Women's rights are constantly violated in the workplace, because the apparel system is designed for mass production and uniformity. Worker's dignity and health are not seen as significant. However, Yenny continued to work with her union counterparts and with Fedotrazonas, the WRC, and USAS so that the union would be recognized and that Yoopong could not dismantle it. As noted earlier, the factory was forced to rehire the 16 workers that they fired, but they isolated them from the other workers and forced them to

¹¹⁷ Pérez, Yenny. 8/17/11

¹¹⁸ Ibid

pick up trash outside. This isolation and blatant punishment made other workers scared to affiliate with the union even though it was fighting to improve the rights of the workers. Although the company threatened its workers with the possibility of being fired, and workers affiliated with the union were ostracized within the factory, at their workstation, and treated like monsters according to Yenny, they continued to fight and gain support from the outside and from other workers for the support of a union. The management was opposed to the formation of a union because unions endanger their unethical practices. Yenny reflects on the company's motives and how they affected other Yoopong workers as well:

These Koreans liked to work in poor places where people didn't have the capacity to understand what their rights were and because of this reason I think that they were so negative because they always liked to operate where they could pay the minimum, a part from this, their anti-unionist attitude was negative because they had a way to treat the workers very, very, very inhumanly, these people always go to places like this. They are inhuman and don't have hearts.¹¹⁹

Corporations similar to Yoopong go to countries where the people are impoverished and do not have the ability to develop themselves due to societal constraints, so that they can take advantage of them. Yenny, believed that the workers in Bangladesh were even worse of them the BJ&B workers in Villa Altagracia, because they worked in worse conditions and were paid roughly three times less.

She made an extremely bold and dangerous move that could have cost her employment—she decided to take a picture with her children with a caption saying “supporting the union means a better future for your children”. This initiative had a major effect on the community because it was well known that to the Korean management she

¹¹⁹ Pérez, Yenny. 8/17/11

was like a daughter to the community and if she could affiliate they should as well. At this point in time she was not a legalized leader and her name did not appear on an official list like it should have been, which left an open door for the company to take advantage of her. She had four children and her extremely low salary, though barely covering her expenses and payments for her house made it difficult to accomplish economic stability. The company made her work fewer hours, which resulted in a loss in her normal fixed salary. Yenny says “the company made my life impossible, until they realized that they could fire me because I was an activist, a fighter, a free supporter and from there they fired me from the company.” This was 8 months after fighting, but because of the joint efforts of the BJ&B union, Fedotrazonas, the WRC, and the students of USAS she was rehired. She went on a fifteen-state tour to the U.S. to talk to students about her experience as an apparel factory worker and community organizer. She recalls this period of time:

I went to the United States and there the WRC, the students, and the whole movement/fight promised me that I would return to work. And later when I returned, I re-entered the company, but this time as a union leader and the company couldn't fire me or invent lies about me. I said if it meant fighting justly I would be a leader and I would do what was necessary.¹²⁰

Yenny says that she was never afraid about affiliating with the union and did not think about the extensive problems that it could have on herself and family, only about fighting for justice. Her role in the union had a number of consequences on her personal and family life, economic stability, and physical health:

The reality of my life when I decided to be a union leader was that it costs me a lot, because the biggest sacrifice was my kids and my reputation was damaged. In my personal

¹²⁰ Pérez, Yenny. 8/17/11

life I was ostracized, people accused me of very ugly things like that I would go from hotel to hotel with my colleagues after leaving from work. I lost my husband, he left me completely and I was in poor physical condition to the point where I could not give milk to my baby girl even if I wanted to. Also, I had more children, but not from this partner. My life put me in a very difficult economic situation—if before I was here at a 4 or in the middle, I fell to the floor. I couldn't pay for my house and at this time I didn't have a house of my own. Providing food for my kids was very difficult, there were many days where I had to leave my children. As a woman with kids being with a man that doesn't provide anything, made it a very ugly and difficult situation. But, despite all of this I didn't give up, I always continued moving forward, always; I cried and suffered very much, but I always moved forward.

Ever since she was a young woman she had to provide for her kids alone because their

Fathers were not present:

I don't know if it is for better or worse, but the fathers of my children, I can say haven't been good fathers. Here in the DR, the men are very chauvinistic and very irresponsible, they distance themselves from their paternal obligation, many times the law doesn't apply to them, one way or another they don't have responsibility.¹²¹

Yenny has a fire within her soul that is indistinguishable and with it she continued to fight against the exploitative production system and abuse ingrained within it. Through the union's strategic organizing actions and stance against the management, they achieved a majority. Because of the worker's support, USAS, and the WRC they were able to negotiate the aforementioned (in the BJ&B case study) a collective bargaining agreement in 2007. After the agreement was signed, the management no longer verbally abused the workers to the same extent they had before, but not at a huge cost. Worker's salaries were raised; working conditions were improved (i.e. cleaner drinking water, backs on the work benches, and reduction in verbal and physical abuse). One of the main

¹²¹ Pérez, Yenny. 8/17/11

problems the union still faced in relation after the signing of the agreement was granting permission to go to the doctor when a person became ill. A worker would have to go to the head of the secretary to receive permission, but even this request could still be denied. Another struggle was that workers couldn't stay to work extra hours until they were paid what they were due.

The Yoopong cooperation relocated to Bangladesh without caring about their workers and the lives they would leave behind. After the factory closed, the union continued to make demands for the benefits of the workers. Following the close, Yenny went on tour to the U.S. to once again inform them about the factory, the efforts of the union and to reinforce the point that their help was imperative to implement change. She says:

All of the students gave me the strength to encourage the workers of BJ&B to keep fighting for a future...I am a person that likes just things and I say that you can and that you must continue moving forward, sometimes there are things that "hurt your head" but then I think about my children and the others and I get encouraged. You have to keep fighting and moving forward because if not you stay stagnant or move backwards; it is proven that in this life you have to struggle and fight in union. This is one of the principle forces because a person fighting alone can't get far.¹²²

There was a new business venture in the works with the hopes of creating a union living-wage apparel brand. They were looking for a place to start the brand, and the union, the WRC, Fedotrazonas, and USAS continued to fight so that it would chose Villa Altagracia as its location—the result was the Alta Gracia Project Factory.

Her fight for justice to defend herself others and to bring the globalized apparel industry's action to light are fueled by a better future for her five children. When we

¹²² Pérez, Yenny. 8/17/11

asked her if her sacrifices for justice worth the pain she did not hesitate one bit and passionately said:

Of course! Each day more and more because of the outcome I've had I feel stronger and encouraged to fight and to teach my coworkers that you must continue fighting and moving forward. In my case I had to fight and raise my children alone, but thanks to God, and to this fight I feel proud because of my daughters. I have 4 daughters and one son, the girls are very studious, there is one at the university who plays sports, one interesting in technical studies, one in public school, and one in grade school. For a while my life has caused a lot of trouble because of being alone that caused economic problems, there were so many expenses, but I kept moving forward, but what inspires me the most is that my fight is not in vain thanks to God, because my daughters are moving forward. I hope that they learn from my example to keep moving forward and to fight for what one wants.¹²³

Every invested parent's dream is to leave the world a better place for their children and without a doubt Yenny will leave a better for world for her children, and other workers and women working in a free trade zone. She ended the interview smiling from ear to ear as a proud mother with these words:

Nowadays my children feel very proud more and more every single day. Everyday my eldest daughter that lives with me talks about me as if I were a heroine. She talks about the significance of our work and struggle. Of the littlest, the one that is 9 years old, says that she is going to be like her mommy when she grows up.¹²⁴

¹²³ Pérez, Yenny. 8/17/11

¹²⁴ Ibid

Maritza Vargas

As a mother one of worse feelings is not having the ability to provide for your children because of economic restraints. Before working at the Alta Gracia Project Factory, she was employed at the BJ&B factory and other factories in free trade zones. The salary from the BJ&B factory was not enough to take care of her children and at one point in her life she was living with her grandmother and aunt in order to support herself and family. She fell ill and as her economic situation worsened, she decided to give her children to her grandmother and aunts so that they could be better cared for. As her work situation also degraded, she sent her youngest daughter to live with her cousin. When she returned to live with Maritza, she also became ill because of the emotional toll that the situation took on her. The low salaries given to workers in the free trade zones do not only negatively affect the workers, but create a cycle of poverty for the family and consequently the children as well.

Workers are constantly affected by the conditions in the free trade zones— at home with their families and inside of the workplace. The manner in which the management psychologically abuses both female and male workers is soulless. We asked Maritza if men and women were treated equally by management and she responded: “If you make a mistake it doesn’t matter if you are a man or a woman, but still in some things the men want to impose certain things on the women workers. They don’t impose, they just demand.” However, she also said that there is more pressure imposed on women by the management than on male coworkers because “women have to wait for men to breathe so that after that they can breathe.” Women carry the emotional burden of

subordination inside the workplace and in their own lives. Although it has been difficult, Maritza being the outspoken feminist that she is-- has never accepted this inequality:

Being a feminist is very, very, very difficult and with my partner it is a problem. He doesn't abuse me because I don't allow him to. The Machismo is in the blood—so because the machismo is carried in the blood, as mothers we have to work very hard to eradicate this. The women who know our rights are changing this a little bit everyday so that others feel empowered with this knowledge of their rights. So that they know that your partner can't limit you. I have the same rights as you and we go in to this 50/50 I have to do things; you have to do things so you have to respect my space and I have to respect your life. In spite of the fact that sometimes he says to me “you act like a man, and that's when you want to work and you want to fight for what you want.” I am not a man I am a human being, and as a human being I can respond to anything you do, or say to me.¹²⁵

Maritza never accepted subordination because of her sex, and fought against the docile stereotype that is imposed on women. She began her career as a community organizer because of curiosity of a union's motives and turned this curiosity into a professional career. The combination of her own experiences in various factories as a woman worker in the factory, economic situation, and her fiery spirit led her to revolt against the widely accepted abuse. She reported working standing up, forced overtime, psychological abuse, witnessing verbal and physical abuse and having to hide her pregnancy in order to find employment. The culmination of curiosity, abuse within the factory, and her economic situation that caused her to be separated from her children led her to join the BJ&B union:

I felt like a prisoner because my economic situation was really bad. And I lived alone because my economic situation did not allow for me to be with another person. In

¹²⁵ Vargas, Maritza. 8/18/11

addition to that I had been abused in the factory, had a bad salary, a lot of abuse and terrible conditions- conditions that were very offensive to my self-worth. The conditions made us ashamed as people, so I decided to become a part of what they said was prohibited to us, and because I was a little bit curious because they said “Maritza don’t go near the union organizers because they will bring you problems in the future” and I said “what kind of problems” I asked it very innocently because I didn’t know. And they said “no, no, they can bring you lots of problems, don’t get involved so I just decided that I was going to be a part of it. There was so much physical, verbal and psychological abuse. So everything came to a head and I said this can’t be, I had to liberate myself so I decided to join the union.¹²⁶

Her desire was to prove to management that she and her fellow coworkers are human beings that deserve to be treated with dignity. She was a member of the BJ&B union and her natural leadership skills led her to be employed as a professional organizer with Fedotrazonas. In 2007, when the BJ&B factory closed its doors, her efforts along with the union secured three months salary to the workers, 6-month salary to pregnant women and handicapped people that suffered injuries in the factory that could no longer work, and the right for women to give birth inside of a hospital. and that they could receive medical attention for three years. Because of their strong collective bargaining agreement in the past and its accomplishments after the close in 2007, the WRC began to investigate the efforts of the union and the organizing history of Villa Altagracia. The seed for Alta Gracia Project Factory was planted.

When we asked Maritza how she feels about her organizing efforts she is most proud about giving a face to the workers behind the clothing that we purchase:

I feel very proud; because what I am learning is that more people are finally realizing that we are human beings and

¹²⁶ Vargas, Maritza. 8/18/11

that we all have rights. This isn't just what we are owed to us. We the poor, humble people, we only think in terms of things that we should do: we should work and earn money. But we don't think in terms so that we have rights. 22.39- I have a right to respect, to dignity, to speak up and to ask for what I want. And probably I can't get 100% of everything I want but I have a right to at least 50% of what I want in the work place. Because of this I feel really good, I feel almost like I have reached success, because it's a great success because people are now understanding that they have rights.¹²⁷

She is truly a role model for every woman to follow because she gives them and their experiences a voice. Because of the abuse that is so deeply ingrained in the apparel system and the poverty that many live in, workers are unaware that they are being taken advantage of or do not know that they can change this:

In my country sadly, we have a very low education level. And not only do we have a low education level, but we have low scholarly attendance. And in addition we have people who just don't want to go to school, and we also have a really bad and poor education system. In school they don't teach you that you have rights—to learn your rights you have to choose a career in law and enroll in law school at the University. Then when you graduate you learn your rights. They never tell you your rights in school, not when you are a child, a teenager or a man or a woman. They never tell you what your rights are.¹²⁸

Educating and organizing others is truly her passion, because she wants them to know that they do not have to accept the corruption and inequality that runs so deeply in her country. Everyone is entitled to living in a just world and having a voice. She teaches her children to be independent and to have their own voices:

I already have a daughter who wants to be an organizer. I have always told my children that they have rights and that they are obligated to study. They have the right to learn and to choose the best path. They have the right to tell me

¹²⁷ Vargas, Maritza. 8/18/11

¹²⁸ Ibid

things like mom I want to go shopping, to buy some pants, to play and watch TV, to do personal things, and they have the right to keep their secrets and not tell me everything they think about because I don't want them to think that everything is about me.¹²⁹

Juana Mateos (Kuki), looks up to her mother because she sacrificed her wellbeing and her family while organizing:

My mom is very courageous because it's not easy confronting people. She is the organizer of the whole movement. She is very courageous and strong. She has a strong personality but that's good because then people won't take advantage of her. There are a lot of people who don't want people to succeed so mommy, she really motivated herself in spite of the fact that there were a lot of men who thought that a woman could not be an organizer. But my mom pushed forward and she helped a lot of people, and fought against the machismo that exists in the Dominican Republic and overcame it.¹³⁰

Maritza is a celebrity not only in Villa Altagracia, but also internationally because of her selfless nature. She is an employee at the Alta Gracia Project Factory, the president of the Alta Gracia SITRALPO union, and a professional community organizer with Fedotrazonas, a wife and a mother. People that truly implement change and dedicate their all to fighting the injustice at hand, and if it was possible she would give more than that. During one of our last days with Maritza she had to be hospitalized because all of her efforts were taking a toll on her health, but she explained to us that she could not stop—her community, the union, friends and family all depend on her. She may push herself

¹²⁹ Vargas, Maritza. 8/18/11

¹³⁰ Mateos, Juana. 8/16/11

beyond the limit, but she rejoices in her efforts. Maritza is a super heroine, she keeps the union alive; union meetings are held at the patio at her house, she hosts international students that visit the factory, she is looked to for advice, she inspires students on tours around the U.S., and she still has the hardest job of all—motherhood.

Chapter Five: The Birth of the Alta Gracia Project Factory: “A Gift From God”



131

The following chapter is a case study of the Alta Gracia Project Factory. It discusses the founding of the Alta Gracia Factory along with life-changing benefits such as: the living wage, union recognition, and clean and monitored working conditions. The positive impact of the AG Factory, not only benefits the workers, but also the entire town of Villa Altigracia, and the international apparel industry.

¹³¹ Times, Duiced By Tanzina Vega/the New York Times Photos And Audio By Michael Kamber For The New York. "A Living Wage." *The New York Times*. The New York Times, 18 July 2010. Web. 1 May 2012. <http://www.nytimes.com/2010/07/18/business/global/18shirt.html?_r=2>.

A. History of Foundation: Planting Seeds of Hope

The Alta Gracia Factory was created when Scott Nova, Executive Director of the Worker Rights Consortium, was looking for a socially conscious business partner to start a sweat-free clothing line with. Nova partnered with Joseph Bozich, C.E.O. of Knight's Apparel, which is the United States' largest collegiate apparel company. Mr. Bozich decided to invest in the Alta Gracia Project Factory after being suddenly diagnosed with Multiple Sclerosis. In an interview with the New York Times, he described that he began to think of all the people who could not afford the same health benefits that he was able to, which caused him to think about the people who made his clothing:

I started thinking that I wanted to do something more important with my business than worry just about winning market share...that seemed kind of empty after what I've been through. I wanted to find a way to use my business to impact people that it touched on a daily basis.¹³²

After three years of economic devastation in the region, a new employment source was in the making. Planning for the factory began in 2007 and on June 17th of 2010, the Secretary of Labor officially recognized the Alta Gracia union.^{133 134} Pablo Tolentino, reflects on the initial opening phase of implementation:

In the beginning nobody believed it, because it was almost like a dream...I always believe, I have faith and I began to see all the potential that it had. In August of 2010, meetings

¹³² Greenhouse, Steven. "Factory Defies Sweatshop Label, but Can It Thrive?" 17 July 2010. Web. 2011. <<http://www.nytimes.com/2010/07/18/business/global/18shirt.html?pagewanted=all>>.

¹³³ Kline, Joseph. *Alta Gracia: Branding Decent Working Conditions Will College Loyalty Embrace "Living Wage" Sweatshirts?* 2010. Kalmanovitz Initiative for Labor and the Working Poor, Karl F. Landegger Program in International Business and Diplomacy.

¹³⁴ WRC. "Worker Rights Consortium Verification Report Re Labor Rights Compliance at Altagracia Project Factory (Dominican Republic) Findings." WRC. 8 Dec. 2011. Web. 2012. <<http://www.workersrights.org/freports/AG%20Monitoring%20Report%20II%2012-08-2011.pdf>>.

began and the project finally became real when the union began working with Sarah-Adler Milstein of the Workers Rights Consortium, former field worker for the WRC.¹³⁵

During the beginning phase of the project, Knights Apparel communicated with Free Trade Zone Officials, and the WRC oversaw the entire hiring and unionizing process so that an equal and non-biased political environment would result. Additionally, La Fundación Laboral Dominicana (Dominican Labor Foundation), a labor rights and education NGO in the DR provided fundamental guidance and assistance during the oversight and founding process.¹³⁶ In order to secure safe living conditions within the factory, La Maquiladora Health and Safety Support Network (MHSSN) and Fedotrazonas (Dominican Federation of Free Trade Zone Workers) led a financial management training that focused on savings and expenditure management to assist the workers with management of their increased income. The entire formation process was carried out discretely, because other corporations and factories did not believe that a union made and living wage business model was possible. One of the most significant aspects of this process was calculating the amount of a living wage for apparel workers in an impoverished town such as Villa Altigracia. Yenny, reflects on the formation process:

The investigations that they initially conducted were to determine how much they would have to pay a worker in order for them to live with good nutrition and dignified working conditions. From the investigation they wanted to determine the wage for a five-member household to be able to eat well. For me this is something that has never been seen before. I haven't heard of or known of a business investigating what was the best way for a worker to work inside and live outside of a factory—it is something very

¹³⁵ Tolentino, Pablo. 8/15/11

¹³⁶ WRC. "Worker Rights Consortium Verification Report Re Labor Rights Compliance at Altigracia Project Factory (Dominican Republic) Findings." *WRC*. 8 Dec. 2011. Web. 2012.
<<http://www.workersrights.org/freports/AG%20Monitoring%20Report%20II%2012-08-2011.pdf>>.

unique. After investigating the treatment that workers faced in other factories, especially in BJ&B, and the salary, Alta Gracia was born.¹³⁷

An important question to ask is why was the small town of Villa Alta Gracia chosen for the location of the factory? When the BJ&B factory closed in 2007, the Free Trade Zone and the town were left completely desolate—the only thing that remained was the inherent spirit of the union. Because of the strong community organizing roots in Villa Altagracia, one half of former BJ&B workers were hired at the suggestion of the WRC and USAS.¹³⁸ Pablo attests the chosen location of the factory to the community's organizing history:

It was because in Villa Altagracia, the workers fought extremely hard to change this model of exploitation and to express the importance of the right and liberty to unionize and so that the rights of the workers were recognized and kept in mind, specifically the rights of pregnant mothers and women. They could see this desire to change things and decided to help us. We thank God a lot here because it could have been in Santiago, in Moca or another town poorer than Alta Gracia, but they decided to do it here because of what we achieved and we appreciate it more because we know what it costs us...a lot of sacrifice, hunger and you can't forget this.¹³⁹

Similar to Pablo, Maritza gives thanks to God for bringing the factory to her community:

It appears as though they were touched by God. It is a huge factory, and very powerful. They were motivated to come to Villa Altagracia, because I am a Christian I believe it was the hand of God who touched them.¹⁴⁰

With a recognized union, safe and clean working conditions, and the monitoring of the factory by WRC, Alta Gracia is an exemplary model for the entire apparel industry to

¹³⁷ Pérez, Yenny. 8/17/11

¹³⁸ Ibid.

¹³⁹ Tolentino, Pablo. 8/15/11

¹⁴⁰ Vargas, Maritza. 8/18/11

follow. When the factory opened, many workers were in disbelief, because they had never been truly treated with respect within the Free Trade Zone:

When the factory started to train the workers, they were paid partial salary and eventually they were going to get paid more, a salary of 4,000 pesos. Many of them said “no this is a lie, this can’t be true,” but when they saw that the seats that were in front of the work stations were like the ones inside of the offices (management) they still couldn’t believe it. They had to go up and down and turn around on them because the reality is that they didn’t believe it. In BJ&B the seats were backless benches. The workers didn’t believe that the job trainers were talking to them in such a caring way. Nowadays, they always say that Alta Gracia is something that has never been seen before. All of the workers make sure to work hard everyday so that this business lasts and grows. It is truly an example that we must follow and always maintain, so that more factories can change and treat workers fairly, with dignity.

141

The goal of the Alta Gracia factory is to prove to the western world that companies do not have to compete in a “race to the bottom,” but produce high quality clothing under good working conditions, while making a profit. The Alta Gracia Project Factory has the ability to prove to huge corporations with production facilities in Free Trade Zones, that they can raise the bar for worker’s rights and still have a successful business model.

The recognition of the union ensures the worker’s safety and that their voices are heard. Ana, a previous BJ&B and Alta Gracia employee discusses how her view on unionizing has changed since affiliating at Alta Gracia:

I wasn’t in favor of a union (in the past), because I saw the union as an ogre like many employers do. The union is a way to defend labor rights and to defend myself as a

¹⁴¹ Mariñe, Ana. 8/13/11

person, as a worker here at a company; it defends me so that an employer can't abuse me and my labor rights.¹⁴²

The factory's treatment towards the workers has positive effects on their self-esteem that was previously degraded in other factories. They smile whenever they are asked questions about how their lives have improved within the workplace and within their own personal lives. Pablo compares conditions at other factories where he has worked to those of Alta Gracia:

Before we could go two months without seeing the sun because we only had 30 minutes to leave to eat and we never knew when we could leave. Now we are well cared for, we always get paid, we have flexible hours to study and to be with our children. We only work until 5:30, break 30 min at 9 o'clock to eat breakfast, 12 o'clock and come back at 1 o'clock and only work until Friday...There are standards in AG, they give them permission to go to the bathroom, medical care, people aren't mistreated, we have trainers, the management gets along well with the union and vice versa...it is truly a model factory for Free Trade Zones in the entire world because there isn't another factory like this anywhere.¹⁴³

Pablo's quality of life has improved so drastically that he is able to joke about his working environment. During his interview he laughed and commented on the fact that even though they have fans in the factory, it will always be hot because they live in the Dominican Republic. Maritza told jokes that the only way to escape from the heat is to gather all of the employees in a car and drive to the North Pole!

¹⁴² Ibid.

¹⁴³ Tolentino, Pablo. 8/ 16/11

B. Labor Rights Compliance with the Workers Rights Consortium

The trustworthy monitoring of the factory by the WRC sets Alta Gracia Project apart from other factories claim to pay their workers with a high wage, because the workers' rights are protected. In January of 2009 the following initial agreement was signed to ensure that labor codes within the factory were met: "Under agreement between Knight's Apparel, the Dominican Federation of Free Trade Zone Workers (FEDOTRAZONAS), & the WRC, Knight's has committed to ensure that AP (Alta Gracia Project) not only meets the labor standards of the brand's university licensors, but additional standards on wages and the freedom of association that go beyond traditional university and corporate codes of conduct."¹⁴⁴ The labor code standards include: wages and benefits, working hours and overtime, forced and child labor, health and safety, non-discrimination, harassment or abuse, freedom of association and collective bargaining, and women's rights. The WRC has a clear monitoring methodology, which consists of:

- Ongoing monitoring of compliance with the living wage requirement through regular review of the factory's payroll records and worker pay slips and in depth worker interviews to ensure that the factory records match actual payments to workers
- Ongoing monitoring of compliance with all other code standards through: interviews and other communication with union representatives (at least every other week), interviews and other communication with individual workers conducted off-site, at locations workers choose (at least monthly), interviews and other communication with factory managers (at least every other week), regular visits to the facility to review factory records, observe the production process and inspect the work environment, machinery, and safety gear (at least every other week), real-time trouble shooting, in consultation with all stakeholders (as needed)
- Issue-specific assessments, as needed. An issue-specific assessment is a review of a specific labor standard or practice that has been identified as an area of concern through a worker complaint. Workers may submit confidential complaints to the

¹⁴⁴WRC. "Worker Rights Consortium Verification Report Re Labor Rights Compliance at Altagracia Project Factory (Dominican Republic) Findings." *Workers Rights Consortium*. Dec. 2011. Web. Apr. 2012. <<http://www.workersrights.org/freports/AG%20Monitoring%20Report%20II%2012-08-2011.pdf>>.

WRC. In the event that a complaint is received, an issue-specific assessment will be carried out in a timely fashion.¹⁴⁵

The WRC has regular communication with the factory's union regarding its labor rights compliance. If the project does not comply with its standards, Knight's Apparel is obligated to ensure that the factory takes corrective action; the WRC must provide factory management and Knights Apparel with detailed recommendations for remedial action. If a violation is not corrected within the specified time frame, the WRC reserves the right to withdraw its verification of compliance. According to the report, if a pattern of repeated violations occurs, the WRC can withdraw the right of public reference to the WRC verification of compliance, for an extended period of time or permanently, at the WRC's sole discretion.¹⁴⁶ The most recent verification report was released on December 8, 2011 and the findings conclude that the factory is in compliance with all of the labor codes.¹⁴⁷



Free Trade Zone in Villa Altagracia, 8/13/11

¹⁴⁵ Ibid.

¹⁴⁶ WRC. "Worker Rights Consortium Verification Report Re Labor Rights Compliance at Altagracia Project Factory (Dominican Republic) Findings." *Workers Rights Consortium*. Dec. 2011. Web. Apr. 2012. <<http://www.workersrights.org/freports/AG%20Monitoring%20Report%20II%2012-08-2011.pdf>>.

¹⁴⁷ Ibid.

C. The Alta Gracia SITRALPO Union: A Voice for the Workers

Before the factory opened, Knights Apparel signed an agreement regarding Freedom of Association with FEDOTRAZONAS (Dominican Federation of the Free Trade Zone Workers). The representatives from the Union of Alta Gracia Project Workers (Sindicato de Trabajadores de Alta Gracia Project) meet regularly with the management to discuss any issues that may arise and has a strong relationship with WRC's Field Representative. Along with the assistance of FEDOTRAZONAS and Alta Gracia employees and volunteers, the WRC conducts educational workshops to assist the workers with financial management, educate college and university students about Alta Gracia through Skype informational sessions and participate in tours around the United States. The fear and of unionizing is still ingrained in many of the workers from their past experiences, but the majority of the 133 workers are affiliated, which truly makes it a union of the people for the people. Sixty percent of the workers are former BJ&B employees, 62% of the workers are women in their 20's and 30's, single parents of multiple children, and are the primary wage earners for their families.¹⁴⁸ Therefore, women's rights and representation are essential to the union's mission and agenda to create a healthy working environment. Employees cannot be required to work more than 44 hours a week; they are compensated for overtime, and have a regular work schedule. All overtime hours are voluntary and are compensated at a rate of 35% above the normal wage for hours exceeding 44 up to 68, at a rate of 100% above the normal wage for hours above 68, and 100% of the wage worked on holidays.¹⁴⁹ The work schedule is as

¹⁴⁸ WRC. "Worker Rights Consortium Verification Report Re Labor Rights Compliance at Altagracia Project Factory (Dominican Republic) Findings." *Workers Rights Consortium*. Dec. 2011. Web. Apr. 2012. <<http://www.workersrights.org/freports/AG%20Monitoring%20Report%20II%2012-08-2011.pdf>>.

¹⁴⁹ Ibid.

follows: 7:00am-5: 30pm Monday-Thursday, 7:00am-1:00pm Fridays, paid break between 9:00am-9: 25am, and lunch 12:00-1:00pm. The union had a significant amount of leverage and obtained the current longer breakfast break mid-morning, and alteration to the workdays (i.e. workers prefer to have Saturdays free).¹⁵⁰

Maritza Vargas is President of the SITRALPO union, which is admirable considering the gender dynamics and hetero-centric nature in the Dominican Republic. The Alta Gracia SITRALPO Union comes from a strong core of workers who fought for their rights for many years while working for BJ&B and other apparel factories in the Dominican Republic. Professor Soule describes the importance of this particular union and the gender dynamics that make the union at Alta Gracia unique:

What's really exciting is, when you see Maritza, females leading the charge, in my view, I find that to be really inspiring: they are not dependant on a male dominated labor union, if for no other reason than when you look at the labor union activities, they can sometimes no longer be part of the solution, but part of the problem. Some of the labor unions have become captured by the employers, some of the union leadership have--maybe don't have the best interest of the membership at the top of mind, there may be some self interest playing out here. Well if you have a women coming out of that, who understands the plight of her female colleagues in these facilities then I think you stand a better chance hat having a more activist union with the best interest of the employees as the driving factor as opposed to being captured by the employers and not really being of much help.¹⁵¹

At other factories women were subject to denial of employment due to pregnancy and dismissal or deduction of wages, exposure to hazards that endanger their reproductive health, pressure to use contraception, and lack of access to appropriate pregnancy services. None of these practices are permitted at Alta Gracia. Women are entitled to 3

¹⁵⁰ Op. Cite.

¹⁵¹ Soule, Ed. 1/5/12

months of maternity leave with full pay, insurance covers babies' milk for the first year, and they are allowed to go to doctor's appointments without being penalized. During our interviews subjects reported formerly receiving as low as half of their regular salary during pregnancy leave, working with hazardous materials, lifting heavy boxes, being forced to work standing up, the denial of the right to use the bathroom, take breaks and to take a leave of absence to go to the doctor. Clary, current mother of an infant is proud of the union and what it has accomplished for women in the factory:

The union gives a helping hand when you need something, lets say you need some advice or that you're not getting your job done they take you aside and they are supportive and tell you 'look this is what you should do.' They cheer you up, they are against mistreating their employees and I think that's what was inconvenient to the other companies like BJ&B if they didn't agree with the union—that's why they claimed they left... It's like a family, everyone is family. There are people that worked there that are pregnant there is no discrimination.¹⁵²



153

Clary and Children in her Home 8/15/11

¹⁵² Clary, 8/15/11

¹⁵³ Brown, Wright. Villa Altagracia, 2012

D. What is a living wage and how does it impact the Alta Gracia Workers lives?

The changes to the worker's lives are not only accounted for by treatment inside of the factory, but also attributed to the carefully calculated living wage. The living wage is arguably one of the most significant aspects of Alta Gracia because it has transformed the workers lives and is key to the marketing strategy of the brand— it is instrumental in escaping cyclical poverty. In order to calculate the “salario digno” or English translation of living wage, workers were directly involved in the process to determine their perspective on a fair pay agreement. The workers' input was placed before the calculated amount that a bank would suggest. The daily lives of workers, location of the Free Trade Zone, and family size, were all taken into account. The workers calculated that 18,000 pesos would be enough for a family of five to live comfortably: it would provide for educational opportunities, food, housing and overall a life with promise—this salary was proposed to the company and negotiations began.

The government of any given nation legally designates a minimum wage. In most developing countries, a minimum wage is not set at a rate that is sustainable for citizens to survive and feed their families sufficiently. According to the WRC, a living wage is: a “take” home or “net” pay earned by an employee working a country's legal maximum work week, which is 44 hours in the Dominican Republic.¹⁵⁴ The organization calculates a living wage by dividing the amount of money required to meet basic needs (housing, energy, nutrition, clothing, healthcare, education, potable water, childcare, transportation, and savings) of an average-sized family of an employee in the garment manufacturing

¹⁵⁴ WRC. "Worker Rights Consortium Verification Report Re Labor Rights Compliance at Altigracia Project Factory (Dominican Republic) Findings." *Workers Rights Consortium*. Dec. 2011. Web. Apr. 2012. <<http://www.workersrights.org/freports/AG%20Monitoring%20Report%20II%2012-08-2011.pdf>>.

sector of the country by the average number of adult wage earners in an average-sized family of an employee in the garment manufacturing sector of the country.¹⁵⁵ The calculation assumes that the primary-wage earner should be able to cover and support the needs of 3 people in a four-person family.¹⁵⁶ The WRC completed its analysis and investigations for calculating the living wage in October of 2008. The following is the breakdown:

Table 3: Living Wage Breakdown
Market Basket Contents, Costs, and Final Living Wage Figures³

HOUSING (2 room house with bathroom and kitchen)	Cost (RD Peso)	Unit	Quantity and Frequency of Replacement	Monthly Cost (RD Peso)
Rent	3375.00	Per house	Once monthly	2,531.25
Bed (mattress, frame, box spring)	6,275.00	1 bed	2 beds, every 10 years	78.44
Bedding (sheets, pillow, pillow cases)	1,711.80	Set	2 sets, once annually	213.98
Table and 4 chairs	8,799.75	1 table	1, every 10 years	55.00
Clothing storage unit	2,816.67	Set of shelves	1, every 5 years	35.21
Other seating (sofa, bench, etc)	8,000.00	1	1, every 10 years	50.00
Tabletop stove	1,798.00	1	1, every 5 years	22.48
Pots and pans (set of 4-6)	1,372.00	Set	1 set, every 2 years	42.88
Dishes (includes glasses and cutlery)	832.75	Set for family	1 set, every 2 years	26.02
Small refrigerator	7,149.17	1	1, every 10 years	44.68
Electric fan	1,121.00	1 fan	1, every 2 years	35.03
Radio	2,196.67	1 radio	1, every 5 years	27.46
Household cleaning supplies	181.38	Monthly cost	Once monthly	136.04
Towels	227.00	1	3, once annually	56.75
Candles	5.00	1	10 monthly	37.50
Water (utility)	0.00	Monthly cost	Once monthly	0.00
Housing subtotal (per month)				3,392.70

It is important to note that the Alta Gracia living wage is adjusted each October to reflect any inflationary increases (not decreases).¹⁵⁷ As of October 2008, the WRC's living wage calculation for monthly earnings was RD\$18,152 (US\$497.34).¹⁵⁸ The

¹⁵⁵ *ibid*

¹⁵⁶ WRC. "Worker Rights Consortium Verification Report Re Labor Rights Compliance at Altagracia Project Factory (Dominican Republic) Findings." *Workers Rights Consortium*. Dec. 2011. Web. Apr. 2012. <<http://www.workersrights.org/freports/AG%20Monitoring%20Report%20II%2012-08-2011.pdf>>.

¹⁵⁷ *Op.Cit.*

¹⁵⁸ *Op. Cit.*

comparable monthly earnings with the Dominican minimum wage was RD\$5,400 (less than one third of the living wage). After the 2011 October's inflationary adjustment, the living wage was calculated at RD\$20,893, which was 350% higher than the legal minimum wage and the anticipated minimum wage for January of 2012.¹⁵⁹ None of the workers reported ever receiving a paycheck with a wage for a regular week from any of their previous employers that was more than 10% of the legal minimum.¹⁶⁰ The legal minimum for a Free Trade Zone worker is US\$34.¹⁶¹ To further put things into perspective, in early 2010 the hourly Dominican living wage was US\$0.84 an hour and the living wage was US\$2.83.¹⁶² Taking the inflation rate into account, and the necessary adjustments of the Alta Gracia living wage, the following findings of compliance with the WRC's labor codes reflect the living wage as of December 23, 2010 after the WRC's Verification Report Re: Labor Rights Compliance at Altagracia Project Factory was released: In order to comply with the living wage standard of the factory, workers must be paid a gross wage sufficient to yield take-home pay of at least RD\$222,042 (US\$5708.01) per year. The required gross wage at the time was equal to RD\$18,152.99 (U.S. \$466.66) per month or RD\$4,189.15 (U.S. \$107.70) per week.¹⁶³ Benefits and the living wage differential are difficult to calculate because for Dominican workers their benefits are included as 38% of their wages. As of December of 2010, the accumulation

¹⁵⁹ Soule, Edward, and John Kline. "Research Progress Report, Alta Gracia: Work With A Salario Digno." 5 Dec. 2011. Web. 7 Dec. 2011. <http://www12.georgetown.edu/sfs/docs/Research_Progress_Report_11-29b_with_cover.pdf>.

¹⁶⁰ WRC. "The Community, the Factory and the Workers: The Community of Villa Altagracia." *The Workers Rights Consortium*. Web. Apr. 2012. <<http://www.workersrights.org/verification/factory%20and%20workers.asp>>.

¹⁶¹ *ibid*

¹⁶² *Op. Cit.*

¹⁶³ WRC. "Worker Rights Consortium Verification Report Re Labor Rights Compliance at Altagracia Project Factory (Dominican Republic) Findings." *Workers Rights Consortium*. Dec. 2011. Web. Apr. 2012. <<http://www.workersrights.org/freports/AG%20Monitoring%20Report%20II%2012-08-2011.pdf>>.

of earnings of the Free Trade Zone minimum wage for a month was RD\$5,940.00 (U.S. \$152.70) and benefits were calculated to be RD\$2,257.00 (U.S. \$58).¹⁶⁴

Table 4

Employee Wage Cost Comparison (November, 2011)

	Monthly Wage	Benefits	Total	Total (US\$)
Minimum FTZ Wage	RD\$5,940	RD\$2,257	RD\$8,197	\$216
Alta Gracia "Living Wage"	RD\$20,893	RD\$7,939	RD\$28,832	\$759

¹⁶⁵

Maritza describes that she has been able to start a bank account since earning the living wage:

The banks call me offering me credit cards. No bank had ever called me offering me this and they had never called me offering loans. I have never had the amount of money I have now. In addition, I have a new computer, beds for my children, a television, furniture, and many things I would otherwise never be able to have. I was lacking them. I have an electric generator so here in my house we don't waste energy. It has alleviated the tension and the stress of how am I going to provide for my kids. My children now are in school, they are happy. Everything is good.¹⁶⁶

The living wage is the manifestation of the community's many years of fighting for better conditions. We asked all of our interviewees what the living wage meant to them—it is not only a salary, but enables better working and living conditions, respect within the factory, economic freedom, and most importantly a better quality of life and the creation of opportunity for their children:

To me the living wage means a lot of things you as a person never thought of and truly gives you what you deserve: you can develop as a person and educationally because you can study. It means better preparation for your

¹⁶⁴ Ibid.

¹⁶⁵ Soule, Edward, and John Kline. "Research Progress Report, Alta Gracia: Work With A Salario Digno." 5 Dec. 2011. Web. 7 Dec. 2011. <http://www12.georgetown.edu/sfs/docs/Research_Progress_Report_11-29b_with_cover.pdf>.

¹⁶⁶ Vargas, Maritza. 8/18/11

children because you can put them in school, you can eradicate poverty, because you can give better education to your children and food, poor people can also study. If you are poor you don't have anything, you are excluded from society, it means you are respected as a person..."¹⁶⁷

The living wage is not only the high salary that they receive, but all of the workers believe that it is directly tied to the improvement in their working environment.

One worker, named Giovanni, reported that he gained 3000 pesos while working in the capital of Santo Domingo, but only after working all day until midnight. He reported that it is possible to gain a reasonable salary in other factories, but when working under abusive conditions. When he gained the first check of 4000 pesos, his problems began to slowly resolve themselves. In October of 2010 when the factory began operating, the workers were initially paid 1500 pesos and were told that by the eighth week their salary would increase to 4000 pesos. The workers were in disbelief when they received their first checks and could not believe that their salaries would be further increased, until they would hold the checks in their hands. When they were paid the initial 1,500 pesos, the entire community was ecstatic, but according to Pablo nobody believed "that it wasn't real and that they weren't going to pay 4,000 dollars. They thought that they would be cheated, but when they received the first checks... everybody was very content, but they really didn't believe it." Clary recalls receiving the first check and the positive impact for her infant:

When I got my first paycheck my husband was out of work for 6 months, my baby was 8 months old and that week (that I received my paycheck) the baby didn't have milk. It was just eating oatmeal...I couldn't believe it, I didn't think it was possible. That first week I got paid I went in and asked them why I got paid so much and in exchange of

¹⁶⁷ Tolentino, Pablo. 8/15/11

what? Did they make a mistake? They told me no my love, that's how much you get paid that's what you deserve. I couldn't believe it—it was something that was beautiful! I never got paid that much—when I worked for BJ&B I was only getting 600 pesos, it felt unbelievable, it felt great.¹⁶⁸

All of our interviewees were parents and each of them reported that the majority of their first paychecks were dedicated to paying for the education and food of their children and improving their housing conditions. For example, Pablo paid two months of schooling for his son that he owed and made a long overdue payment on his house. Later he was able to register at the university from which he had to withdraw in the past and he moved into a larger house. Giovanni, began reconstruction on his house, because in his words it was not in “proper condition” and started to pay off his debt. Maritza, who is extremely proud of her new house, moved into a home with three bedrooms, a full bathroom, and a terrace that overlooks the town and the beautiful green mountains that surrounds it. Making necessary renovations such as expansion, running water and sewage, and electricity improve workers confidence because they are able to live in cleaner and safer environments. Scott Nova, director of the WRC, reported that he has seen individual cases where workers had to walk halfway down the street to use a communal bathroom because in their homes they did not have sufficient infrastructure. He takes pride in being part of the Alta Gracia Project because of the impact on workers lives and living circumstances:

To see those workers now living in homes where going to the bathroom in the middle of the night simply means walking down the hall to the bathroom. Where a storm doesn't mean water pouring in to your home, those are the kind of examples that we see and of course housing is only one issue. Seeing the pleasure and pride it gives workers to be able to provide their families with proper nutrition and

¹⁶⁸ Clary. 8/15/11

with treats that the kids would never otherwise be able to have is also an enormously heartening thing and of course for people who grew up in the US, in reasonably affluent families it is very difficult to identify with the struggles that those workers have been through.¹⁶⁹



Alta Gracia Employee with Her First Fridge, 8/14/11

170

The workers are realizing that their dreams can be attained because they have the time and ability to do so. For many of the workers that means returning to studying at a university, investing in their children's education, and planning for their futures. For instance, because of his newfound economic stability was able to return to his first love of making art:

Well, ever since I've known I studied painting, but because of necessity I dedicated myself to sewing. I've worked for many years in those types of sewing jobs, but I said I would

¹⁶⁹ Nova, Scott. 1/7/12

¹⁷⁰ Brown, Wright. 8/14/11

never work in a factory again because I have my own craft...Thanks to God I have remained at Alta Gracia, because it has guaranteed many things that are beneficial to the employer and us.¹⁷¹

Economic support from their living wage and the company's efforts to educate the workers on how to maintain economic stability has greatly benefited the community.

Maritza, Alta Gracia union President is very involved in her co-workers lives and advocated that the company provide financial education for her coworkers:

Alta Gracia has done workshops helping us to save money and keep the money that we are earning so we can learn how to save money and teaching us to be in the best situation so we don't waste our money so we can have a more secure future because through our government we have no support. We ourselves have to ensure that our futures are stable; this is what Alta Gracia has given us.¹⁷²

Clary has benefited from these workshops because with her living wage in conjunction with a loan from the bank, she has been able to start her own laundry business. Furthermore, she has been able to conduct construction on her house, improve sewage, ventilation and the roofing systems immensely, and began investing in a fund for her children's future education. Many employees at the factory know that education, especially in their country, is one of the key ways to escape from poverty and continue improving their lives. Anna, who was limited at other factories because of her working hours, now has time to further her education and spend time with her children:

I have time to dedicate to studying, here I have the ability to do so, apart from the fact that they treat us well, we have time to spend with our families and they treat us like a family.¹⁷³

¹⁷¹ Giovanni. 8/11/11

¹⁷² Vargas, Maritza. 8/18/11

¹⁷³ Mariñe, Ana. 8/13/11

Maritza can now provide for her children unlike she was before; her son is going to start college, her daughter is currently enrolled, and she is going to have a grandchild and is proud to be able to help him. She said “I am so happy because my life has completely changed. I am a completely different person, more liberated, I am freer here. I love the environment where I am living now.” Her daughter Juana is working as a secretary, taking English classes and wants to study psychology in the future. Because of her mother’s living wage, she has benefited immensely. She now has her own room compared to before when she shared a room with two of her other siblings. The benefits of the living wage do not only extend to the worker’s children, but the town of Villa Altagracia as well.

E. The Domino Affect: How does the living wage benefit the town of Villa Altagracia?

There is evidence of a positive ripple effect on the economy of the entire town because workers now have money to spend on transportation, construction on their homes, and groceries for their families. One day while walking through the town, we talked to an older man and asked him what he thought about the new factory in town:

It is something positive and productive for the town because this town needs employment. It is something to be grateful for, for the progression of this town because there is no employment here. Here to gain a little bit of money you have to go to the capital. I hope that more businesses come to Villa Altagracia, because the government doesn’t invest any money in this town. Many things are closed down; the free trade zone went bankrupt.¹⁷⁴

The country is full of towns that receive no governmental attention, which means that the residents either stay unemployed or must go elsewhere, which further deteriorates the

¹⁷⁴ Old Man, Alta Gracia.

economy. All of our interviewees have either moved to new homes or made significant renovations on their current one, which means that more wealth is transferred to local construction stores and workers. The grocery, convenient stores, and fruit and vegetable vendors have seen more activity because workers are able to provide substantial meals for their families. Although the factory is only a small source of employment for the town (roughly 133 workers compared to the 3000 at BJ&B in the past), the amount of the living wage has a visible impact:

Villa Alta Gracia is now getting its rhythm back. It is small in size but there is movement because before Alta Gracia (the factory) arrived there was nothing, you would see the streets of Villa Altagracia desolate and without light. There weren't motor (scooter or motorcycle) drivers, now there is car traffic. The Free Trade Zone doesn't look like it did before, because now vendors are starting to arrive...I say that for being small, Altagracia, the community and Free Trade Zone sees a lot of movement.¹⁷⁵

The transportation industry in the town has benefitted greatly because many workers have bought motorcycles and “motoconchos” (motor-scooters) in order to transport their children to school and themselves to work. The garage at the Alta Gracia Factory is now full of motorcycles and motor-scooters and needs to be expanded. Motoconchos are used for personal transportation and also as a form of taxi-like transportation—many younger people across the country utilize them as a form of small income. During one of our interviews, Clary told us the story of her brother, who has been supporting his family as a motoconcho driver since the time that BJ&B employed the majority of the town of Alta Gracia. She described how the managers of the BJ&B factory would receive rides to and from work every day, and many of them lived outside

¹⁷⁵ Perez, Yenny. 8/16/11

the city so the pay was higher. They would also require transport to meetings outside the town on a daily or weekly basis, so the pay was also consistent. Furthermore, workers at the factory would always need rides to and from work. Once the BJ&B factory transferred to Bangladesh, the motoconcho drivers were virtually as unemployed as the BJ&B workers. Clary's brother had to pay to commute to Santo Domingo everyday to work in a "colmado" (a small convenience store), however, the amount he paid to commute was half the salary he earned during the day, so essentially the pay was not beneficial. This is the experience many workers had, Clary explains, as many people suffered starvation and unemployment. With Alta Gracia's presence in the town, she says that her brother has been able to reopen his motoconcho business.



Alta Gracia Moto Garage, 8/13/11

Motoconchos are only a physical manifestation of the benefits that the factory has on the community; what is even more important is that a spirit of hope is beginning to spread in a town that continues to be economically devastated. One of the workers said:

I want for all of my family to work there, you know that people say take me there, I will start at the bottom, I will clean the bathroom and do whatever to be there. If more free trade zones are like this it will help more families and the entire community.

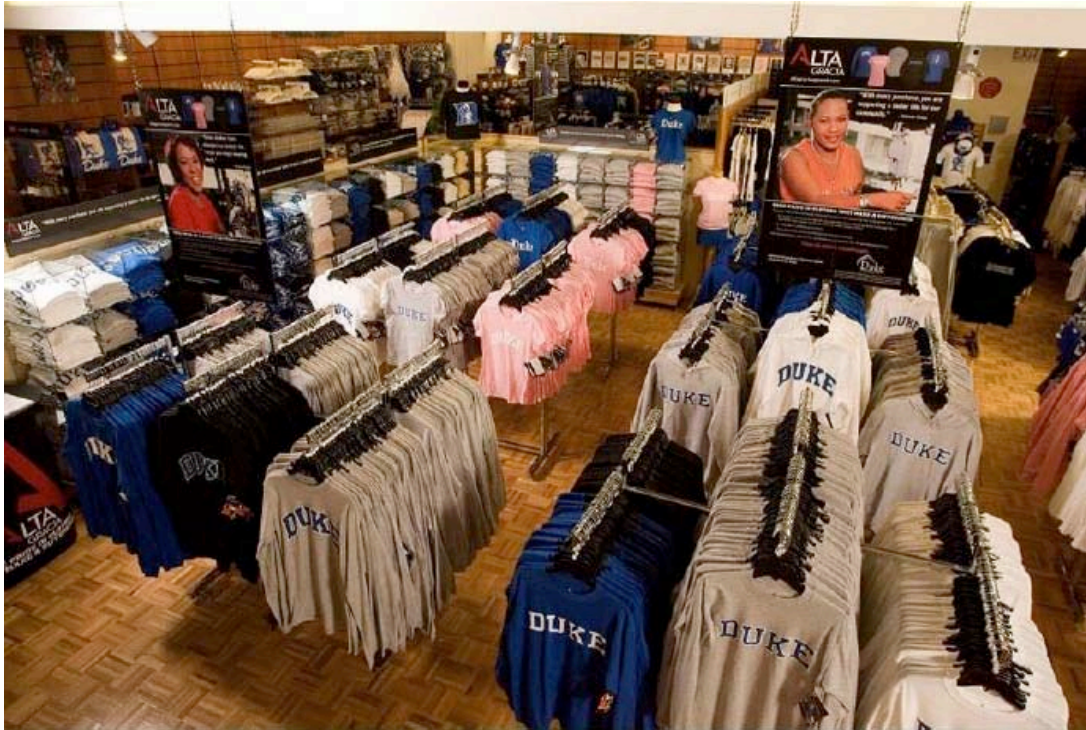
The Alta Gracia Project has planted a seed for hope, but can it maintain itself as a tiny factory in a sea of sweatshops?

Is a Living Wage Sustainable for Alta Gracia?

The living wage has proved to benefit the workers emotionally and financially, their families and community, but is it sustainable? Professor Soule describes the complexity of sustaining a living wage operation in a competitively low-wage driven globalized industry, where production quantity of price per garment overrides any concern of workers' rights. He describes the future business success of the factory as something that is reliant on contracted commitments from bookstores at universities. Reaching the point of building a sustainable contract with Alta Gracia is going to take a valiant amount of student effort, as many of the bookstores located on university campuses already have longstanding contracts with major brands such as Russell, Adidas, Champion and Nike. Often a subcontracted company leases the bookstores out and therefore what is being sold at the college is at the mercy of the bookstores' contracts with the major brands.

Since colleges have a contracted commitment to many of these larger brands, it will be difficult for Alta Gracia to expand their production on a corporate scale compared to the amount of production Nike or Adidas sustains. He states that as part of the business plan for Alta Gracia, student activism is essential—and simply ordering 3 racks of Alta Gracia will not suffice. Each bookstore must maximize their floor space and merchandise

advertising of the product. He states that considering the high quality of the product and the equal pricing of the product, this should not be a large issue.



176

Alta Gracia Clothing at the DUKE Bookstore, 2010

Professor Soule further discusses that one of the reasons Georgetown has been so committed to housing Alta Gracia in its bookstore is because of the engrained morals in the mission of the Jesuit-founded College. Furthermore, the company Fallette, which controls all of the sales and products within the bookstore, leases Georgetown's bookstore. The students have been able to work with faculty, administration, and the bookstore to essentially uphold codes of conduct and the mission of Georgetown University. The purchase of shirts from Alta Gracia is a purely moralized regard. He mentions that this is another way students highly dedicated to the Alta Gracia Project Factory can work with all

¹⁷⁶ Kline, Joseph. *Alta Gracia: Branding Decent Working Conditions Will College Loyalty Embrace "Living Wage" Sweatshirts?* 2010. Kalmanovitz Initiative for Labor and the Working Poor, Karl F. Landegger Program in International Business and Diplomacy.

aspects of the college administration to provide consistent commitment and subsequent sales of Alta Gracia products. He states that if the Alta Gracia Project Factory should succeed, it can truly change the face of the collegiate apparel industry. Will it be able to succeed in the long run? That is dependent on the ability of students, administration, and bookstores to work together.

To gain the floor-space and consistency of orders of Alta Gracia products from the bookstores, longstanding business ties with corporate brands must be severed, which will take extreme pressure and commitments from students, faculty, and administration to work with sub-contracted bookstores to reach a contracted agreement.

There is no reason why every outsourced corporate brand cannot afford to produce clothing at a living wage, however, it is the responsibility of the consumers buying the products to change the moral constitution of clothing production by refusing to purchase sweatshop-produced clothing. Conscious consumerism is difficult because there is highly limited information on where it is made and under what labor conditions. With the growth in marketing of socially responsible goods, watchdog organizations such as the WRC must expand and utilize their services without fear of corruption or inconsistency within the organization in countries where all of this is necessary.

The future of Alta Gracia and the workers' rights in the apparel industry relies on changing the moral perspective within the business of exporting and producing goods in developing countries. In every single interview the workers could not reiterate enough what the factory needed in order to survive, which is for college students to buy and promote the product, because if not they fear that Alta Gracia will disappear from the collegiate apparel market. They encourage students and other interested parties to visit

the factory and town to see the model with their own eyes so that they can believe reports and spread the reality to their friends. The Alta Gracia project is directed to universities and its students and, according to Yenny they “need the support of students more and more every day, because without their support the reality is that without it—we will cease to exist.” She said that “for the student’s purchase of a polo t-shirt, you couldn’t imagine what it means for the future’s of our children tomorrow.” The factory not only benefits the employees, but the community and has the potential to benefit the rest of the country and prove that there should be an Alta Gracia in every Free Trade Zone. Maritza ended her interview by encouraging students to purchase Alta Gracia:

Students, Alta Gracia is in your hands. Right now Alta Gracia is selling to universities. So at this moment you have the power to keep Alta Gracia going, if you let us go, we lose. It’s not just a loss for the workers, but also a loss for the working world because it is transforming, especially in the Free Trade Zones, which are so exploitive. We want to change this way of working so that workers and the world have an Alta Gracia. Tell your mothers, fathers, aunts, uncles, boyfriends and girlfriends to purchase Alta Gracia. In your hands is that AG will last for many years and that other factories that exploit the workers will change. If you buy Alta Gracia you are saying change the way you treat your workers and that way we will have AG all over the world!¹⁷⁷

The Alta Gracia Project impacts our world’s Free Trade Zone workers and the entire globalized apparel industry because it proves that there is no necessity of a race to the bottom. Although making profit is still at the forefront of the factory’s problems, with student and university support, one day this does not have to be the case—profit can be made while workers are paid a living wage and treated as human beings. The workers Alta Gracia, have liberated themselves from being in chains and they are blessed to be

¹⁷⁷ Vargas, Maritza. 8/18/11

able to enjoy this freedom, but there are still millions of other workers across the Dominican Republic, and other parts of the world like China, Bangladesh, India and even the United States that still do not know the definition of freedom. Making profit is still at the forefront of this issue of the factory's problems and in order to combat the issue; awareness and purchasing must be encouraged. The workers want consumers to be aware that there is a story behind every 'hoodie' and pair of sweatpants that we spend time lounging in. Pablo expresses his belief that students are becoming more conscientious about where their clothing comes from:

Many people don't know under what level of exploitation their clothes were made. Children are exploited and people are becoming interested in where their clothes are coming from and who makes them. But there are other models of slavery and exploitation like labor and sex trafficking. In other places, like Guatemala, they have salaries that don't allow them to live. In Bangladesh the people practically live and sleep in the factory, but Alta Gracia is changing the image and the way in which we produce clothes.¹⁷⁸

The apparel in the factory is not only made under safe and just conditions, but the production line in which they are produced promotes community within the factory. The clothes are incredibly soft, of high quality, and multiple workers take part in the process. The production line is a reflection of the Alta Gracia family and its incorporation of multiple parties' efforts to change the face of the global apparel industry. A number of workers make one item of clothing—there are workers that specifically sew the neckline or sleeves for example. Giovanni said, “When you work in a team there is better quality...I've never seen that quality in other factories where I have worked.”¹⁷⁹

¹⁷⁸ Tolentino, Pablo, 8/15/11

¹⁷⁹ Giovanni, 8/15/11

Chapter Six: Critiques and Recommendations

Critiques

The Economic Foundation of Alta Gracia: Where does the money come from?

The story resistance at the BJ&B factory and Alta Gracia is one of great resilience and bravery that can resonate for apparel workers all over the world. Many of the workers and U.S. interviewees spoke of the dedication and will power that it took to form Alta Gracia, which in no way should be downplayed by the fact that the project was actually funded by the single largest licensee of collegiate apparel in the United States, Knights Apparel. Because Alta Gracia is the “dream” model factory for workers rights in the garment industry all over the world, and because the hope is for the Alta Gracia Project Factory to become the method of outsourced apparel production all across the country, it is important to keep in mind the reality that the factory is indeed funded out of pocket by a third-party, Joe Bozich. Bozich is “hoping to prove that doing good can be good business, that they’re not mutually exclusive,” as he stated in an interview with the New York Times in 2010. Professor Soule and Professor Kline explain the economic contribution of Bozich’s Knights Apparel:

To keep the project alive, Knights Apparel assumed increasing levels of financial responsibility for Alta Gracia. Nearly one million dollars of up-front investment was required to renovate buildings, purchase equipment and inventory, hire and train workers – all expenditures occurring nearly a year before any off-setting revenue could be realized. In the end, Knights Apparel bore the full financial risk for the project.¹⁸⁰

¹⁸⁰ Soule, Edward, and John Kline. "Research Progress Report, Alta Gracia: Work With A Salario Digno." 5 Dec. 2011. Web. 7 Dec. 2011. <http://www12.georgetown.edu/sfs/docs/Research_Progress_Report_11-29b_with_cover.pdf>.

If the factory should not expand its production in the next 3-5 years, Knights Apparel will no longer be able to fund the Alta Gracia Project Factory. Precise sales and contracts determine the future survival of the factory, but have yet to be calculated. In order to create a global living wage and unionized apparel industry, money will have to come from corporate apparel licensee owners. This is something that was not fully acknowledged by most of the interviewees in the US and in the Dominican Republic.

When discussing the formation of Alta Gracia, members, advocates, and affiliates in the United States and in the Dominican Republic should further acknowledge the economic foundation of the factory. Since Alta Gracia is viewed as a model for a living wage and unionized collegiate apparel industry across the globe, it would be constructive for USAS and the WRC to launch a campaign to convince brands to essentially create their own Alta Gracia Project Factory. Many of the brands that do not seem to value the wages and conditions of the workers who make their clothing have the economic means to start a living wage and unionized factory. By launching such a campaign, it would create a positive and accessible explanation for brands to change their production methods. This campaign would help create a constructive model for brands to partake in the transforming the “race to the bottom” economy into an economy in which human rights are regarded at least on par with corporate profit.

Leadership Within the Union: Improving task delegation, spread of knowledge and organization within the union

While staying in Villa Alta Gracia with Maritza and her family, we were fortunate enough to observe and participate in one of the union meetings. Maritza Vargas, the President of the Alta Gracia Union, is very knowledgeable and in control. When

organizing, it is important to develop leadership within the community and disperse it throughout the organization. Leaders must have followers, so that they have a base and support. She is trusted, admired, outspoken and motivational, and the majority of the union's responsibility is in her hands. Her knowledge, selfless demeanor, and feminist attitude are her strengths, but simultaneously detrimental to her wellbeing. She is an employee at the Alta Gracia Project Factory, a mother, and a professional organizer—in other words she has three jobs. Her responsibility and around-the-clock dedication to the future and stability of the factory damages not only her health, but her family unit as well. Due to the hours that she works and dedication to community organizing in other parts of the country, her teenage daughter Kuki, has the burden of assuming her mother's responsibilities. Kuki works as a secretary and is a student and when she comes home must clean the house and cook meals for the rest of the members of the household. Pablo Tolentino and Yenny Perez are highly involved as well, however Maritza is the superheroine of the factory and town. More leadership and overall responsibilities need to be dispersed within the union, but there is no obvious solution for this problem. For instance, when students come to visit the town they stay with Maritza. She told me that once a group of 5-7 American students came to Villa Alta Gracia, and no other families felt comfortable hosting so they resided with Maritza. In terms of hosting, many families do not feel comfortable because they are still in the process of rebuilding their homes and recovering from unemployment. They are aware that American students' standard of living is higher than what the workers are accustomed to at the factory, and naturally fear being judged and viewed in an inferior manner. In conclusion it would be more beneficial

not only to Maritza, but the entire union to have more people informed with delegated tasks and assumed roles of responsibility for each position.

Recommendations

This section will focus on the initiative to improve conditions for apparel workers across the globe and discuss what can be done to ensure that health, safety and dignified wages are paid and that working conditions are consistently and justly monitored. It will address the policy solutions and other important components of maintaining the future economic sustainability of the Alta Gracia Factory, and acknowledge helpful student organizing techniques for organizers in the U.S. and union organizers abroad.

Reforming Accountability Solutions: U.S. Governments and Universities

Based on our research we have identified several possible solutions for U.S. colleges and universities to implement in campus bookstores. There must be a demand from bookstore managers and customers that collegiate clothing is made with workers' rights as a foremost concern. Considering that the Designated Suppliers Program (DSP) is a written document with a set of organized demands to ensure that collegiate apparel is produced in a socially-conscious environment, the DSP should be a model for the formation of policy in the future in regards to socially conscious apparel production. There are several additional ideas that should be considered on national and governmental levels to ensure that the demands of the DSP are met. These include, but are not limited to increased funding for watchdog organizations and mandated efforts by the U.S. government to improve working conditions in outsourced apparel factories.

Enforcement of labor rights in countries producing clothing for U.S. and other western countries is a highly important step to improving working conditions for garment

workers nationally and internationally. Considering the thoughts and research performed by Professor Soule and Professor Kline, a signed contract is not enough to ensure that clothing in developing countries is produced in humane work environments with proper living wages and dignified treatment of workers. There needs to be negative consequences for brands producing in factories that perpetuate the exploitative production system. With assistance from students, researching professors, the WRC, and USAS, a policy should be developed to ensure that the codes of conduct signed by universities are met and consequences are agreed upon for violations of said code. These alleged consequences will be difficult to enforce, but with consistent monitoring by trustworthy international watchdog organizations such as the WRC, brands will be held accountable. Furthermore, colleges and universities must uphold their moral foundations, but they can only do this if they are properly informed about the conditions under which the apparel that they sell is produced. This would also require campus bookstores to end long-term contracts with non-compliant brands. Therefore, a mandated collective effort from all U.S. universities to agree on the enforcement of their codes of conduct is necessary as well.

Increased funding for watchdog organizations is also an imperative factor in the policy initiative. Greater funding must be allocated to the WRC by universities, so that the organization can expand its personnel abroad to ensure a dedicated and consistent monitoring of the work environment in countries producing clothing for American universities. This would allow for more accurate monitoring while simultaneously prohibiting risk, doubt, and instances of falsity in reporting.

Mandated efforts by the U.S. government to improve working conditions in apparel factories across the globe with lower wages is also an imperative step in improving the future of workers rights in the global apparel industry. The Alta Gracia Project is funded by Joe Bozich, CEO of Knights Apparel; similar to Knights many competitors also have the economic means to fund a factory modeled after Alta Gracia. If each brand was mandated to give a percentage of their profits to transform its current model to that of AG, the success of a living wage economy would subsequently increase due to the laws of supply and demand. In addition, if the United States government agreed to instate a policy demanding that union rights must be met in all outsourced factories, it would result in a rapid decrease in the number of sweatshop conditions around the entire world. The economy of developing countries and most importantly, the living standards of apparel workers in the U.S. and all over the world would substantially improve.

Organizing

It can be highly challenging to engage in long-term organization of large bodies of people, especially students. In the case of Alta Gracia, consistent student effort for many years is needed to ensure the future of the factory. Deciphering the most efficient and successful techniques, campaign strategies, and overall methods of organizing students are vital to the future growth of Alta Gracia's presence on university campuses.

Maximizing time efficiency and productivity for student campaigns is the greatest way for students to achieve their campaign goals. It is essential when organizing as a student body to identify the right stakeholders in any given campaign. College students are absorbed in a number of diverse activities that consume time and energy, and

in order to keep a campaign strong on a college campus, the effectiveness and efficiency of time spent on the campaign is key to maximizing and maintaining power in numbers. The campaign for universities to establish stable contracts with Alta Gracia must be consistent and overcome the arduous nature of continuing student campaign momentum on college campuses throughout the semesters and years following. Campaigns must be focused on key stakeholders and also clear and common goals must be established. The most successful campaigns have stemmed from efficient engagements such as letter writing delegations directed towards engaging multiple parties in power such as the college president and the bookstore.

The “Rock the Tag” campaign at Occidental College is an example of a campaign that initially had a great impact and then lost momentum the following semester. Students at Occidental College (including Alexandria Brown and Helen Wright) were assigned the task of encouraging the bookstore to order more shirts from Alta Gracia. Within two weeks, our class was able to convince the President of the college to wear the shirt and make a short speech attesting to the importance of the Alta Gracia clothing line. We also organized a visit and informational talk with Maritza Vargas, a fellow Nike apparel worker from South America, and Teresa Cheng, who were touring the U.S. promoting Alta Gracia at the same time the “Rock the Tag” campaign was running. Our class also advertised a successful “black out” at the homecoming football game, where we all wore our Alta Gracia t-shirts, and used the loudspeaker to encourage other students to purchase Alta Gracia clothing.

The following semester, many of the students who were in the class were not present on Occidental’s campus due to studying abroad. During the week that we

campaigned, the bookstore sold out of nearly all of the Alta Gracia t-shirts. This encouraged the bookstore to make another order of Alta Gracia shirts. But unfortunately because there was not a consistent campaign on campus with the absence of the original students, there was no demand for Alta Gracia apparel and the shirts failed to sell out as quickly as hoped. Therefore, the bookstore has yet to make another order since the spring of 2011. Furthermore, the display in the bookstore did not make it clear which shirts were Alta Gracia shirts and which ones were not. Another setback was the design chosen by the bookstore stated “Property of Occidental College,” which many students expressed is not a desirable slogan to wear. This is an example of a campaign that had the potential to create a sustainable of student involvement on Occidental’s campus which could have resulted in consistent orders of Alta Gracia clothing for the bookstore. Due to inconsistent student leadership, and the lack of encouragement from professors, however, the campaign has lost momentum. In order to revive this worthwhile project at Occidental, students must be encouraged not only by fellow students, but also by professors to start a labor rights initiative on campus and form a consistent goal and quota for the bookstore to order from Alta Gracia per semester. Furthermore, USAS should complete a template for students marking successful campaign strategies and techniques that have thus far been the most effective for students.

Gaining the attention of powerful individuals is a vital component and accomplishment for student organizers. By pressuring universities and colleges to cut ties with Russell Athletic, USAS was able to instigate the re-opening of the BJ&B factory. Although these are major accomplishments, student-organizing power is limited by the fact that they cannot control an international economic equation. Brands will

continue to search for the lowest possible wages until colleges and universities sign an agreement that all clothing must be made in a unionized factory. Although Alta Gracia was founded through the hard work of students and workers organizing, the actual creation of the factory was able to come to fruition because of the economic power of Knights Apparel. It is important to note, however, that it is because of the student organizing efforts that Knights Apparel took such an interest in this project and chose to fund the factory.

Organizational resources for parties interested in Alta Gracia are key to promoting research and promotion of the project. When researching information on the living wage, monthly salary, and benefits, as well as the timeline of events leading up to the creation of the Alta Gracia Factory, we found it difficult to find the information presented in a clear and linear fashion. There are instructional PowerPoint presentations available on the Alta Gracia website, however, technical research information such as the annual updated living wage for each year and the methods of calculations must be more readily available for students and individuals completing academic research. If there was a single website that was updated by USAS, the WRC, and Alta Gracia on a weekly or monthly basis with the aforementioned information available, this would be intrinsically beneficial for researchers and Alta Gracia. Additionally, this would improve the availability of information for other institutions or brands that may be interested in calculating and starting their own living wage, and unionized factory.

Further Research

Research Topics:

The following research studies and statistical data have yet to be conducted but will decidedly benefit Alta Gracia as well as the businesses that are looking to Alta Gracia as a model for future production:

- 1) The percentage of economic change within the town since the opening of the factory
- 2) The number of jobs generated by AG for the entire community of Villa Alta Gracia (example: construction jobs, taxi-service increase, and food services during the lunch hour)
- 3) The unemployment rate in the entire town before Alta Gracia opened
- 4) The calculated percentage of *change* in employment in villa Altagracia since the opening of the factory (currently being researched)
- 5) How many workers were unable to have a bank account before employment at Alta Gracia, and how many of them are now able to open a bank account
- 6) How many Alta Gracia employees have returned to school, or now attend school since the opening of the factory
- 7) What are the labor conditions of other Knights Apparel workers in factories other than Alta Gracia?

Conclusion: Alta Gracia should be the norm, so why is it not?

The Alta Gracia Project Factory, is exemplary because it shows that change is possible despite the fact that retailers and top executives of major brands in the global apparel industry have decided to further the exploitation of workers abroad in the developing world and at home in the United States. Alta Gracia is able to be the model that it is today, because it is eliminating the negative implications that stem from international trade policy that reflects the United States' imperialistic mentality and historical policy implementation. It is not a secret that our country has a history of interfering in Latin America's international and national affairs, in this case the Dominican Republic. During the 1950's and 60's, the American government infiltrated itself in Dominican affairs in order to implement Free Trade Zone policy that would ensure its benefit in regards to revenue, production, the weakening of regulations and restrictions and lower labor costs. These relaxed regulations do not need to manifest themselves into psychological and physical abusive working environments and wages so low that workers cannot provide basic necessities for their children let alone themselves. Furthermore, global policy initiatives such as the implementation of NAFTA in coordination with the termination of the Multi-fiber Agreement contributed greatly to the depletion of workers rights and the perpetuation of the "race to the bottom".

Apparel can be produced at a living wage with only a minuscule impact on the final cost as long as concerted forces work to keep the demand for the product high. There is no viable economic reason why a living wage should not be provided to apparel workers around the world, why decent safety and health conditions within factories should not be maintained. Or why workers' rights to unionize should not be recognized

and most importantly why apparel cannot be produced in a humane manner. Scott Nova, Director of the WRC and a key player in the implementation of the project factory, explains why the Alta Gracia model seems monumental, but in actuality is only that way because of the inhumane sweatshops that it compares to:

It is important to note that Alta Gracia only appears miraculous because the norm in the industry is so reprehensible. A factory where workers are being paid a wage, its not a wage where people are getting wealthy, but a decent living wage, in a factory where workers can exercise a right clearly recognized in law and organize a union in a factory where the health and safety of workers is treated as a priority, these things should be typical...It is only because of that reality and the corrosive and economic dynamics that its by chains that perpetuate that reality that a simple, decent factory that treats workers fairly looks like a miracle.

Because of our lack of knowledge and desensitization of the exploitative global production system, there have been limited efforts and belief regarding the possibility of transformation within the system. Alta Gracia is the first and only functioning example that proves to governments, brands, and top executives that through effective local and international community organizing and social entrepreneurship we can implement change by persuading others to follow the model at hand and take new leaps to began solving our world's social ills. The AG project makes clear the role that all global constituents can and should play toward eliminating sweatshops and the race to the bottom on the backs of the workers and entire communities.

Appendices

A. Key Subjects for Primary Research

Maritza Vargas: Justice for Apparel Workers

Originally from Pepillo Salcedo, Monte Cristi, The Dominican Republic, Vargas began her career as a community organizer when she became aware of the blatant inhumane treatment that she and her colleagues faced at the BJ&B factory in the small town of Villa Altagracia located in the San Cristóbal province of the Dominican Republic during the late 1990's. She is a mother, professional community organizer, Secretary of Finance for Fedotrazonas (Federación Dominicana de Trabajadores de Zonas Francas, Industrias Diversas y de Servicios/ Dominican Federation of Free Trade Zone Workers, Diverse Industries and Services), and the President of SITRALPO, Alta Gracia union.

Yenny Perez: Justice for Apparel Workers

In the early 2000's, while she was pregnant began affiliating with the BJ&B union against the brutal treatment directed towards her colleagues by the Korean management. She is a mother of many children, an Alta Gracia employee and SITRALPO Alta Gracia union affiliate. Similar to Maritza, she is one of the many women in Villa Altagracia that took a stance against the verbal and physical abuse that is so widely accepted in Free Trade Zones in the Dominican Republic and around the world.

Pablo Tolentino: Justice for Apparel Workers

Tolentino began organizing a union at the TK factory in the Free Trade Zone in Villa Alta Gracia in 2001 in order to fight for women's rights and improve working conditions within the factory. A few years later the factory closed, he was blacklisted and found it difficult to find employment and began his professional community organizing career and helped establish unions in other cities in the Dominican Republic. In March of 2010, along with Yenny, Maritza and other union affiliates began to plan the foundation of the Alta Gracia Project Factory.

Teresa Cheng: Bridging the gap between consumers and exporters

After graduating from the University of Southern California, Teresa Cheng followed her active passion for human rights and workers justice issues and was hired as the international Campaigns Organizer for United Students Against Sweatshops (USAS). She was very active at USC as a student leader, and participated in many sit-ins and protests that gave her the experience she needed to become one of the lead organizers for USAS. After her freshmen year in college she went to Hong Kong as a part of USAS's international campaign, and for the first time experienced a 'sweatshop environment' and met workers who were sewing college apparel. She is one of the main organizers in the United States, who has worked with employees from BJ&B (and now Alta Gracia) since the beginning of their efforts to form a union.

Casey Sweeney: Student Organizing in the United States

Casey Sweeney is the regional student manager for United Students Against Sweatshops. As of spring semester 2012, she is in her junior year of college attending Cornell University. Throughout our interview we discussed the importance of organizing on college campuses and the specific strategies for raising awareness about labor rights issues and the struggles and benefits of gathering power in numbers.

Professor Ed Soule: Marketability and Sustainability of the Alta Gracia Project

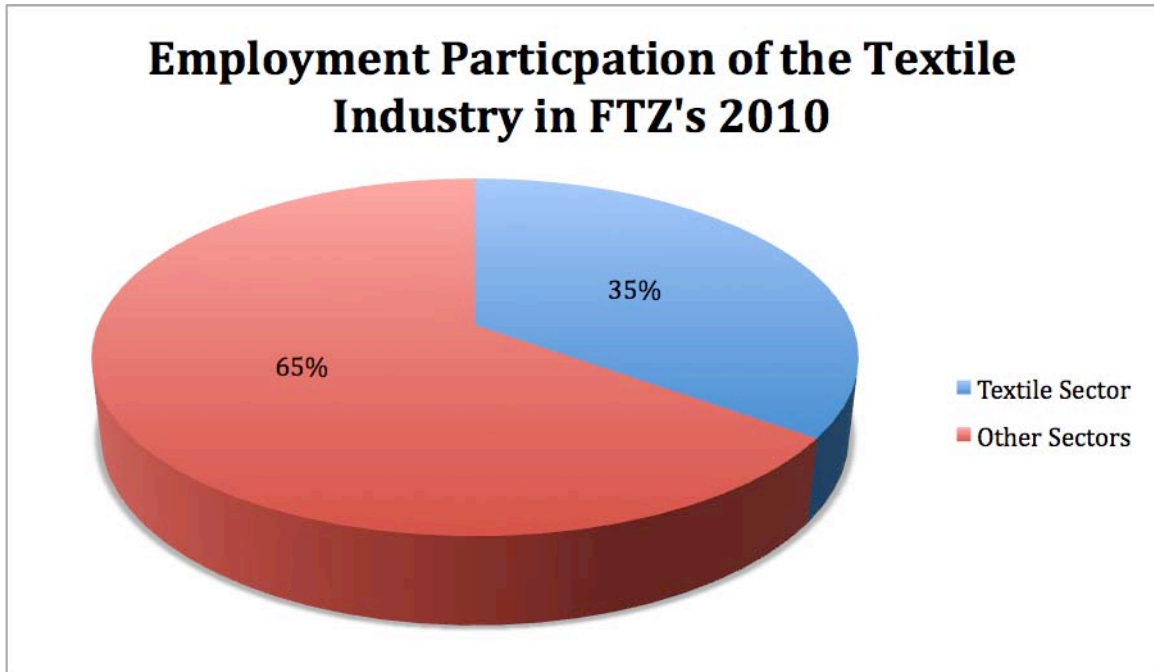
Prof. Soule is a Professor of Business at Georgetown University. He has been on the board of the University's Licensing Oversight Committee for over a decade. He is currently working with Professor John M. Kline on conducting research on the business model and economic implications of the Alta Gracia Factory Project, and had experience working in the field of corporate business management prior to his professorship. He brings to the table detailed insight into the business logistics of the Alta Gracia Factory Project.

Scott Nova: Monitoring of Labor Rights Violations Abroad

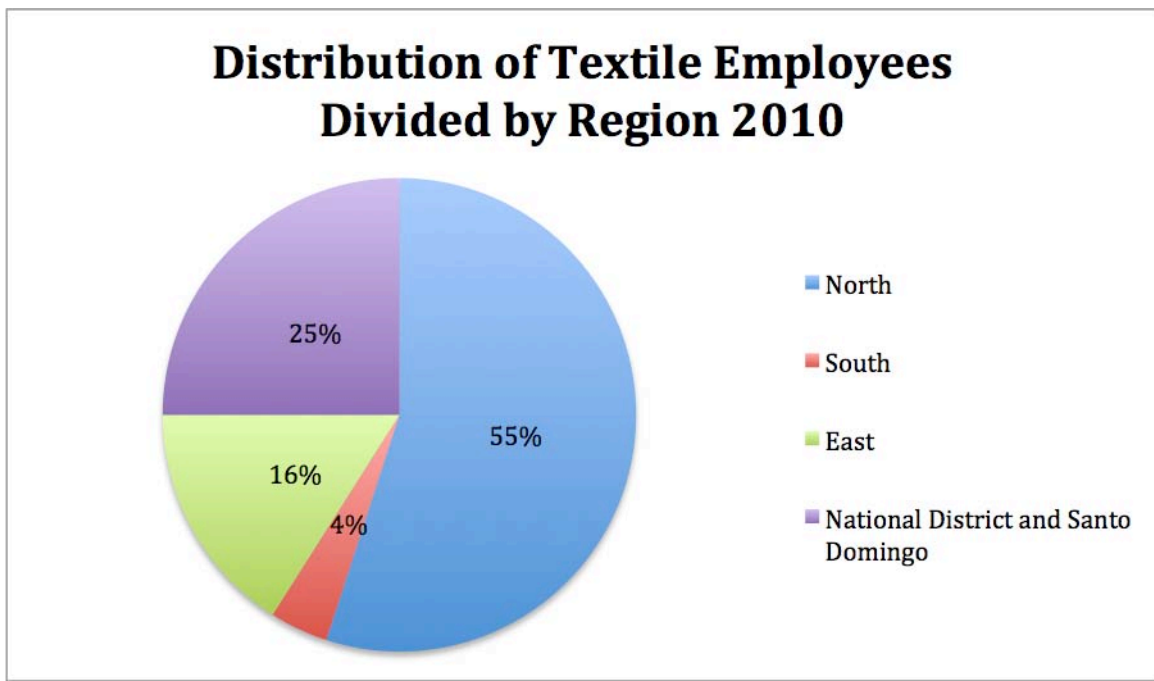
Scott Nova is the Executive Director of the Workers Rights Consortium, "The Worker Rights Consortium (WRC) is an independent labor rights monitoring organization, conducting investigations of working conditions in factories around the globe. Our purpose is to combat sweatshops and protect the rights of workers who make apparel and other products."¹⁸¹ He has worked with the WRC since the founding of the global watchdog organization. He decided to pursue a long-term career in this field because he recognized the power that students have within the ability to influence clothing brands to agree to treat their workers with respect. In this interview we discussed why it is vital that these factories in countries other than the United States are monitored consistently, and what important facts lie in the global apparel industry concerning certification and perpetuation of rights and union negotiations in factories.

¹⁸¹ The Workers Rights Consortium. "WRC Mission", http://www.chicagomanualofstyle.org/tools_citationguide.html. Accessed December 10, 2011,

B. Tables & Graphs

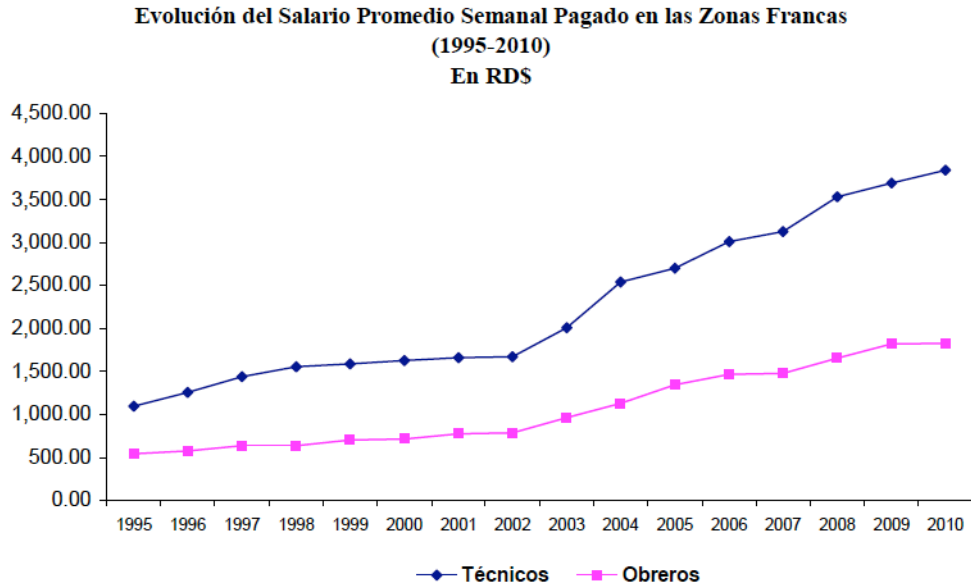


"VISION HISTORICA DE LAS ZONAS FRANCAS DEL SECTOR TEXTIL." *VISION HISTORICA DE LAS ZONAS FRANCAS DEL SECTOR TEXTIL*. 2010. Web. 2012.
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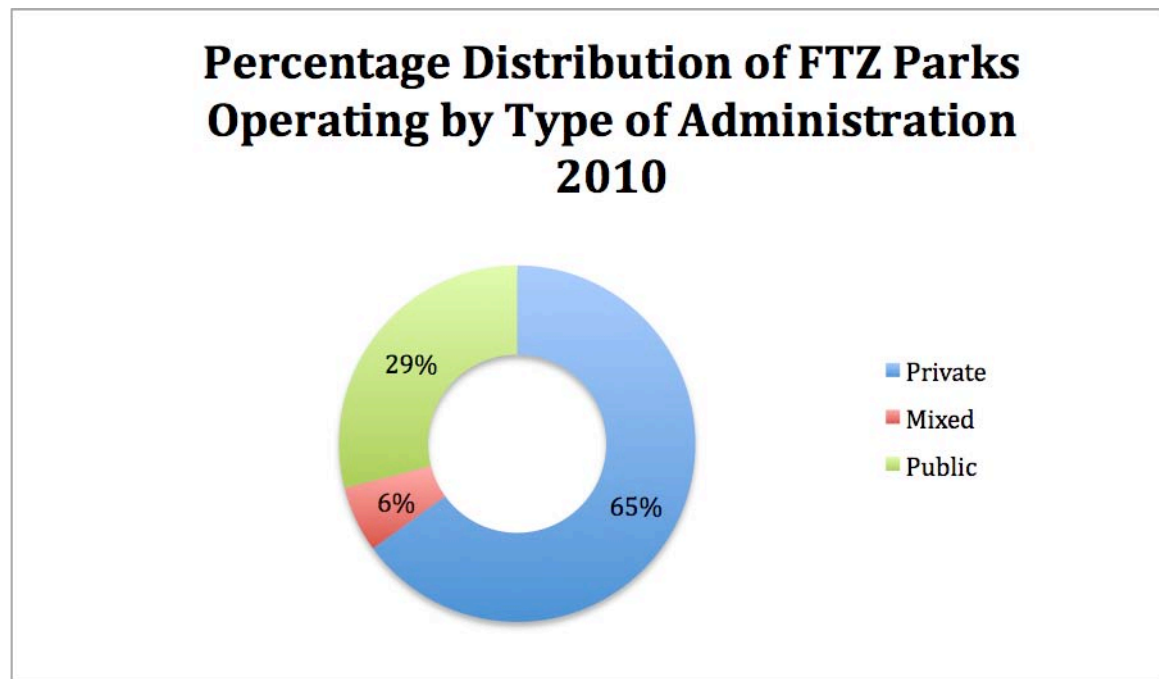


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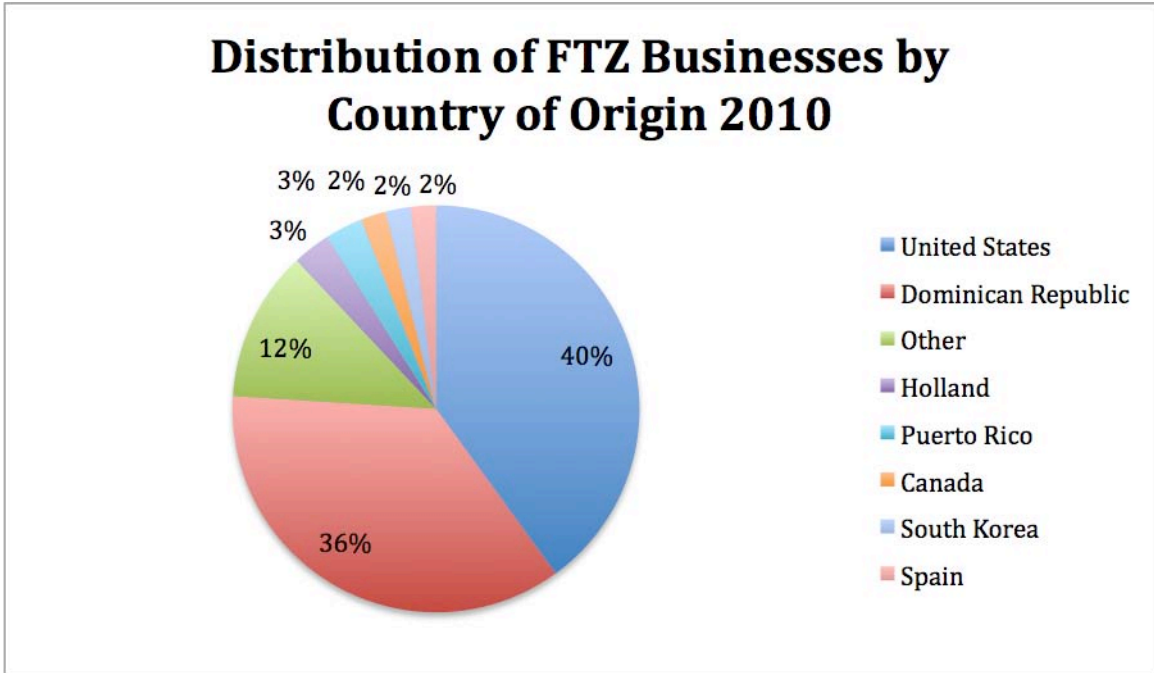
Translation: Evolution of Average Weekly Salary Paid in FTZ in Dominican Pesos 2010



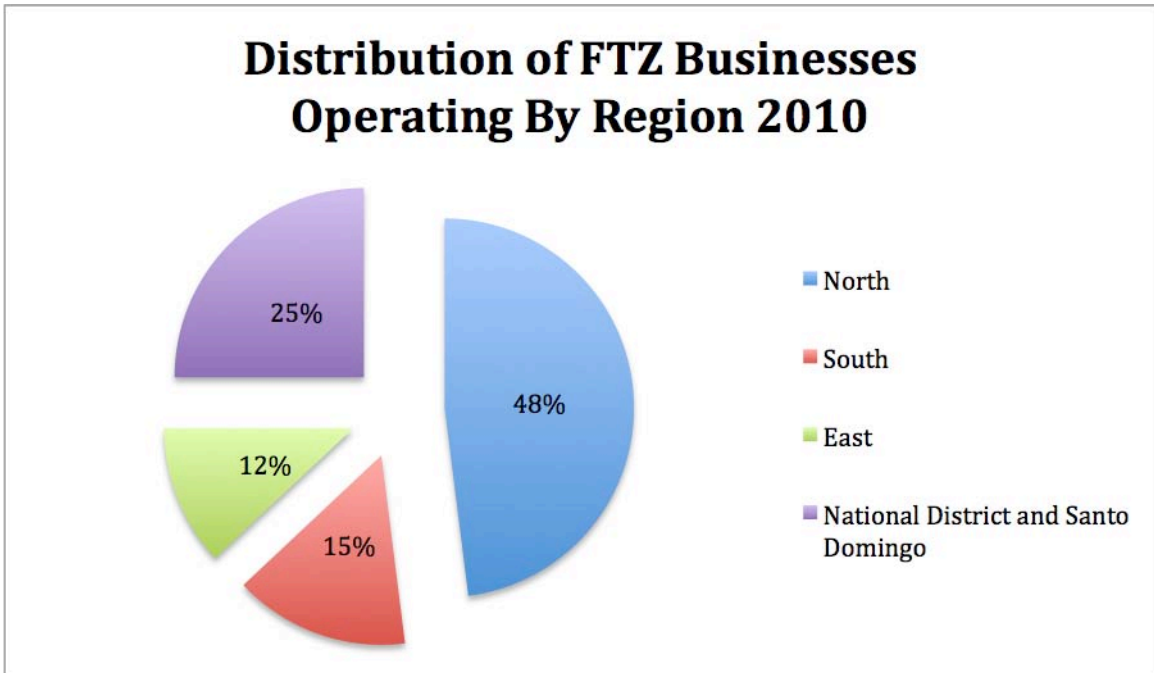
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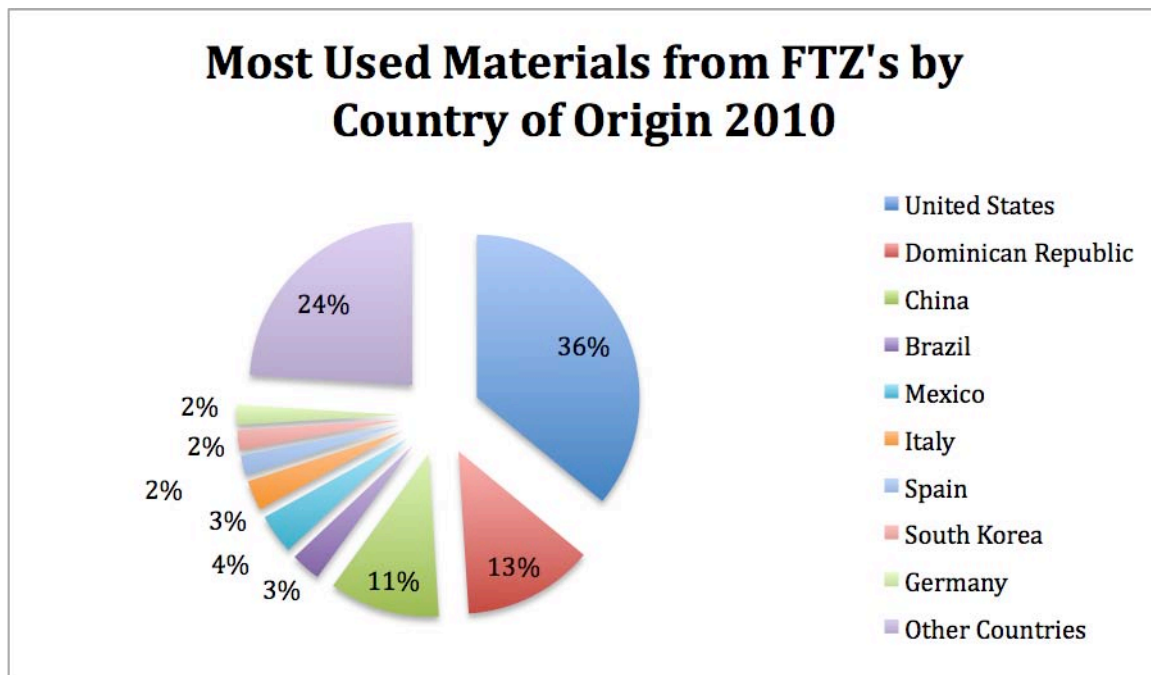
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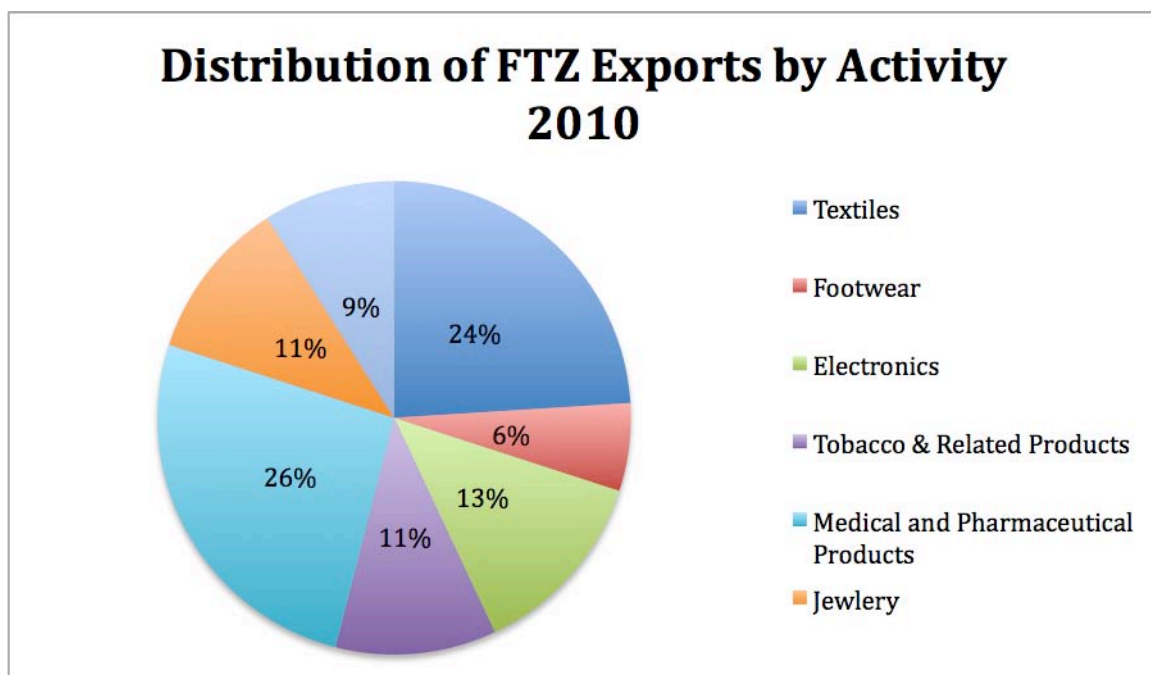
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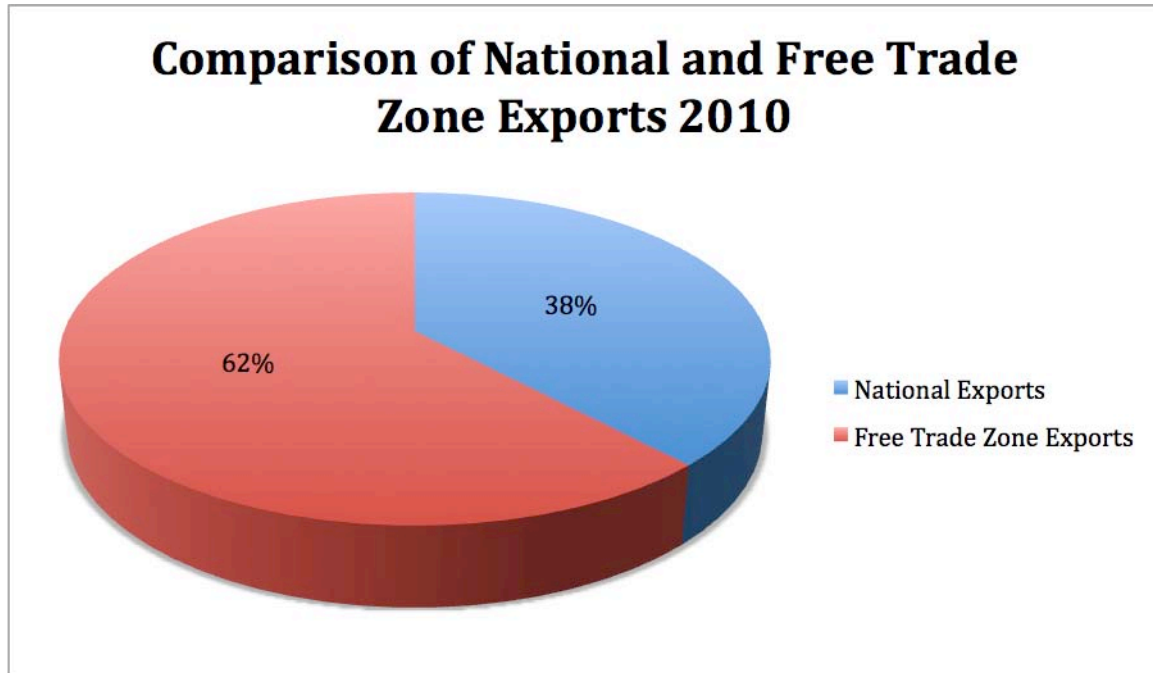


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"INFORME ESTADISTICO DEL SECTOR ZONAS FRANCAS 2010 República." *Consejo Nacional De Zonas Francas De Exportación*. Consejo Nacional De Zonas Francas De Exportación. Web. 2012. <<http://www.cnzfe.gov.do/documentos/informesestadisticos/InfEst2010Esp.pdf>>.

Evolución Empleos Directos Generados por las Zonas Francas 1995-2010

Años	No. Empleos	Variación %
1995	165,571	---
1996	164,639	-0.56
1997	182,174	10.65
1998	195,193	7.15
1999	189,458	-2.94
2000	195,262	3.06
2001	175,078	-10.34
2002	170,833	-2.42
2003	173,367	1.48
2004	189,853	9.51
2005	154,781	-18.47
2006	148,411	-4.12
2007	128,002	-13.75
2008	124,517	-2.72
2009	112,618	-9.56
2010	121,001	7.44

Pared Pérez, Reinaldo, Amarilis Santana Cedano, Diego Aquino Acosta Rojas, Julio César Valentín Jiminián, María Cleofia Sánchez Lora, Leonel Fernandez and Teodoro Ursino. "EL CONGRESO NACIONAL En Nombre De La República." El Congreso Nacional. Web. 17 Apr. 2012. <<http://www.cnzfe.gov.do/documentos/Ley5607/Ley5607.pdf>>.

C. Important Stories and Articles related to Labor Rights in the Apparel Industry

Stories about labor rights in the apparel industry are of critical importance in motivating continued improvements in workers rights. Stories allow consumers, governments, and change leaders to engage and connect with the plight of the workers. The workers become humanized and people care about how they can affect change for the better through information and facts made emotionally accessible through stories that chronicle real life impacts.

Sweat-X Case Study: Learning from Mistakes

Alta Gracia is not the first attempt at creating an ethically based apparel company. In 2001, the founder of Ben and Jerry's Ice cream, Ben Cohen, and the Hot Fudge Social Venture Fund put their minds together to start a socially conscious apparel factory in Los Angeles. Garment workers (many of whom were well-seasoned veterans of the sweatshop industry in Los Angeles) were hired at the factory, paid a living wage, and signed up with UNITE (the garment workers union). The plan was once the factory had reached peak production with assured economic stability in the future, to sell the factory to the workers and managers. The hope was that the factory would one day expand to the level of popularity that Nike owns, sold in department stores as well as supplying wholesale orders to colleges and universities.

Similar to Alta Gracia, Sweat-X was created and funded by a large corporation and a businessman who saw the potential in creating a different model of production for the entire apparel industry. However, Sweat-X was forced to close its doors in 2004 as it was no longer able to economically sustain itself in the highly competitive garment industry. Sweat-X sold T-shirts and polo shirts, and was supported for its short-life by unions and some colleges where students organized to have their bookstores sell the factory's garments. Some larger donors supported the Sweat-X effort such as the band The Foo-Fighters, who took the initiative to sell Sweat-X produced logo T-shirts at their concerts. However, this was not enough business to sustain the factory.

The most significant reason that the factory was unable to sustain and expand its client base was due to the fact that the first management team hired did not have the adequate training and skills to ensure that orders were completed and delivered on time. This killed the factory's potential for client expansion and reputation building in the apparel industry. The team was learning as it went; extensive training and educational outreach should have been part of the preparation process. Lack of education and expertise is an expensive fumble in the apparel industry.

University of Washington Case Study: Upholding Codes of Conduct

Although severing contracts between bookstores and brands is a difficult task for students to convince universities to comply with, students at the University of Washington have taken the lead to hold their university accountable to the code of

conduct that they require their bookstore suppliers to uphold. In February of 2012, USAS affiliates at the University of Washington brought attention to the fact that the UW bookstore's contracted brand, Adidas, was in violation of the university's code of conduct. USAS members on UW's campus organized and brought the issue to the UW Advisory Committee on Trademarks and Licensing. The violation committed by Adidas was that the brand refused to pay \$1.8 million dollars in severance to workers making their clothing in a factory in Indonesia. Furthermore, they refused to acknowledge important aspects of the codes of conduct such as the factory workers rights to collective bargaining. The head of Social and Environmental Affairs for Adidas claimed, "Adidas is not legally responsible for paying that severance." As it became clear that Adidas was not willing to pay the \$1.8 million dollars in severance, UW's Advisory Committee on Trademarks and Licensing threatened the brand with cutting their longstanding contract with Adidas. Morgan Currier, UW USAS co-chair, is quoted in the article published by USAS on the issue, "It seems like this is a very blatant issue that you could solve tomorrow if you really wanted to. I think that's all the information we need regarding our contract with Adidas."¹⁸²

Once Adidas felt the pressure from UW, they decided to start a "Humanitarian Aid Fund." Although the contract negotiations have yet to be finalized, it is suspected that two thirds of the fund will be distributed to the FLA, the labor rights monitoring organization with which Adidas is affiliated. Ultimately, that money will not be going to the workers who deserve it and who are still out of work. In fact it will not be going to any workers at all. USAS members at UW are continuing to fight the issue with the help of their administration.¹⁸³

Gaining solidarity between students and university committees, such as the UW Advisory Committee on Trademarks and Licensing, is a vital step in pressuring brands to honestly uphold workers rights in the factories to which they outsource their labor. The loss of a longstanding contract with a university such as UW, is seriously detrimental even to major brands such as Adidas. By applying strong pressure to pay workers the severance they deserve and threatening to cut the contract that Adidas has relied on for many years, UW USAS affiliates and the university's committee on licensing has gained the power to force Adidas into upholding their code of conduct.

The Dangers for Organizers in Bangladesh

The country of Bangladesh is quickly rising to the top of the chain for garment industry production as many brands have transferred their production to the country due to the low wages. There are approximately 3.6 million workers in the garment industry in Bangladesh, as the industry is the leading source of employment. The country is now one tier below China, but is expected to quickly rise to the top of the supply chain for producing western brand garments, as the nation's wages are the lowest and the most

¹⁸² "UW Committee Puts Adidas In The 'Hot Seat'" *United Students Against Sweatshops*. Ed. Hayat Norimine. USAS, 23 Feb. 2012. Web. 08 Apr. 2012. <<http://usas.org/2012/02/23/uw-committee-puts-adidas-in-the-hot-seat-the-daily-university-of-washington/>>.

¹⁸³ Cheng, Teresa. 4/11/12

desirable source of production for brands. In 2011, the country shipped approximately \$18 Million worth of clothing to western countries.

Lack of safety regulations and wages set below a survivable rate, are the main issues involved with the country's garment production. The current minimum wage in the garment sector is 3,000 Taka a month, which equals roughly \$36.00USD a month. Mostly young women make up 80% of the workers in the garment sector. These women view the garment industry as a step out of the poverty existence of farming, although the wages in the factories are still not high enough to fully support their families and the health risks are great.

Bangladeshi workers have taken the initiative to pressure their government to improve wages and conditions. However, the government recently made a statement refusing to tolerate further protests. The Bangladesh Center for Worker Solidarity is one of the main perpetrators of protests and demands for improved labor policy throughout the nation. Unfortunately, one of the most powerful and dedicated organizers for the Bangladesh Center for Worker Solidarity was recently murdered during the beginning of April 2012.

Mr. Islam, age 40, had two sons, a daughter, and a wife. He once worked in a textile factory in Dhaka, a city in Bangladesh harboring many textile factories. He stopped working in textile factories in order to organize and advocate for workers rights in the garment sector in Bangladesh. He played a fundamental role in organizing the protests in 2010 that led to the minimum wage increase throughout the country, from 1,662.50 taka to 3,000 taka. Mr. Islam was found murdered on the side of the road outside of Dhaka by the Bangladeshi police force, and the individuals who committed the crime have yet to be identified. The president of the Bangladesh Garment and Industrial Workers Federation, Mr. Akter, declared that his death was the Bangladeshi government's attempt at intimidating and discouraging workers from organizing and protesting their current working conditions. He also stated that this would not stop them from further organizing, and that they would not stop protesting until the people who murdered Mr. Islam are prosecuted for the murder.

This is just one example of the dire need for western clothing brands to take responsibility for the working conditions of the people who make their clothing. Wal-Mart and Tommy Hilfiger on April 8th 2012 sent statements by e-mail pledging their commitment to improving conditions for factory workers in Bangladesh. H&M, a large corporation, has yet to make a statement declaring the same initiative to improve conditions for workers.

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