

**LIESBETH SLUITER**

# **CLEAN CLOTHES**

**A GLOBAL MOVEMENT TO  
END SWEATSHOPS**

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Liesbeth Sluiter



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*For my mother,  
who loved to make clothes for her ungrateful daughter*



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# Essential Abbreviations

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BSCI	Business Social Compliance Initiative: a business-driven organisation for code of conduct compliance in the garment industry. It has no multiple stakeholders, and audit reports are not published.
CCC	Clean Clothes Campaign: a global network for the improvement of labour conditions in the garment industry.
CSR	Corporate Social Responsibility: a form of voluntary self-regulation whereby businesses monitor their adherence to a set of standards in the realms of environment, consumers, employees, communities and other public stakeholders.
ETI	Ethical Trading Initiative: a UK-based multi-stakeholder initiative of businesses, trade unions and NGOs that executes pilot projects and exchanges best practices.
EPZ	Export processing zone: industrial area in a developing country that produces for export; taxes, tariffs and regulations are minimised and infrastructure optimised in the hope of attracting foreign investment.
FLA	Fair Labor Association: a US-based multi-stakeholder initiative of businesses, trade unions and NGOs that holds participant companies accountable to its code of conduct through a system of internal monitoring and external verification.
FTZ	Free trade zone: see EPZ.
FWF	Fair Wear Foundation: a Netherlands-based multi-stakeholder initiative of businesses, trade unions and NGOs that holds participant companies accountable to its code of conduct through a system of internal monitoring and external verification.
GSCP	Global Social Compliance Programme: a business-driven organisation for code of conduct compliance in the garment industry. It has no multiple stakeholders, and audit reports are not published.

ILO	International Labour Organisation: the UN agency for the promotion of social justice and human and labour rights.
ITGLWF	International Textile, Garment and Leather Workers' Federation: a global union federation.
IS	International Secretariat of the Clean Clothes Campaign.
ITUC	International Trade Union Federation: a global union federation.
MFA	Multi-Fibre Arrangement: a system of quota restrictions established in 1974 under the World Trade Organisation, intended to give the industry in developed countries the chance to adapt to cheap imports from developing countries.
MSI	Multi-stakeholder initiative of businesses, trade unions and NGOs that aims for corporate responsibility with regard to labour-rights standards along the supply chain.
NCPs	National contact points of the OECD, responsible for publicising its Guidelines, promoting the adherence of affiliated states, and reviewing complaints against companies.
NGO	Non-governmental organisation: civil society organisation.
OECD	Organisation for Economic Cooperation and Development: an organisation that promotes the interests of 30 countries committed to democracy and the market economy.
OPT	Outward Processing Trade: a trade and investment mechanism whereby clothes are made in eastern European countries with materials from EU countries.
SAI	Social Accountability International: US multi-stakeholder initiative of businesses, trade unions and NGOs that aims to bring global consistency to code of conduct standards and third-party verification procedures.
Socam	Service Organisation for Compliance Audit Management: C&A's organisation for code of conduct compliance in the supply chain. It has no multiple stakeholders, and audit reports are not published.



TNC	Transnational corporation: a corporation that manages production and/or delivers services in more than one country.
WRAP	Worldwide Responsible Apparel Production: a business-driven organisation for code of conduct compliance in the garment industry. It has no multiple stakeholders, and audit reports are not published.
WTO	World Trade Organisation: global organisation designed to liberalise and regulate trade.

# Preface

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Since the mid nineteenth century, garment industry employees have been among the most exploited workers on the planet. The inhuman working conditions in the early sweatshops of London and New York have been well documented. Less well known is the fact that today famous high street fashion brands and big-box retailers have their clothes made under those inhuman conditions in Bangladesh, China, Madagascar, Romania and Nicaragua – any place, in fact, where wages are low and workers are unable to organise themselves.

In the garment industry, globalisation has come to mean that fashion brands and big-box retailers seduce customers in the world's shopping centres with prices that seem too good to be true – and are in fact too good to be fair to the sweatshop workers in the world's production centres. But the misery behind our fashionable clothes has become invisible. One of the purposes of this book is exposing the injustices of this industry and the mechanisms behind them; the other is to show that something can be done. Everybody wears clothes; everybody is involved.

The Clean Clothes Campaign is a worldwide network that supports garment workers in their struggle for a better life, traces the industry's supply chains, and urges those in charge to respect labour rights. But, while in the past 20 years the campaign has successfully turned the spotlight on rights violations and contributed to the acceptance of corporate social responsibility among businesses, sweatshop labour still disgraces the global garment industry. The fight for clean clothes is not over yet.



# Introduction

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The Clean Clothes Campaign office is established in a former school building in Amsterdam. Visitors pass through a corridor lined with publications in several languages to find a cluster of rooms full of people who peer at computer screens, tap keyboards, dig into stacks of paper, confer in groups around tables, or shout into a telephone in the hope of being understood in an office on the other side of the world. Most of them are women. The atmosphere is informal and easy-going, but there is always a sense of urgency in the air.

This office is the nerve centre of a network that communicates with corporate directors in London and migrant workers in China's Pearl River Delta, and that connects shopping teenagers in Stockholm to home-workers in Delhi, fashion designers in Warsaw to seamstresses in Madagascar, housewives in Madrid to union leaders in Sri Lanka. It is a 'system of information, protest and planning, a system already coursing with activity and ideas crossing many national borders and several generations', as Naomi Klein puts it in the introduction to *No Logo*, her book that describes the birth of a movement that fights the adverse effects of globalisation.<sup>1</sup> The Clean Clothes Campaign is part of this movement and, after 20 years of protest and planning, it is no longer in its infancy.

The campaign got off the ground on 29 September 1988, when 50 women picketed in front of a C&A clothes store in Amsterdam. They were members of feminist groups, Third World solidarity groups, squatting communities and consumer organisations. They were angry because they had discovered that the clothes they wore had been made in sweatshops – places where people at the wrong end of economic development work long hours for little pay, under harsh conditions.

Their action was one in a long line of protest dating back to the nineteenth century. Around 1850 Charles Kingsley, a British Christian Socialist, wrote the pamphlet *Cheap Clothes and Nasty*, a diatribe against the 'sweating system' in London's clothing trade of the time. Its most amazing feature is that so many of the characteristics it describes still apply to the sweatshops of today.<sup>2</sup>

At the time, the production of ready-made, mass-produced garments was underway. In London's West and East Ends,

contractors or ‘sweaters’ transformed the ‘honourable tailoring trade’. In the past, craftsmen had made clothes in workshops where a master had paid them daily wages; now the work was let out to contractors who hired workers for a piece-wage. Facilitated by a progressive division of labour, the work was let out again and again. The competition between contractors and subcontractors ground wages and working conditions down to the lowest possible level: whoever delivered the clothes fastest and cheapest got the order. When the last drop of sweat had been wrung out of a worker, the next one was waiting, fresh from a countryside village or off the boat from Ireland. Because the work on a piece of clothing was split up, little learning was needed. Hand-sewing was still the norm; the newly invented sewing machines were expensive and unreliable. The workers, increasingly female, often lived in or above the ‘sweatshop’, usually the contractor’s house. They worked long hours for so little money that they had to pawn their coats to be able to eat. Workers covered themselves with the clothes they were sewing to protect themselves against the cold. Sometimes they were out of work, sometimes there was so much that children had to help out. Sarcastically, Kingsley wrote:

Sweet competition! Heavenly maid! Nowadays hymned alike by penny-a-liners and philosophers as the ground of all society, the only real preserver of the earth! Why not of heaven, too? ... All classes, though by their own confession they are ashamed, are yet not afraid to profit by the system ... What can be done? It is so hard to deprive the public of the luxury of cheap clothes ... if civilisation is to benefit everyone except the producing class – then this world is truly the devil’s world, and the sooner so ill-constructed and infernal a machine is destroyed, the better.<sup>3</sup>

The first improvements occurred in large-scale manufacture. As early as 1860, some factories operated with modern technology which, together with an ongoing subdivision of tasks, allowed for lower production costs without ‘sweating’ labour, and in the second half of the nineteenth century, factories appeared with better working conditions and secure employment. The Factory Act of 1878 regulated hours and conditions of work in factories with more than 50 workers, and in some workshops. The textiles and garment industry became one of the engines behind Britain’s economic development, and brought progress and prosperity for

parts of the population. But sweatshops continued to exist at the market's low end, and legislative intervention passed them by. In the years to follow, trade unions and progressive political parties joined forces to combat degrading working conditions. But so strong is the combination of a competitive industry and a destitute labour force that, even today, migrant women sew clothes for poverty wages in the backyards of Britain's high streets.<sup>4</sup>

In the late nineteenth century, the rest of Europe and the US became acquainted with garment sweatshops, and the blueprint reads much the same: a combination of subcontracted orders, steep competition, lack of government regulation and unschooled, often migrant labour led to exploitation of workers and inhumane working conditions.

Where trade unions, labour law and socio-political movements had managed to narrow the margins of exploitation in industrialised countries, producers began to cast their nets in wider arcs, all the way to the developing world, to countries where no labour laws or trade unions would put a spoke in the wheels that drove production costs to the bottom. Sweatshops, after having served the industrial revolution in the western world, continue to cater to the needs of the present-day global economy. Subcontracting, untraceable supply chains, cheap labour, child labour, gender discrimination, migration, repression of worker organisation – more than 150 years after Charles Kingsley's call to arms, these practices continue to shape the landscape of sweated labour, albeit across much wider zones of time and space. Today it is possible to find Chinese women in a Swiss factory in Romania, making clothes for the luxury Italian brand Prada and the giant French retailer Carrefour.<sup>5</sup> Welcome to globalisation!

From its inception in the nineteenth century, the garment industry has led a footloose life. As a relatively 'lightweight' industry that does not need a lot of investment in heavy machinery or land, it is well equipped for travel, and travel it did – first within cities, then within countries, and finally stopped only by the natural borders of earth itself. Wherever workers succeeded in organising themselves and in raising wages and working conditions, the industry packed and moved on, in search of cheaper production sites. Relocation is one of its persistent characteristics, and a mechanism that defeats trade union organising time and again.

Towards the end of the last millennium, a new type of movement took up the gauntlet. It adapted to the flexibility of industry by

being flexible itself. It took the form of a network that followed the industry's tracks all over the globe, mainly by making connections. Connections are its strong point, as befits a network. It connects people making clothes with people who wear them. It connects fashion designers in Warsaw to seamstresses in Madagascar ... and yes, after a detour in time and space, we return to the Clean Clothes Campaign.

After the Dutch organisation was formally established in 1989, it sprouted twelve more Clean Clothes Campaigns in eleven European countries. They are coalitions of development NGOs, unions, women's and youth groups, religious and consumer groups. Globally, they have built a partner network that in 2009 unites at least 250 organisations, from trade unions in Indonesian factories to workers' assistance centres in the Philippines and China. They concentrate on the countries where European clothes are made, and cooperate closely with anti-sweatshop groups in the United States and Canada that focus on their 'own' production countries. The people in this movement are determined to eradicate sweatshops, because their existence insults their sense of justice and equality or, as one campaigner puts it: 'We work towards a society that upholds the principles that all human beings are equal and that human rights must be enforced.' (See Part 3, Interlude.)

*Clean Clothes* is the story of that work, jumping back and forth between continents and decades, describing successes and defeats, street actions and European parliament resolutions, the worldwide partner network and its principles. It is based on interviews, archives, reports, newspapers, strategy papers and eyewitness accounts, and in this it mirrors the mosaic of the movement itself.

Chapters 1–6 concentrate on the globalising industry and on the network that globalises in the industry's wake. Chapter 1 discusses the Netherlands, where the movement began its campaign for clean clothes on the pavement outside C&A, the largest Dutch garment retailer. Chapter 2 describes the mechanisms and processes of relocation of the industry. Chapters 3–5 deal with Asian and African countries, with those of eastern Europe, and with Turkey – countries where the bulk of European clothes are made. The development of the garment sector in these countries is described, and members of the Campaign's local partner network relate their struggles and their hopes. Chapter 6 and the Interlude describe the development of the European network. Chapters 7–11 take up the debates about

goals and strategies that began in 1989 and are still on the agenda in 2009. They focus on the four mainstays of the Campaign's work: support for workers, the role of consumers, legal reform, and the role of companies.

By exporting exploitation, globalisation has made it possible for prosperous world citizens to turn a blind eye to the people at the suffering end. We hope this book will open some eyes.





## Part 1

### A Globalising Industry



# 1

## A Footloose Enterprise

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### THE QUIET GIANT AWAKENS

The Clean Clothes Campaign (CCC) was born on the pavement in front of the Dutch garment store C&A in Amsterdam, where on an autumn day in 1988 some 50 women protested against the fact that the clothes sold inside were made under sweatshop conditions. In the words of Ineke Zeldennrust, a pioneer 'clean clothes' activist:

The action fitted into the general political atmosphere of those days. Internationalism was the buzzword, whether you were involved in the squatters' movement, the anti-apartheid struggle, or feminism. Many organisations targeted multinationals. I thought – and still think – that every strategy that is blind to the exploitation of women would ultimately fail.

When the link between consumption in rich countries and production in poor countries dawned upon us, it became clear that solidarity with women worldwide meant that we should begin to put pressure on multinationals at home. The garment industry was and is possibly the most widespread example of a global commodity chain with western buyers in the driving seat. We decided to focus on C&A. It was Dutch, it was big, and we already had information about its use of sweatshop labour in the Netherlands and abroad. Targeting one company allowed us to focus our energy and use our resources efficiently.<sup>1</sup>

In the Netherlands, mass production of garments in workshops and factories began in the second decade of the twentieth century, between the First and the Second World Wars. At the time, producers and retailers were not competing on skirt length or autumn colours – fashion in the modern sense did not yet exist. Most important was price. When the first machine operators, recruited from the large cities' poor, began to organise and demand better wages, production moved partly to the provinces – an early example of industrial mobility. In the 1950s and 1960s, more than 100,000

people worked in the Dutch garment industry, and C&A was one of the star players.

C&A stands for Clemens and August, the two German brothers Brenninkmeijer. In the first half of the nineteenth century they regularly crossed the German–Dutch border to mow grass and cast peat. It proved rewarding to smuggle shirts and haberdashery as well, so rewarding that in 1841 the brothers were able to open a linen warehouse in the northern Dutch city of Sneek, and, 20 years later, the first C&A store.<sup>2</sup> It sold ready-made clothes in differing sizes, originally for the better-off classes and later for all the world and his wife – a huge success. In 1893 the company established itself in Amsterdam, and after that many Dutch cities became acquainted with the new clothes and the new way of buying them.

In 1911 the Brenninkmeijer family crossed the Dutch–German border again, in reverse this time, and carrying more weight than a few smuggled shirts, and opened their first German stores. In 1922 the first C&A was established in London's Oxford Street. After the Second World War, international expansion took off on a large scale. Between 1963 and 1995, eight more European countries were introduced to the red-and-blue logo and to C&A's concept of cheap clothes for the masses. In 1963 C&A crossed the Atlantic Ocean to establish itself in America by buying Ohrbach, a chain of garment stores, and in 1976 it arrived in Brazil. In the early 1970s the company had a 15 per cent market share in the Netherlands and in Germany, and employed 34,000 people worldwide. It was and remains a limited partnership, and the only owners and directors are members of the Brenninkmeijer family, which grew at the same speed as the company.<sup>3</sup>

C&A proved good at competing on price. Its large orders allowed it to put pressure on manufacturers, and business thrived. In the early 1980s, the return on investment in Germany (Germany being the only country where C&A was forced by law to publish its company books) was more than 50 per cent. With a worldwide turnover of equivalent to almost 7 billion euros (at 2002 values – and with an added 36-billion-euro turnover of investment companies owned by C&A), the Brenninkmeijers were shaping one of the biggest corporations in the Netherlands, and even in the world, on a par with Shell and Philips.<sup>4</sup>

But while C&A was going at full speed, manufacturers were struggling. They had to find ways to cut prices. In this labour-intensive industry, an effective way to achieve this is employing cheap and flexible labour. When in the 1970s the Dutch government

enacted a minimum wage, a youth minimum wage and equal pay for women and men, garment producers had a hard time meeting these obligations. With rising wages on the one hand, and the sharp buying practices of C&A and other large companies on the other, profit margins were reduced to the extent that manufacturers began to look around for cheaper labour.<sup>5</sup>

Technological innovation in transport and communications had made the earth smaller; now it was possible to tap the reservoir of the Third World poor, and subsequently production was moved to low-wage countries like Tunisia, Taiwan and South Korea. Only design, packaging and quality control – the so-called ‘head and tail’ of production – stayed in the Netherlands. Between 1972 and 1974, Dutch employment in garment-production dropped by a clear 36 per cent.<sup>6</sup> This was the first wave of the so-called ‘runaway production’.

Turnover, in the meantime, increased. Fashion, that powerful engine of sales, was on the march. Branding and marketing began to define the success of companies, and advertising budgets soared. At the beginning of the 1980s, C&A was by far the biggest advertiser in Dutch newspapers.<sup>7</sup> Management decided to diversify the clothes collection. No longer just a cheap store for the masses, C&A now positioned itself more upmarket, with separate labels for different ages and styles. In the late 1970s and 1980s, production was spread all over the world. Large lots of mass-produced ‘ever-sellers’, for which delivery schedules were not that tight, were ordered from distant Asia, where people worked one month for a Dutch daily wage. Fashion was produced closer to home – in Portugal, eastern Europe, Turkey and Tunisia. Production of the most fashion-sensitive clothes, which were on the racks for just a couple of months and needed a fast turnaround, was brought back home – not to the old factories in the provinces, but to sweatshops in the larger cities of Great Britain and the Netherlands, served by mostly immigrant workers. Following the ‘runaway’ production of the early 1970s, this was the so-called ‘re-runaway’ production that moved production partly to other low-wage countries, partly back home.

#### DUTCH SWEATSHOPS

In the 1980s, in a climate of economic stagnation with high unemployment, Dutch sweatshops thrived. At the end of that decade an estimated 800–1,000 sweatshops existed in Holland, employing

between 5,000 and 8,000 workers.<sup>8</sup> Home-workers, usually women without contracts or social security, were on standby for busy times. Many sweatshop owners were Turkish immigrants who had lost their jobs when the large Amsterdam shipyards folded. The garment branch suffered all the ills of fast work for little pay: excessive overtime, irregular work, piece-wages, unhealthy and unsafe working conditions in cellars or sheds. Owners paid neither taxes nor social security. They did not invest in workplace improvements because disclosure of their illegal practices was always around the corner. When they felt the heat they shut down, only to open up again a few streets away. The work took a heavy toll on the workers, but ‘the worst thing is that we’re always afraid to be caught. At work, on the bus, in a pub or in the street. You never know where and when. It is a stressful existence’, said a Turkish illegal garment worker.<sup>9</sup>

Most of the workers, often trained stitchers, arrived in the Netherlands indebted, because they had paid heavily for fraudulent passports and visas. In fear of losing their jobs, they were forced to undergo hardship without protest. The sweatshops supplied their handmade, high-quality, cheap garments to the large brands and to ‘boutiques’ that ordered small lots of exclusive clothes. Sweatshop prices were low, because the competition was murderous. Between 1980 and 1990, market prices plunged by 60–70 per cent, paid for by wage reduction and tax evasion.<sup>10</sup>

The media, the public and the government pointed the finger at the owners, but they maintained that the brands, buying at the sweatshops through intermediary suppliers, left them with little choice. ‘For a quarter less they go elsewhere’, a Turkish sweatshop owner supplying C&A was reported saying. Another said that the piece price had fallen sharply since the early 1980s, and reckoned that C&A always made a profit of between 100 and 120 per cent on clothes made in his sweatshop.<sup>11</sup> Complaints also focused on the sometimes extremely short delivery times, giving rise to irregular and long working hours. The garment sector was not pleased with the negative publicity. To clean up its image, it sought cooperation with the government to try and eradicate illegal sweatshops. In 1993, the existing Law on Chain Responsibility was adapted to apply to garment sweatshops. C&A stated that this would ‘solve the problem of buyer responsibility’.<sup>12</sup>

In the words of Ineke Zeldenrust:

In many respects the Law on Chain Responsibility was a good thing. Skika, the organisation of immigrant sweatshop workers

and part of the Clean Clothes Campaign coalition that had formed by that time, contributed to the development of that law. But because legalisation relating to workers and workplaces was not part of the deal, the Law did not improve conditions in the workshops. Instead they were closed and workers lost their jobs.<sup>13</sup>

In 1989, SOMO, a Dutch NGO that researches transnational companies and the effects of their policies, had published the book *C&A: de Stille Gigant* (*C&A: The Quiet Giant*). It unravelled C&A's corporate structure, and described the company, a limited partnership and family business, as extremely secretive. It concluded that C&A's denial of 'multinational status' served to evade transparency regulation for multinationals, and to keep its books closed to external scrutiny.<sup>14</sup>

*The Quiet Giant* traced C&A's involvement in sweatshop labour in the Netherlands, in Great Britain and in Third World countries. The company in return published a booklet in which it professed its horror at the exploitation of vulnerable people and rejected the use of sweatshops. It maintained that contracts with suppliers always involved a clause that local law and social rules were to be respected, that buyers were instructed to oversee this, and that infringements were sanctioned by withdrawal of orders.<sup>15</sup> But eight years later, in the weekly branch magazine *Textilia*, C&A spokesman Jaap Bosman admitted that the company had sourced from illegal sweatshops in the past. 'But we definitely weren't the only ones', he added. 'We just had the bad luck to be targeted.' Regarding Asian sweatshop labour, he said:

We belonged to the first group that went to the Far East; do you really think anybody was thinking about labour conditions at the time? I think we didn't even perform so badly, considering the times. We had a conduct code of sorts, the so-called General Delivery Instructions, in which the supplier promised to uphold the laws of the country. Of course the system wasn't watertight. The laws of those countries often do not match western standards. In Syria for example it was possible for twelve-year-old children to work. But at least we had something. Another problem was that we couldn't always check subcontractors. You weren't told. It happens that journalists discover miserable labour conditions in factories where we don't even know that they produce for us. That is bad for our image; we have learned from it.<sup>16</sup>



## THE OTHER SIDE OF THE WORLD

In the meantime, the Clean Clothes Campaign in Amsterdam was gaining a grip on the complicated subject of the globalising garment industry. *C&A: The Quiet Giant* and further research had widened the scope of the campaign. The garment industry appeared to be like water; it headed for the lowest level – of both wages and worker organisation. In order to fight this, it was going to be necessary to follow the industry and cross borders. This idea was reinforced during the second action involving C&A.

In 1989, women from a Manchester trade union had taken up the case of a group of Philippine garment workers. In May, after a nationwide strike, the Philippines had embraced that milestone of civilisation: a minimum wage. But the management of the Intercontinental Garment Manufacturing Corporation (IGMC) had gone its own way. IGMC was situated in Bataan, a so-called export processing zone (EPZ) or free trade zone (FTZ).<sup>17</sup> When the women workers of IGMC in Bataan had demanded to be paid the minimum wage, they had been fired – all 1000 of them – and the factory had closed down. The machinery had stayed put, which had given the women reason to suspect that IGMC would reopen with new personnel. They had set up camp in front of the factory and begun a 24-hour picket that they kept up for months on end. Since IGMC was a subsidiary company of the UK-based multinational William Baird, the Manchester women supported their struggle.<sup>18</sup> When it was discovered that C&A, through William Baird, was a large buyer at IGMC, Dutch women joined the protest and targeted C&A. Ineke Zeldenrust said:

Although international solidarity was ‘hot’, the international division of labour and corporate responsibility were uncool subjects, reserved for a few academics, some radicals and a couple of anti-imperialist diehards. There was virtually no knowledge then about the way consumer products were made. The notion that Dutch companies had their products manufactured under bad conditions in faraway countries was unheard of, and it was unthinkable that one could hold a retailer such as C&A responsible. After all, what did C&A have to do with what was happening in the Philippines? The company simply washed its hands of all responsibility. Remember, this was long before globalisation became a household word and before the internet. It was in the midst of an economic crisis in the West when people