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Transnational Trade Unionism

Building Union Power

Edited by Peter Fairbrother,
Marc-Antonin Hennebert
and Christian Lévesque

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2 Workers' Power in Global Value Chains

Fighting Sweatshop Practices at Russell, Nike and Knights Apparel

Mark Anner

On November 17, 2009, one of the United States' largest sportswear and collegiate apparel companies, Russell,¹ announced it would re-employ 1,200 Honduran garment workers who were subject to anti-union discrimination. The workers' union would be respected and allowed to bargain collectively. The announcement came after two years of local and international activism targeting the company. It was heralded by the movement and by independent observers as one of the largest contemporary success stories of the international labour movement (Greenhouse 2009). It was also a bit of a surprise. The global apparel industry has long been considered an industry where labour has the weakest structural and associational power (Silver 2003). Over the past two decades, even some of the largest and most creative international anti-sweatshop campaigns eventually resulted in plant closings and the destruction of labour unions (Armbruster 2005). Thus, the Russell campaign is a call to reflect on what, in this most precarious and hyper-mobile of global value chains, allowed for this favorable outcome.

An exploration of sources of workers' power in global value chains and an analysis of the dynamics of the Russell case indicate that several overlapping factors contributed to labour's success. It is argued here that recent shifts in trade rules, new forms of associational power, an empowering normative frame and political opportunities in the form of non-state governance institutions all influenced the movement's ability to leverage the corporation and achieve the movement's goal. This chapter first explores these four sources of worker power. Next, the chapter illustrates these powers by examining the case of Russell in Honduras and then compares and contrasts this case to the successes at Nike in Honduras and Knights Apparel in the Dominican Republic.

WORKERS' POWER

Power generally refers to the ability of one group to get another group to do something it would not otherwise do. For apparel workers, this most often means the ability to get apparel manufacturers to recognise a union

and engage in collective bargaining in order to improve wages and working conditions. The legal establishment of a union often also requires leveraging the state. Drawing on the research of scholars of political economy, international relations, social movements and industrial relations, at least four forms of power can be identified: (1) structural power, (2) associational power, (3) normative power and (4) political power. Each of these traditional sources of workers' power has been transformed by the dynamics of global value chains and evolving labour strategies. Understanding these sources of power and their transformations provides insights into the recent successes of apparel workers and lessons for workers in other sectors of the economy.

Most discussions of workers' power begin with economic structures. For Marx and Engels ([1848] 1992), the industrial revolution entailed the centralisation of production, which included the bringing together of large masses of workers under a single factory roof. Capital in these more advanced industrial sectors had, in a sense, 'organised' labour. This suggests that the greater the centralisation of production, the greater the potential strength of labour. This helps explain why large industries like the automotive industry historically have had stronger trade unions than the smaller and more dispersed apparel factories. Capital-intensive industries that have high value-added per worker also provide labour with more strength since there is a larger pie for employers to share with labour (Marshall 1920). For apparel production workers, the pie is notoriously small, which is another reason why their structural power is so limited.

John Commons was more concerned with the structure of the market over the structure of production. It was the market and its 'competitive menace' that most adversely affected labour and market expansion from a local to a national level added to labour's challenges (Commons 1909). For apparel workers, the dramatic globalisation of the industry has presented perhaps its greatest obstacle to sustained organisational success.

Economic sociologists note that the structure of the market and the structure of production are part of the same capitalist process, one that has increasingly segmented and dispersed the production and distribution of goods and services through global value chains (Gereffi, Humphrey and Sturgeon 2005; Gereffi, Korzeniewicz and Korzeniewicz 1994). If labour's initial strength came from the centralisation of production, it follows that decentralisation through global value chains would weaken labour's power. But this observation must be qualified. If labour can disrupt a strategic segment of the global value chain, then decentralisation may not be such a conundrum. This is what Perrone (1983) refers to as positional power, and why Silver (2003) argues that outsourcing may in fact increase workers' power (or the 'forces of labour'). Yet, the global apparel industry has relied predominantly on *horizontal* outsourcing, where corporations farm out *duplicate* production functions to countless factories. In this structure, the ability of workers to disrupt the supply chain had been greatly curtailed (Anner 2011).

Nonetheless, as we will see ahead, recent changes in trade rules may in fact be contributing to the greater centralisation of production and more direct ownership of suppliers, which decreases firm mobility and makes companies more vulnerable to activist campaigns. And, as Naomi Klein eloquently observed, apparel corporations that have invested so heavily in their brand image have made themselves vulnerable to consumer campaigns and economic boycotts, something the anti-sweatshop movement was quick to capitalise on (Klein 2000).

Workers located in structurally unfavorable sectors have the potential to achieve some of their goals through strong organisations, or associational power. This is what social movement scholars refer to as 'resource mobilisation'. They argue that the more resources that movements have (funds, personnel, infrastructure, etc.), the better positioned they will be to achieve their goals (McCarthy and Zald 1977). For labour, most accounts of associational power begin with trade unions, since these have the organisational structure, economic resources, staff, and infrastructure that facilitate collective action (Wright 2000: 962).

Yet, too many resources over a long period of time may be a liability. Robert Michels, in the *Iron Law of Oligarchy*, famously declared that large organisations (including trade unions) are eventually overcome by bureaucratic tendencies (Michels 1911 [1962]). More recent critiques of traditional and international trade union organisations highlight their rigidity and vertical structures, noting that they are particularly unsuitable for the task of international labour solidarity (Jakobsen 2001; Waterman 2001). For Waterman, the preferred forms of international solidarity are social movement networks (Waterman 2008). Of course, networks are not without their limitations, including problems with accountability and global north-south power imbalances (Anner 2006). Their more limited resources also restrict the number of campaigns they can pursue at a given moment. At the same time, many trade unions have found ways to revitalise and remain relevant in the global economy (Turner, Katz and Hurd 2001; Voss and Sherman 2000).

Many of the most effective campaigns have involved the joining together of revitalised trade unions and activists networks (Turnbull 2006). This is also true of contemporary anti-sweatshop activism, which has been built on alliances among workers, unions, labour rights groups, women's groups and student organisations. The prominent role of non-union groups adds greater legitimacy to transnational efforts in that—when students or women's group denounce sweatshop practices in Honduras or Bangladesh—they cannot be criticised for acting out of a hidden agenda to protect the jobs of their members. Finally, the incorporation of young activists affects organisational tactics, because these activists often employ disruptive and creative actions, from anti-sweatshop sit-ins to 'Twitter bombs'.

Adding to organisational strength is the manner in which movements frame their goals. Sociologist and international relations scholars argue that norms—by which they mean socially accepted standards of appropriate

behaviour—have the ability to change opponents' behaviour, even that of power dictatorial states (Katzenstein 1996; Risse and Sikkink 1999; Tannenwald 1999). Thus, while traditional political analysis focuses on the 'logic of consequences' (use of military or economic power to change conduct), the normative approach suggests that opponents can be shamed into changing their conduct through a 'logic of appropriateness' (March & Olsen 1998). For labour activists, what this suggests is that multinational corporations may avoid certain actions—for example, the use of thirteen-year-old girls to make their products—not only because they fear economic sanctions, but also because they desire legitimacy, which is obtained by adhering to socially-accepted conduct.

The power of norms lies in the ability of activist networks to expose their violations and shame the violator into appropriate behavior (Finnemore and Sikkink 2005; Keck and Sikkink 1998; Risse and Sikkink 1999). Norms have been evoked by labour movements ever since worker organisations first demanded an end to *inhumane* conditions of work. Webster, Lambert and Bezuidenhout refer to 'symbolic' power used in contemporary campaigns of janitors, undocumented immigrants and workers with HIV/AIDs. They define symbolic power as 'the struggle of right against wrong' that takes place in the public domain (Webster, Lambert and Bezuidenhout 2008: 12–13). Normative power has long been an important aspect of the global anti-sweatshop movement. References to 'starvation wages', 'intolerable working hours' and 'abusive child labour' are common normative frames effectively used by activists to generate moral outrage among consumers and shame among corporations.

The final source of workers' power is political power. Governments establish rules for the economy, determine levels of social benefits and decide who can and who cannot form a union, bargain collectively and strike. And they establish how many resources should be dedicated to enforcing rules governing the workplace. Not surprisingly, labour has had a strong interest in obtaining political power in order to influence these decisions (or, perhaps, to transform the entire system). Workers have sought political power through alliances with or participation in political parties or movements. In some countries, tripartite mechanisms of consultation give labour influence in key policy decisions. In countries where labour is denied institutionalised political access, workers may be more likely to organise protest events that target state institutions.

Social movement scholars of the political process tradition add that labour's political power is related to its ability to exploit political opportunities and respond to political threats (Tarrow 1989; Tilly 1978). Divisions in governing elites might, for example, provide labour with an opportunity, whereas a coup d'état and subsequent anti-union repression is a political threat that might spark labour mobilisation, as was the case of the 2009 coup in Honduras. Scholars of transnational advocacy add that movements facing political threats at home may seek out political opportunities abroad

via foreign governments that are more receptive to their concerns (Keck and Sikkink 1998).

For the anti-sweatshop movement, transnational governance structures include the emerging world of private labour rights monitoring, investigation and remediation. Two prominent American non-state governance institutions are the Fair Labour Association (FLA) and the Worker Rights Consortium (WRC). The FLA was founded with the support of the United States government and includes corporate members on its board. The WRC is a student and labour initiative, and does not have corporate members. WRC investigations often provide the anti-sweatshop movement with the needed documentation and thus legitimacy to their claims of abuses. At the same time, its findings and the strategic dissemination of its research reports may push multi-national corporations (MNCs) to change their conduct in what some scholars refer to as the dynamics of 'information politics' (Keck and Sikkink 1998).

To summarise, even workers traditionally considered among the most vulnerable and powerless can sustain organisational success in global value chains by synergistically leveraging structural, associational, normative and political power. For global apparel workers, this might entail targeting vulnerabilities in production and consumption segments of supply chains, forming transnational activist networks, shaming brand-sensitive corporations that violate fundamental workers' rights and exploiting transnational political opportunities through information politics and politically-oriented activism.

ANTI-SWEATSHOP ACTIVISM IN APPAREL GLOBAL VALUE CHAINS

To understand current anti-sweatshop activism, it is first necessary to understand how and why sweatshop practices proliferated. In Central America in the 1990s, in order to re-activate economies after prolonged civil war and social strife, local governments worked with international aid agencies like USAID and the World Bank to develop a model of export-oriented growth via low-end outsourcing in manufacturing. U.S. trade laws liberalised quotas for apparel assembled in Central America and the Caribbean but required the use of US made fabric in order to receive full exempt status. Since apparel production requires much lower capital investments than textile production, and since industries with much lower investment costs are more mobile, the US rules relegated to Central America a hyper-mobile form of production and resulted in labour's weak structural power, which weakened workers' ability to organise and improve conditions.

In the mid-1990s, Central America workers sought to compensate for their structural and associational weaknesses by joining an international anti-sweatshop movement. American activists had already been active in

the region opposing US intervention during the wars of the 1980s. They had developed deep social trust networks, understood the context and many had developed language skills that facilitated communication. The end of the civil wars in the region led these activists to shift their focus from issues related to physical integrity and other basic human rights to new issue areas based on social justice at the workplace related to the boom in export processing zones (Krupat 1997). Thus, an activist network had already been established prior to the start of the anti-sweatshop movement. What changed were the issue areas and the targets. Instead of protesting the assassination or arrest of a union leader, the activists protested the 'starvation wages' and 'oppressive factory conditions' of the workers. And instead of directing most of their energy at the state, they combined state-centric protest with protests that targeted the MNCs that made sizeable profits off the structures of international outsourcing.

The movement employed normative power in one of the first major anti-sweatshop campaigns by focusing on child labour. Producers such as Kathie Lee Gifford were effectively shamed and backed into a 'normative corner' by movement allegations and media documentation that under-aged workers were making their clothing. Apparel MNCs were then forced to ensure more effective monitoring of the age requirement in their suppliers. The problem for workers in Central America was that the 'child labour' normative frame did not result in greater empowerment via stronger unions.

By the late 1990s, as American and international trade unions became more active in the anti-sweatshop campaigns, they brought with them an organising perspective. While abusive conditions were highlighted in all their public denouncements, associational power was more fully developed. Workers went on strike at the same time activists picketed the stores and targeted the headquarters of the MNCs. Political power was also employed, often in the form of pressure on the US government's trade representative through General System of Preference petitions that alleged unfair trade practices due to labour rights violations.

The combination of activist and union associational power with political leverage contributed to the formation of several important unions and several collective bargaining agreements in the Dominican Republic, El Salvador, Guatemala, Nicaragua, Honduras and Mexico. But the weak structural power of apparel workers eventually undermined these successes. With time, each unionised factory with a collective bargaining agreement closed and moved elsewhere. The hyper-mobility of capital in the apparel global value chain trumped the normative, associational, and political power of labour.

Then the apparel global value chains underwent a series of important changes in the early 2000s. The U.S. Caribbean Basin Trade Partnership Act (CBTPA) in 2000 allowed for duty-free access for products made in the region using certain regional knit fabrics. The Central American-Dominican Republic Free Trade Agreement (CAFTA-DR) in 2005 deepened this trend

and made the trade benefits permanent. The World Trade Organization through the Agreement on Textiles and Clothing (ATC) provided for the global dismantling of controlled trade in textiles by January 1, 2005.

There were two results of these regulatory changes. First, the elimination of the quota system allowed manufacturers to geographically concentrate production to their liking. On the other hand, production flowed to China and increased in very low-wage countries such as Vietnam and Bangladesh. Yet, at the same time, producers that stayed in Central America began to expand their operations to include textile production. This meant greater investment costs, which lowered capital mobility. Several large firms that stayed in the region also directly owned the factories making their products. The end result was that apparel workers' structural power in these facilities increased, if ever so slightly. The stage was set for a new round of anti-sweatshop activism in the region.

WORKERS' POWER AND RUSSELL IN HONDURAS

In perhaps the single most significant success of the contemporary anti-sweatshop movement, on November 19, 2009, the athletic apparel giant, Russell, was pressured to accept the re-hiring of 1,200 Honduran workers and unionists by opening a new factory. It was also forced to recognise the union, begin collective bargaining and adopt a union neutrality clause at all its facilities in the country. This success can be understood as a result of the sources of workers' power developed above and recent structural changes due to changing trade regulations that allowed Russell to concentrate production in Honduras. Political power was employed by leveraging transnational non-state governance structures. Associational power built on the historic alliance between Honduran workers and transnational anti-sweatshop activists, particularly student activists. And normative power developed in the form of an empowering anti-sweatshop frame.

Russell has been characterised for much of its over 100 year history by its aim to achieve vertical integration. By the 1930s, Russell was making not only fabric and garments but also its own yarn and dyes. In 1960, Russell was the largest manufacturer of athletic clothing in the US, and by 1994, its sales topped USD 1 billion.² Yet soon afterwards, rising costs in the US and escalating competition pushed Russell into a process of deep restructuring. In the late 1990s, it closed approximately one-third of its US facilities and began shifting production abroad. Offshore production shot from 17 per cent to 70 per cent of production over the course of the 1990s.³

What is notable about the Russell restructuring process is that it did not entail outsourcing. Rather, new foreign-based facilities were directly owned by the corporation. Indeed, Russell continues to do its own spinning, knitting, cloth finishing, cutting, sewing and packaging. This is important because ownership made Russell directly accountable for violations committed

at these facilities, which also meant that the most common strategy of apparel MNCs—terminating an independent supplier's contract and moving elsewhere in the face of a labour organising drive—was not an option. The suppliers were part and parcel of Russell.

In 2006, Russell was purchased by Berkshire Hathaway (headed by billionaire Warren Buffett) for USD 600 million and became a part of Berkshire Hathaway's Fruit of the Loom unit. In the process, Central America and the Caribbean became a major site of Russell's offshore activities. Honduras emerged as a regional hub where, following the changes in trade regulations that allowed for duty-free exports of textiles, Russell built a new textile manufacturing plant in Choloma. Russell established a total of eight garment production facilities and became the largest private sector employer in the country.

In many ways, the choice of Honduras is not surprising. Since the 1980s and early 1990s, the country was the preferred site of US apparel corporations for either offshoring or, far more often, outsourcing. By the mid-1990s, Honduras was the fourth largest exporter of apparel to the US market. Unlike its more tumultuous neighbors—Guatemala, Nicaragua and El Salvador—Honduras had avoided a full-scale civil war. Honduras also offered good roads and the region's best deep-water port, the infrastructural legacy of a two-century endeavor to provide European and American markets with quick access to silver, zinc and bananas.

The absence of civil war should not suggest the absence of authoritarian rule and civil unrests. The 1950s through the early 1980s were characterised by military governments and a relatively strong and active labour movement (Meza 1991). Yet, many Honduran military rulers had a reformist bent and were equally skilled at repression and cooptation. As James Mahoney notes when contrasting Honduras to El Salvador and Guatemala, 'the body count was in the hundreds, not the thousands' (Mahoney 2001: 254). Political access was always greater for labour in Honduras relative to its closest neighbors. In the contemporary era, access escalated after the progressive Manuel Zelaya became president in January 2006, but then declined dramatically following the coup d'état of June 2009. Access historically has also been undermined by the systematic under-funding of the Ministry of Labour and its department of workplace inspection.

In this context, at two Russell-owned factories—Jerzees Choloma and Jerzees de Honduras—aggrieved workers sought out the support of union organisers at their Choloma office for assistance. The organisers held workshops and meetings with the Russell workers, recruited new members and then presented the Ministry of Labour with documentation to legalise a labour union with the purpose of collective bargaining. These unionists were part of the moderate CGT labour confederation, and they explained to management that they did not want conflict, but rather sought to work together to resolve common issues and concerns.⁴

Russell, however, made it apparent that it did not shift production out of the US and into Honduras to develop a high-end model of employer-union partnership. According to one account, organisers received death threats, and by September 2007, management had dismissed 145 workers at the plants due to their union activity (WRC 2008). Then, in April 2008, Russell closed the Jerzees Choloma plant, but agreed to relocate all of its workers to Jerzees de Honduras. At Jerzees de Honduras, in response to what workers saw as arbitrary and abusive treatment by management, they formed a union to represent the 1,800 workers. Three months later, the union and management entered into a collective bargaining process as required by law. During that time, workers claimed they were subjected to continued harassment and threats of plant closure (WRC 2008). By October 2008, bargaining had reached an impasse and Russell announced it would close the plant for 'economic reasons'.⁵

The local labour union was now at a crossroads. With limited domestic political power and weak associational power, it was unable to take on the country's largest private sector employer. But what could it do? As Sidney Tarrow has suggested, actors unable to resolve their grievances domestically could seek to exploit transnational political 'opportunity structures' (Tarrow 2005). Labour rights clauses in trade agreements with the US had provided such a mechanism in the past. In this case, the movement found the emerging non-state labour rights governance institutions to be a more immediate option. In the case of Russell, unionists contacted the WRC and asked them to inspect the situation in the factory.⁶

Through repeated trips to the country, the WRC conducted detailed and systematic analysis of what transpired in the factories and posted its reports on its website. The WRC concluded that the closing of Jerzees was motivated in part by the desire to rid the company of the union (WRC 2008, 2009). WRC reporting, a form of 'information politics', put pressure on Russell to look more closely at conditions in its factory. The WRC report also vindicated the Honduran workers in their assertion that their rights had been violated and motivated American student activists organised in United Students Against Sweatshops (USAS) to take on the Russell campaign as its next major endeavor.

USAS proved to be an effective ally for the Honduran union. It has characterised itself for creative, direct-action tactics that have included not only picketing retail stores, but also sweatshop fashion shows in which, as students model a brand-named apparel, a commentator explained how these products were made in an impoverished country for 'starvation wages'. 'Naked' marches⁷ were also used to indicate that, unless sweatshop conditions were addressed, consumers with a strong moral consciousness would be forced to stop purchasing clothing altogether. These actions were an effort to leverage normative power by catching consumer's attention and appealing to their deeper sense of what is right and wrong.

At the time of the Russell campaign, USAS already had approximately ten years of transnational organising experience.⁸ Over the course of numerous anti-sweatshop campaigns involving Honduran-based producers, student and Honduran activists had developed what Sidney Tarrow refers to as a 'trust network' (Tarrow 2005). The worker-student alliance made sense for an additional reason: Russell was one of the largest producers of American collegiate apparel. This gave the students a source of economic leverage that they could exploit by demanding universities cut their contracts with Russell until such time that Russell respected internationally recognised workers' rights.

American trade unionists also became involved in the campaign. Notably, the American Federation of Labour and Congress of Industrial Organizations (AFL-CIO)'s American Center for International Labour Solidarity provided support to the Honduran union and offered training activities. Long-time American union activist Jeff Hermanson was particularly instrumental in providing strategic advice and lending his considerable negotiating skills at crucial junctures. Yet, the American textile workers' union, UNITE, was not strongly involved partly as a result of its process of separation from the Hotel Employees and Restaurant Employees union (HERE) and partly because it had dramatically cut back its solidarity work in the region as it chose to focus more on organising domestic industrial laundry and apparel distribution centers. The Textile, Garment and Leather Workers' Federation (ITGLWF)—the sector's Global Union Federation—was also not strongly involved in this campaign, partly as a result of the untimely passing of its long-time general secretary, Neil Kearney.

Russell was a member of the Fair Labour Association, and the FLA code of conduct requires its members to respect internationally recognised labour rights, including the right to form a labour union. Russell insisted that the factory closing was strictly due to changing demand for its fleece products. Yet, as attention on the case mounted with activists insisting labour rights were indeed violated, the FLA was compelled to inspect the factory. To do so, the FLA turned to A. & L. Group Inc. (ALGI), one of its accredited external monitors. ALGI monitors travelled to Honduras and reported that they did not detect evidence of anti-union behavior (FLA 2009: 12).

International labour activists and Honduran union representatives were enraged with the ALGI report. According to the FLA, it received ten procedural challenges from labour rights organisations and the CGT labour center in Honduras regarding the impartiality of the ALGI (FLA 2009). Their pressure led the FLA to contact an International Labour Organization (ILO) consultant, Adrian Goldin, to examine the case. Goldin visited Honduras, interviewed workers, unionists and managers, and, in direct contrast to the ALGI, found that the closure was related to the presence of the union (Goldin 2009). After reviewing the ALGI and Goldin reports, the FLA maintained that the decision to close the factory was motivated by changes in market demand, not anti-unionism (FLA 2009: 15).

The USAS protests escalated. The students had organised three speaking tours of fired Russell unionists, which covered influential universities from the east to west coast of the US. In December 2008, the University of Miami had become the first school to cut its contract with Russell. Later, other universities cut their ties, some soon after the workers visited their campuses. Eventually, major American universities—including Columbia, Cornell, Harvard, Michigan, Penn State, Rutgers, Wisconsin, New York University and the entire University of California system—terminated their licensing agreement with Russell based on evidence of anti-union activities in Honduras. The Canadian Federation of Students and the British student network People & Planet also became involved, resulting in two Canadian schools and approximately ten British schools terminating their Russell contracts.

USAS also began to shift its strategy by targeting not only Russell's collegiate consumers, but also non-collegiate business relations. For example, when USAS learned that Russell's subsidiary, Spalding, which had a long-standing relationship with the National Basketball Association (NBA), had signed a USD 125 million deal with the National Basketball Association, it went to the playoffs and hung a four-story-high banner that denounced Russell's sweatshop practices and demanded the NBA terminate the deal. Student activists began also aggressively targeting several of Russell's main retail partners. Activists went into Dick's Sporting Goods and Sports Authority and slipped protest material inside apparel products. When customers held up an item to look at it or went into the dressing room to try it on, anti-Russell fliers fell on the floor. To the tremendous annoyance of these retailers, fliers would continue to appear days after the protest action.

Activists also went to Russell's headquarters in Kentucky and travelled to Warren Buffett's home to express their discontent with the billionaire's apparel producer. And, as a result of student activism, on May 13, 2009, sixty-five members of Congress wrote to Russell CEO John Holland expressing their concern over the labour violations at Russell's facilities in Honduras. Adding to the corporation's discomfort were USAS 'Twitter bombs' and Facebook 'wall attacks' that would bombard these services with messages such as 'Did you know that Russell just closed a factory and illegally destroyed 1,800 jobs?' Russell responded by shutting down its Facebook wall.

USAS's strategy was to combine economic power in the form of a boycott and disruption of business as usual with normative power. In contrast with anti-sweatshop protests of the 1990s, USAS chose freedom of association as its core normative frame. Instead of depicting very young women in the campaign fliers, they used two older elected leaders of the factory union, one male and one female. And instead of depicting them as vulnerable victims, the image of the unionists was one of strength and determination. The solution suggested by the message and the image was one of worker organisation through respect for internationally recognised freedom of association rights, not paternalism. This was a deliberate decision on the part of the Honduran unionists and their USAS allies. Indeed, the activists took the

picture for the flier several times in order to capture the right expression of strength and determination on the workers' faces.⁹

This normative frame was a strategic choice that had consequences on the movement's outcomes. Earlier anti-sweatshop activists learned that the child labour normative frame engendered the strongest and most positive consumer response. Yet, the result of pursuing a victimisation frame is that, even when the movement successfully pressures a corporation to change its conduct, the outcome is more likely to be top-down standards on working ages, hours of work for minors and external enforcement mechanisms. Pursuing an empowering frame is less likely to receive the same level of consumer concern, but, when successful, the result is more likely to involve bottom-up worker organisation.

The students and workers' message that Russell had violated fundamental workers' rights helped to convince university administrators to cut contracts with Russell. And the termination of contracts put economic pressure on Russell. Notably, unlike previous campaigns, there was not a single student sit-in during the Russell campaign. That is, the 'logic of appropriateness' was used when targeting the universities. Collegiate administrators changed their conduct because they were influenced by the message that a fundamental right had been violated, not because students took over the president's office or because students stopped buying Russell t-shirts in the campus store. Yet, the consequence of the schools' actions, the termination of contracts with Russell, put direct and significant economic pressure on Russell. Thus, the 'logic of consequences' was employed when universities and retailers cut their contract with Russell. In the end, approximately 110 colleges and universities ended their contracts with Russell, as did Sports Authority.

In early 2009, Russell was still publicly insisting that it respected workers' right to unionise. In fact, it noted that it had promoted 'collective pacts' with workers as a display of its respect for freedom of association. On June 19, 2009, the WRC issued a scathing report on the practice, emphasising that such 'employer-dominated representation schemes' are recognised by the International Labour Organization and the US Department of State as undermining the genuine exercise of freedom of association (WRC 2009: 3). The report was distributed to universities and the FLA in an effective use of information politics.

Less than one week later, the FLA announced that it was putting Russell under a 90-day review, the only time it had imposed a review process on a collegiate corporate member since its founding in 1999.¹⁰ Coincidentally, three days later, Honduran president Manuel Zelaya was removed from office by the military and forced into exile. The new regime, which was strongly backed by large business owners, was quick to repress anti-coup union protesters. For Russell, accusations of violating labour rights were now compounded by the reputational risks of violating rights in a post-coup, militarised country.

On November 17, 2009, after years of union organising efforts and an intense one-year transnational campaign, Russell announced it would re-open the factory and re-hire 1,200 workers. Russell also agreed to recognise the union, begin collective bargaining and adhere to a neutrality clause for all of its other seven factories in Honduras (Hobbs 2009; Russell Athletic 2009). It was, as Steven Greenhouse of the *New York Times* proclaimed, the most important victory for the anti-sweatshop movement to date (Greenhouse 2009).

By 2010, the new factory, Jerzees Nuevo Día, was operating and its union negotiated a collective bargaining agreement, increased wages by 25 percent and achieved free lunches and transportation for workers. Leveraging the neutrality clause, a second union was formed at another Russell plant, which, in 2012, began collective bargaining, and third unionization drive began at yet another Russell factory.¹¹ Notably, the post-coup government of Porfirio Lobo had selected the CGT labour confederation's long-time general secretary, Felicito Avila, to be its Minister of Labour. Avila quickly granted legal recognition to the new union.

The dynamics of the campaign are depicted in Figure 2.1. Activism began with domestic (Honduran) workers and their union. They employed associational power in an attempt to organise the Russell apparel supplier, and

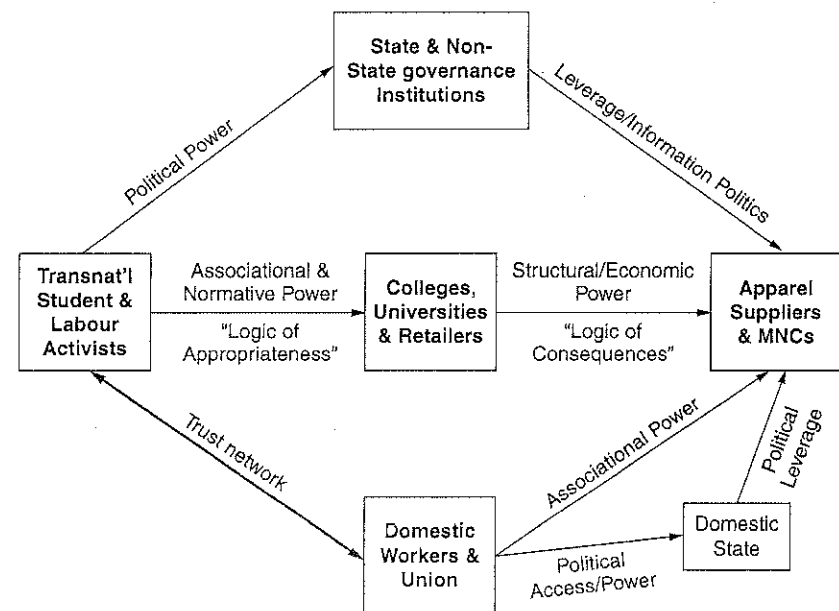


Figure 2.1 The Dynamics of Anti-Sweatshop Activism

they attempted to use political leverage via the state. When this proved insufficient, they developed a trust network with transnational student and labour activists. The activists framed the problem in terms of a violation of fundamental workers' rights in order to pressure colleges and universities via the logic of appropriateness to cut their contracts with Russell. These actions resulted in direct economic pressure on Russell via the logic of consequences. During this entire period, activists took advantage of political opportunity structures via non-state governance institutions (notably the WRC) to employ information politics in order to further leverage Russell. The end result of this synergistic use of workers' four powers is one of the biggest successes of the anti-sweatshop movement, the re-hiring of hundreds of union activists, the opening of a unionised plant with collective bargaining and the commitment of the largest private sector employer in Honduras to a union neutrality clause throughout the country.

DIFFUSING THE SUCCESS AT RUSSELL, NIKE AND KNIGHTS APPAREL

The success at Russell in Honduras was immediately followed by a large transnational activist campaign led by USAS that forced Nike to pay USD 2.2 million to laid-off workers at two of its sub-contractors in Honduras who had been denied their benefits (Greenhouse 2010b; Palmquist 2010). Then, Knights Apparel in the Dominican Republic negotiated with the WRC the establishment of a 'sweat-free' facility that would triple the average wage paid in the apparel sector, improve benefits and embrace the union. The factory's products would then be sold at special stands located inside the bookstores of prominent American universities.

The Nike 'Just Pay It' campaign success was unprecedented. Nike had long insisted that, since its suppliers were independently owned firms, it was not responsible for the wages, benefits and severance pay of those workers. USAS activists saw things differently, arguing that since Nike had the market power to set the terms and conditions of its supplier contracts, it was largely responsible for the economic conditions of its suppliers, and thus the ability of its suppliers to pay worker termination costs. The Nike campaign built on the same trust network of the Russell campaign that involved a local CGT union in Honduras, USAS, and American labour activists. USAS activists repeated many of the campaign tactics: universities were pressured to cut Nike contracts, Nike retail outlets were picketed and Nike's Facebook wall was quickly covered with anti-sweatshop messages. WRC research reports also once again provided leverage through information politics.

Yet, there were two important differences between the Nike campaign and the Russell campaign. It took far fewer universities cutting Nike contracts to get the corporate giant to rescind and agree to provide money to the laid off workers. Wisconsin University and Brown cut their contracts and

Cornell University announced it would let its exclusive Nike contract with its athletics program expire unless Nike paid the workers what they were owed. The University of Washington (a Nike athletic school) also threatened to terminate its contract, with its president, provost and licensing committee putting considerable pressure on the company.¹² These few universities contrast with the 110 universities that it took to terminate their relationship with Russell before Russell acted. This seems to be an indication of the reputation USAS had developed during the Russell campaign. Nike could see that USAS had the capacity to cut more contracts. That is, USAS was able to issue a credible threat against Nike. Rather than waiting for USAS to repeat its 110 university boycott organised against Russell, Nike decided to resolve the issue sooner in order to limit the potential economic and public relations damages that a prolonged campaign might cause.

The campaign results differed, too. While in both cases, workers received payment for lost benefits due to factory closures, in the case of Russell, a new factory was opened in which a union and collective contract were allowed, and workers in the seven other Russell plants in Honduras were given the promise of management neutrality in the face of any further unionisation drives. No such offers were made in the case of Nike, because, since Nike does not own factories, it was not in a position to open one for the fired workers. Nike did agree to run a re-training program for these workers and request that its other suppliers in Honduras give them priority re-hiring. But by late 2012—much to the dismay of the workers and the union—Nike had not implemented this agreement.

Knights Apparel is the result of a history of activism in the Dominican Republic and an agreement between the WRC and Joseph Bozich, the C.E.O. of Knights Apparel. The factory is located at the site of an old factory, BJ&B, which was once the target of a temporarily successful labour and student campaign in the early 2000s. The USAS and the WRC had long been attempting to turn the logic of apparel global value chains on their heads by pushing universities to agree to source from suppliers that pay a living wage and respect workers' basic rights. The initiative, known as the Designated Suppliers Program, had run into anti-trust concerns and many universities were left waiting for U.S. Justice Department approval before embracing the idea.

Knights Apparel provided an opportunity to move forward with this model in one factory after Knights' CEO, Joseph Bozich, faced serious health concerns and decided that he wanted to do more with his life than increase his firm's market share (Greenhouse 2010a). Bozich entered into negotiations with the WRC to pursue the idea of a 'sweat-free' factory. USAS made its 'non-opposition' contingent on the location of this effort in the old BJ&B factory.¹³ Bozich accepted the proposal. The 125 workers at the new factory, Alta Gracia, are paid USD 2.83 an hour, 3.4 times the minimum wage. The products are sold at bookstores located on college campuses, including those owned by Barnes & Noble (Greenhouse 2010a).

On first blush, it appears that the Russell case was the most successful because it resulted in the most jobs and the largest union. However, the Nike and Knights Apparel cases were significant for other reasons. The Knights Apparel case shows that it is possible to triple wages and remain financially viable. This is because production wages make up such a small segment of the sales price of garments. This example thus raises the question of why other retailers with products in the same store do not also pay a living wage and respect workers' right to unionise. The Nike victory, while not resulting in the defense of a union, holds considerable symbolic importance for the movement. It showed the movement's ability to force one of the largest and most publicly recognised corporations in the world to change its policy and cover the termination costs of an independent supplier. This example has emboldened the student anti-sweatshop movement perhaps more than any other success to date.

CONCLUSIONS

Garment workers in global value chains are assumed to be extremely weak and largely unlikely to achieve organising success. The industry is considered too hyper-mobile and the low-skilled workforce too easily replaceable to allow for sustainable unionisation. Yet, union successes at firms like Russell in Honduras impel a re-evaluation of these assumptions and a re-examination of the sources of workers' power in global value chains.

This chapter has argued that workers have four sources of power. Structural power refers not only to plant size, profit margins and skill levels, but also to degrees of plant mobility and corporate vulnerability to boycotts. Associational power includes not only traditional trade union structures, but also transnational activist networks and the tactics they employ. Political power refers to the ability to leverage not only traditional centers of political power, but also emerging voluntary governance structures in the global economy, such as labour rights institutions like the WRC. Activists also used normative power. Every flier, speech and document of the movement displayed a choice of words designed to maximise public outrage, shame corporate targets and empower workers.

The final chapter in the anti-sweatshop movement is far from written. The industry remains highly dynamic as a result of shifting trade rules, global economic changes and evolving corporate strategies. Indeed, it seems each time the movement develops a successful strategy to improve conditions in global value chains, corporations and their suppliers find new ways to work around these successes. This forces activists once again to re-think their strategies. Yet, what remains relevant is the role that the four sources of workers' power will continue to have in shaping movement outcomes.

NOTES

1. Over the course of its history, Russell has had many names, including Russell Manufacturing Co., Russell Mills Inc., Russell Athletic, and Russell Corporation. In 2009, Russell renamed itself Russell Brands, LLC. For simplicity, I will refer to Russell.
2. Hoovers.com, accessed January 20, 2011.
3. Hoovers.com, accessed January 20, 2011.
4. Author's interview with union organisers, San Pedro Sula, May 2010.
5. The plant ceased operations on January 30, 2009.
6. Author's interviews with CGT organisers, San Pedro Sula, Honduras, May 2010.
7. Activists did not march entirely in the buff, most often opting to wear undergarments.
8. Although, it is important to note that national USAS representatives were limited to two-year terms with the goal of reducing bureaucratising tendencies, so there was a certain degree of re-learning.
9. Author's interviews with US activists, June 2010.
10. In addition to the external pressure, there was some internal debate and pressure on the FLA leadership, particularly by Maquila Solidarity Network, one of the NGO participants in the FLA.
11. Author's interviews with Russell unionists, San Pedro Sula and Choloma, Honduras, June 2010 and with USAS representatives in the United States, January 2011 and correspondence from Jeffrey Hermanson, November 2012.
12. Author's phone interview with Rod Palmquist, USAS national representative 2008–2010, January 31, 2011 and correspondence with Margaret Levi, October 2012.
13. Author's phone interview with Rod Palmquist, USAS national representative, January 31, 2011.

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