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Garment industry snag

2005 textile agreement could hit Los Angeles clothing workers hard

By Beth Barrett

Staff Writer

Sunday, November 14, 2004 - Lifting of apparel and textile import quotas Jan. 1 could hit Los Angeles' garment industry and its largely low-income, immigrant work force hard and possibly force thousands to seek jobs in sweatshops and other underground employers, according to experts.

Globalization already has robbed thousands of jobs from the garment and textile industry, the county's largest manufacturing sector, and concern is growing about further erosion and its impact on L.A.'s poor and the local economy.

With the lifting of Multi-Fiber Arrangement quotas on apparel and textile imports from other countries Jan. 1, companies will have more freedom to move more production overseas where labor costs are much lower.

"It's a tough, pragmatic issue for our region," said Dan Flaming, president of the Economic Roundtable, a nonprofit group that studies the local economy.

"These are hopeful and energized workers who have come here to build better lives and make economic headway for their families ... and what we may be seeing is the opposite of that with the possibility of (more) globalization of trade. The movement of jobs offshore will pull the rug out from under these workers and eliminate the jobs they came here for.

"It'll result in more workers being marginalized and becoming economically desperate, and these are the people we find in the underground economy."

Textile workers and contract sewing machine operators for lower-priced goods are probably most at risk because their products can be produced with longer lead times than fashion clothing.

Karin Mak, project coordinator at Sweatshop Watch in Los Angeles, predicted up to half the local garment industry jobs could be lost as the domestic industry protections are lost, basing that on recent trends and worker anecdotal evidence.

Industry representatives said they expect a far smaller impact, pointing out that many jobs already have moved to overseas factories. Those still here tend to support domestic retail outlets that demand fast turnarounds, sometimes known as "flash" fashion, or specialty niches. L.A. is known as the capitol of jean finishing, for example.

L.A.'s garment industry has already suffered a dramatic plunge in jobs from a peak of 103,900 workers in 1996 to 62,700 in September.

At the same time, the "underground" economy -- estimated as large as 30,000 additional apparel workers who are paid less, and usually get no benefits -- has expanded.

Economists and others say there are a number of dilemmas, including tensions between efforts to pay the workers higher wages and benefits and the risk of losing the jobs altogether either to foreign countries or the underground.

Flaming said retraining and other strategies need to be adopted to help immigrants displaced from their jobs by overseas workers who are paid as little as \$3.22 per day.

"We have to figure out how to help those workers adapt," Flaming said. "It's not in our interest to have workers descend deeper into poverty. We have a shared interest in successful readjustment, even if it is relocation."

Ilse Metchek, executive director of the California Fashion Association, the nonprofit umbrella for the fashion industry, said the issues surrounding the garment industry and its workers raise public policy issues.

"On the one hand, they say workers are overworked and underpaid. On the other hand, they say, if (the) industry goes, what will I do with my workers? It's a Catch 22. It's clearly a social problem that warrants social discussion.

"If you chase these jobs out with egregious regulations, and this kind of mantra, the sweatshop capital of the world, what are they going to do?"

Jack Kyser, chief economist of the Los Angeles County Economic Development Corp., said the garment industry has never received the attention from the city it needs.

"The city doesn't know quite what to do, and the industry itself is fractured," Kyser said.

Yusef Robb, spokesman for Mayor James Hahn, said the city is encouraging the industry's shift toward production of higher-end, quality products through workforce training and business tax reform.

"The higher-end and quality pay the best ... those are the ones we want to see, not the lower ones," Robb said.

Kyser called a "no sweatshop" ordinance passed by the City Council last week largely "symbolic." The ordinance requires city vendors to sign a code of conduct that they will follow all applicable workplace laws subject to penalties up to termination of their contracts.

Councilman Eric Garcetti said the ordinance recognizes that not all manufacturers run "totally above-board operations."

"By having suppliers sign a code of conduct, we'll get the worst of the bunch to drop out of competition upfront. By using an independent monitor, we can train our sights on those companies who violate the law, whether it's at the source or with a subcontractor."

In 1999 there were 68,745 sewing machine operators in Los Angeles County, nearly two-thirds of whom had entered the country since 1985 and who were earning between about \$11,400 and \$13,200 a year, according to census data. That number has been cut in half today.

"No one really knows what happened to (all) those people," Kyser said.

In downtown Los Angeles, all sectors of the garment district are skittish about the lifting of the tariffs, saying it is one more blow to an already struggling industry.

With foreign-label jeans and shirts knocked down to as low as \$1.99, it is hard for anyone -- from the sewing machine workers and cutters to the factory owners and retailers -- to make a living. Evidence of the underground economy is everywhere, including knockoff clothes with domestic labels selling for under \$10 in the streets.

Hani Hourani, who has managed the Goldrider clothing store on Olympic Boulevard for the past eight years, said the market is flooded with goods from overseas, particularly China, and from the local underground.

Everyone, he said, fears lifting the tariffs will only make things worse.

"We need people working in this country," said Hourani, who left Jordan with an engineering degree to pursue his studies in the United States, but ended up instead in the garment district. "China is like America now; China is now No. 1."

Hourani -- who last week had a \$12.99 special on men's shirts made in Korea -- said every year the competition has grown worse, until almost everyone in the district lives "day to day," while engaging in cutthroat practices. While he doesn't use the underground economy, he said some do.

"No one makes money," he said. "I sell something for \$10, someone else sells it for \$8, and then someone else sells it for \$7. This is true everywhere."

Nearby, Ramesh Shamdasani, the owner of Gazapati's, which imports heavily from Africa, India and elsewhere, said he's watched as competition from overseas markets has grown so fierce that even the sweatshops are suffering.

"It's getting worse," he said.

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