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► Intertwined

Opportunities and challenges to strengthen the fundamental principles and rights at work in the value chain of the garment industry in Argentina



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► Preface

This publication is structured and takes shape from the survey and analysis of different sources of information with the purpose of developing an updated overview of the situation regarding human trafficking, forced labor or other violations of labor rights in the value chain of the garment sector in Argentina. Based on the analysis of secondary sources, linked bibliography, press release reports and interviews with key actors, a characterization of the value chain and its main challenges for the promotion of decent work in the sector is provided.

This is a product made from the Evidence for Action project: Increasing the impact of research to mobilize efforts against forced labor in the garment sector of Madagascar and Argentina, implemented by the ILO, in conjunction with Verité and NORC, with funding from the United States Department of Labor. This project aims to promote greater use of research in policy and programmatic decision-making to help eliminate forced labor worldwide. The project seeks to increase knowledge through robust research in the garment sector and, based on this, mobilize decision-makers and stakeholders to take action against rights violations.

Globally, the garment sector is characterized by geographically dispersed production and rapid changes driven by the global market. It is a sector that provides work and employment opportunities to millions of workers, particularly migrants and young women, and due to the high number and profile of those who work in it, the sector offers enormous potential to boost economic development and promote social justice.

However, today, part of this important industry is characterized by high volatility, low predictability and, in general, minimal profit margins. Production is often outsourced to suppliers in different countries, which gives rise to fierce competition that results in lower prices, payments, and worst working conditions.

The ILO promotes decent work in garment, supporting social dialogue on the main challenges and opportunities of the sector, and the search for consensus between governments, workers' organizations, and employers on measures to address them. Among the actions developed, the aim is to increase and disseminate knowledge about recent trends and changes, ensure the application of international labor standards and their compliance, strengthen the capacity of the actors involved with regard to different issues (safety and occupational health, qualifications, minimum wage, etc.), and strengthen partnerships and policy coherence between different actors at global, regional and national levels.

Having evidence on specific industries and territories is an essential requirement for the development of public policies and actions with greater impact capacity in the prevention and eradication of different violations of fundamental principles and rights at work, especially when said evidence is based on the concrete experiences of populations seriously affected by informality, poverty and inequality.

The information systematized in this publication seeks to contribute to the efforts of Argentina - constituted as a Pioneer Country of the Alliance 8.7 - and the government, the employer and union sectors to eradicate forced labor, put an end to contemporary forms of slavery and human trafficking, and ensure the prohibition and elimination of child labor.

► Acknowledgements

The ILO would like to thank the research team in charge of this publication, made up of doctors Andrés Matta and Jerónimo Montero Bressán. The ILO also thanks Andrea Galvez, Erin Klett and Max Travers of *Verité*, and Carlos Fierro, Kareem Kysia and Dr. Shanto Sadhu of the National Opinion Research Centre (NORC), for their comments that contributed to the production of this publication.

The ILO extends its gratitude to the MTEySS, for its invaluable support for the implementation of the EvA Project, as well as to the representatives of the garment industry and the Argentine Industrial Union (UIA), for their willingness to collaborate in the construction of knowledge and tools to identify and respond to the risks of forced labor in a strategic sector of the Argentine economy. This provision was one of the key factors in generating knowledge, developing relevant tools, and establishing a fruitful dialogue in translating evidence for action.

Likewise, the contributions of people and institutions members of the Executive Committee to Fight Human trafficking and Exploitation and for the protection and assistance of its victims are highlighted, such as Facundo Lugo and Tamara Rosenberg; Javier Armesto, Adrian Choren y Carina Lourenzo from the National Institute of Industrial Technology (INTI), and Marcos Parera y María Alejandra Mángano from the Office of the Prosecutor for Human trafficking and Exploitation (PROTEX), as well as companies and chambers in the sector.

This study was developed with the participation and support of the ILO team in Geneva, including Michaelle De Cock, Badra Alawa, Gabriella Breglia and Francesca Francavilla, who provided critical guidance and technical collaboration.

► Glossary of acronyms

AFIP	Federal Administration of Public Revenue
AMBA	Metropolitan Area of Buenos Aires
CABA	Autonomous City of Buenos Aires
CIAI	Argentinian Garment Industrial Chamber
CNCT	National Confederation of Work Cooperatives)
CONICET	National Council of Scientific and Technical Research of the Argentinian Republic
CTEP	Workers' Confederation of the Popular Economy
CUIT	Unique Keyword of Tax Identification)
EPH	Continuous Household Survey
FAIIA	Argentinian Federation of the Garment Industry
FONIVA	Workers' Federation of the Apparel Industry
GATT	General Agreement on Tariffs and Trade
GBA	Greater Buenos Aires
INDEC	National Statistics and Census Institute)
INTI	National Institute of Industrial Technology
MECON	Ministry of Economy
Mipyme	Micro, Small and Medium enterprises -MSMEs
MTEySS	Ministry of Labor, Employment and Social Security
NAFTA	North American Free Trade Agreement
OEDE	Observatory of Employment and Business Dynamics
OIT	ILO International Labor Organization
ONG	NGO Non-governmental Organization)
OSC	Organization of Civil Society
PNRT	National Plan for the Regularization of Employment
PROTEX	Prosecutor's Office against Human trafficking and Exploitation of Persons of the Public
SETIA	Prosecutor's Office
SIDITYSS	Trade Union of Textile Employees of the Industry
SOIVA	Comprehensive System of Labor Inspection and Social Security
STTAD	Workers' Trade Union of the Garment Industry
UTEP	Workers' Trade Union of Home Seamstresses
VBP	Workers' Union of the Popular Economy

► Introduction

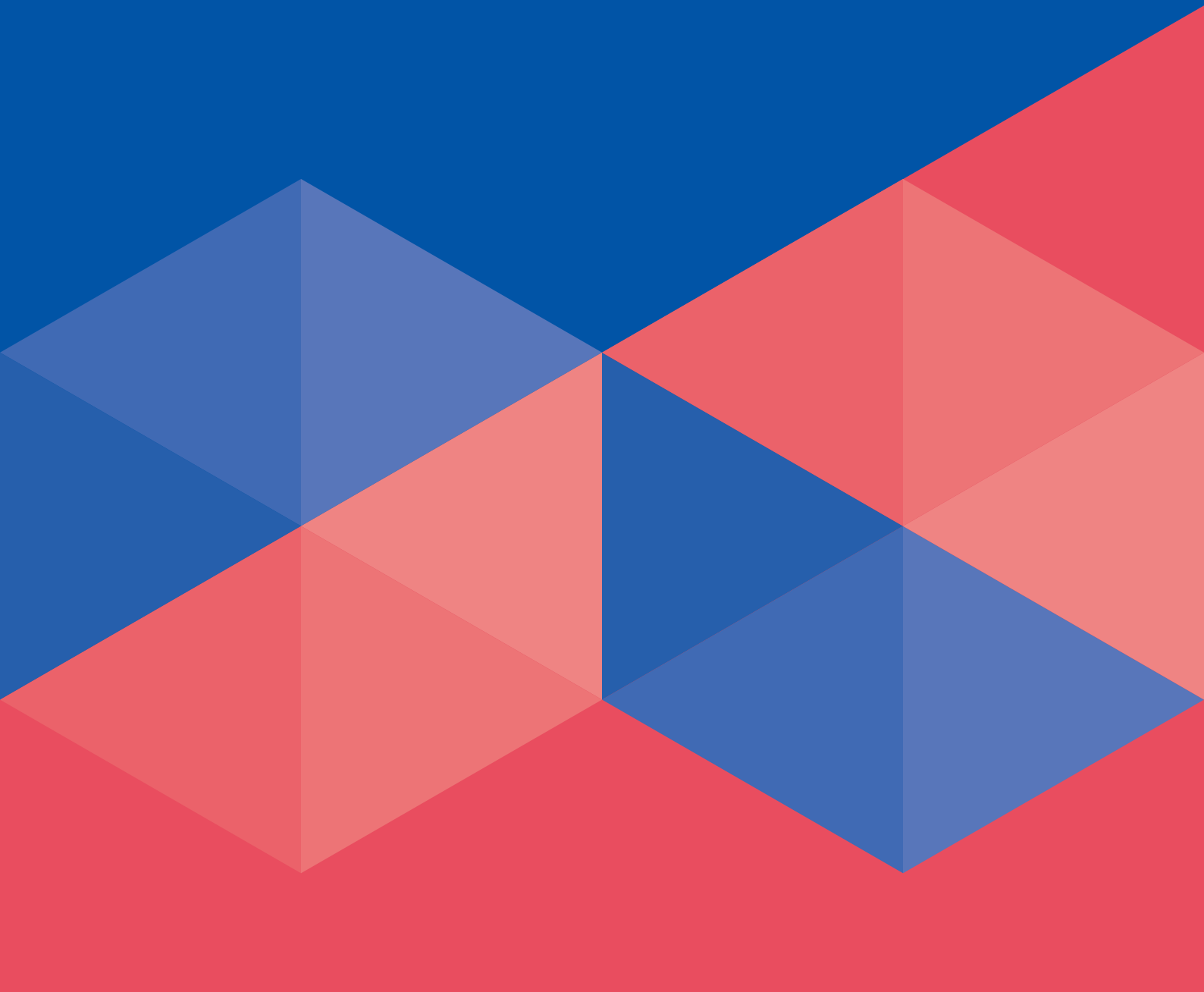
This publication presents a characterization of the value chain of the garment sector in Argentina, focusing on the main deficits in decent work and potential risks of forced labor or other violations of labor rights. The report presents the evolution of the recent history of working conditions in the Argentine garment industry, to then identify and characterize the different actors in the chain and their relationship in the different processes and activities. The focus is on the main deficits - in terms of decent work - in the different links, as well as on the main sources of informal marketing.

With regard to forced labor and human trafficking for the purposes of labor exploitation, the regulatory framework referring to the problem is presented, as well as the public policies and actions developed by the different state agencies, actors linked to the private sector, and organized civil society, including union institutions.

In an innovative way, they also analyse the role of the media and the role of the judiciary in setting a guiding agenda and promoting decent work within the framework of the garment sector in Argentina. Finally, a series of recommendations are put forward to address the violation of fundamental principles and rights in the sector. These recommendations are presented for different levels and scope, as well as for different target actors.

With the present value chain study, we hoped to contribute to the production of action-oriented knowledge, or in other words to the production of knowledge that guides the promotion of decent work and social justice in its entirety, based on evidence for action.

► Work in the global garment industry



► Work in the global garment industry

The garment manufacturing industry was historically linked to poor working conditions. From the informal workshops in the *East End* of London where garments were sewn for large trading houses at the end of the 19th century to the collapse of the Rana Plaza building factories in Bangladesh in 2013¹, the long hours, the low salaries and even the environments of hazardous work practices led this sector to be taken as an example of labor exploitation in numerous journalistic and academic reports over more than a century.

The massification of ready-to-wear, that is, the production of prefabricated and ready-to-wear garment—as opposed to custom-made—gave rise to the garment industry as we know it today. The introduction of the sewing machine in the mid-19th century boosted this system and since then the industry was marked by a set of characteristics that generate conditions conducive to the existence of exploitative relations:

a) The possibility of dividing the final production process, either under mass or batch production systems. This facilitates subcontracting – the appearance of intermediaries that allows the responsibilities of the main employer to be diluted – and the spatial fragmentation of production into small and micro-sized units, in which the collective organization of workers is difficult.

b) A technology that is easy to use and low investment, that requires intensive labor and that can be located in small productive spaces such as the domestic environment. Indeed, home working is a trademark of this industry. The purchase of a sewing machine to produce is usually considered the gateway to self-employment, or even to the creation of a “small business”, since in times of high demand, domestic production is expanded, and many enterprises incorporate workers informally. This especially attracted women and migrants to the sector, and facilitates a subjectivity that is not very inclined to collective organization to demand labor rights.

c) Seasonality, which implies that for several months a year production declines drastically. This historically led to the development of strategies by employers to avoid supporting the costs of formal and stable employment. Among these strategies, piece-rate pay (or “piece rate”) was the most used.

d) A structure of the productive chain that—in most historical periods—gave greater power to the commercial link, which at the same time drives and accompanies consumption patterns (traditionally procyclical and seasonal).

These four characteristics facilitated the fact that, throughout almost its entire history, garment has had a fragmented productive organization due to the subcontracting of home workshops in which work is outsourced and paid per garment. When the supply of workshops exceeds the demand, ruinous competition arises between them. Given the low qualification required by job providers, this competition focuses on reducing costs to offer lower prices. Subject to this competition, the workshop owners relieve part of the pressure on seamstresses through informality, long work hours, low salaries, among other conditions.

Already in 1889, an independent report requested by the British Parliament to find out the working conditions of migrant women in improvised sewing workshops in houses and basements in East London referred to subcontracting as the main cause of the poor working conditions in the clandestine sewing workshops (Great Britain, Parliament, 1888). The authors were referring to a new way of organizing production, which consisted of positioning a formally independent manager between the marketing houses and the workers, giving rise to the figure of the workshop owner or manager, as a way of diluting the employer's responsibility and deceiving (tricking) the seamstresses about the responsibilities and capabilities to fulfil the employment contract. In the report, this new production system was called the “sweating system.” This is a practice, called subcontracting or outsourcing, that more than a century later

¹ Further information in this article ([in English](#))

is widespread in most sectors of the economy and that is still weakly regulated in national labor markets, while international labor subcontracting is widely deregulated and excluded from international trade agreements. This could be, in fact, the origin of the term used in English to refer to places where garments are made in precarious conditions: sweatshops or 'sweat workshops'. Nowadays, this term applies both to large factories located in special export zones in peripheral countries, and to informal workshops in large cities, close to markets, in which cases of human trafficking and forced labor were reported.

The way in which the production and marketing of garments has been structured since the mid-19th century poses important challenges for worker organization and the regulation of compliance with fundamental labor rights. Beyond specific experiences in which working conditions were improved by applying controls in factories or determining joint responsibility in subcontracting chains, this industry, the weight of which is fundamental in the generation of jobs, continues to exhibit numerous challenges in labor matters.

In the mid-19th century, even before the introduction of the sewing machine, there were already workshops in New York in which production was produced for trading houses in poor conditions (Kingsley 1850). In England, the aforementioned report from 1889 spoke of the production of garments in "hellholes" in which long working hours were carried out for minimal pay, also making reference to cases of tuberculosis generated by the dust of the fabrics. and the lack of sunlight and ventilation. During those years, the first reform movement was formed in Australia to improve working conditions in sewing workshops. Years later, while legislation was advancing to improve conditions in British factories - and even in Argentina the first law to regulate home work was being discussed - the fire in Triangle Shirtwaist in New York in 1911, in which 146 workers died, showed that even in large factories the conditions in which work was carried out were dangerous. After this fire, the first women's union in the world was organized, and in a few years, numerous safety measures were achieved in the factories. The literature generally agrees in pointing out that during the following decades, particularly since the 1930s, conditions improved (A. Ross 1997, R. Ross 2004, Phizacklea 1990), although home work remained informal (Green 1997). The mass production typical of Fordism, facilitated by the making of uniforms for the world wars, promoted work in large establishments, favouring the introduction of better working conditions.

However, already in the late 1970s, reports of clandestine sewing workshops in the United States began to emerge (R. Ross 2004) and academic articles in the following years reported on labor exploitation in workshops in several cities in England (Mitter 1985, Rainnie 1984), including London (Phizacklea 1990), and in Paris (Morokvasic 1987; Morokvasic, Phizacklea and Rudolph 1986). Later publications note this in several cities in the United States (Bonacich and Appelbaum 2000, Collins 2003, Green 1997, J. B. Ross 1997). In California, the discovery of a factory that employed more than 70 migrants from Thailand in forced labor conditions in 1995 triggered the emergence of a broad movement in defence of garment workers, the vast majority coming from a handful of Asian countries.²

Towards the end of the 1990s, numerous complaints of labor exploitation in "maquila" factories in Central America that produced for North American brands gave rise to the birth of civil organizations of solidarity with these workers (Anner 2003), among which United Students Against Sweatshops and Labor Rights Forum stood out. The boycott campaigns that began then forced companies to develop strategies to control working conditions in their subcontractors' factories and to legitimize international subcontracting. It was then that a strong push for corporate social responsibility was generated. However, in 2012 a fire at the Tazreen factory in Dhaka (Bangladesh) culminated in the death of 117 seamstresses, while less than six months later the worst industrial accident in history would occur with the collapse of the Rana Plaza building, which housed five garment factories employing nearly 5 000 workers producing for some of the most recognized brands and retail chains in the world. In this tragic event, 1 129 people died and thousands were injured.

The collapse of the Rana Plaza led to widespread questioning of non-binding corporate social responsibility initiatives. From then on, it became evident that it was necessary to reach some type of agreement that

² A few years later, the Californian State approved a law that established joint liability in the production chain.

would allow responsibilities to be established and enforced, as occurs with arbitration tribunals for commercial agreements. Thus, through an international effort that involved numerous institutions, the Bangladesh Accord on Fire and Building Safety was established just a month after the collapse, whose compliance was monitored by an independent body led by the International Labor Organization (ILO) with the participation of dozens of NGOs. The Accord established that companies that did not comply with what was agreed would face a criminal case in the Criminal Court of The Hague. In compliance with the original agreement, in June 2020 the Accord was transformed into a local organization in charge of implementing the agreements reached.

There are two fundamental processes when it comes to understanding the current situation of work in the garment industry worldwide. Firstly, it is worth highlighting the vast process of productive relocation that took place with force since the end of the 1970s. Secondly, the most recent emergence of “fast fashion”, is unavoidable, whose success contrasts with growing criticism of its consequences on the environment and working conditions. This phenomenon combines more personalized consumption (more styles, colors and measurements) and ephemeral consumption (short-lived garments), with low prices and a short cycle of design, production, distribution and marketing (in some companies only two weeks) (Doeringer y Crean 2006).

The bibliography agrees in indicating that the relocation of production since the late 1970s had a strong impact on the working conditions of the sector. Those companies that had the capacity to place their production in countries with lower labor costs achieved a reduction in costs that positioned them favourably compared to their competitors. The incorporation of millions of workers into their production chains following the fall of the Soviet Union and the liberalization of China during the 1980s was accompanied by progressive trade liberalization based on regional agreements such as the North American Free Trade Agreement. (NAFTA) and the dismantling of the Multi-Fibre Agreement since 1995. Established in 1974 by the signatory countries of the General Agreement on Tariffs and Trade (GATT), this agreement established guidelines to allow the signatory countries to apply protective measures for their textile and garment markets. The agreement implied an exception to the progressive liberalization agenda proposed by the GATT at that time, due to the sensitivity of these industries in terms of jobs.

This shift towards the liberalization of trade in textiles and garment gave trading firms greater freedom to source from countries with low labor costs. Thus, in terms of its consequences on work, relocation often functioned as an instrument to launch competition between workers in different parts of the world, due to the real possibility of closing and relocating factories in situations of conflict and worker organization, whether in the central countries or in the new factories in peripheral countries such as Guatemala or Slovakia.

The enormous savings in labor costs that relocation enabled led to a sharp deflation in global garment prices. This process was induced by the economic incentives provided by national governments that used this type of strategy to attract foreign investments, and was also stimulated by the existence, in many cases, of weak labor legislation and/or weak effectiveness in its application. This strongly affected factory production not only in the central countries, but also in those countries not linked to global production chains. As shown by the statistics of the National Economic Census for Argentina (INDEC, 1963, 1973, 1984, 1994, 2004), starting in the late 1980s, many firms unable to compete in the field of mass-produced standardized garment in large factories in peripheral countries had to close. However, those that survived in the sector converted by turning towards the production and marketing of fashion garment. Replicating the mechanism of international firms that had closed their factories to subcontract offshore production and dedicate themselves to design, the creation or consolidation of brands and marketing management (Montero 2011).

The vast resources dedicated to fashion marketing since the mid-1970s generated a strong demand for these types of products (Lipovetsky 2002), combined with the massive entry of women into the labor market. This generated a massification of fashion that found its correlation in the offer by companies re-converted based on the aforementioned effects of internationalization. Garment consumption then skyrocketed since the 1980s, and today fashionable garment is the protagonist of the main commercial circuits in the world. More recently, of particular importance was the “fast fashion” strategy developed from the acceleration of changes in trends and hyper-fragmentation of the market.

Retail chains dedicated to this segment promote consumption through permanent replacement of the offer and significantly low prices. A fundamental requirement of this strategy is the proximity of the productive units to the markets. This allows us to offer, for example, a copy of a dress worn by a movie star at a high-profile event just two days after its appearance. However, proximity poses a fundamental contradiction for this business model: the need for low costs. The way in which many fast fashion firms solved this contradiction was by hiring informal labor paid below legal wages. Thus, in recent years, numerous companies were denounced for these practices in Florence (Ceccagno, 2003, Montero 2011, RAI 1 2008), Leicester (Channel 4 2009, Hammer 2015), Athens (Canals 2013), Barcelona (El País 2009) and Los Angeles (Kitroeff 2019). While in other industries, the 21st century gave rise to an increase in productivity through an advance in automation, in this case, the path to cost reduction was on the one hand lean retailing, reducing inventories and improving stock management, and on the other, reducing the cost of labor in an increasingly significant way (generating unemployment in certain territories and increasing exploitation in others) (Mittelhauser 1997, Minchin 2012).

If, based on the reporting and boycott campaigns at the beginning of the 21st century, the brands and marketing chains of sports garment and footwear managed to consolidate relationships with subcontractors in peripheral countries, in whose factories there is strong monitoring of working conditions, brands and fashion garment retail chains found many challenges in following them. It is also notable that progress in public policies against exploitation in clandestine workshops was also limited. Although California took an important step in 2000 with the law that established co-responsibility between the brand and the workshop owner, in 2019 stories of labor exploitation in clandestine sewing workshops once again made the news in this state (Kitroeff 2019). Similarly, in 2020 the British Parliament refused to implement the recommendations made by an audit of the fast fashion industry carried out by a special commission of Parliament itself. Thus, the current state of work in the sector is marked by poor conditions both in large factories in export zones in peripheral countries and in clandestine workshops located in large cities that supply the fast fashion market. To these features, sustainability problems could be added, to the extent that the industry is considered the second most polluting on the planet, if all production processes are taken into account, from raw materials to manufacturing, and also those related to consumption and textile waste (UN Alliance for Sustainable Fashion 2019). In this regard, it is important to highlight that more than 20 percent of the garments produced in the world is discarded without being used. (The State of Fashion 2021).

Finally, the poor working conditions in factories located in export zones of peripheral countries and in informal and/or clandestine workshops in the large cities of the West mean that even in formal factories, salaries are extremely low. In countries such as the United States, Greece or Argentina, the minimum wage in the sector is below the poverty line (Montero Bressán 2020, Canals 2013). The availability of a widespread informal sector, and of cheap labor in other countries, is in some cases taken advantage of by employers as a mechanism to negotiate the price of labor downwards.

The work situation in the Argentine garment industry reflects some of the processes and consequences referred to in the case of other countries, summarized in poor working conditions and structural difficulties to raise labor standards in an industry that questions, like no other, the consequences of globalization on the world of work

► Working Conditions in the Argentinian Garment Industry



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Despite having been protected by trade administration policies for much of recent history, the Argentine garment industry was also strongly influenced by global transformations, especially from commercial opening programs, deregulation and liberalization in the 1970s and 1990s. The policies applied during these years implied a transformation of the field of garment manufacturing that shaped the features that remain to this day: atomization of companies in the sector, loss of productive links and poor labor conditions.

Unable to compete with imported garment as a commodity (sportswear, underwear, jeans, men's shirts and T-shirts, etc.), many local companies went bankrupt and others successfully converted by turning to the fashion market, concentrating on design and the creation of brands, and beginning to subcontract production informally, first to their former factory employees and then to migrant workshops that offered lower costs and a greater flow of labor (Montero 2011, Matta and Magnano 2011). The proliferation of workshops due to the demand for new brands led to a massification of informality. When this demand diminished in the crisis context towards the end of the 1990s, the oversupply of workshops led to ruinous competition between them. From there, the search for independence by thousands of workshop owners through direct links with marketing generated large spaces of informal marketing based on tax evasion and all labor regulations. Both processes were facilitated by the insufficient of state regulation.

For decades the minimum wage stipulated in the sector's salary scale in Argentina was below the poverty line, and according to 2021 indicators, it only covered 63.6 percent of the cost of the total basic market basket for a family with two children (that is, the poverty line)³. Likewise, labor informality reached 77 percent of the workforce, if unregistered and self-employed employees are considered. In this context, the situation of production in informal or clandestine workshops is particularly relevant. Although these exist throughout the country, like unregistered home work, the most worrying working conditions occur in thousands of workshops that operate in the Autonomous City of Buenos Aires (CABA) and its surroundings, especially in the Buenos Aires' districts of La Matanza and Lomas de Zamora.

Historical evolution of the production and labor market (1976-2021)

According to statistical sources, the levels of economic concentration of the garment manufacturing sector are the lowest levels of the national industry, with 99 percent of micro, small or medium-sized enterprises (MSMEs) garment "manufacturers" (OEDE, 2022). Although some authors analyse this data positively as "the quintessence of the competitive industry" (Doeringer and Watson 1999), it must rather be said that this hides two relevant aspects. Firstly, an atomized productive structure that is mainly made up of microenterprises: this arrangement, which originated after the 1970s and was consolidated in the 1990s (in which, according to economic censuses, the average number of personnel per company decreased by 12 to eight), seems to have been subtracted from all economic cycles, which can be corroborated if figures 1 and 2 are looked at together, where it is observed that the sector maintains its morphology despite the variations in the numbers of registered companies (with notable falls and increases in each cycle).

Furthermore, on the other hand, this apparent dispersion conceals a high functional concentration, favoured by subcontracting mechanisms, hiding relations of subordination that cross the entire sector.

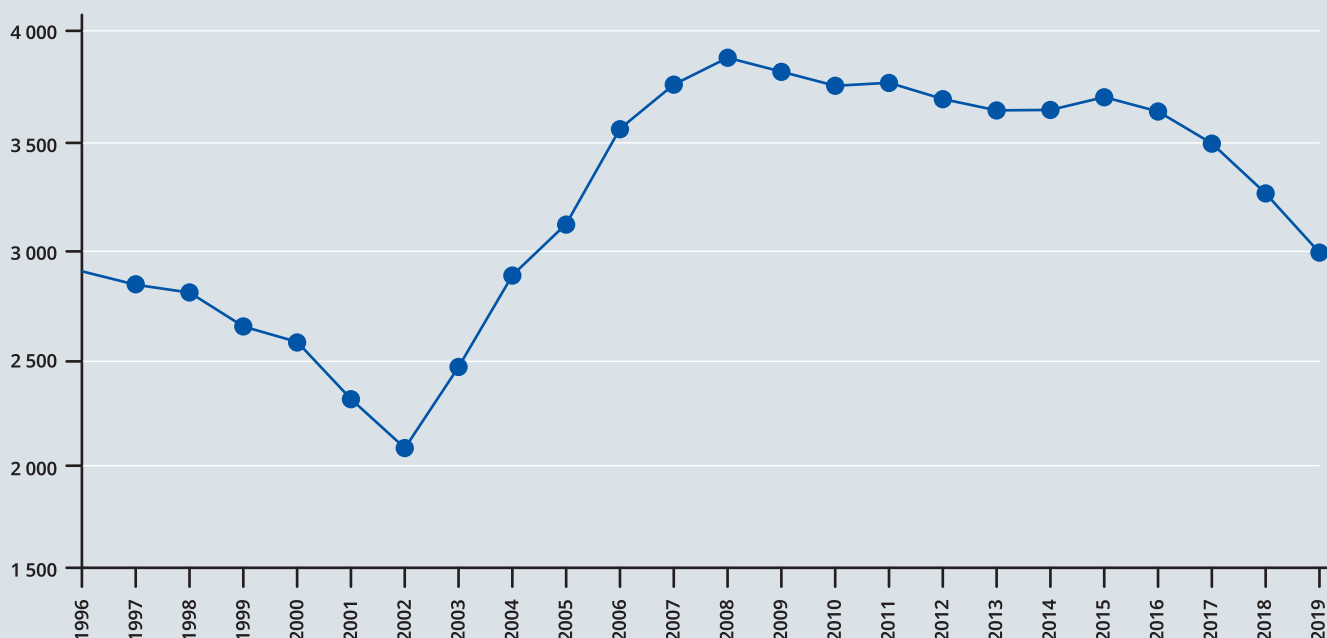
³ The monthly salary for a second officer without seniority was 49,940 Argentine pesos (according to salary scales as of April 2021), while the basic basket was 78,624 Argentine pesos (INDEC 2022).

For this reason, in times characterized by a favourable context, new larger companies are not generated but rather a set of establishments with different levels of informality, which are the first to suffer the consequences of the adjustments of the crisis stages (Aranda and Matta 2022).

It is worth emphasizing that each of the periods of collapse does not only have short-term consequences. In these stop-and-go cycles⁴ hidden behind the added values of company closures and openings, is the loss of complete industrial links (fabrics, threads, sewing machines, etc.) and with them the organizational capabilities and specific competencies of businessmen and workers who, after several crises, did not recover in good times.

This morphological particularity of the productive organization of the sector is therefore a key factor to explain the quality of work generated in the industry: long hours, poor compliance with safety and hygiene standards, low remuneration and piece-rate payment methods, seasonal unemployment, lack of tax registration and benefits associated with social security (Funes 2014, Matta and Magnano 2011, Lieutier 2010, Montero Bressan 2013, Salgado 2016, Arcos 2013, Delmonte 2017).

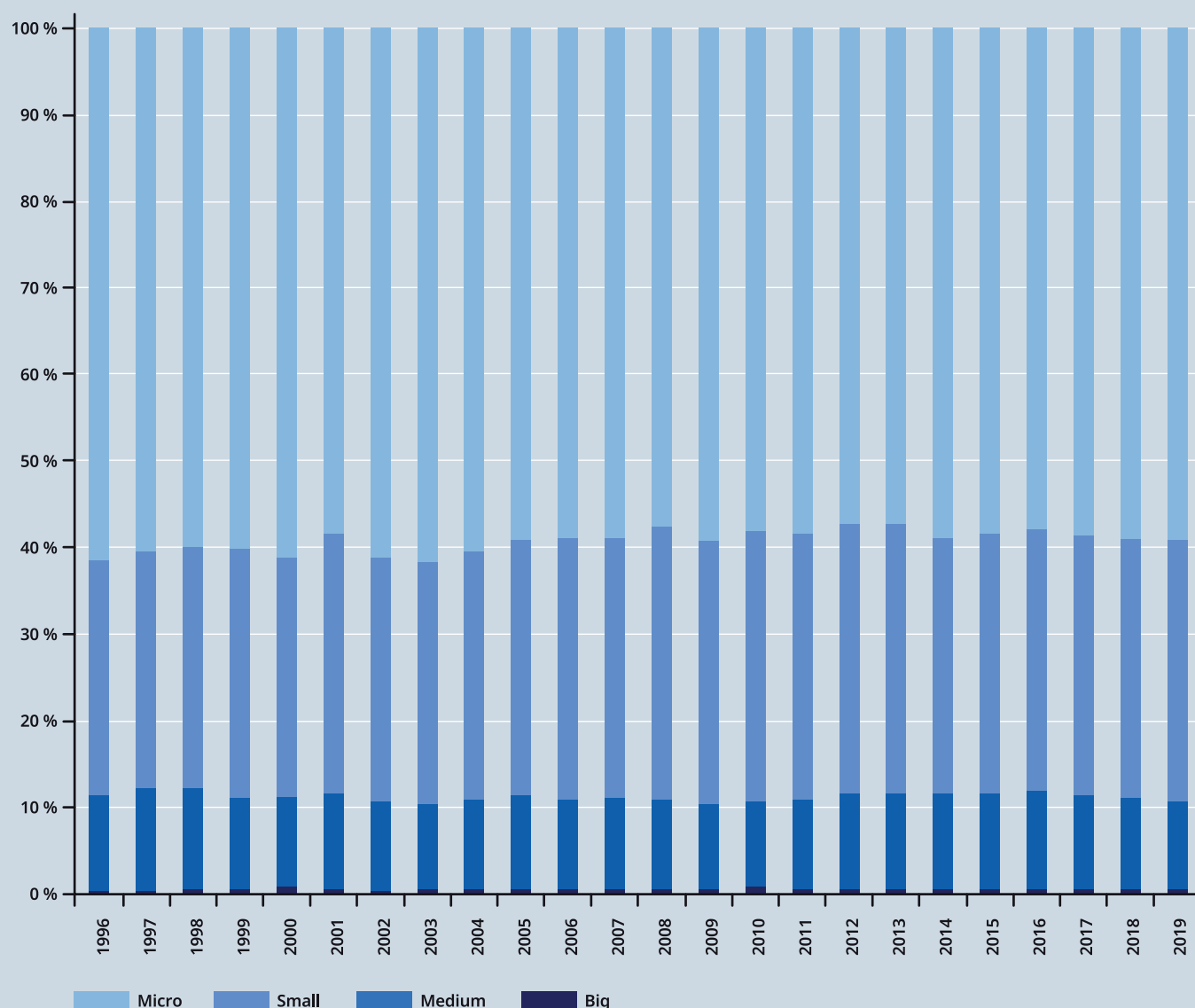
► **Figure 1. Evolution of the number of registered companies (1996-2019)**



Source: author's own preparation based on the OEDE-MTEySS database.

⁴ The "stop and go" cycle model was developed by structuralist economists to explain the fluctuations of the Argentine economy since the postwar period, alternating stages of growth and recurrent crises, as a result of an unbalanced productive structure and its external restriction. (Fiszbein, 2015).

► Figure 2. Evolution of the number of registered companies according to size (1996-2017)



Source: author's own preparation based on the OEDE-MTEySS database.

Evolution of production

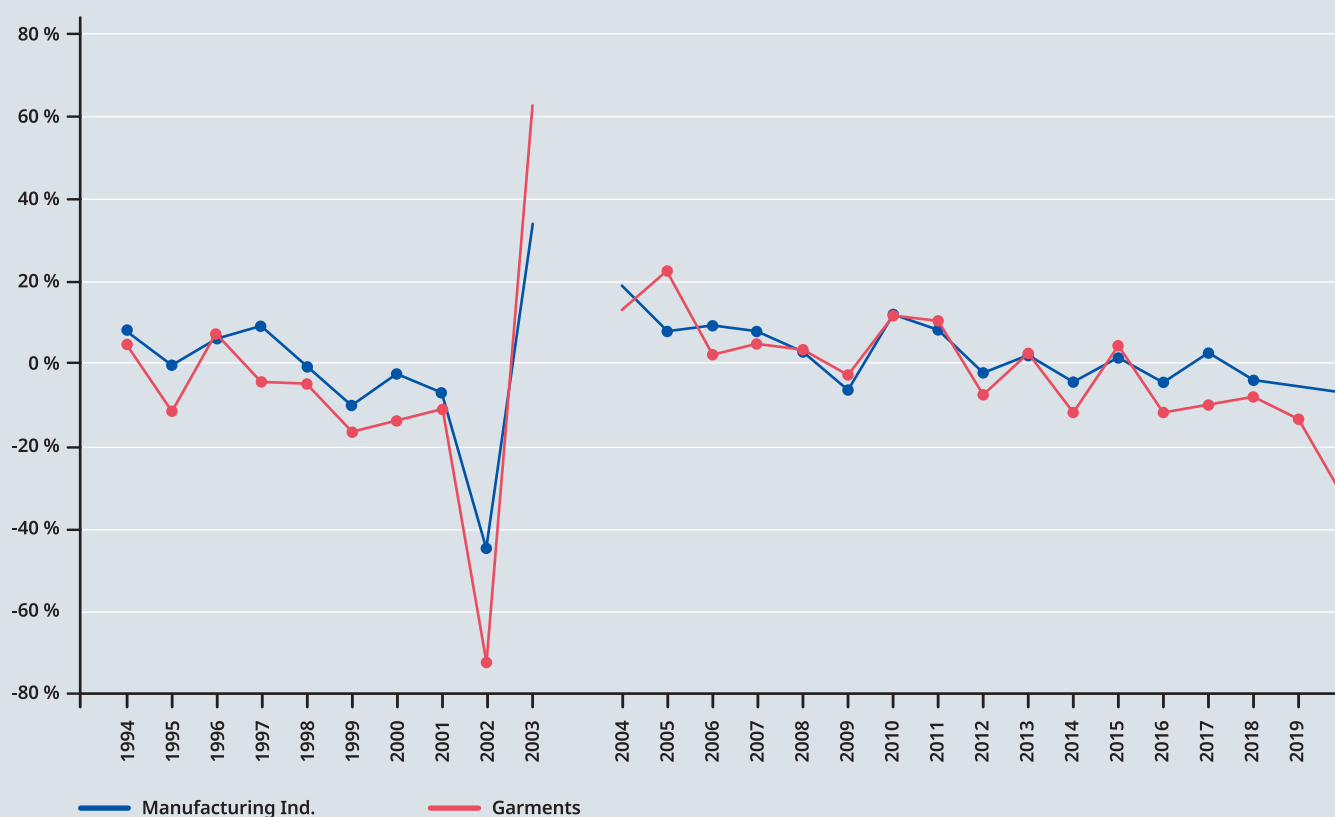
While the global industry is characterized by the organization of production and trade in global production chains, and by the dissolution of seasonality through fast fashion, in Argentina, a dynamic still oriented to the domestic market and marked by traditional bi-seasonality still prevails: local companies continue to work mostly in two seasons, autumn-winter and spring-summer, with strong activity in the three or four months prior to their launch and significant drops in production the rest of the time (Matta et al. 2020 ⁵). This particularity makes the local industry especially dependent on domestic consumption, which is demonstrated by observing its procyclicality during the different stages of the history of the

⁵ A study carried out in Córdoba indicates, for example, that 77 percent of the productive units work under this logic and that the gap between months of high and low production exceeds 50 percent in six out of ten productive units.

sector in the country. In this dynamic (figures 3 and 4), the sensitivity of the annual variation rates of the Gross Production Value (VBP-its acronym in Spanish) and the physical volume of the sector is confirmed, generally accompanying those of the entire industry, although with greater sensitivity in the moments of growth and, especially, of falling.

Two moments deserve to be particularly observed. Firstly, the cycle that begins with the recession generated after 1995, added to the policies of opening to external markets and the maintenance of an uncompetitive exchange rate that caused a constant decrease in the volume of production until the abrupt fall (greater than 70 percent) that occurred during the crisis of 2001 and 2002 (Bentolila 2011)⁶. Secondly, the constant decline since 2010, which has worsened since 2015 and more recently with the effects of the global COVID-19 pandemic, with an abrupt rebound of 40.9 percent in 2021.

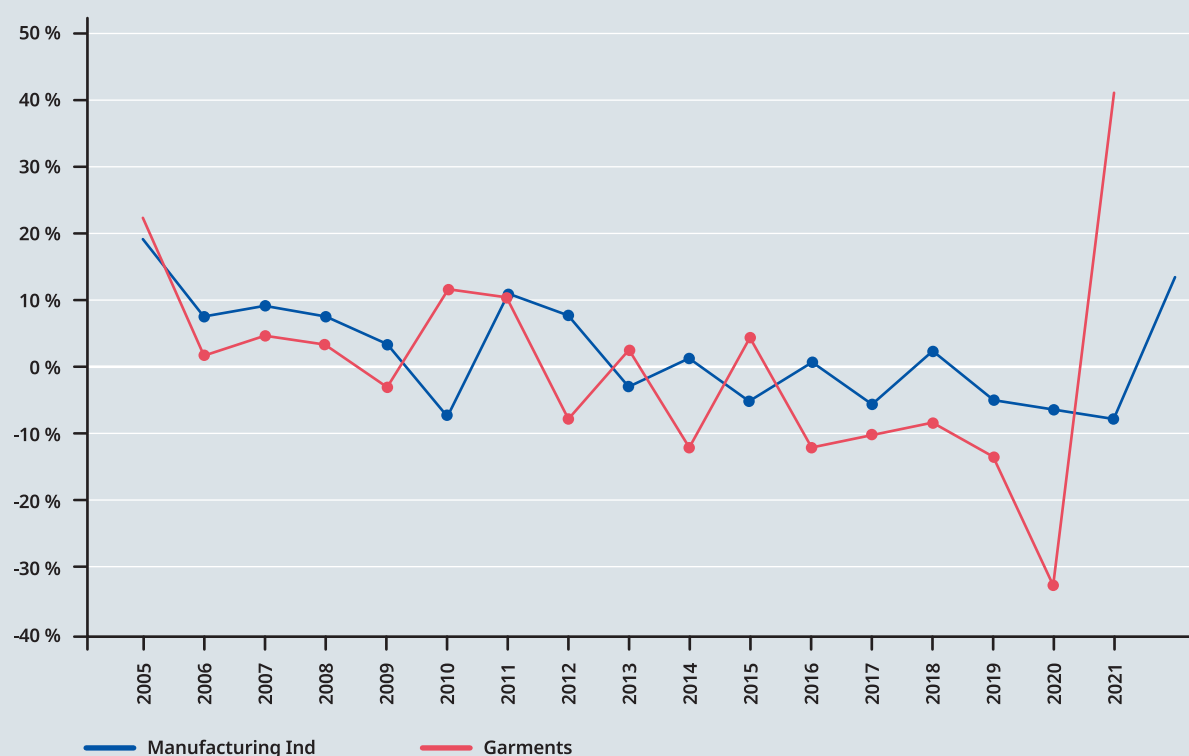
► **Figure 3. Variation of the industrial and sectorial VBP (Gross Production Value) (1994-2020)**



Source: author's own preparation on the CEP and INDEC database. Although this does not modify the argument presented here, it is worth clarifying that the series appears interrupted since the National Directorate of National Accounts and INDEC made methodological changes that do not allow both data sources to be linked. These changes included recalculating the 2004 base year of GDP and the 2004-2015 series at current prices and at constant prices, both for production and expenditure (INDEC 2016).

⁶ During this crisis, the utilization of installed capacity also decreased to 45 percent and the relative sector participation with respect to the industrial VBP (Gross Production Value) went from 3.2 to 1.7 percent.

► Figure 4. Variation of the industrial and sectorial physical volume (2005-2021)



Source: Author's own preparation on the CEP and INDEC database.⁷

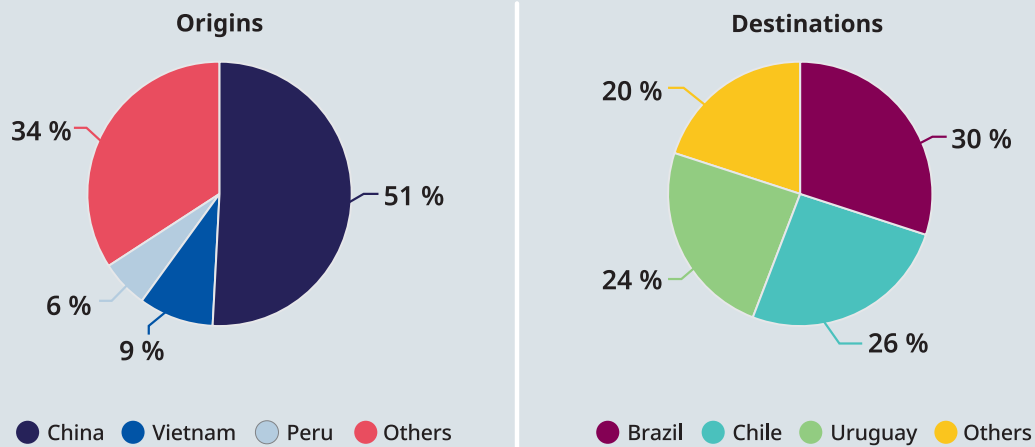
These data confirm that to a certain extent the national industry explains its dynamics primarily by what happens in national economic cycles, with a certain independence from international processes. To reinforce this argument, it is necessary to observe what happens with foreign trade.

Evolution of foreign trade

The Argentine garment industry has a systematically deficient trade balance. The very low number of exports—which places the country below the top 100 exporters in the world—is combined with import levels much higher than these figures. Considering exports from January to March 2022, these mainly consist of tights and stockings, pants, sweaters (cotton) and t-shirts (CIAI 2022), and their main destinations are the countries of the region (Brazil, Uruguay, Chile). Imports, for their part, come mainly from Asian countries (China, Vietnam) with the exception of Peru, origin of high-quality cotton garments.

⁷ See previous note on Figure 3.

► **Figure 5. Participation of the main destinations of the exports and the main origins of the imports in the garment segment (country total, 2021)**



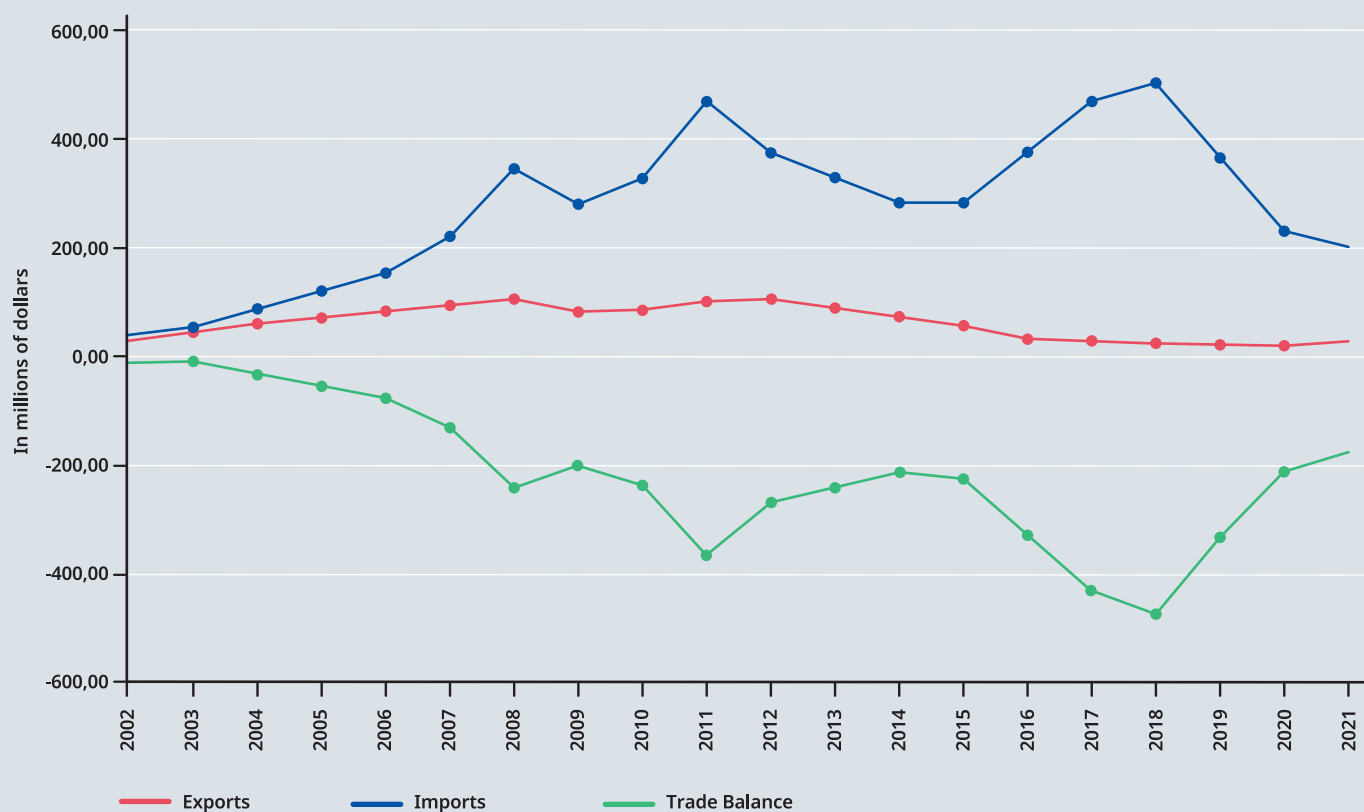
Source: Author's own preparation on the MECON database (2022).

Until a few years ago, the high volume of imports that occurred during most of the period beginning in the 1990s, at times gave rise to hasty analyses that concluded that labor exploitation was mainly explained by the high incidence of imports, since it would be impossible to compete with these products if producing in compliance with Argentine labor—and tax—legislation.

To complicate the debate about the effect of imports on employment in the sector, a detailed statistical analysis shows that in Argentina the behaviour of aggregate demand also has a fundamental impact on the level of employment. Indeed, the values presented in Figure 6 show that in the last two decades, imported products, even at the peaks of 2011 and 2019, never represented more than 7 percent of domestic consumption, so the variations in employment would rather be explained by other variables (notably by the level of aggregate demand) ⁸.

⁸ Unlike what happened in the 2000s, in the 1990s the combination of increased imports (more than 68 percent) and the fall in apparent sectoral consumption (close to 42 percent according to Kacef 2003) led to foreign made garments went from covering 20.7 percent of local demand in 1993 to covering 39.3 percent in 2002. (Kosacoff et al. 2004).

► Figure 6. Garment exports and imports (2002-2021, in USD million dollars)



Source: Author's own preparation on the COMEX- INDEC database

► **Figure 7. Apparent consumption, VBP (Gross Production Value) and garment imports (2004-2020, in USD million dollars)**



Source: Author's own preparation using the CEP and INDEC database.

A fundamental piece of information when analysing the performance of the local industry are the significant variations in the level of imports, depending on the value of the local currency and trade protection policies. The collapse of imports in 2002 is explained by the devaluation of more than 300 percent in the first half of the year, which led to a frantic search for local suppliers and sewing workshops. After the 2002 crisis, imports began to increase by 45 percent year-on-year on average until 2008, when the trend changed from that year to a new peak in 2019.

On the one hand, Argentina stands out for the reactive application of selective protection policies, made up of tariff and para-tariffs access barriers: so far in the 21st century it has been among the countries that imposed a higher rate on the entry of foreign garments (higher than 30 percent), a place shared only with 8 percent of its peers, to which was added administrative measures that limited imports⁹. Even the government of Carlos Menem had applied policies to protect local production between 1994 and 1995 despite having a policy of unequivocal opening of the economy.

⁹ Among these measures, the Advance Affidavits of Imports (DIAI) stand out, created in 2012 through AFIP General Resolutions No. 3252/2012 and 3255/2012, which determined the creation of an advance information regime applicable to all imports for consumption. Although during the first months of his administration the government of Mauricio Macri produced an abrupt increase in textile imports by approving all the DIAI pending since the previous administration, the rate was maintained at levels similar to the pre-existing ones (35 percent).

On the other hand, a fundamental fact, to which this research adds evidence from the interviews carried out, is that the Argentine garment market has a series of structural protections. Firstly, due to the small size of the Argentine market, the costs achieved by importing companies are not the same as those achieved by large European or North American marketing companies. Secondly, importing means planning further in advance than producing locally. This makes the operation more complex for two reasons: on the one hand, it is more difficult to anticipate the models and colours that will be in fashion; and on the other hand, economic instability can give rise to behaviours of withdrawal of consumption. Thus, the calculation of the quantities to be imported is risky. This, of course, also has an influence when planning production in the country, but importation adds an element of risk: importing companies must pay for the products in US dollars months before the start of the seasons, to sell the garments in Argentine pesos several months later.

The lack of credit in case of importing and the instability of the value of the local currency functioned as a huge disincentive to import. These are some of the reasons why internationally renowned retail chains, such as C&A and H&M, do not operate in the country, while they do in other countries in the region, where the stability of the currency and trade policy is older. Finally, if freight to Argentina is expensive due to the limited quantities that are imported and the distance from the most transited maritime routes, the increase in maritime transportation costs due to the pandemic implies further protection for local production. The increase in fuel prices in the current context of war in Europe, and the growing congestion of ports worldwide, increase the weight of these variables when deciding how to supply businesses.

Although it is true that imports constitute a constant threat to employment and that – as throughout the world – they have been increasing since the 1990s (in which 50 times the volume was imported from the 1980s, according to Adúriz [2009]), Argentine figures contrast with those of other countries¹⁰.

Recent data, particularly from December 2015, only corroborate all the previous statements if this stage is compared with what happened in the 1990s: drop in consumption with an increase in imports, a general drop in production and an increase in the idle capacity of textile products, which according to INDEC during 2018 reached a floor of 59.9 percent during the month of May, one of the lowest in its recent history. In this context, the business organizations themselves highlighted the importance of internal consumption for the good health of local production¹¹. Likewise, in the interviews for this study, 2016-2019 was unanimously identified as years of crisis in which both those who supplied locally and internationally were affected by the significant drop in sales, which even affected informal circuits.

Evolution of the labor market

The evidence arising from the data indicated so far shows that, due to its characteristics, this sector, which is one of the largest contributors to industrial employment, also presents great sensitivity to economic cycles in terms of employment. The decline in jobs in the sector began in the 1970s and worsened in the 1990s due to the closure of a large number of companies (about 2,500 production units), the loss of practically 50 percent of employment (about 180,000 positions between the textile and garment industries) and 45 percent of the hours worked (Carrera et al. 2006, Gallart 2006).

Starting in 2003, thanks to policies that promoted the growth of domestic demand and the decrease in imports, the sector was strongly reactivated, which brought with it a growth in employment and the net creation of companies, to the point that already in 2007 there were 10 percent more firms than in the best year of the convertibility era¹² with the creation of 308 000 jobs (between the textile and garment sectors) and an increase in real wages of 32 percent (Gallart 2006, D'Ovidio 2007).

¹⁰ For example, in the United States during the same period, 97 per cent of the marketed garments were made internationally (*American Apparel and Footwear Association* 2016) and in the European Union more than 40 per cent came from the Asian countries (*WTO Data* 2021). With regard to the countries of the region, it is estimated that [Chile imports 93 per cent of the clothes it consumes](#).

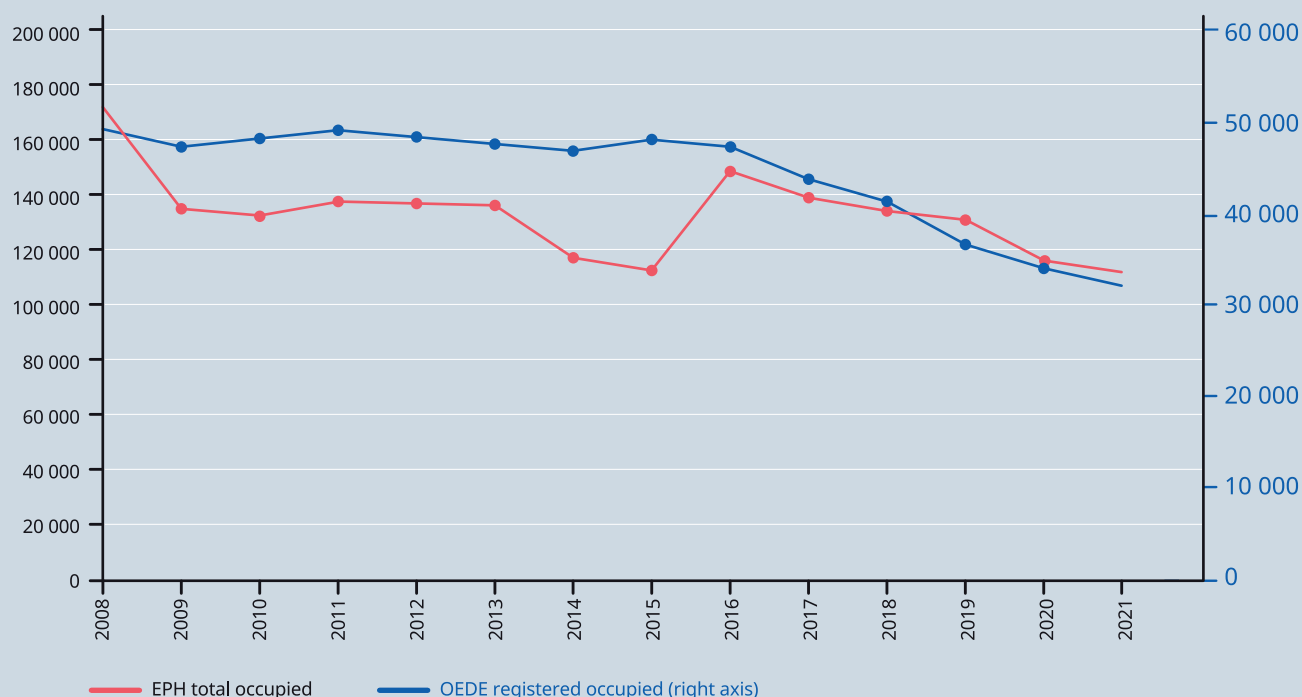
¹¹ For further information on this subject, watch the following [video on YouTube](#).

¹² When by law, a fixed Exchange rate link was established between an Argentine peso and a US dollar.

However, this growth was largely sustained by the growth of unregistered employment. Data from the Ministry of Labor, Employment and Social Security (MTEySS) on registered jobs show that the increase in production led to an increase in the number of companies and jobs, but this growth was greater among informal workers, exceeding the occupancy levels of the previous decade in this period. This first phase culminated in 2008 and began a stage of plateauing that would later transform into a decline from 2016 to 2021, years in which a loss of 33 percent of registered employment is evident (OEDE 2022).

Regarding the number of total jobs, the Permanent Household Survey (EPH-its acronym in Spanish) carried out by INDEC every four months in 31 urban agglomerations confirms this trend: in 2008, around 173 000 jobs were estimated, a figure that is systematically reduced to around 130 000 before the pandemic began. During the two most relevant years of COVID-19 restrictions (2020-2021), the figure shows a new drop, hovering around 115 000 jobs (although it should be considered that these data are under review by INDEC)¹³.

► **Figure 8. Evolution of employment in the garment sector (Argentina, 2008-2021)**



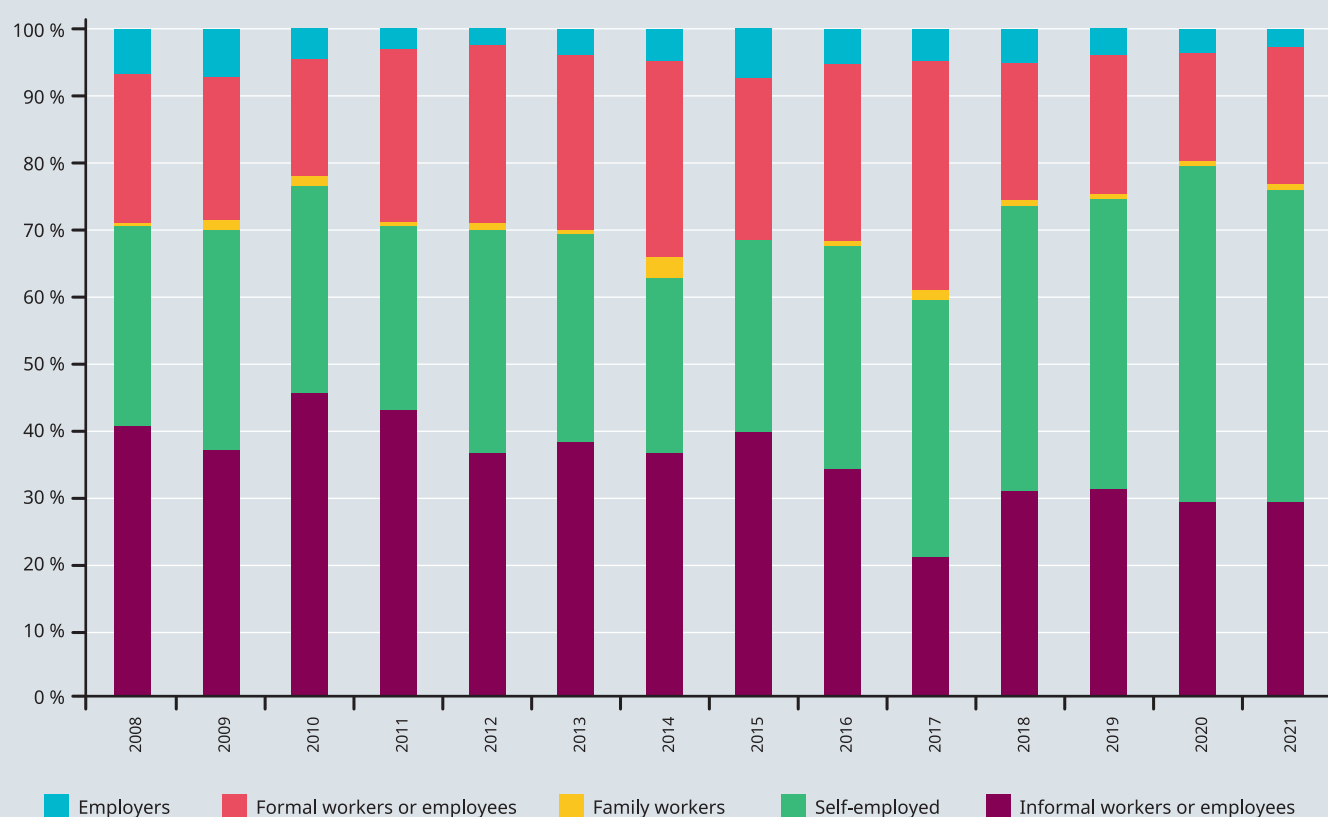
Note: in 2021, the first three available quarters are included.

Source: Author's own preparation based on the INDEC.

The EPH data also allows us to analyse the composition of sectoral employment between 2008 and 2021. Figure 9 again shows a relatively stable structure in which only 24 percent on average are registered jobs. Among the remaining segments, an average of 35 percent are non-formal employees and a similar number are self-employed, although in the period an increase in the latter over the former is clearly observed (reaching 50 percent of the total in 2020-2021). The remaining 6 percent are made up of employers and family workers.

¹³ Given that the operations to collect the EPH data were also affected by the restrictions, all INDEC documents indicate that they are in "a comprehensive review that will allow evaluating the execution of the strategies adopted regarding household surveys in the context of social isolation" and that "once the review is completed, its results will be disseminated to provide information to users about the quality of the estimates and the comparability of the published series" (INDEC 2021).

Figure 9. Employment structure in the garment industry (Argentina, 2008-2021)



Note: in 2021, the first three available quarters are included.

Source: Author's own preparation based on the INDEC.

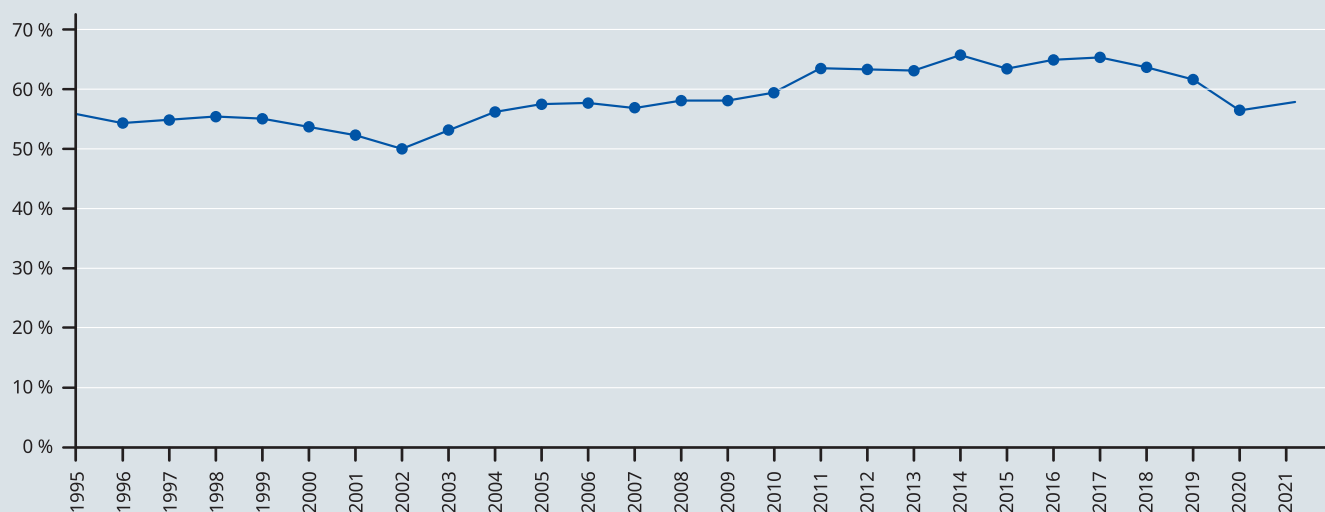
Regarding salary levels, it should be considered that in the world, they are usually among the lowest in the industry. In fact, the ILO (2014) estimates that average remuneration is 35 percent below average industrial wages. The data in Argentina are similar, since as seen in figure 10, since the 1990s the average salaries of registered workers represented close to 60 percent of those of the industry. In 2021, for example, this meant an equivalent to two minimum wages, 20 percent below the poverty line for a typical family, which means that the family of the average worker in this industry is poor if it does not count with other income. As various studies point out, these values are lower for unregistered workers (Salgado 2020, Lieutier and Degliantoni 2020). If the salary of a worker who starts in the activity - without training or seniority - is taken as a reference, his monthly salary (2021) covers only 63.6 percent of the cost of the total basic basket for a typical family (i.e., the poverty line)¹⁴.

It should also be considered that due to the depreciation process that the Argentine peso has been suffering, particularly since 2018, these salary levels of registered workers suffered a notable deterioration (around 300 US dollars per month at the unofficial exchange rate)¹⁵.

¹⁴ Although a series of prizes and other extras bring the "pocket" income closer to that of the basic market basket, it is not a significant plus.

¹⁵ It is estimated that in the period 2016-2022 the fall in real wages throughout the economy was on average around 21.7 percent and for unregistered workers 32.1 percent. (El Cronista 2022).

► Figure 10. Proportion of the sectorial salary in the industrial average (Argentina, 1995-2021)



Source: Author's own preparation based on OEDE-MTEySS data

► Table 1. Industrial and sectorial average salary (Argentina, 1995-2021)

Year	Industry	Garments	Proportion
1995	1 012	566	56 %
1996	1 033	561	54 %
1997	1 032	568	55 %
1998	1 042	579	56 %
1999	1 050	578	55 %
2000	1 062	572	54 %
2001	1 053	556	53 %
2002	1 126	565	50 %
2003	1 305	696	53 %
2004	1 509	852	56 %
2005	1 771	1 026	58 %
2006	2 132	1 232	58 %
2007	2 565	1 467	57 %
2008	3 251	1 896	58 %
2009	3 860	2 250	58 %
2010	5 010	3 012	60 %
2011	6 555	4 162	63 %
2012	8 478	5 408	64 %
2013	10 739	6 801	63 %
2014	13 957	9 163	66 %
2015	18 267	11 657	64 %
2016	24 240	15 742	65%
2017	31 297	20 492	65%
2018	39 405	25 241	64%
2019	56 357	34 815	62 %
2020	77 908	44 284	57 %
2021	108 185	62 571	58 %

Source: Author's own preparation based on OEDE-MTEySS data

Informality and precariousness

The closing of thousands of textile and garment factories during the 1990s gives rise to a vision of this industry as a victim of the trade liberalization policies during that decade, a vision shared by the business, union and even government sectors. However, parallel to the closure of factories, there was a boom in fashion brands, which since then began to occupy a fundamental role in the commercial areas of the cities, also accompanying the appearance of shopping malls as a symbol of the growth in consumption during the first Menem's administration (1989-1995). Some of the most recognized brands were born in those years. Likewise, the main informal garment marketing circuits, such as La Salada and its replicas throughout the country, as well as the Avellaneda street circuit, in the Buenos Aires neighbourhood of Flores, were created in parallel with the closure of factories.

A fact that draws attention when analysing the evolution of employment in the garment industry in Argentina, and that allows us to understand the apparent contradiction between the boom in sales and the parallel closure of factories, is that between 1975 - a time in which the "deindustrialization" began—and in 2007, employment in the sector more than doubled. While the 1975 National Economic Census indicated that there were nearly 70,000 jobs in the sector, in 2008 the sum of formal and informal employees (reported by the EPH) resulted in the existence of more than 173,000. This is surprising when compared with what happened in other industries, such as the automotive industry, in which employment never managed to reach the (absolute) levels of the 1970s. In garment, the strong increase in sales resulting from the massification of fashion was not covered due to massive imports, since, as mentioned above, imports never involved more than 20 percent of apparent consumption during that decade, but rather due to the generation of jobs in the country. The evidence suggests that these new jobs would have been largely informal. In other words, the most important fact regarding working conditions in this industry is that the reconversion of companies to adapt to the new international scenario of high competitiveness was accompanied by a vast process of informalization of the workforce based on the transfer of production from factories to informal and clandestine workshops.

Already in 1988, Conte referred to the growth of labor informality in the sector, notable in the appearance, in those years, of sewing workshops in the hands of migrants. After convertibility and trade opening in 1991, workshops continued to reproduce along with the closure of textile and garment factories, and the boom in sales in formal and informal circuits. When the economic crisis began in 1998, and garment sales - and especially fashion garment sales - were sharply reduced, the supply of workshops exceeded demand and ruinous competition between them began. The pressure on working conditions increased. Accompanied by the reduction of labor inspections, the emergence of recruitment mechanisms that correspond to human trafficking took place¹⁶. Between 1998 and the end of 2001, working conditions hit rock bottom and extreme situations were reached in clandestine workshops. As mentioned previously, the recovery of local production resulting from the drastic devaluation of more than 300 percent between January and June 2002 was sustained with the use of informal workshops. The combination between the formal and informal employment curves shows this trend.

Formal employment grew more slowly than informal employment and local production. The demand for migrant workers skyrocketed in those years, giving rise to a significant migratory flow from Bolivia: according to census data, between 2001 and 2010, Bolivian migration to Argentina increased by 47.9 percent (Calvelo 2012), which implied a total balance of almost 120,000 new migrants. However, working conditions, which had reached the worst indicators between 1998 and 2001, did not take off. Thus, it appears that the sector found a limit to its ability to attract and retain migrant labor and consequently systematically resorted to unethical labor practices, such as deceptive recruitment and indebtedness, since labor migration alone cannot explain the continuity of the migratory flow in the context of precariousness and informality. The fire of a clandestine workshop in CABA in March 2006, where six people died (a 25-year-old woman and five minors) occurred in this context, constituting a symbol of

¹⁶ The issue of labor inspections is developed more exhaustively in section 5, where it is observed that the weakening of this state function included the dismantling of areas of the MTEySS, the drastic reduction of personnel and the transfer of functions to the provinces without the corresponding resource transfer.

the effects of the reconversion of the sector on working conditions. The tragedy revealed the reality of thousands of clandestine workshops in which regular and irregular migrants were subjected to human trafficking and forced labor conditions.

Labor human trafficking and forced labor

The ILO Forced Labor Convention of 1930 (No. 29) (C29), ratified by the Protocol adopted in 2014, defines forced or compulsory labor as “any work or service exacted from an individual under the threat of any penalty and for which said individual does not offer himself voluntarily” (art. 2).

For its part, the “Protocol to Prevent, Suppress and Punish Human trafficking, Especially Women and Children, Complementing the United Nations Convention against Transnational Organized Crime,” known as the Palermo Protocol (2000), defines human trafficking as:

“[...] the recruitment, transportation, transfer, harbouring or reception of persons, resorting to the threat or use of force or other forms of coercion, kidnapping, fraud, deception, abuse of power or a situation of vulnerability or the granting or receiving of payments or benefits to obtain the consent of a person who has authority over another, for the purposes of exploitation. Such exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices analogous to slavery, servitude or the removal of organs.” (art. 3a).

The same art. 3 also indicates that the consent given by the victim of human trafficking will not be taken into account when any of the stated means has been resorted to.

In this sense, the link between both crimes is found in the fact that human trafficking is a phenomenon prior to and related to labor (or sexual) exploitation and can be prosecuted with the same or other legal tools according to the national regulatory framework.

In the Argentine case, the country ratified most of the international conventions related to the rights of workers, such as ILO Conventions numbers 29 and 105 on forced labor; the Supplementary Convention on the Abolition of Slavery, the Slave Trade and Institutions and Practices Similar to Slavery; Convention number 182 (also of the ILO) on the Prohibition of the Worst Forms of Child Labor and Immediate Action for its Elimination; the Home Work Convention adopted at the 83rd Session of the International Labor Conference; the UN International Convention on the Protection of All Migrant Workers and Members of Their Families; and the ILO Protocol against Forced Labor of 2014 (it should be noted that by virtue of article 75 of the National Constitution, international treaties ratified by Congress have a higher hierarchy than laws).

Regarding human trafficking, the country adhered to the Palermo Protocol on August 30, 2002 and in 2008 approved and regulated the first law in this regard, Law No. 26,364 on “Prevention and punishment of human trafficking and assistance to its victims.” This law was modified in December 2012 (Law No. 26,842) incorporating changes to the criminal code related to forced labor and human trafficking. Regarding the first, it modified art. 140, raising the minimum penalty for reduction to “slavery or servitude” from three to four years, and explicitly including the criminal type of obligation to perform “forced work or services under any form.” Thus, the current wording of the article establishes that “[s] hall be punished with confinement or prison of four (4) to fifteen (15) years whoever reduces a person to slavery or servitude, under any form, and whoever receives the person in such a condition to keep him/her in it. The same penalty will be incurred by anyone who forces a person to perform forced labor or services or to contract a servile marriage.”

Although this regulation incorporates “forced labor,” it does not include its own definition, nor does it do so in the case of servitude and slavery, concepts whose definition is the subject of long-standing

discussions in the country (Paz and Lowry 2013). Furthermore, it does so in the context of a law on human trafficking, which is illustrative of the way in which this crime is often subsumed by the anti-human trafficking agenda¹⁷.

Regarding human trafficking, the same 2012 law modifies articles 145 bis and ter of the Criminal Code, which had been incorporated by the 2008 law, leaving its wording as follows:

- **Article 145 bis:** Anyone who offers, recruits, transfers, receives or harbours people for purposes of exploitation will be punished with imprisonment from four (4) to eight (8) years, whether within the national territory, or from or to other countries, even if the consent of the victim is involved.
- **Article 145 ter:** In the cases of article 145 bis, the penalty will be five (5) to ten (10) years in prison, when:
 1. Through deception, fraud, violence, threat or any other means of intimidation or coercion, abuse of authority or a position of vulnerability, or giving or receiving payments or benefits to obtain the consent of a person who has authority over the victim.
 2. The victim is pregnant, or is over seventy (70) years of age.
 3. The victim was a disabled, sick person or person who cannot take care of themselves.
 4. The victims were three (3) or more.
 5. Three (3) or more people participate in the commission of the crime.
 6. The perpetrator is an ascendant, descendant, spouse, relative in a direct line, collateral or cohabitant, guardian, curator, authority or minister of any recognized or unrecognized cult, or in charge of the education or care of the victim.
 7. The author is a public official or member of a security, police or prison force.
- When the exploitation of the victim object of the crime of human trafficking is achieved, the penalty will be eight (8) to twelve (12) years in prison.
- When the victim is under eighteen (18) years of age, the penalty will be ten (10) to fifteen (15) years in prison.

In the case of the garment industry, the first complaints about situations of labor exploitation and hazardous working conditions appeared in the country's largest circulation newspaper in 1999 (Clarín 1999). However, it was not until March 2006 that the problem gained notoriety on the public agenda following the fire of a workshop on Luis Viale Street, in the Caballito neighbourhood, CABA, where six people died: a 25-year-old woman and five minors. 38 people worked there, all migrants from Bolivia, who in turn lived with their sons and daughters. The days reached 16 hours of piecework. At the time of the fire, they had been working for five months and the vast majority had not yet received their full pay. There was even a worker who did not know how to read or write, so the record of his work hours was kept

¹⁷ The lack of a clear definition of "reduction to servitude" and the purpose of "exploitation" in the Penal Code presents challenges, especially when the Palermo Protocol also does not define the concept of the purpose of "exploitation". This usually forces us to resort to definitions in doctrine and jurisprudence, and in other international conventions, which complicates the understanding of the law by those who may be accused and can eventually blur their right to the legitimate defence (Barbitta 2013).

exclusively by one of the workshop managers¹⁸. Sixty-five (65) people lived there, including the family of one of the workshop managers. The machines were located on the ground floor, while on the first floor were the “bedrooms”: cubicles of four-square meters separated by cloth and cardboard, in which the families slept. The place had a refrigerator and a “shower” without hot water for everyone. It was always locked and to leave, you had to obtain permission from the workshop owners or managers (Arcos 2020). In 2016, a CABA criminal court sentenced the workshop owners or managers to 13 years in prison for “reduction to servitude” and ordered an investigation into the responsibility of the job providers for whom they work exclusively, but in 2019 another court acquitted them for lack of merit. Although there was no retention of documents and leaving the place was permitted, the court took as indicators of “reduction to servitude” (art. 145 bis of the Penal Code) the combination between taking advantage of the vulnerable situation of the workers and their families, the lack of remuneration and the living conditions in the place.

About the definition of the crimes and their operationalization

Efforts to combat forced labor were historically plagued by some controversies and by the more or less abstract nature of the operational and analytical definitions of forced labor, reduction to servitude, slavery, exploitation, and the need to translate them into an empirical key to evaluate the existence or not of crimes in specific cases. The two main controversies are possibly related to the establishment of a limit beyond which one or more labor infractions are understood as a crime and another related to the treatment given to the consent of the victims.

Regarding the first, it must be said that, in the context of the capitalist economy, labor relations are based on a *de facto* inequality according to which the worker, who does not have the means of subsistence, has no other option than to sell his/her labor force to an employer who owns the means of production. This is why forced or compulsory labor is called by some authors “non free labor” (Fudge 2019, Skrivankova 2010, Strauss and McGrath 2016). As recognized in the 2014 Protocol to the ILO Forced Labor Convention, precariousness and informality in work, long hours, lack of payment for overtime and other abuses, which in Latin America may affect more than half of those who work, do not prevent the person from changing employers. However, a series of economic and immediate pressures, mainly the need for self-subsistence and that of the family, greatly limits his/her free choice. For this reason, some of these authors prefer to analyse the phenomenon within the framework of a continuum, in which “non free work” or “labor exploitation” is the opposite extreme to “decent work” in its fullness (Fudge and Strauss 2014, LeBaron 2015, Bernards 2017, Fraser 2018, Skrivankova 2010, Gordon 2018). This analytical framework enables the shift from a punitive paradigm to combat modern slavery to one of development (Fudge 2019, Plant 2017, McGrath and Watson 2018).

Regarding the issue of the consent of the victims, although the Palermo protocol establishes that this can be taken into account as a cause of atypicality, the breadth in the definition of the commissive means that break consent results in a simplified reading of the situation in many cases. Such is the case of “taking advantage of a situation of vulnerability”: in addition to the fact that such exploitation is not always clear and direct, virtually all people subject to the situations addressed by the regulations carry a personal history of social vulnerability. An indicator of the problems posed by reading situations of exploitation in terms of victims and perpetrators is the limitation of the victims themselves in making complaints since they are reduced to the status of objects, and therefore unable to decide for themselves about their own life.

Given that these conceptual issues must be operationalized, different organizations created a set of empirical indicators for the definition of judicial cases, in order to provide precision when defining when there is taking advantage of the situation of vulnerability, tainted consent, coercive elements — extra.

¹⁸ Lack of records and low levels of literacy are common among the population of people working in these sectors formally and informally, even globally.

Two relevant examples of these operationalization proposals, which are summarized in Annex II, are, at the international level, the “Guidelines relating to the measurement of forced labor” (ILO 2018) and at the Argentine level, the *Guide to procedures and criteria to detect and investigate human trafficking for the purposes of labor exploitation of the Office of the Prosecutor against Human trafficking and Exploitation of Persons* (PROTEX) of the Public Prosecutor’s Office (prepared in 2011 and perfected in 2017 through a participatory process).

The first incorporates in the “involuntary work” dimension, descriptors such as abusive requirements for overtime or on-demand work that were not previously agreed upon with the employer; work for a longer period of time than agreed or work to repay a debt with the employer or recruiter, among others; and in the “coercion” dimension, empirical references such as the threat of violence, threats of dismissal, withholding of documents, etc

Regarding the PROTEX guide, indicators are incorporated that compare the labor standards established by labor legislation and collective agreements and those that arise from the analysis of judicialized cases such as the length of the working day, the salary amount and elements of the context such as physical confinement, absence of communication, lack of hygiene and food, among others.

After the fire and the deaths in the workshop on Luis Viale Street, it became known that the situation there was not extraordinary, but was repeated in numerous clandestine workshops in the neighbourhoods of Caballito and Flores, and even beyond the borders of CABA, in the south and southwest of Greater Buenos Aires (GBA)¹⁹. In 2008, the Undersecretary of Labor of the City of Buenos Aires estimated that there were nearly 5,000 clandestine workshops in the city alone (Lieutier 2010) and that the number was surely doubled in GBA²⁰. These workshops operate in private houses in popular neighbourhoods or even in villas, which are rented to prepare them for the production of garments, leaving a space to accommodate those who work and their families. They produce for one or more job providers, whether brands (recognized or not), independent designers, manufacturers on Avellaneda Street and/or La Salada, or State contractors²¹. The vast majority of workers are migrants from Bolivia, while the workshop managers/owners are also migrants, but with a few more years of residence in the country.

There is a great variety of situations in the workshops and ways in which seamstresses are involved in these economies. To simplify, we will take what Lieutier²² described in 2010 as the most common situation: male and female workers live in the workshops, often with their families, in overcrowded situations, with insufficient ventilation (the windows are usually boarded up to hide the workshop) and inadequate safety and hygiene conditions. They work between 7 am and 11 pm from Monday to Saturday, and during the first two or three months the employers keep the pay as a way of charging those who work for transportation, accommodation, food and other non-refundable discounts specified in the initial oral agreement. At that time (2010), Lieutier calculated that once “the debt was paid,” workers earned between 40 and 50 percent of the salary established on the sector scale.

In the interviews for this investigation, business voices assured that such working conditions no longer exist, that they are part of the past: “[...] those clandestine workshops in which people did not leave... if they remained, there are few left [...] Today, a young man of 25, a girl of 25 or 30 years old, you put her in one of these factories and she doesn’t enter the world for anything. It doesn’t work this way, they are very smart, they have a smartphone. I see that in the batches of migrants who were very unprotected.”

19 The GBA is made up of the municipalities adjacent to the Autonomous City of Buenos Aires (CABA), but unlike the name “Buenos Aires Metropolitan Area” (AMBA), it excludes the CABA.

20 There have been no official estimates since then.

21 It is worth noting that precisely to avoid the purchase of garments produced in poor conditions, in 2010 the Ministry of Defense adopted the Shared Social Commitment program developed by INTI, through which the value chain of suppliers is audited. Those who have their productive chain in adequate conditions receive the necessary certification to participate in the Ministry’s tenders.

22 This economist was Undersecretary of Labor of CABA after the fire on Luis Viale Street, and during his administration he interviewed hundreds of workers along with city inspectors under a strong motivation to combat informality in the garment sector.

Officials linked to the sector pointed in that same direction by ensuring that: “There is an improvement. You say ‘is it okay?’ No, there must be cases, but it can’t be worse. I think there is an improvement”, “It could be that there is, yes, because awareness has been raised in the sector, even due to the information that circulates among the seamstresses themselves. “Before, ignorance led them to be easy victims of these types of practices”.

The progress in this regard seems, indeed, to be notable. However, although the improvements would be visible, particularly within CABA, both the fire of a workshop in 2015 in the Flores neighbourhood in which two children died, and the discovery of a workshop in the conditions described that same year, in which 52 people worked for a well-known children’s garment brand, suggests that just seven years ago²³ forced labor still existed in the sector. In this regard, there seems to have been a change in the work methodology of the workshop owners/managers most linked to the worst working conditions in line with the need to avoid being discovered. Thus, during the investigation three modes of adaptation to the new situation could be detected: separation of the home from the workshop; improvement in security conditions; and withdrawal of the workshops towards potentially dangerous areas for the inspection authorities.

Regarding the first adaptation strategy on the part of the workshop owners/managers, interviewees linked to the inspections highlighted that the workshop-housing today is a rarity, since the workshop owners/managers usually rent a home to accommodate workers, which is usually very close to the workshop, and another to set up the workshop. This is an important step toward avoiding accidents. However, forced labor conditions were not altered in many of these workshops²⁴.

“The issue of not having more houses in the addresses of the workshops but having them around the corner... [The workshop on street] X was a case that...not only did they live there, but they also had a house a block away where the guys were brought and taken every day to sleep and they came back and worked, they came back and worked [...] Some of the people lived under the water tanks of the house... you couldn’t even get in sideways, you had to go in crouching, and there the mattresses were on the floor... They had to do their business outside and they slept like that, and the ceiling was 50 cm high [...] That also happened to us in other workshops in bad conditions, where we started to chat, chat, chat and several told you the same address, and the address was a block away. And when you went to the home, the home was an inhuman thing, they lived in overcrowded conditions... The same conditions as before, only not there, but rather the workshop manager rented them a home for which they paid \$2.50 and he would put 20 people in one property. that on all fours could accommodate 5/6 people, hanging from the light, with a jug”.

An official also highlighted the complications that this strategy poses for the detection of forced labor, referring to similar situations in a workshop in which those who worked did not live there, but spent 14 or 16 hours a day producing: “You have to go one step further to hook them that the boss has taken the documents from them, that they have been deceived... Then you have to go a little deeper, and there have to be the victims wanting to report because if not, how do you catch that?

Improvements in safety conditions do not necessarily imply improvements in living and working conditions, as indicated by the following testimonies from officials:

“There was an improvement in safety. We have seen many clandestine workshops with a lot of technology on matters of infrastructure ...”.

“With a lot of investment!”.

²³ At the time of writing this report.

²⁴ Precarious living conditions can be found even if the home is not in the same place as the workshop.

"One went to a place and said 'there cannot be slave work here' and, however, there was a lot of investment, because they invested even in hiding people... That is, workshops with people sleeping in the second floor, numbered plates, the same conditions as in Viale, but better infrastructure".

Regarding the third strategy, in CABA the withdrawal of the workshops into the interior of the villages was pointed out in some interviews: "[...] we realized that they had learned a lot from how we worked. So, the things they did were, for example: moving to areas where they were more dangerous for any agent or working with a closed-door system."

This same official indicated that another strategy is to limit the external links of the workshop to those that are more developed:

"Before, out there, they supplied several clients, they worked for an important Brand, but they did little jobs²⁵ for another brand. So, there you had more people who knew the place, you had more possibilities for that place to become visible, so, they limited that. We began to see that there was no longer so much flow of vehicles coming and going. It was more difficult to determine where there could be a textile workshop."

This information arises within the framework of renewed success of informal and Avellaneda Street circuits in the post-pandemic. This is a scenario that raises the need to remain alert against the possible exploitation of new groups of migrants.

The response of civil society

The situation in the clandestine sewing workshops gave rise to numerous actions by civil society. Of particular importance in understanding the problems and functioning of this true underground economy was the activism of La Alameda, a social movement located in the Flores neighbourhood, an area of CABA with a large number of workshops, which before the fire on Luis Street Viale had already made a complaint about the working conditions in the workshops. This social movement played a leading role in reporting both the situations and location of the workshops, as well as the companies that provided jobs. Thus, through hidden cameras and its own investigations, La Alameda demonstrated that the informal workshops did not supply only the informal marketing circuits, but even some of the most recognized brands that sold in shopping malls. The complaints were not limited to the media, but were also accompanied by criminal complaints. Thus, La Alameda's lawyers used an old Home Work Law (12,713/41) to involve the brands in their complaints. By 2010, more than 100 garment brands had already been criminally reported for reducing them to servitude and/or facilitating the illegal stay of migrants in order to obtain a benefit (art. 135 of the Migration Law No. 25,871). Likewise, by expanding its field of action to sexual exploitation, in 2008 it promoted, together with other social organizations, the agenda to combat human trafficking in Argentina, a path in which the sanction of the first human trafficking law in 2008 was a first milestone.

La Alameda's activism soon encountered serious difficulties in gaining recognition from migrant sewing workers. Thus, complaints and inspections were not normally welcomed by them, since as a more immediate result, although the exploitation ceased, they were also left without a place of residence and without work. In fact, the workshop leaders organized some mobilizations against La Alameda, achieving an important support of workers. La Alameda's response was to insist on the importance of victim assistance policies after rescues, and even opened its own cooperative that could house "rescued" workers. Along these same lines, in 2009 it opened together with INTI, the Garment Demonstration

²⁵ "Changuitas" means a transitory occupation.

Centre, better known as Polo Textil de Barracas, opened with the aim of becoming an example of how one should work in this industry and a concrete alternative for those who would be jobless in the face of the inspections. The Polo aims to be an incubator for cooperatives that, during their first years, work in a space provided by the CABA government and that is maintained by INTI, which in turn provides professional support to develop management capabilities for the cooperatives.

Another social movement that emerged in those years was Simbiosis Cultural, an organization of young migrants, especially from Bolivia, with the aim of addressing the interests and experiences of migrants. For many years, Simbiosis carried out various activities with the Bolivian community aimed at promoting awareness that would problematize the working conditions in the workshops, which in its opinion had been “naturalized.” In 2015, Simbiosis took a leap towards opening a productive centre in the Ciudadela neighbourhood, in GBA, with the support of the Confederation of Workers of the Popular Economy (CTEP). In the beginning, the centre, called Juana Villca in honour of the 25-year-old woman who died in the fire at the workshop on Luis Viale Street, brought together several workshop owners with their machines and promoted cooperative work through workshops. Today it operates as a single medium-sized cooperative that is in charge of the entire production process.

This latest action of Cultural Symbiosis is part of a strategy widely spread among civil society responses to the situation in clandestine workshops, which is to develop productive poles, that is, factories that function as cooperatives. The rapid development of these poles was promoted by recognized social movements such as the National Confederation of Work Cooperatives (CNCT) and what is today the Union of Workers of the Popular Economy (UTEP). In the textile and garment area, these organizations promote the cooperative movement and manage resources and tenders to support the cooperatives that join them. The role of these cooperatives in the production of medical supplies during the pandemic was fundamental.

The response of the private sector

After the Viale fire, the complaints from La Alameda and the information shared in the media, the business community was recognizing that this problem cuts across the entire sector.

Initially, some positions identified informality as a result of cultural or ancestral practices that job providers could not change or control. In fact, this vision was reflected in a court ruling in which a well-known brand was acquitted by understanding the workshop as an extended family that functions as a cooperative, in line with supposed cultural guidelines of the Bolivian highlands. Some representatives of the sector claimed, in the media and in interviews with academic researchers, that they were only marketers of products made by other companies, ignoring their legal responsibility in the matter. Along the same lines, the difficulty of controlling the conditions in the workshops once the cuts left the brand's warehouse was highlighted. There were also voices that referred to informality as a product of trade openness, saying that when importing, the working conditions of the countries of origin of the products are also imported (Montero Bressán 2012). Finally, an initiative that did not prosper but achieved high support in the private sector, was the modification of Law No. 12,713/41 on Home Work, which sought to limit joint and solidary liability, by understanding workshops as independent companies that established commercial (that is, non-labor) links with the brands. The opposition of the footwear union and the General Confederation of Labor to this modification ended up undermining that attempt²⁶.

Currently, the advances in terms of employer awareness with regard to their responsibilities on the matter are evident among the sector representations.

²⁶ A similar project was presented by the chambers of the sector in November 2020, although it never reached a commission opinion and therefore lost parliamentary status.

“Brands realized that formalising a little bit is not so expensive and not only it isn’t more expensive, but it facilitates your capacity to govern production, to control production”.

“Those who hire know that it is very cheap and they don’t ask either why it is so cheap and neither do they go visit the places in general. That is changing for several reasons: because the market is more mature, because the quality levels have to go up, then you start visiting the workshops (we are talking about the big brands). Now you need to know because you can get involved with the newspapers. Today it is more expensive for a brand to appear in an informal workshop, where they arrested a manager or owner, something like that. It has a cost, a brand cost that now is more difficult to get people to forgive.”

This last testimony also pointed out that after the fire in Viale, the brands sought to further formalize their production chains, although without developing the necessary mechanisms to control them.

However, certain positions have been noted that seek to disassociate brands from informality. Specifically, it is observed that certain State agencies promote the vision of two independent productive circuits: that of brands, which would be totally unrelated to informal workshops; and that of La Salada and Avellaneda Street, which would be responsible for informality. However, the links between companies and workshops remain strong, not only with regard to subcontracting, where clandestine workshops may be working for a well-known brand as well as for a La Salada manufacturer, but also with regard to the supply of fabrics for large informal circuits.

In summary, promoting the debate about the responsibility of the private sector in promoting practices that contribute to establishing and enforcing clear rules for everyone is essential to adding these central actors to the fight against the violation of rights in the garment sector.

The migration-exploitation link

In terms of domestic production, in times of high demand, home-based enterprises expand by incorporating labor. The main limitation in this regard is access to people willing to work for the low salaries offered by this industry. Migrant networks usually cover this need given the abundance of workers who are prone to accept poor working conditions as the first step in their migration process. This is what Collins (2003: 7) points out in his study for the case of the United States:

“In terms of domestic production, in times of high demand, home-based enterprises expand by incorporating labor. The main limitation in this regard is access to people willing to work for the low salaries offered by this industry. Migrant networks usually cover this need given the abundance of workers who are prone to accept poor working conditions as the first step in their migration process”. [free translation].

In Argentina, there are two migrant groups dedicated mainly to the making and selling of garment: Bolivian and Korean²⁷. In the province of Córdoba, for its part, many of the workers are of Peruvian origin (Matta et al. 2020). In the case of Bolivia and Korea, the first workshops emerged in the 1980s and expanded during the following decade, with the boom in garment sales. Migrants from Bolivia arrived in force in the country since the 1990s, attracted by the strength of the local currency and dedicated themselves mainly to horticultural production in the green belts of large cities, and to the manufacture of garment. By 1991, the year in which convertibility was established, there were already Bolivian migrants

²⁷ Although in smaller numbers, there is migration from Paraguay, Peru, Brazil and internal migrants involved in the garment sector. This was identified in the Rapid Sector Diagnosis of the Garment Sector, developed by Verité in Argentina, as part of the research agenda of the EvA Project.

who had been in the country for years and who sewed for brands or who sold their own products at the first informal fairs. The virtual explosion of local garment starting in 2002 triggered a strong demand for seamstresses that was covered by greater Bolivian migration. Thus, between the 2001 and 2010 censuses, Bolivian migration increased by 62.4 percent. Those who positioned themselves among the highest hierarchies of the production chain are those who achieved success at the Urkupiña fair, one of the fairs in La Salada.

Migrants from Korea, for their part, arrived in the country in two waves: in the mid-1960s and again in the mid-1980s. The latter of these flows was driven by a bilateral agreement through which Korean immigration was permitted under the condition that upon entering the country they demonstrated that they had capital (Szmuckler 2015). Thus, unlike the migrants of the first wave, many of them dedicated to rural production, this migration was concentrated in the Flores neighbourhood in CABA and dedicated itself to the garment business, opening small workshops with the capital required to enter. By slowly developing the commercial circuit on Avellaneda Street in Flores, they managed to climb the productive chain and break away from sewing, for which they demanded work from the migrant workshops of Bolivia.

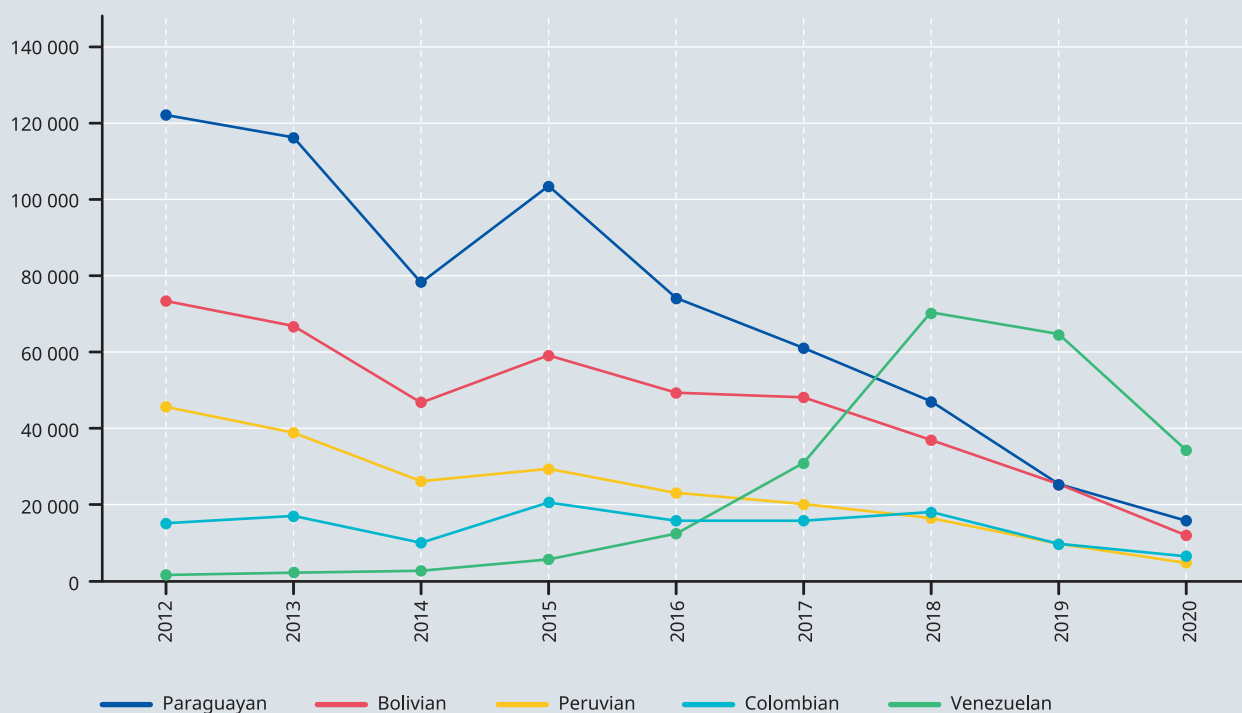
One of the issues that draws the most attention when analysing the living and working conditions in the workshops is the very low participation of the workers themselves in complaints. In fact, as noted previously, many workers joined their exploiters to demonstrate against the local social movement La Alameda, which aimed to improve their conditions. If the involvement of the victims themselves is fundamental to this fight, it is necessary to understand why they do not report the conditions or organize collectively to demand improvements. It is worth clarifying from the beginning that the reasons go beyond the threats to which they are often subjected as victims of human trafficking and/or forced labor, and even beyond the deficiencies in rescue and assistance policies for victims, which in any case are limited to victims of human trafficking.

Workshops can offer poor and dangerous working conditions, low pay, long working hours, and so on. However, as this economy is organized, they cover three of the most immediate needs that a new migrant has upon arrival: housing, food and work. With an extremely rigid real estate market like that of CABA, in which months of payment in advance and property guarantees from direct relatives in the jurisdiction itself are required to enter into a rental, the workshop solves that need, and although it does so in a precarious way, that solution is very important for the life project of the working person.

The mechanisms of human trafficking and forced labor include not only threats and penalties of various kinds, but also a long battery of more subtle strategies, such as arguments aimed at generating migrant consciousness over consciousness as workers, which results in an identification with the “countryman” exploitative workshop owner in the face of the actions of civil society or the local state. Although it is important to consider—as much of the academic literature claims—that those who work have “agency” or capacity to make decisions, their conscience is shaped in favour of the continuation of exploitation. In turn, this manipulation is based on the purely economic interest that motivated migration in the beginning. Thus, as Caggiano (2013) states, workers assume that time in the workshops in worse conditions as a time of inevitable exception to accumulate the capital necessary to return to their country with money or to become independent by opening their own workshop. Migrants, then, make their own “migrant calculation” (Gago 2015), which explains their motivations and lack of interest in reporting the exploitative workshop owner.

Over the years it became evident that this “migrant calculation” only gave positive results for a minority, while the existence of a vast illegal production system contributed to dragging down working conditions, while at the same time damaging working conditions. competition for honest employers. As it became known in the places of origin that the conditions promised by the captors were not such, the recruitment networks lost power. This, added to the deterioration of the Argentine peso and the conditions for producing garment, the complications in sending remittances and the improvement of conditions in Bolivia, led to a marked decrease in Bolivian migration to Argentina.

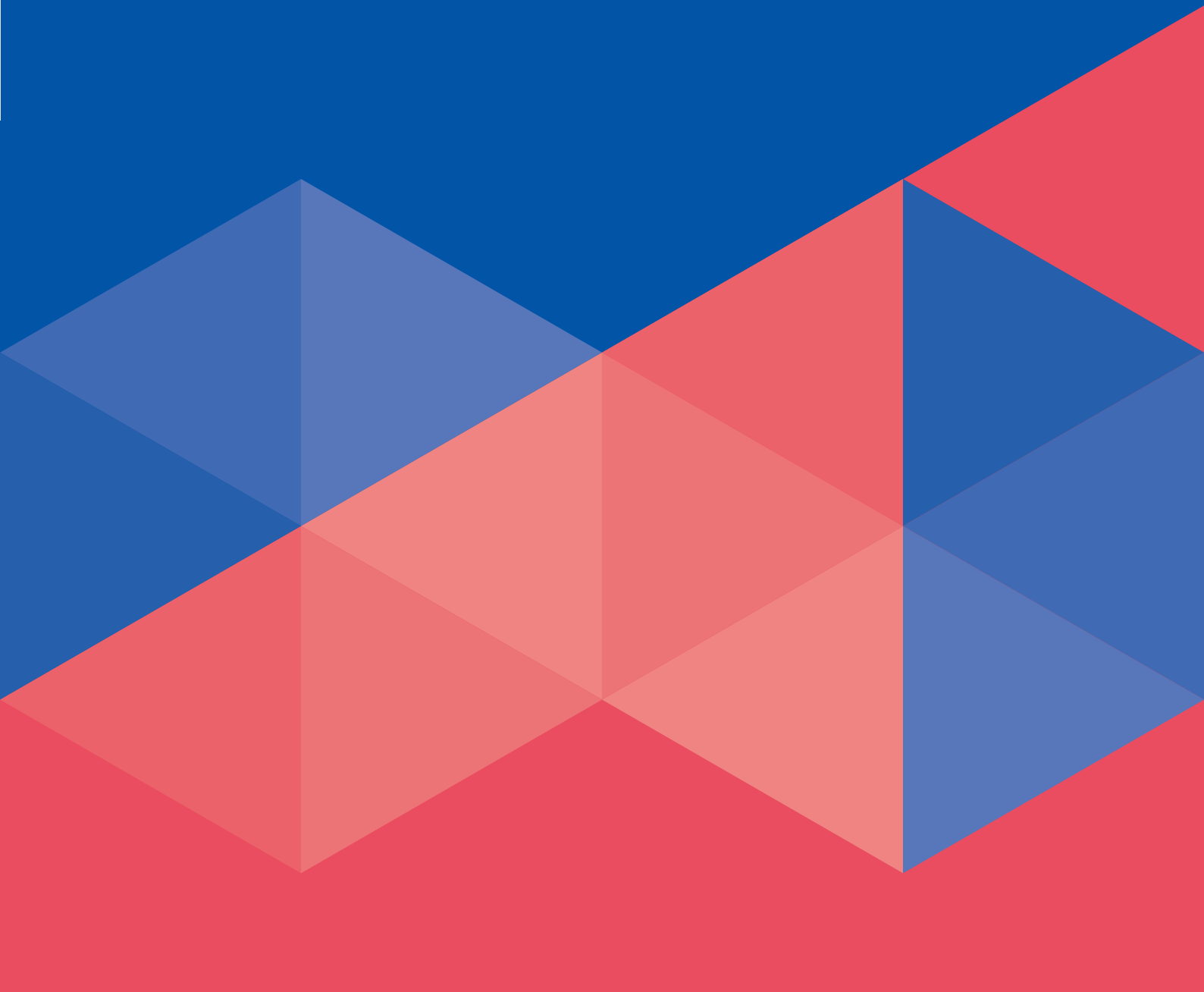
► Figure 11. Residence permits granted (2012-2020 according to nationality)



Source: National Population Directorate, 2021.

The marked decrease in migration to the country, which includes the return of thousands of people to Bolivia, led to a situation of labor shortage that worries the business community and puts upward pressure on wages.

► The productive chain



► The productive chain

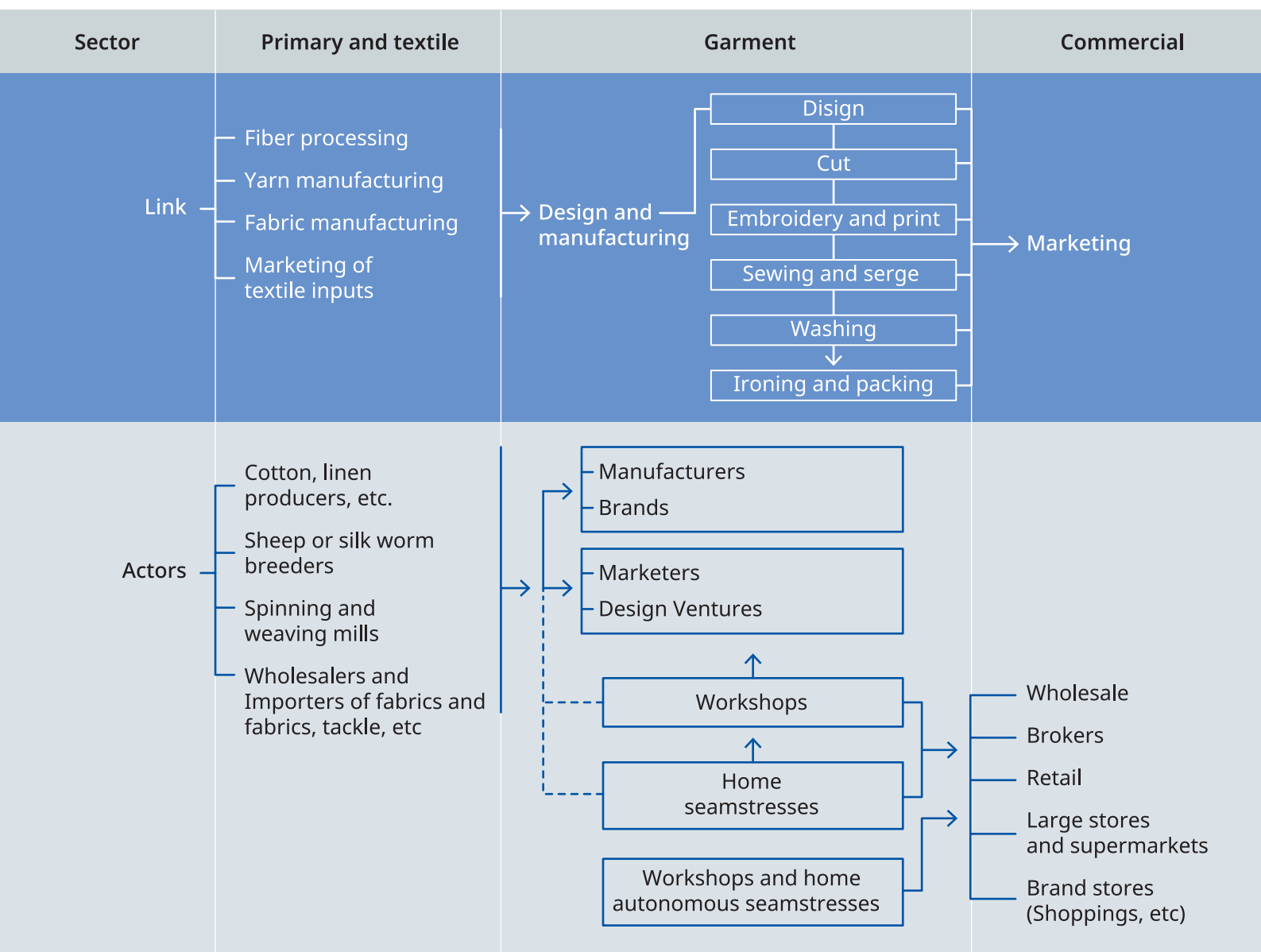
A productive or value chain is an idiosyncratic configuration made up of various actors and social groups (firms, workers, consumers, civil society, state entities, interest groups, etc.) based on their recurring interaction around a productive process. This arrangement also includes a set of capitals, technologies, knowledge, infrastructure, consumer practices, among other aspects, which must be coordinated in both structural and functional terms.

The production chain of the garment sector is made up of a set of links that can be presented in three stages: primary/textile, garment industry (garment) and commercial. Within each of these segments there are in turn different typologies of actors, which can be recognized by their specialization within the division of labor or by their specific strategies within each stage (figure 12).

Regarding the primary/textile link, in Argentina there is a limited supply of fabrics produced by the local industry. Those made with cotton are usually integrated with the production of the raw material (mainly in the province of Chaco), while in synthetic fabrics, imports represent a substantial part of domestic consumption. This category includes the preparation of natural fibres (vegetable and animal), the manufacture of yarns, flat fabrics and knitted fabrics, and their finishing, mostly intermediate inputs for this industry and others. Although its importance is central to the functioning of the sector, this section of the chain is not of special interest for this study since its working conditions are similar to the rest of the economy. In the primary sector, cotton crops are highly mechanized, so in recent decades there have been no complaints of labor exploitation. Regarding industrial processes, informality is similar to that of the economy in general, that is, close to 35 percent of the workforce. Although, as in the entire industry, micro and small establishments prevail (85 percent of the total), the main suppliers are medium or large with high productivity, unlike garment production, which is labor intensive. According to the latest available statistics (OEDE 2022), nearly 2,700 firms with approximately 57,000 workers are located in this link. Among these companies, 400 are medium and large, covering more than 60 percent of the total employment in the activity.

The “design and manufacturing” link (figure 12) depends for its operation on the production of the primary and textile links, as well as the provision of machinery, tools and other inputs, generally provided by wholesale and specialized businesses. In the first section, this includes the activities of obtaining raw materials (growing and harvesting cotton, obtaining wool and producing synthetic fibres, all activities corresponding to the primary sector of the economy) and of transformation: fibre processing (ginning and obtaining cotton fibre and carding wool), manufacturing of yarn (carding, winding and combing of the fibre, winding and obtaining of yarn) and manufacturing of fabrics (preparation of yarn, flat weaving, knitting, dyeing and finishing, and stamping). This segment also includes the marketing of textile inputs.

► Figure 12. Structure of the garment productive chain (main segments and relations)



Source: Author's own preparation

The core of the chain is made up of manufacturers, who control the production link, but also have a determining influence on marketing. On the production side, there is a multiplicity of supply strategies and actors that complicate the analysis of the chain, covering the activities of design (selection of models and fabrics, and preparation of patterns), manufacturing (cutting of material, sewing and assembly of the garment) and commercialisation (marketing and promotion, sales and customer service). In some cases, these functions are integrated into the same company, but most of the time, as noted above, functional specialization also led to fragmentation at the organizational level. Thus, the vast majority of companies that have direct links with marketing subcontract sewing to factories, workshops or home workers.

The actors of the Argentinian garment industry

Manufacturers (brands) and marketers

Manufacturers have in common their direct links with marketing and their role as driving force and control of the production process. In other words, they are companies that design garment, do the patterns and cutting, make the garments and market them (wholesale and/or retail). As a general rule, sewing is outsourced, and manufacturers who have sewing “inside” (of their factories) are the exception. You can differentiate between, on the one hand, manufacturers and brands; and on the other, wholesalers.

Although in Argentina we talk about “brands” as companies, brands are products that add value to garment through marketing and design. In terms of the organization of production, it is possible to differentiate between international sports brands and fashion or children’s brands. The former operates from a local licensee company that has small offices from which it manages marketing and production. The phenomenon of branded stores is relatively new in the country, and in fact the experience of a well-known international brand, which recently closed its stores, could indicate that there is a decline in this regard. Production, on the other hand, is carried out entirely outside the offices, generally in the largest factories in the country, in working conditions in accordance with the collective agreement and formality, especially after a complaint in 2008 involving some of these international renown brands with clandestine workshops. The case of international sports brands illustrates that achieving brand status, in order to “sell own brand”, is in fact the main objective of those involved in the garment business: the main asset of a company that sells its own brand is precisely the brand, which is why an important part of the investments are allocated to marketing.

As for fashion and children’s garment brands, they market their products through shopping malls throughout the country, street stores (mainly in CABA) and multi-brand stores in cities in the interior of the country, which are generally wholesale buyers who get their supply from various brands. In turn, the premises on the street can be owned or franchised.

As a businessman interviewed for this research points out, many of those in charge of brands do not identify with the role of “manufacturer”:

“Here I do talk to you about brands: [For] the businessman, the industrial process is not attractive, it is very complex. They are merchants, they know how to sell clothes but making clothes is another matter. That is why, to a businessman, in any of these countries, you say ‘hey, you can import’, first he is going to import”.

These firms usually have offices from which the relationship with businesses and production is organized, and designs are made. Generally, the offices are located next to their factories, where they make patterns and cut fabrics. With few exceptions, brands do not sew their garments in-house. On the contrary, they mainly supply themselves by subcontracting production, although in some cases they can buy finished products from garment manufacturers on Avellaneda Street or import them. In fact, they are the companies most interested in trade opening, which raises conflicts within the business sector with those firms committed to production. By outsourcing, they control most of the production chain, which sometimes takes the form of extensive subcontracting networks.

The possibility of accessing low-skilled labor that is generally atomized and geographically dispersed, both within formal and informal circuits, results in asymmetries through which these firms end up disciplining the production process by setting working conditions (quality, delivery times and prices per garment). A fundamental condition that they impose is payment by piece or “piecework”, through which they transfer part of the business risk to these outsourced units that end up internally facing their labor, pension, training, machine maintenance and quality costs, as well as such as making work more flexible in the face of seasonal and economic fluctuations.

Although in most cases these companies call those they hire as “suppliers”, the truth is that many of their practices reflect relationships of economic and technical subordination: they organize, plan and control (in some cases daily) production and, in many cases, they make the initial investment by purchasing their equipment. In this sense, the relevant legislation (Law No. 12,713/41 on Home Work) considers them as job providers jointly responsible, together with the workshop owner, for compliance with labor regulations. This reality is confirmed by practically all the specialized literature (Donadi, Perín and Martinetti 2011; Ferreira and Schorr 2013, Gallart 2006, Kosacoff and others 2004, Lieutier 2010, Lieutier and Degliantoni 2020, Matta and Montero Bressán 2020, Matta and others 2020, Montero 2011, 2012, 2014; Porta and Bianco 2009, Salgado 2016, 2020), which refers to brands as the head of the production chain and not as marketers.

As for purely wholesale marketers, there are two main circuits: the La Salada market — with its “replicas” throughout the country — and the commercial circuit on Avellaneda Street. These firms produce and market most of the garments sold in the country, which consists mainly of garments carefully adapted to fashion²⁸ and at very low prices. Those companies that sell in premises on Avellaneda Street stand out for their great activity in terms of design and price-quality balance, which positions them as references in the production of fashionable garment. Thus, they can have catalogues or showrooms of models to offer to big brands. The latter place their orders and deliver the labels with their brands that will be attached to the garments. They have their own design and patterns, and cutting workshops, but the sewing is invariably subcontracted to workshops. Considering the prices of their products and the costs (including taxes), which were indicated for this investigation by two garment companies in the area (which recognized that they do sewing “in black” and assured that their competitors in the area also do this), the numerous causes of reduction to servitude that involve companies of this type and the conclusions of previous studies (Montero 2016), it is not risky to say that sewing is mostly done informally. In fact, in both the Viale and Páez workshops it was produced for manufacturers on Avellaneda Street.

As for the manufacturers that sell in La Salada, it is possible to place them within this group for functional reasons, since they drive and control the production chain of the products that they sell on their own account (wholesale). They can be owners of one market stall, owners of several stalls or tenants (seasonally). Presence at the stand, direct contact with buyers and visiting other stands give them essential knowledge to adapt their models to demand in a matter of days (Dewey 2020). Almost invariably these are people who have a workshop in which they design, cut fabrics and can produce some models. Sewing is generally subcontracted to other workshops, all of which are informal. It is worth clarifying, however, that it is a very fragmented market and that the volumes sold by each manufacturer are significantly lower than those sold by the most recognized brands. The market, despite this, tends towards rapid concentration, especially since the pandemic, because those who already had a certain development of online marketing were highly favoured over those who were forced to start that journey.

Factories, workshops and home seamstresses

Leaving aside the so-called “manufacturers”, who actually outsource their manufacturing operations, we find the factories and workshops that specifically deal with this task. A first set of these units works with a certain autonomy and working conditions similar to those of the rest of the economy, while in the second we find the most precarious situations and the most serious crimes.

Among the first, the large garment factories stand out²⁹. In the country there are very few (less than 18, according to the latest data provided by the Ministry of Labor and Social Security MTEySS). Some work almost exclusively for multinational sports brands, while others produce for fashion companies with high sales volumes, whose garments require a relatively high quality of work. These factories retain some bargaining power over the rates they obtain from brands, which are usually

28 This includes children's garment with character prints, for example, at the time of a movie release.

29 Companies with more than 202 employees are considered “large”, but in some cases they are brands that have commercial personnel.

higher than those paid to informal workshops, since they have more qualified seamstresses and ensure compliance with quality and agreed dates. Currently, the significant drop in informal workshop supply has positioned registered workshops and factories even better to negotiate rates.

In these factories and workshops, labor informality is close to the average for the economy. However, in times of high demand, many formal workshops and factories can turn to informal workshops and home seamstresses. As indicated by an interviewed businessman:

"There are garment operations that are very slow and can be outsourced in the neighbourhood. Then, as production stops, a woman who lives three blocks away comes and finishes the process on the weekend."

Likewise, an official referred to a large factory in which some workers can "take" part of the production to continue sewing at home for the factory after hours, charging an extra non-registered fee for this and even eventually involving their couples in production: "They set up the workshop at home, s/he or his/her family sews, and they at the same time go to the factory."

Within this group we could also include some "social economy" enterprises (mainly cooperatives) that, although they tend to have greater autonomy and more external links, both with other enterprises and with active state policies, in most cases productive aspects are similar to the rest of the workshop. In the second group, there are informal workshops. The way in which production is organized in Argentina, and especially the payment per garment actually produced, determines that these are the ones that bear most of the instability inherent to both the economy and the sector, instability accelerated after the local companies converted to the sale of fashion garment, which is more tied to seasonality and has greater demand-elasticity than the standardized garments that used to constitute the bulk of production before the 1980s. The ruinous competition between workshops for the orders of manufacturers force them to accept payment of meagre rates, while at the same time exerting strong pressure on the remuneration of the workforce. It is a very varied universe, in which flexibility to adapt to the ups and downs of the economy and inspections is essential.

As detailed by Donadi, Perín and Martinetti (2011), a differentiation can be established between custom workshops (that work for third parties, to whom home workers are added) and independent workshops (entrepreneurs). The authors highlight that fashion work can be carried out in four types of establishments: some workshops have workers in charge, but while some organize production inside the establishment and keep a percentage of the payment value per garment, others (larger) supply several small and medium-sized companies and produce garments on their own, to market them directly or through the fair circuit. In third place are the smaller workshops, which throughout the year maintain their level of activity, alternating between custom work (in high season), production for marketing on their own account and performance of specific tasks (embroidery, printing, buttonhole and button, etc.). In these workshops there are cases of people who live there, sometimes even with their families, or in which the workshop owner provides them with separate accommodation, but very close to the workshop to ensure that the labor force is available at all times. In these cases, the workshop owner/manager exercises permanent control, throughout the day, of the movements of those who work, either directly or through someone in charge.

In this universe are, in fourth place, the "home seamstresses", one-person or family subsistence businesses that operate within the domestic framework, making and marketing garments independently or, mostly, for the other three links in the production chain. In some cases, they may have an employee, but in general they are family members who cooperate with the activity. In this segment, the majority do not register and if they do, it is usually as a mono-taxpayer.

Between the small workshop owner who works at home with his/her family for third parties and the workshop owner with several workshops or the manufacturer from La Salada, there is a gradient, since as the dynamics of the business allow a workshop owner to separate himself from production and move

more towards the organization of one or more workshops and, eventually, towards marketing, the role of entrepreneur or businessman is consolidated (Montero Bressán 2017). Unlike what happens in Córdoba or Rosario, the large scale and dynamism of the market in the Buenos Aires Metropolitan Area (AMBA)³⁰ make this changes in the roles possible.

It is common for migrants with years in the sector and dedicated to production to spatially subdivide production into several workshops to facilitate their invisibility, minimize the risks of labor conflicts and diversify the risk of closure due to inspections. Sometimes it is even the job giver who demands this way of organizing production, as indicated by an interviewed official, who reproduces the words of a worker in a workshop raided in 2015:

"We are the black t-shirt, another workshop is the red one, another workshop is the yellow one, another workshop is the blue one. So, if [the inspections] fall here, the only thing this company lost is the production of black t-shirts, but you will see all the other colours on the shelf, in the stores. So, it writes this off or does it at its plant".

In these cases, each workshop has a person in charge who could fulfil a role similar to that of a front man, who may or may not appear to the inspection bodies as the workshop owner. In fact, an inspector interviewed pointed out that "sometimes the framework of lack of registration is such that many times we cannot even determine who the owner of the workshop is."

As already noted, the bulk of the workshops is located in the AMBA, while in the interior of the country some centres in the Province of Buenos Aires (PBA)³¹, Rosario and Córdoba stand out. If we take as reference, for example, the mentions in the journalistic articles analysed in Annex 2, the phenomenon of the production and sale of garments in worse working conditions seems to be concentrated mainly in the AMBA. As seen in table 2, most of the cases mentioned in the press are located in various neighbourhoods of CABA, in particular Flores and to a lesser extent Caballito, Mataderos and Once. For its part, in the PBA, the La Matanza district appears (with numerous references to Villa Celina). If the provincial districts are taken into account, mentions of CABA represent 63 percent of the articles, PBA 35 percent and the rest of the country only 2 percent.

30 The AMBA refers to the Autonomous City of Buenos Aires and the 40 adjacent municipalities, constituting an urban area in which almost 40% of the country's population lives.

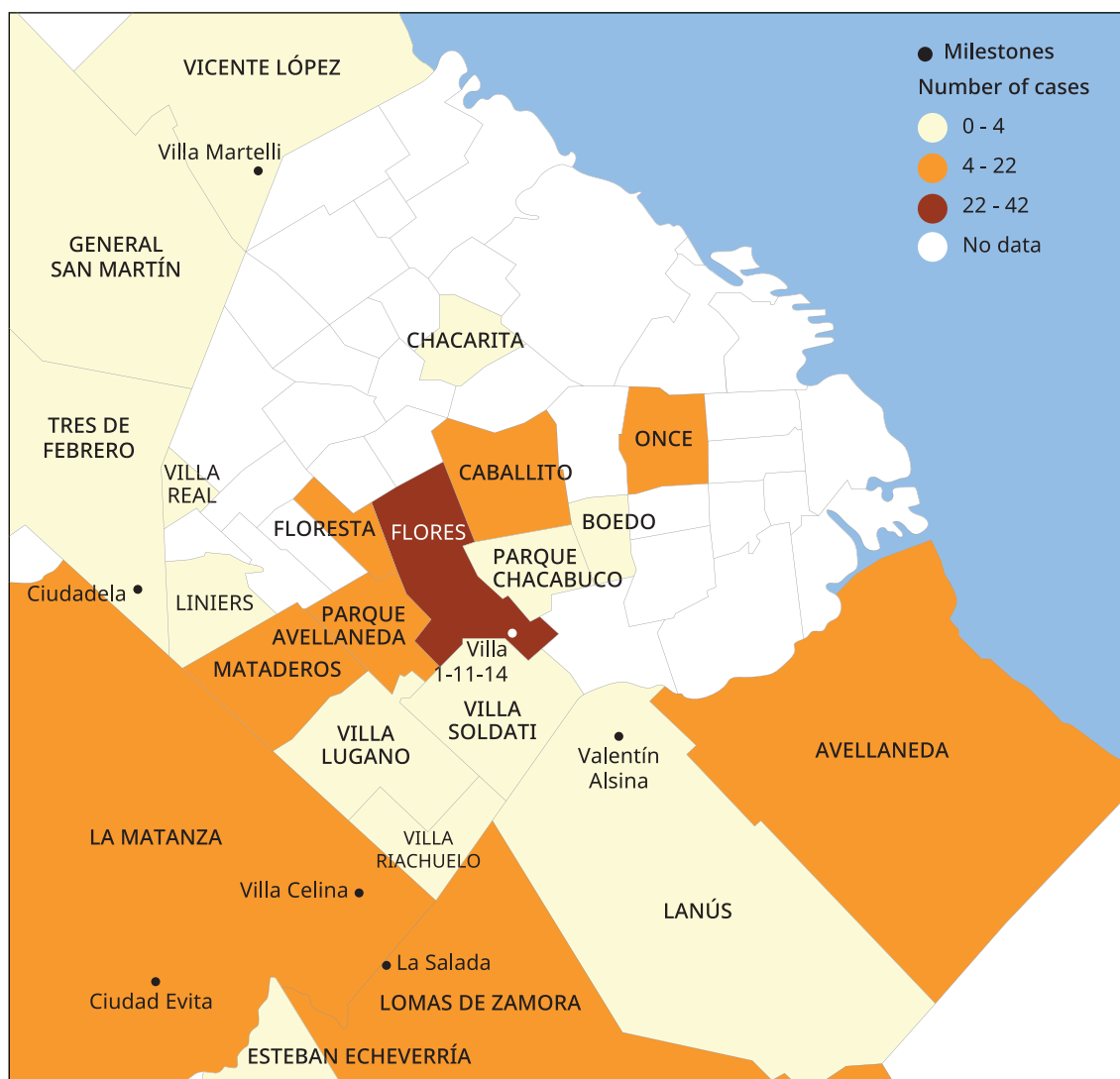
31 Province of Buenos Aires refers to the administrative territory of the entire Province, which excludes CABA and covers both urban and rural areas.

► Table 2. Number of articles and cases registered by the press according to location

Location	Quantity	Cases (raids, operations in workshops)
CABA		
Flores / Bajo Flores and Villa 1.11.14	42	23
Caballito	15	4
CABA (without reference of a neighbourhood)	12	
Once	8	2
Mataderos	7	2
Parque Avellaneda	6	
Floresta	6	1
Villa Soldati	4	1
Villa Lugano	4	1
Boedo	3	1
Villa Riachuelo	3	
Balvanera	2	
Chacarita	2	
Parque Chacabuco	2	
Liniers	2	
Villa Real	1	
AMBA		
La Salada (Lomas de Zamora)	19	4
Avellaneda	10	4
La Matanza	8	2
Villa Celina	8	3
Ciudad Evita	2	4
San Martín	4	
Lomas de Zamora	3	
Valentín Alsina	2	
Merlo	1	
Monte Grande	1	
Villa Martelli	1	
Ciudadela	1	
San Fernando	1	
PBA	4	
Other provinces	4	
Total	188	52

Source: Author's own preparation based on press notes of *Télam*, *Clarín*, *Página/12*, *La Nación* and *Infobae* (2016- 2021)

► **Map 1. Location of informal workshops in CABA and AMBA according to number of press notes (2016-2021)**



Source: Author's own preparation based on press notes of *Télam*, *Clarín*, *Página/12*, *La Nación* and *Infobae* (2016- 2021)

It is difficult to characterize the wide universe of workshops in terms of their responsibilities. In fact, the literature on the role of middlemen is very vast. In this regard, it can be noted that generally the workshop owner, who is the intermediary in Argentina, fulfils an inter-hierarchical role, being - even according to the legislation - employer of his workers and employee of the job providers (who are the intermediaries and manufacturers). This is the case in those workshops that produce on a regular basis for one or two manufacturers, since their dependence is total. This led to the emergence of the Home Workshop Workers Union (STTAD). However, those who have several informal workshops, or workshops with 50 or more people working, have a greater capacity to negotiate with manufacturers the conditions for the registration of their workers. Their responsibility in the ultimate execution of labor exploitation mechanisms, whether or not they include mechanisms of forced labor and/or human trafficking, as well as unacceptable labor practices in relation to the regulatory framework for the promotion of decent work, is unavoidable.

Marketing: shopping, brokers and retail

The importance of shopping malls for the garment industry lies in the fact that the main indicator of a brand's success is its presence there, since it is the way to consolidate and "nationalize" a brand. As all existing analyses on the distribution of profit within the chain point out, these actors appropriate a significant part of the value generated.

Shopping malls made their appearance in Argentina during the 1990s. From the beginning, the sale of garment from new fashion houses had a strong presence in these places, and for several years they were the fastest growing formal garment marketing channel. especially in CABA and GBA. The garment brands declared that they have a minimum profit in their stores in shopping malls (Ludmer 2018), since they charge them a series of fees that include the key, the rent, a fund for advertising and bank promotions, and a fixed amount (of generally 7 percent) on billing, which is controlled in real time by the shopping administration. Thus, the presence in these spaces is mainly part of the brands' marketing strategy. As Kestelboim (2012) points out, between 2000 and 2010 the demand for spaces in shopping malls greatly exceeded the supply, pushing costs up and increasing the portion that these companies appropriate. The high cost of shopping malls is usually used as a justification for the high prices of garment sold by fashion and children's brands.

Brokers are firms (generally sole proprietorships and registered as mono-taxpayers or simply informal) that buy garments in quantity to place them in commercial premises throughout the country. For many inland businesses, their role is essential to supply their premises. However, the growth of online sales and the use of WhatsApp, increased since the pandemic, would have facilitated the direct link between businesses and manufacturers, minimizing the advantages offered by the brokers, who for these reasons tend to disappear.

Despite the importance of the aforementioned actors, according to INTI, the country's main marketing channel is sales in traditional retailers, located in commercial areas of cities of all sizes. They supply local consumers with relatively lower prices than multi-brand stores and shopping malls, and their main advantages consist of proximity and the development of customer loyalty policies through sales on credit and the fulfilment of personal product demands. They sell unbranded products or poorly recognized brands. Their supply is usually covered by a mix of garments made in small or medium-sized local workshops, and garments purchased wholesale on Avellaneda Street or La Salada. In this last case, it is worth highlighting the existence of "shopping tours" that are organized from inland regions during the week, to make purchases in these circuits, although since the pandemic, online or courier sales led to a lower frequency of these tours.

Intermediaries (collectors or finished product agencies)

These actors played a fundamental role after the closing of imports with the devaluation of January 2002, when companies that were partially or totally supplied with imported garments needed labor. Intermediaries, which in the jargon of the sector are finished product agencies, emerged to cover this demand. These are companies with knowledge of the world of garment, that is, with contacts with numerous workshops, whose owners are frequently former hierarchical employees of brands. They receive work orders from manufacturers and are responsible for coordinating production. These are very versatile companies, with a minimal structure such as a small rented office, utility van(s) for transportation and no more than five employees. As one official interviewed pointed out, in some cases they can have a small workshop with registered workers, to comply with the brands' requirement to show labor registration, and operate as "screen factories."

"There are people who are in charge of producing finished products for brands. The brand comes with a technical sheet, a sample. Instead of arranging directly with a workshop, they deal with a person who takes the cut, picks it up with his/her own logistics, distributes it to associated workshops that he/she may have, and acts as production manager. That is, they outsource 100

percent of the production to a person, who can even be an old employee, an acquaintance. And that person outsources it to certain workshops.”

This strategy usually eliminates the risk of facing accusations due to their links with the informality, since, as indicated below, inspections never investigate beyond the existence of seamstresses, even when it is evident that a small workshop cannot produce what is billed by those companies. The bulk of production, then, is outsourced to workshops. Their link with informal workshops is usually strong, since paying for the intermediary's service increases the manufacturing costs for the brands. Thus, if the portion of the value generated in the chain that remains in the manufacturing links is practically insignificant, the increase in costs results in pressures towards the base of the chain and encourages informal subcontracting. In many cases, these companies can also participate in state tenders, despite their direct link with informal workshops, since there are no traceability controls that allow this situation to be identified.

Workers of informal workshops

The vast majority of informal workshop workers are migrants from Bolivia. The importance of highlighting them as actors in the production chain lies in the fact that although they are the bulk of the workforce in the sector, the treatment given to the problem tends to make them invisible, identifying them alongside the workshop owners. This is the case of militant discourses of the social economy, which usually consider workshop owners as workers in the last link of the chain. This vision emerged strongly in the group interview carried out with workers and cooperative members for this research. Sometimes even in some of the literature on informal fairs, La Salada manufacturers are confused with the workshop workers who sew for them (Dewey 2020 and Gago 2015).

The inability to identify workers as the last link and main generators of value in the productive chain results in a dangerous vision that tends to present the workshop owners, or even the manufacturers of La Salada, as main victims of a productive system that relegated them to what would be the most marginal position in the chain, and not as the ultimate executors of labor exploitation. Although workshop owners/managers are usually workers who made the “jump” from exploited to exploiter, and are also often exploited by brands through deferred payment, insufficient rates, and so on. The existing hierarchies within the workshop are usually exercised in subtle ways, but they have clear consequences in the unequal distribution of profit³².

Trade union institutions

Due to its characteristics, different previous studies and interviews carried out show that this sector has a low level of institutional participation both in companies and on the part of workers, especially when compared with the traditional chambers or unions of other sectors of the industry. In recent decades, however, some organizations and social movements have emerged that seek to articulate the sector, particularly self-employed and cooperative members.

In the case of companies, their main representative body (which intervenes, for example, in the negotiations of collective labor agreements and salary scales) is the Argentine Federation of the Garment and Related Industries (FAIIA). Its members are: the Argentine Industrial Chamber of Garment (CIAI, the one with the largest number of members and whose authorities occupy the three most relevant positions in the FAIIA), the Argentine Chamber of Garment and Sports Goods (CAIAD), the Argentine Chamber

32 In their analysis of the distribution of profit within the production chain, Lieutier (2010) and Montero (2015) show that for each garment sewn, the worker and the workshop owner obtain the same money. However, the money that the workshop owner receives is much greater, since it is multiplied by the number of workers. In their analysis of the distribution of profit within the production chain, Lieutier (2010) and Montero (2015) show that for each garment sewn, the worker and the workshop owner get the same money. However, the money that the workshop owner receives is much greater, since it is multiplied by the number of workers.

of Garment for Babies and Children (CAIByN), the Association of Garment and Related Manufacturers (ACIA) and the Association of Garment Manufacturers of Arrecifes. Also worth mentioning is the Pro-Tejer Foundation, founded by the owner of one of the country's largest textile companies and dedicated, according to its website, to "assisting, developing, containing and integrating the agro-industrial textile and garment manufacturing [chain] of Argentina to help it grow." For its part, the Chamber of Korean Entrepreneurs of Argentina (CAEMCA) reached 600 members, the vast majority dedicated to garment in the Avellaneda Street area. Other smaller institutions whose existence is documented in the collective bargaining records are the Chamber of Large Parchment Manufacturers, the Israeli Industrial Commercial Chamber and the Argentine Chamber of Fashion.

Among the hypotheses about the low representativeness of business organizations and their scarce presence at the federal level, without a doubt the most relevant is linked to the mutual distrust generated by "unfair competition" and the fear of being exposed of those who are in an irregular situation, as suggested by a businessman:

"I was in many beginnings of trying to do something, and what happens is that no one... They see it as compromising, you understand? because there is... Everything is wrong! They have a lot of tricks behind. So, it's difficult to form a chamber if you're a little dirty. That's what I've noticed every time they wanted to put something together. The municipality tried, the province tried, and everything is fine, but no one wants to... show themselves too much, you understand?"

There are also strong tensions in the sector between actors of similar hierarchy who have conflicting interests. Thus, while businessmen linked to production oppose trade liberalization, brands pressure governments to liberalize imports. The tensions between garment and textile entrepreneurs are of similar calibre, since they have supplier-customer relationships. These tensions were reflected in this study through crossed accusations about responsibilities for labor exploitation in clandestine workshops: while a textile businessman pointed out the subcontracting practices to informal workshops of the brands, the owner of a garment brand pointed out that Textile entrepreneurs feed informality by supplying circuits like La Salada.

In the case of workers, the most relevant institutions are the Workers' Federation of the Garment and Related Industries (FONIVA), which represents workers in collective negotiations and its main member is the Workers' Union of the Garment and Related Industries. Related (SOIVA). Also relevant are the Union of Textile and Allied Industrial Employees (SETIA), which represents administrative workers in both garment and textiles, negotiating agreements independently with the respective federations (FAIIA and FITA) and the Union of Garment Cutters. (UCI) which is also one of the oldest unions in the country and represents both cutter workers and pattern makers and designers. Finally, there is the Union of Home Workshop Workers (STTAD), which represents the interests of workshop workers vis-à-vis brands and garment manufacturers, especially in the joint negotiations that set the reference rates for home work.

As is the case with business organizations, these unions have low representation. It is estimated, for example, that SOIVA (the most important) barely represents 18 percent of the country's total workers, when the unionization rate in Argentina is close to 40 percent. Likewise, the characterization of workshop owners as workers with the right to form a union generates tensions when it comes to coordinating actions in defence of decent work in the sector. In general terms, the negotiation capacity of all these unions is strongly affected, among other issues, both by the atomization and geographical dispersion of those who work, and by the high informality and migrant status of many of them. It is worth noting, however, that those who fall under the UCI tend to have higher salaries and lower levels of informality than seamstresses, given the higher qualifications of their members.

As indicated at the beginning of this section, in recent decades other organizations have taken centre stage, both in labor conflicts and in negotiations with the State. In CABA, the Union of Sewing Workers (UTC) stood out, a group of workers (with strong ties to the NGO La Alameda) that participated in the union's internal elections. Other relevant actors are the workshop organizations that emerged within

the Bolivian community in Buenos Aires, such as the Bolivian Federative Civil Association (ACIFEBOL) and the Operational Commission for Alternative Work in Garment (COTAI), although their existence was short and their actions sporadic. Likewise, it is worth mentioning the organizations already mentioned: Simbiosis Cultural and La Alameda, whose role is central and is sustained over time.

Finally, it is worth mentioning two organizations that represent the interests of workers in the social economy and the popular economy. The National Confederation of Work Cooperatives (CNCT) was created in 2009 as a third-level organization to bring together more than 30 cooperative federations in the country. This organization includes numerous recovered factories and textile cooperatives, and its main actions sought to influence legislation related to the social economy and the organization of the productive chain, and dialogue with the State to obtain support and increase state purchases. For its part, the Confederation of Workers of the Popular Economy (CTEP) is a trade union organization recently converted into the Union of Workers of the Popular Economy (UTEP) that seeks to represent workers in the popular economy and their families, incorporating numerous cooperative garment enterprises or that have a similar operation to work cooperatives even if they are not registered as such.

The relations between actors and the question of informality

One of the main assumptions that some actors in the production chain subscribe to and that is even shared by government officials indicates that informality is a dichotomous phenomenon that clearly separates those who comply with all tax and labor regulations, from those who are not registered and fail to comply with such regulations. Associated with this is a second statement that would indicate that in the garment sector there are two well-outlined productive circuits: one composed entirely of companies that belong to the “white” sector and a “black” economy, structured around illegality. As one businessman interviewed points out, if at some point these circuits “touch” it would be only because, for example, they have similar fabric suppliers:

“They are never like two totally different blocks, there are points of contact. The guy who makes fabric sells to the informal, the formal, the semi-formal, of course [...] There are two blocks, which touch, but they are two blocks. Because if you are on one side 100 percent with the other, it is very difficult to come together, so you have glimpses...I see two blocks with points of contact, not two blocks joined in the same dimension because once you enter into the formality, the truth is, you are very exposed”.

However, there is abundant evidence that would support a divergent reality. On the one hand, informality should be understood rather as a gradient in which different situations characterized by various dimensions are observed: the formalization of workers, business registration, non-compliance with specific labor laws, and even the authorization of the workplace and immigration registration (Matta et al. 2020). Some studies carried out at the level of garment workshops show both the wide range of alternatives that informality assumes, and the way in which these are linked to brands, although they usually receive the response that these studies deal precisely with cases that belong to the informal “circuit” (Arcos 2013, Salgado 2020).

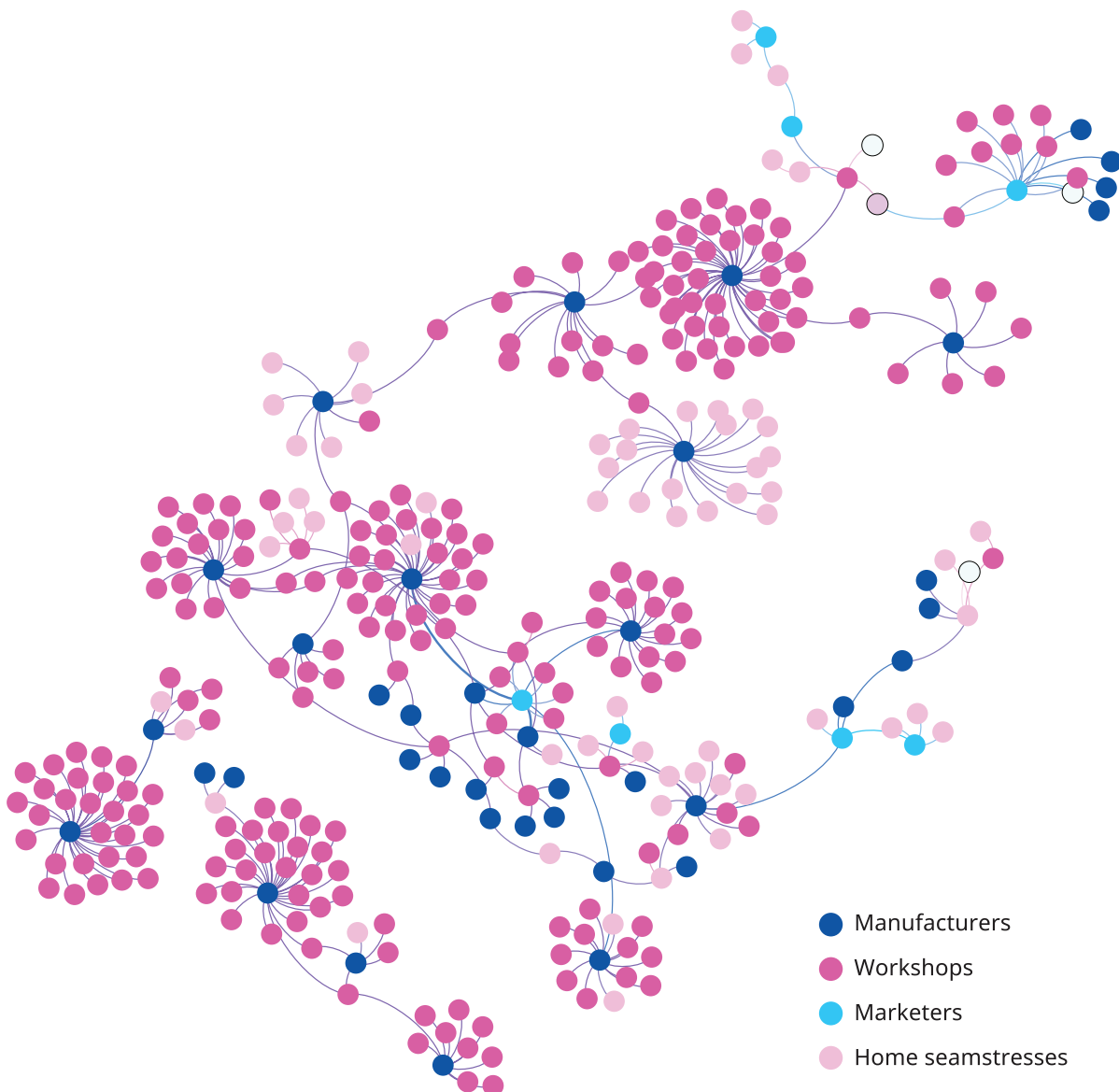
To overcome this type of criticism, a study was carried out in the city of Córdoba based on the triangulation of methods (see box) and with the objective of demonstrating that there is a close coordination between all the productive units of the sector, regardless of whether they are registered or not, and the working conditions of their workers. The study allowed us to corroborate the hypothesis that the sector is configured as a network in which most of the agents are interconnected. It was first confirmed that informality must be understood as a continuum: only 9 percent of the productive units would comply with the main labor standards and have practices compatible with them, while of the remaining 91 percent, approximately half is totally informal. and the other half carry out multiple evasion and elusion practices despite being registered. In a second moment, when analysing their productive relationships,

it was also verified that even the 9 percent that seem to comply with the regulations subcontract to unregistered workshops or those from other segments, or to workshops that in turn subcontract to other seamstresses who are in an irregular situation. For example, it was detected that 33 percent of home seamstresses, who almost all have irregular conditions, are directly linked to registered brands, and another 14 percent with workshops that also work for the brands. Although when working with a sample, it is not possible to reconstruct the entire network surveyed, it was enough to identify some components of the plot in which these links can be observed (Figure 13)³³.



33 In the analysis of social networks, at least two levels of analysis can be distinguished: that which is carried out at the network level and that which focuses on the nodes (in this case, the productive units). Ideally, that is, when data is available from most of the actors, it is possible to study both levels and even verify their connections. However, when working with a random sample (as in this case), it is only possible to perform analysis at the micro level (egonetworks). This allows us to investigate relevant aspects such as the number and type of links of each node, establish comparisons, relationship patterns between segments, etc. In the same way, the graphical representation usually results in a set of disconnected components and its visualization must be understood in that context.

► Figure 13. Sub-contracting network in the city of Córdoba (2015) (main component)



Source: Matta et al. 2020.

What one observes in this network can be explained, at least partially, by what a business man mentions:

"You have entrepreneurs who, technically, don't care at all where the garments are made. It's not that they were going to hire a slave workshop, they went, opened the cage and threw the money inside to manufacture. No. A guy came and told him: 'Hey, I'll make your shirt for 80 mangoes.' Go ahead, make me the shirt for 80 mangoes.' They didn't ask him 'Who are you? Where do you come from? Where do you have the factory?' They did not visit him. The cheaper the better. There was, in general, no involvement, they had no idea how they did it. And that doesn't mean they are innocent in the slightest because a company has to be responsible for where it makes its garments. It's not that they don't know, you have to know."

Sector Study in Córdoba

One of the characteristics of studies on the sector in Argentina is the methodological gap that can be largely explained by the difficulties in obtaining information that is at the same time reliable and can be generalized: either research is carried out at a macroeconomic level, based on quantitative information from scarce secondary sources with serious limitations to account for what happens with productive units and unregistered workers (Kosacoff et al. 2004, Ferreira and Schorr 2013) or they are qualitative studies that account for the deep problems that exist in the sector but, due to their nature, do not allow us to understand its level of representativeness (Gallart 2006, Lieutier 2010, Salgado 2014, Matta and Magnano 2011, among others).

In this context, the study carried out in the city of Córdoba sought to overcome some of these problems, based on the triangulation of methods, including a semi-structured survey of probabilistic design of 257 garment manufacturing production units and more than 30 qualitative interviews with referents, entrepreneurs and workers in the sector. To analyse the data, techniques such as social network analysis, multivariate methods such as multiple correspondence analysis and cluster analysis, and qualitative interpretation procedures were applied.

Probably one of the most relevant achievements of this study has been being able to include the main manufacturing brands and a large number of unregistered production units in the same survey. This was possible due to a set of factors among which the following can be noted:

- ▶ The geographical unit to be studied: based on its population, Córdoba is the second Argentine city, and without being the main concentration of national industry, it is one of the most relevant in the interior of the country, but at the same time its size and social structure is relatively accessible to undertake work to identify productive units that allows a probabilistic design (65.95 km² of built surface and 1.5 million inhabitants).
- ▶ Reconstruction of the universe: this task involved several months of preparing two own databases, consolidating on the one hand “registered” firms through sources such as the Provincial Industrial Registry, the Ministry of Labor and Social Security MTEySS, the registry of social mono-taxpayers of the Ministry of Social Development of the Nation, among other, and on the other hand, “unregistered”, through sources such as social organizations and public bodies, newspaper classified ads, social networks such as Facebook and Instagram, and based on them, applying snowball techniques until the appropriate degree of saturation is achieved. The data obtained allowed us to identify nearly 1,000 productive units that could also be georeferenced.
- ▶ Field work: involved making telephone or in-person contacts with almost all of the units, to update the information and confirm that they were active (adjusting the universe to 724 active productive units). The interviews were carried out in person at the address where the manufacturing took place, by an interdisciplinary team of a dozen interviewers specially trained not only to carry out the interview but to observe the conditions of the place. The tactics used cooperated with the rest of the factors mentioned to obtain a rejection rate of just 13 percent. Added to these aspects was the design of a questionnaire that also allowed us to detect possible inconsistencies and generate cross-questions during the interview.
- ▶ Institutional articulation: it was key for all these activities to have had the support of different public and private institutions (ministries, INTI, municipalities, NGOs, etc.) with which there was already a history of collaboration. These organizations cooperated in the detection of productive units, the training of interviewers and field work. It was also of great relevance that the research had adequate funding (FONCYT) and was carried out and supported through advertising by the National University of Córdoba, an institution that has the recognition and trust of different strata of local society.

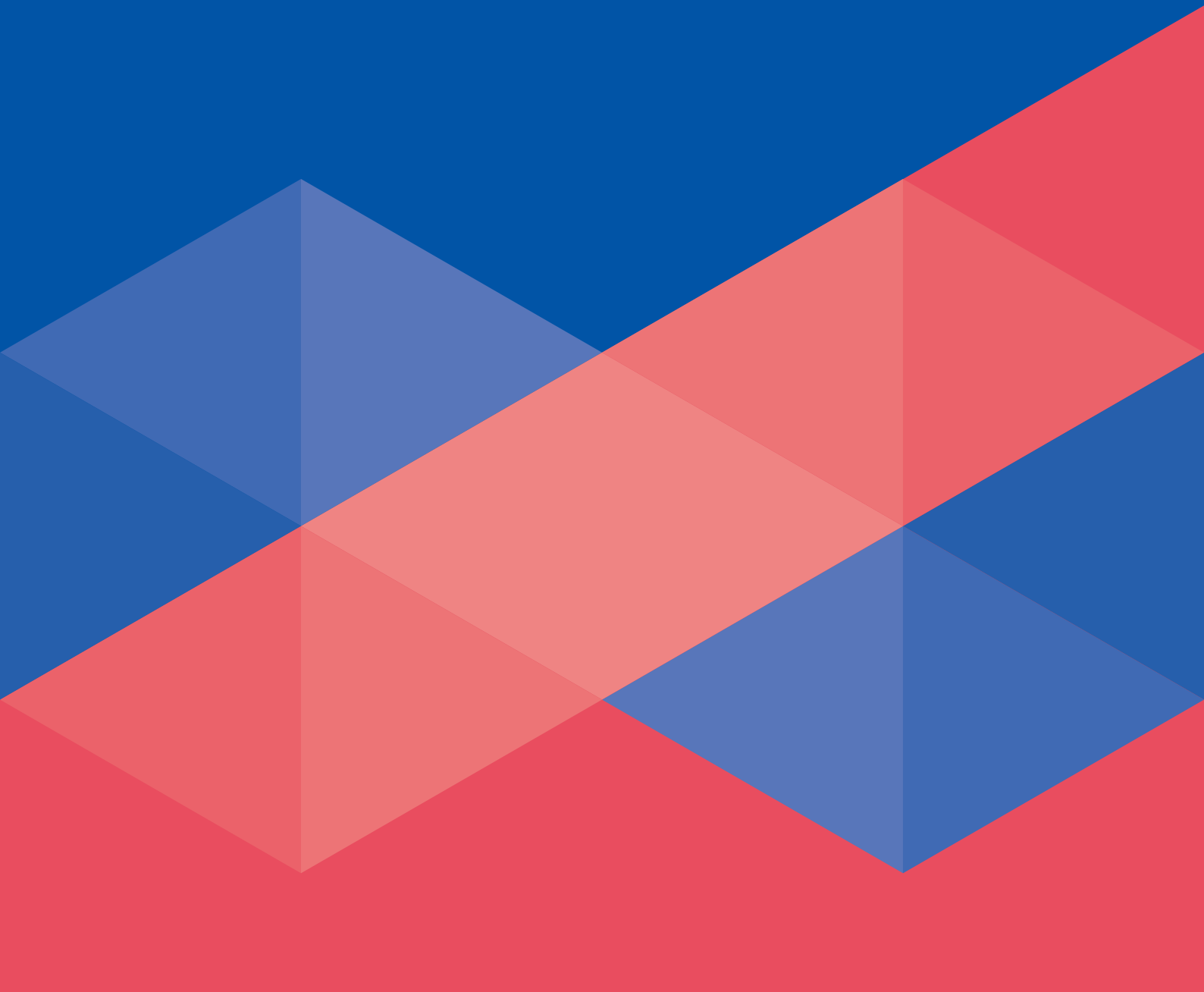
In summary, within the value chain, this link dedicated to garment is characterized by the complex interaction of different actors with different attributes, functions and levels of power. Table 3 presents a consolidated view of the actors and interactions described.

► **Table 3. Characteristics and interaction of actors within the garment chain**

Segment of the chain of value	Actors	Form of registration	Processes	Primary interactions	Power in the chain
Manufacturers (brands)	Brands	Garment Manufacturers (LLC, Corp., etc.)	Design, Brand development, marketing, patterns, garment cut (in lesser degree)	Subcontracting: factories, workshops and home seamstresses. Marketing channels: own premises, multi-brand stores, e-commerce	High
Marketers and design entrepreneurs	Wholesale marketers, retail marketers, design entrepreneurs	Garment Sales (LLC, Corp, etc.)	Design and marketing, garment making (in lesser degree)	Subcontracting: factories, workshops and home seamstresses. Marketing channels: own premises, multi-brand stores, e-commerce, fs (La Salada, etc.)	High (large) Intermediate (small)
Workshops and factories	Garment workshops, coops, formal and informal workshop workers	Registered responsible person, monotax or single tax, coop	Sewing, patterns and cutting, assembly, embroidered, serger	Subcontracting: workshops and home seamstresses. Work for third parties such as brands and marketers. Marketing channels: retail stores, supermarkets, fairs	Low
Home seamstresses	Formal and informal workshop workers	Monotax or single tax	Sewing, cutting, assembly, embroidery, serger	Subcontracting: home seamstresses. Work for third parties such as brands and marketers. Marketing channels: retail stores, supermarkets, fairs	Low
Workshops and autonomous home seamstresses	Coops, Formal and informal workshop workers	Monotax or single tax, coop	Design, patterns, cutting and serger, embroidery, washing and ironing and packaging	Subcontracting: workshops and home seamstresses. Marketing channels: retail stores, fairs	Low
Intermediaries	Collectors, finished product agencies	Monotax or single tax	Intermediation, production organization	Articulation, manufacturers, workshops, seamstresses	Intermediate
Other services	Washers, dyers, stampers	Monotax or single tax	Washing, ironing, dyeing, stamping	Manufacturers, marketers, autonomous workshops	Low

Source: Author's own preparation.

- ▶ **The major informal marketing centres**



► The major informal marketing centres

If most of the garments in Argentina are produced under informality conditions, it is likely that the same can be said of commercialization. Even considering the lack of statistics, it is not risky to ensure that most of the sales of the sector is carried out through two large wholesale spaces: the Salada market and the Avellaneda Street circuit, in the neighbourhood of Flores (CABA), where “black” sales are lower than in the Salada, but they have a very high incidence. The emergence of both circuits was almost parallel and can be located at the end of the 1980s, when a virtuous combination between cheap garment laid the conditions for the independence of thousands of workshops that until then worked for third parties. The comparative advantage of these circuits is in low prices, possible not only due to high levels of sales (wholesalers), which allow a minimum margin of garment, but also due to the high incidence of tax evasion and extreme labor exploitation in the clandestine workshops that supply them.

Both circuits maintained a high level of sales both in times of crisis (1998-2002, 2018-2022) and economic bonanza (1991-1994, 2004-2008), generating thousands of direct and indirect jobs. In the case of La Salada, these positions are generated in areas of high levels of unemployment of CABA and its surroundings, so that thousands of people generally excluded from the formal labor market find an economic livelihood. The fact that the market solves, at least partially and weakly, highly sensitive issues for the municipalities involved generates political discussions about how to regulate informality in the place.

► **Map 2. Location of the large informal garment marketing centres (La Salada and Avellaneda Street)**



Note: The nucleus of the Avellaneda Street Circuit comprises the following streets: San Nicolás (to the southwest), Felipe Vallese (NO), Avenue Nazca (NE) and Bacacay (SE).

Avellaneda Street

This commercial circuit has as its epicentre Avellaneda Avenue, in the Flores neighbourhood (CABA). For approximately one kilometre, practically every property on the street on both sides of the avenue is a business selling garments and accessories. Sales are almost entirely wholesale and the vast majority informal. The success of this circuit is explained by the virtuous combination between a wide range of

products, their rapid adaptation to changes in fashion and extremely low prices. Thus, as fashion items stand out among the items sold, this is a circuit similar to what could be “fast fashion”, although other types of garment (children’s, underwear, etc.) are also offered.

Over the years, the great success of this circuit attracted thousands of businessmen and the area grew to encompass other surrounding streets. The businesses were also joined by street vendors, popularly called “manteros”³⁴.

In this circuit there are manufacturers who not only sell their products wholesale in their stores and online, but as mentioned, also make garments for brands.

In properties located on the avenue and surrounding streets, it is common for both storage and part of the production to be located on the upper floors of businesses. These are mainly fabric cutting workshops, and there is also fabric production. These may or may not be properly conditioned to work. Labor registration in these is semi-formal³⁵, as in businesses. The working conditions do not escape those experienced by other people who work informally, with unpaid overtime, salaries systematically below the agreed scale, unjustified dismissals, employers’ discretion when paying holidays, licenses, vacations and bonuses, etc.

The worst working conditions, however, are concentrated in the workshops that supply this circuit and La Salada. The cuts “come down” from the workshops located in the epicentre of the circuit to hundreds or thousands of small sewing workshops located in Flores, Parque Avellaneda and Bajo Flores. Many of these within the villas of the south of CABA, mainly the 1.11.14, where state controls do not reach and the workshop owners or managers do not pay for power.

The extremely low prices offered in this commercial area are explained, on the one hand, by the vast tax evasion. On the other hand, the low prices are also explained because production is carried out in most cases under conditions of informality and even forced labor³⁶. The two actors linked to this circuit interviewed for this investigation did not object when it came to ensuring that sewing is carried out in informal workshops run by migrants from Bolivia, who employ “paisanos” (fellow citizens). In both companies there is no control over the conditions in which their garments are sewn.

“We do not control the places where it is produced, no. First because we believe that it is something that we cannot change, or it is not a company policy to work under certain conditions. It is not a value that matters to the owner. What matters here is the price, the cost and not much else [...] We also do not know that the workshops are clandestine, no, no, simply.... I mean, the supplier comes, you make the arrangement, s/he delivers... and it's not like we're going to see where they cut, where they sew, no, no, that's no idea”.

Similarly, the brands that had their garments sewn in the burned workshops of Viale and Páez sold on Avellaneda Street, while the majority of convictions for garment job providers are to businessmen who sold garments on this circuit.

The lack of control of working conditions in the workshops that supply this commercial circuit is surprising. A very significant part of the sales of garments produced in the country is concentrated in this place, so it is of fundamental importance to implement the necessary mechanisms to control the production circuit of the garments. The use of indicators developed by INTI that allow calculating how

34 They are called that because they sell their products on the sidewalks, placing them on blankets so they can be easily lifted in case of inspections. They are generally migrants, a large majority of African origin, and it is still not clear how the sale and supply of their products, which go beyond the sale of garment, is organized.

35 In the garment sector, formal and informal production dynamics overlap, which results in the levels of tax and labor registration being inconsistent, generating great complexity for the work of tax and labor inspections.

36 See more about this in this journalistic note published in Infobae (2021).

many sewing machines are necessary to produce a certain number of garments is key to detecting covert subcontracted workshops.

La Salada

La Salada is one of the largest informal markets in Latin America. Located one kilometre from the southwest limit of CABA, in the Lomas de Zamora district, it occupies about 20 hectares in which thousands of sales stalls are located, almost entirely selling garment. In 2011, the journalist Girón (2011) estimated that there were 30,000 positions, while more recently Dewey (2020), who conducted an in-depth field study in the area, estimated about 31,200 positions. The epicentre of the market are four fairs that operate in huge warehouses: Urkupiña is the first and was founded in 1991, Ocean was born in 1994, Punta Mogotes opened in 1999 and more recently Atlántida was inaugurated.

Inside the warehouses the stalls are fixed, they usually have four square meters, consisting of a metal structure that when the market is operating is crammed with merchandise, whether those that are hung as a window display or those that are stored in boxes to be offered in larger quantities. Many times, the position operates as a point of contact to continue the negotiation by phone or email in case of purchases in larger quantities or search for products not available at the moment. Outside the four fairs there are what are called “shopping galleries”, which operate in neighbouring houses that were adapted to operate with some shops or stalls. Then there are also storage spaces for merchandise, and finally the parking lot is located, divided between spaces for long-distance buses, and another for cars and utility vehicles. La Salada operates three times a week, between 7 a.m. and 1 p.m. On those days, retailers arrive from all over the country, and even from neighbouring countries such as Uruguay, in utility vehicles or long-distance buses to buy bags of merchandise and thus supply their street businesses in commercial areas of the AMBA, in provincial capitals and other intermediate cities. They can also supply themselves through orders from brokers, who, as already mentioned, are travellers who go to La Salada and buy in bulk for retailers in other cities.

Over the years, the consolidation of ties between stall holders and merchants, and the possibility of sharing images online or by telephone made merchant trips less frequent, since the purchase is organized online and transportation is done through brokers or transports that carry both people and merchandise. The impossibility of traveling due to the pandemic consolidated relationships through electronic means. La Salada market was studied from sociological (Dewey 2015, 2020), anthropological (Gago 2015) and journalistic approaches (Girón 2011, Hacher 2015). This bibliography highlights the humble origin of “postereros” and “feriantes”, the type of personal relationships that occur within the market and – except in the case of Girón (2011) – the need to avoid their criminalization. La Salada is, in effect, a market in which thousands of migrants and/or working-class families, expelled from the formal labor market, achieved unthinkable progress. For Gago (2015), it was born and grew hand in hand with the needs of the marginal population, to whom it provides not only work—precarious and poorly paid, but work nonetheless—as well as great business opportunities. As Hacher (2011: 228) points out, the market “took thousands of people out of misery.” The sociologist Dewey (2020), for his part, focuses on the mechanisms that make the progress of these families possible, highlighting the effort and personal ability to do business as a central tool, which includes the development of market knowledge, the customer tastes, what is (and will soon be) fashionable, production management, etc. While this author points out that distrust and competition between stallholders prevail in the market, Gago (2015) highlights the existence of ties of solidarity between migrant stallholders, which would facilitate personal progress.

An important shortcoming of the existing literature is the lack of vision of the production chain. All the academic knowledge generated about La Salada avoids mentioning labor exploitation in clandestine workshops, thus making invisible the situation of seamstresses. This happens despite the fact that it is within this market that the worst working conditions occur, including situations of human trafficking and forced labor that are recurring in the industry. Thus, if at the beginning it was possible for a family with little capital to rent a booth at one of the fairs for a few nights to advertise their products, the consolidation of the market over the years gave rise to a sharp rise in costs to “enter”. Rentals became seasonal, while the

volumes handled are unsustainable for ventures with low capital. Nowadays, to maintain a position in La Salada, it is necessary to have a production capacity that exceeds the family economy and requires one's own workshop with employees, and/or a subcontracted workshop that carries out the processes that require more labor work, especially sewing. That is to say, then, that the stallholders began progressing towards the role of garment manufacturers for wholesale: they are in charge of design and marketing, production planning and sales, while they may have internalized all production or only a part of it. It can be said then that those who offer their products in La Salada managed to jump steps in the pyramid of hierarchies of the productive chain until they become those who exercise control as job providers, always, from now on, within the limits imposed by competitive pressure.

If the origin of La Salada is also a matter of discussion in the existing bibliography, there is nevertheless agreement that the market was born in the most absolute informality, and that the lack of fiscal and labor registration was historically a rule. In fact, for more than twenty years it operated in the early morning hours to avoid tax and labor controls. The lack of control over preventive registration and working conditions not only in the workshops that supply the market, but even in the stalls themselves, is an unavoidable fact and creates an environment conducive to human trafficking, forced labor and even child labor. Thus, the way in which the state regulates the informality that occurs in the market is complex and escapes the incidence of cases of corruption and lack of inspection capacity³⁷.

The vision of La Salada that seems to prevail is based on two fundamental ideas: 1) how La Salada "dresses the poor" by offering very cheap garment, if La Salada did not exist "the poor would walk naked" (according to an interviewed businessman); and 2) La Salada is an inexhaustible source of work and opportunities for poor families and youth from areas where they would otherwise, as they say, "steal in the streets." Both ideas are based on a dangerous vision of acceptance of marginality that, instead of contributing to raising the living standards of the population involved, could be leading to an expanded reproduction of a situation conducive to human trafficking and forced labor.

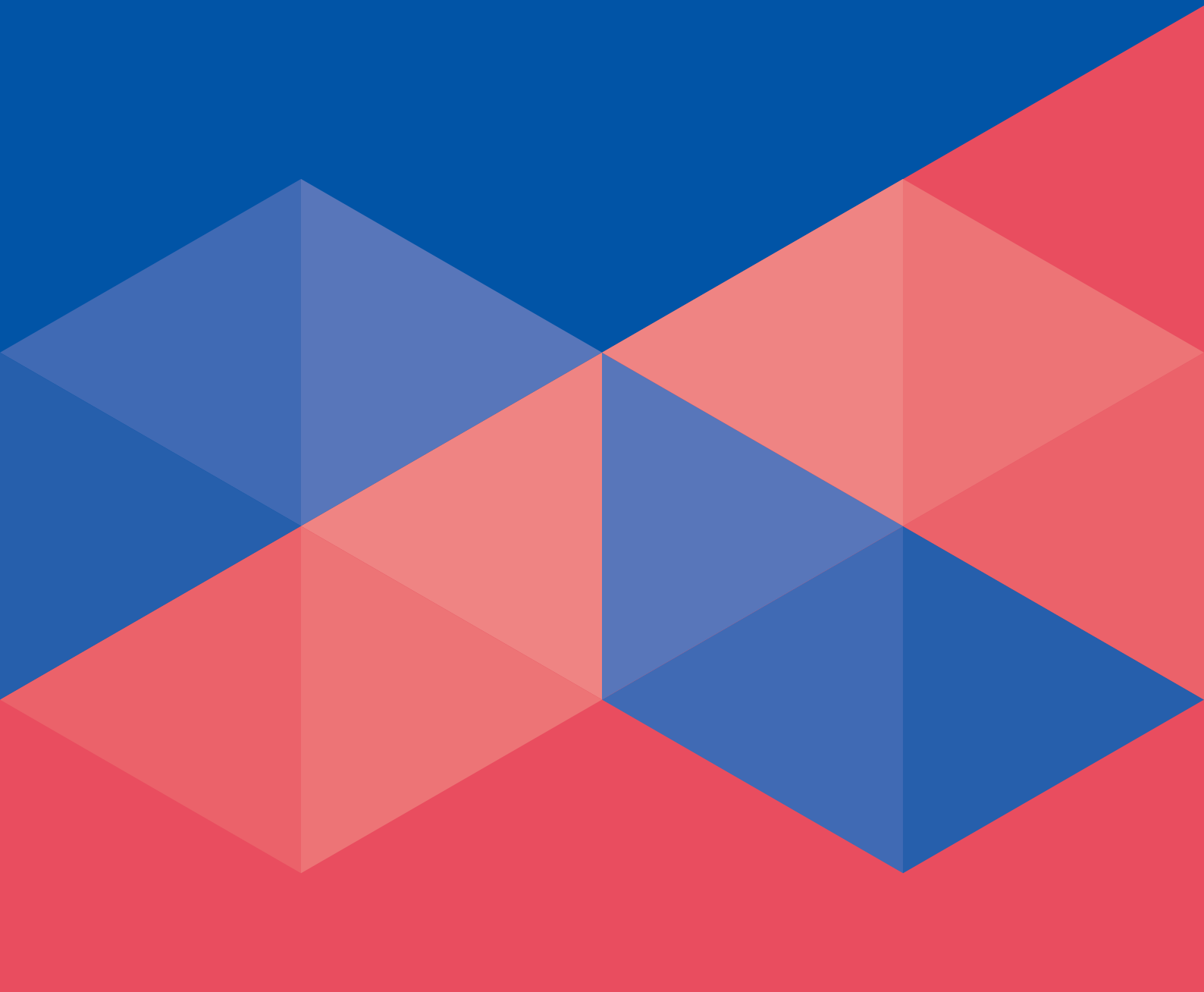
The COVID-19 pandemic generated a fundamental change in the market. On the one hand, the economic crisis led numerous consumers in the country to purchase cheaper garment such as that produced and marketed in La Salada, generating a phenomenal increase in sales. On the other hand, the closure of the market due to quarantine forced stallholders to develop online sales channels. Informal circuits for transporting wholesale garments and money were thus generated that replaced face-to-face sales. Those stallholders who already had online sales achieved an essential comparative advantage over others, achieving unusual economic success in a context of pandemic and the fall of economic activity.

In this sense, it is possible to ensure that most of the garment produced in the country under potential conditions of forced labor is marketed through the commercial circuit of Avellaneda Street and the La Salada market, so the analysis of these spaces is essential to understand the development of these crimes. It is necessary to make visible the labor exploitation on which part of the success of these commercial circuits is based, trying to advance in the clarification of the mechanisms that make labor exploitation possible. With this objective, and going beyond the limits of sociological analysis, mention was made of the productive chains, their operation and the hierarchies that determine the unequal distribution of profit and the origin of fortunes whose origin is explained, to some extent, in the labor exploitation in sewing workshops.

The shift towards online sales imposes new dynamics that will need to be understood when analysing the long-term effects of the COVID-19 pandemic. Likewise, these changes could imply an opportunity for the investigation of tax evasion and for the tracking of workers who sew the garments that are sold through the major sources of informality in the country. This information could be used to better understand how the market works when planning policies and actions to eliminate forced labor within it.

³⁷ The four books written about La Salada (Dewey 2020, Gago 2015, Girón 2011 and Hacher 2015) show evidence of police corruption and the political contacts of the administrators, which would include the financing of political campaigns.

- ▶ **The regulatory framework
and the role of the State**



► The regulatory framework and the role of the State

To understand why the Argentine garment industry has the high levels of informality and job insecurity, and a high incidence of forced labor and human trafficking, it is necessary to understand how and with what tools the State, in its various powers and jurisdictions, regulates the activity and addresses the problem.

The fundamental point to consider when analysing the regulatory framework related to the garment industry is the legitimization of outsourcing relationships based on various transformations in labor legislation and the creation of regimes that institutionalize the “delaborization” process. (Ermida Uriarte and Colotuzzo 2009, Dean and Bueno Rodríguez 2011). It is necessary to frame this mechanism in the context of the labor reforms that occurred in the country since the 1970s, and particularly the 1990s, which fostered unilateral forms of regulation (in which the market operates as a legitimization device), in detriment of those that have the State as a central regulator (Gianibelli 2014).

The national laws that regulate labor relations and that are applicable to the garment activity are Law No. 20,744 on Employment Contracts and Law No. 12,713 on Home Work. The first is the framework law of labor relations in the country and regulates the relationship between the employer and the people who work under him. In the organizational scheme already described, it applies mainly in the cases of integrated companies and independent workshops that carry out the entire production process, with their own workers. It also applies to the relationship established between a workshop owner, who receives work on behalf of a garment company, and the personnel s/he hires to work in his/her own facilities. In its original text (1974), the law established a relationship of “direct responsibility” between a main company and the personnel that it subcontracted to carry out work or services corresponding to its normal and specific activity. In 1976, this relationship was replaced by one of “joint and several liability” of the main contractor, and in the 1990s the Supreme Court established jurisprudence that accentuated the limits on the responsibility of the main contractor, restricting it exclusively to the tasks linked to its main activity. In practice, this constitutes an *ex post* joint liability, at the end of the contract, which does not affect the contracting conditions, which can continue to be regulated unilaterally by the companies (Gianibelli 2014).

For its part, the Home Work Law (1941) regulates the relationships involved in outsourcing, or the execution on behalf of another person of a task in a different address than the one who entrusts the work (home or premises of the worker or workshop owner with workers under his charge) and whose product is unrelated to the person who produces it. The law also assigns joint and several responsibilities to employers, intermediaries and workshop owners for work accidents and the conditions in which they are carried out, for the unjustified or arbitrary reduction, suspension or suppression of the work flow, and for the payment of salaries and job security. It also establishes sanctions for entrepreneurs, intermediaries or workshop owners, and establishes a broad set of protection measures. Among them, the worker cannot receive a lower payment than the factory worker and creates a tripartite commission to negotiate subcontracting rates. There have been numerous attempts – failed so far – to repeal or modify this law, among which we can mention a project presented in 2008 by the Ministry of Labor and Social Security MTEySS³⁸. Criticism of the norm in general comes from companies that seek to end “solidarity responsibility”, but there are also other criticisms, such as those who propose that this norm takes away responsibilities from the workshop owner (as he is considered both employer and worker) (Basualdo and Morales 2014). Added to these are other voices (such as that of some interviewed inspectors and cooperative members) who indicate that the procedural aspects (use of books, tariffs, etc.) are in virtual “disuse”.

38 The project proposed the elimination of criminal sanctions for offenders, the elimination of the figure of the workshop owner and a modification in solidarity that would only cover social security obligations for those who hire a third party who, in turn, subcontracts to a home worker. The proposal was questioned by different actors and organizations because they considered that it benefited the companies by unprotecting the workshop owner, presenting his/her relationship with the companies as a commercial relationship (Lieutier 2010).

"[...] It is old, so we can agree that the... the operation is an operation that was totally anachronistic because it is all with a paper book".

"[...] I think it's a dead law. It is a law, like many others, that has been forgotten".

"No one taught us', therefore, 'no one taught us that we have rights.' But... there are even lawyers who do not even know that the Home Work Law does not exist. So, how do you expect a worker who... does not understand anything about laws, to know that such and such rights apply to him?"

This is a law that is effectively outdated in terms of the procedures it imposes, a fact that is taken as the main argument for its modifications, but which also enables the elimination of the liability of the main employers.

In addition to the aforementioned laws, the role of the collective agreements of the activity must also be considered and particularly the modifications introduced in 1990 and 1993, by incorporating the criterion of higher remuneration for greater productivity (incentive remuneration) and the reward for productivity increasing the margin of action of employers by allowing them to modify the modalities of work provision, as long as they are not exercised in an "unreasonable" manner (something that grants discretion to the employer regarding temporary and salary conditions) (Kabat, Harari, Egan, Fernández and Murmis 2012). These regulations are maintained to the present, only introducing some "improvements" such as the establishment of the Minimum, Living and Mobile Wage as a reference or lower limit for remuneration per day (something that often also becomes the remuneration "ceiling"). Thus, currently, the manufacturing activity is regulated by agreement 746/17 signed by FONIVA and FAIIA; the cut by agreement 614/10 signed by UCI and FAIIA and the administrative activity by agreement 501/07 signed by SETIA and FAIIA³⁹.

As mentioned at the beginning, the changes implemented to favour subcontracting not only occurred at the level of the laws that regulate labor relations but also facilitated the emergence of legal and tax figures that mask these links under that of a supplier-client commercial relationship. This is particularly the Simplified Regime for Small Taxpayers" (known as monotax), sanctioned by Law No. 24,977 (of 1998) with the aim of simplifying the tax system. For this industry, the monotax worked in practice as a flexibility mechanism. The "commercial" relationship established under this figure implies the loss of labor rights and enshrines the figure of the "entrepreneur." Although the monotax or single tax, created relatively recently (1998), is the preferred mechanism to hide labor relations, it is necessary to point out that something similar could also happen with the figure of work cooperatives in those cases in which they end up operating as a workshop for third parties.

Establishing the agenda and the discourse in the media

Taking into account this context in labor regulations, it is relevant to mention some of the main sources that inform Argentina's agenda to combat human trafficking and forced labor in this sector.

The first source emerges from the international scene, initially driven by milestones such as the ILO Declaration on Fundamental Principles and Rights at Work in 1998, and the "Protocol to Prevent, Suppress and Punish Human trafficking in Persons, Especially Women and Children" (known as the Palermo Protocol) in 2000. With these instruments, a fight against labor and sexual exploitation began around the world, framed in the new definition of human trafficking and in a broader agenda to combat organized crime (since the Protocol complements the United Nations Convention against Transnational Organized Crime).

³⁹ To these regulations are added specific tripartite negotiations, generally annual, such as updating salary scales, compensation caps, among others.

The signing in 2014 of the ILO Protocol relating to C29 of 1930 constitutes another step along this path, recognizing that more and more workers are subjected to conditions of forced or compulsory labor in the private economy, something that helped reinforce the agenda against “labor exploitation” that in Argentina had been somewhat overshadowed by sexual exploitation. The 2014 Protocol reinforced Convention number 29, and to date it has been ratified by 51 countries that commit to adopt measures of prevention, protection, access to justice and assistance to victims, adapt their regulations to what is established there and design national action plans against forced labor.

Argentina systematically ratified its adherence to all these instruments, generating regulations and administrative structures to promote and facilitate the implementation of this agenda. Particularly noteworthy are Laws 26,364 (2008) on the Prevention and Punishment of Human trafficking and Assistance to its Victims, and Law 26,842 (2012), which modifies the previous law and, among other aspects, toughens penalties and creates the Federal Council for the Fight against Human trafficking and Exploitation of Persons and for the Protection and Assistance to Victims. From the beginning of their operation, these new institutions constituted an engine to generate and sustain over time actions against these crimes in different sectors of activity, including the garment chain. In this framework, it can be said that the advances in the fight against forced labor in Argentina in recent years were accompanied by advances in the anti-human trafficking agenda. In fact, the latter was a kick-off for the judicial treatment of the regulations for the reduction of servitude.

A second source has its origin in government programs and political agendas that have fluctuated at the rhythm of the changes in the leadership of executive powers. Two examples of this are the increase in the fight against labor exploitation in the primary sector of the economy with increased controls and the approval in 2011 of Law No. 26,727 of a new Agrarian Labor Regime.

Another example, closely linked to the garment chain, is the increase in inspection and criminal complaints against those responsible for La Salada starting in 2016, including the arrest of one of its main referents in 2017. These procedures were part of a program of larger scale actions that was incorporated under the narrative of a “fight against the mafias”, particularly in the province of Buenos Aires.

A third source is related to the emergence of tragic events capable of generating public commotion, generally because they were havoc that led to the death of those who work and their families. As happened worldwide with the collapse of the Rana Plaza building in Bangladesh in 2013, in Argentina the agenda to combat exploitation in workshops was intensified in the face of tragedies such as that of Luis Viale (2006) and that of Páez (2015), both in CABA.

To verify the importance of these sources in setting the public agenda, an exhaustive analysis was carried out of the journalistic articles published in recent years in some of the main written media in the country. As seen in table 4, the topic grows in media coverage in 2016 (with about 150 articles) and in 2017 there is an abrupt drop in mentions (approximately a third of the previous year) that is sustained and deepens to the end of the period under analysis.

Both these data from 2016 and other research (Matta *et al.* 2022) demonstrate that between 2015 and 2016 there was a peak in the publication of journalistic articles on working conditions in this sector, which shows that in these years they increased controls, operations and raids. In the case of 2015, it coincides with an extensive operation carried out to inspect workshops, based on a complaint filed by a CABA legislator, coinciding with one of the fires already mentioned (PROTEX 2016)⁴⁰; while in 2016, numerous actions were carried out particularly in the province of Buenos Aires with the epicentre in the controls over La Salada. This year also coincides with the tenth anniversary of the fire at the workshop

40 These operations began following the complaint of Gustavo Vera, at that time legislator and president of La Alameda, who provided a list of 170 clandestine workshops located in CABA. Others and preliminary investigations were attached to this complaint. The PROTEX report (2016) indicates that in 2015, in response to the fire at the Páez workshop, where two children died, the number of complaints about this fire also increased, receiving more than 90 writings or notes with data on properties where the operation of an irregular or clandestine sewing workshop.

on Luis Viale Street, whose oral trial against the accused took place that same year and had unusual media coverage, thanks to the “Campaign for justice for the victims of the fire from Viale”⁴¹.

► **Table 4. Number of articles linked to the topic for each media analysed (2016-2021)**

Year	Infobae	Clarín	Télam	Página/12	La Nación
2016	16	13	25	40	57
2017	7	15	3	6	27
2018	7	11	3	1	22
2019	4	4	1	4	21
2020	4	4	1	1	28
2021	7	5	6	1	12
Total	45	52	39	53	167*

**In this medium, it is highlighted that 167 articles address the topics under analysis, but only 100 do so to refer specifically to working conditions, and in the rest of the cases, for example, cases of corporate social responsibility or notes with the focus on the fashion industry are disclosed.*

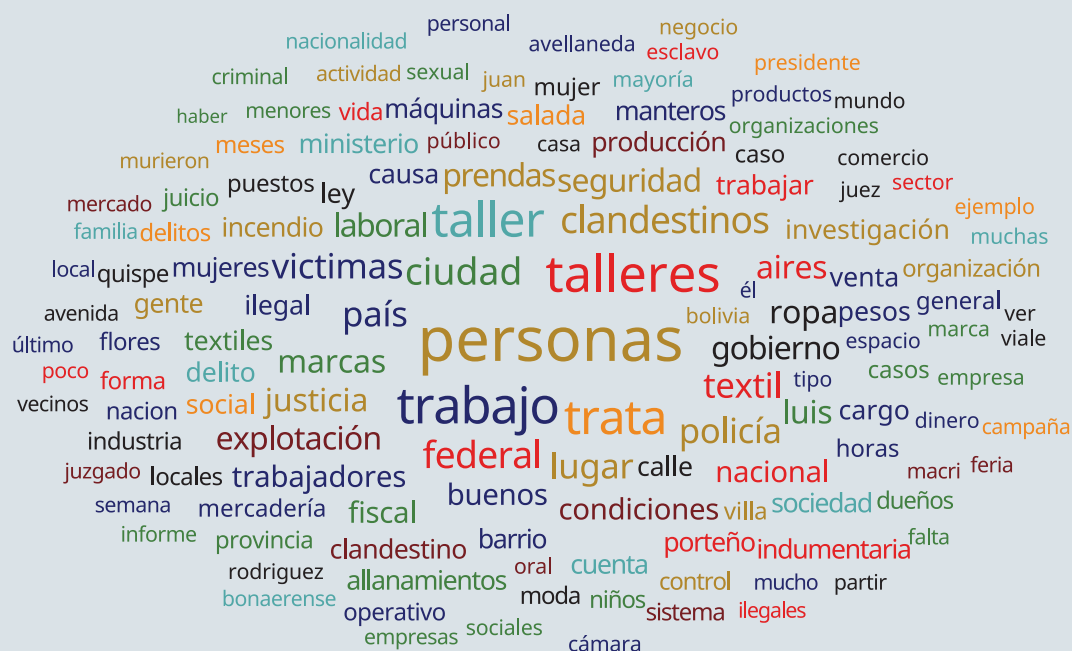
Note: this increase and subsequent decrease in media attention on the problems in the sector is quite uniform in all the newspapers analysed, so an editorial decision by the press media should be excluded.

Most of the journalistic articles where the situation of the sector is linked to working conditions have a police approach (havoc, raids, control operations, etc.) and a judicial approach (generally covering the cases with the greatest public impact). It is even worth noting that in many articles the task of the security force, the dismantling of gangs,⁴² the money, the merchandise and the sequestered objects are highlighted, more than the situation of the people. In some media, analysis notes are published in which these situations are linked to other problems (economic, social, environmental), while in others they also seek to disseminate cases of corporate social responsibility with discourses that seek to overcome this productive model.

⁴¹ For further information, see [#JuicioLuisViale](#).

⁴² Group of people who commit a crime.

► Figure 14. Word cloud of the articles analysed



► Table 5. Number of articles that include key words by media analysed

Key word	Infobae	Clarín	Télam	Página/12	La Nación	Total
Clandestine workshop(s)	39	45	29	13	88	214
Human trafficking	27	21	18	21	29	116
Slavery	7	21	9	44	29	110
Exploitation	26	12	20	9	36	103
Forced labor	3	3	1	14	9	30
Servitude	8	3	11	7	9	38
Total	45	52	39	53	100	

The above is corroborated in the most used terms observed in the word cloud and in table 5, where the idea of “clandestine” and the criminal classification of “human trafficking” fundamentally prevail. In the latter case, however, it should be noted that human trafficking competes in relevance with the terms “slave labor” and “exploitation.” In the use of these terms there are some differences in the editorial lines, since the term “slave labor” (which is not part of the classification of crimes, but is used by numerous social actors, particularly civil society) is used mostly by *Página/12* and *Clarín*, while “exploitation” appears associated with the crime of human trafficking in *Infobae*, *Télam* and *La Nación*.

It is also relevant to note that the term “slave labor” is much more used than “forced/forced labor” which is practically not mentioned, at levels similar to that of “servitude”, the legal type that is most associated in local legislation with the idea of “slavery”.

One last fact to mention is that the CSOs that are mentioned most frequently are Simbiosis Cultural and La Alameda, either because they participated as complainants or because their members are interviewed for the article.

Monitoring and control devices

Even with all the objections mentioned in its spirit and in its letter, different specialists point out that the current legislation would be sufficient to combat unregistered work and the different forms of exploitation and human trafficking in persons, and that the main problem is therefore in the will and capacity to enforce it on the part of the different actors of the State (the executive and judicial branches, in particular).

The problem of compliance with standards was widely discussed in the academic literature, particularly in the case of peripheral countries also characterized by their institutional weakness. The debates in these cases include which should be the strategies to strengthen the States or to appeal more decisively to the responsibility of the employer sector. With regard to this last aspect, discussions at the international level range from the credibility and responsibility of corporations to their own ability to enforce codes of business conduct (Esbenshade 2004, Wells 2007, Vogel 2008; Bartley 2010, 2011). In general, and despite the good will of these initiatives, from these readings there is not enough evidence to think that they can replace state control, and even more so in contexts such as Argentina where it is not a market controlled by a limited number of large international brands but from an extended network of medium and small companies (Dewey 2015). Something similar emerges from the study of initiatives that aim to involve consumers themselves in this strategy (Vogel 2005).

With regard to state actions, the difficulties in enforcing labor laws have been the subject of abundant literature discussing the role of the different levels of the State, the importance of resources or organization with bureaucratic parameters or alliances between government agencies and other civil society actors (Moe 1985, Liubicic 1998, O'Rourke 2002, Esbenshade 2004, Sum and Ngai 2005, Locke et al. 2007, 2009, Abers and Keck, 2009, Bartley 2010, Ruwanpura and Wrigley 2011, Distelhorst et al. 2015, Short and Toffel 2010, Toffel et al. 2015, Amengual 2016, Ronconi 2012). In general, the focus is usually placed on state capacity, based on two fundamental aspects: the volume of administrative resources (particularly the number of inspectors) and its autonomy in the face of interference from political and economic powers (Jatobá 2002, Bensusán 2006, Bernhardt *et al.* 2008, Piore and Schrank 2008, Seidman 2009, Ronconi 2010).

The results in Latin America clearly indicate that a large portion of workers are not protected by the protections provided by labor laws and that after various waves of legislative reforms of different types, the situation even worsened.

In the Argentine case, even those regulations that were reformed for the benefit of those with greater power in the chain have low compliance (Dewey 2015, Montero 2016, Amengual 2014, Lieutier 2010, Etchegorry *et al.* 2018). In this context, the axis of most of the discussions focused on labor inspection agencies, areas fundamentally responsible for enforcing labor legislation, either by controlling or providing information and advice to workers and employers.

In recent history, at least two well-differentiated stages can be identified in terms of labor inspections. During the 1990s, and consistent with the objectives of the labor legislative reforms already mentioned, the labor inspection system at the national level was dismantled and underwent various reorganizations, losing specialized personnel for the task of supervising home work and decentralizing inspection to local jurisdictions without the corresponding transfer of resources through the signing of the Federal Labor

Pact in 1998⁴³. In a second stage, starting in 2004, a series of measures partially reversed this trend: Law No. 25,877 created the Comprehensive Labor and Social Security Inspection System (SIDITYSS) and in the same year, the National Employment Regularization Plan (PNRT) was also created in order to carry out coordinated control and inspection actions between the Ministry of Labor and Social Security MTEySS, the Federal Public Revenue Administration (AFIP) and the provincial governments. These regulations established the powers of the different jurisdictions: the supervision of labor rights, hygiene and safety, the Home Work Law and the collective agreements in charge of the provinces and CABA, and social security as the responsibility of the Ministry of Labor and Social Security MTEySS. Starting in 2007, subnational jurisdictions must particularly inspect working conditions in the outsourcing modality⁴⁴. Inspectors can act *ex officio* or based on complaints and have broad police power, since they do not require a search warrant, unless it involves private homes. When the infractions involve crimes related to human trafficking, the PNTR requests the collaboration of the Human trafficking Division of the Provincial Police, which has trained professionals to accompany victims of labor exploitation.

Despite these improvements, as mentioned, the results were mixed and do not seem to have had effects in structural terms. The main hypotheses about this research regarding the reasons for such failures are detailed below.

Asystematic

The lack of a systematic approach (Etchegorry et al. 2018) or the “erratic” nature (Amengual 2011) of the controls carried out is one of the characteristic aspects of the State on the practices of this sector. This not only has to do with the pendulum characteristic of political cycles, but also with the spasmodic and reactive nature with which the greatest inspection efforts are made, in the face of complaints from relevant actors or events of great public importance. As noted above, two relevant moments that exemplify this reality occurred after the fire on Viale Street in 2006 and a complaint and the fire on Páez Street in 2015. In both cases the application of the rules increased, but a while later, inspections decreased as drastically as they had increased. For example, in the first two weeks after the 2006 fire, 122 workshops were closed; six months later, 1,700 inspections had been carried out and 700 workshops closed; and a year later, another 700, generating, according to some specialists, a climate of decreasing impunity (Amengual 2011). Something similar happened in 2015, when 518 inspections were carried out based on a complaint filed by a CABA legislator and a set of complaints from citizens that, according to PROTEX itself, arose “from the fire that occurred in the Flores neighbourhood.” These types of controls, however, clearly decreased a few months later⁴⁵.

Something similar comes up in the interviews:

“It was when there was the problem of the famous human trafficking and all that... and it scared everyone [...] They had a couple of meetings, it was 1 month, 2 months and then each one went back to his own thing [...] That was a palliative because reality was coming upon them. They were all terrified of going to prison... and the government of a human trafficking bomb exploding in the middle of the city... And that's it, that's it, we went back to the same thing”.

“Yes, I understood that these types of operations were carried out previously [before 2012] with other organizations more focused on slave labor or human trafficking. And it was done, as I told you before, with AFIP but more focused on the field, on rural work to be able to cover such a broad sector when working in the field. Since I joined, it hasn't come up for me”.

43 This is reflected, for example, in the number of inspectors. Novick (2007) points out that at the end of this cycle that began in the nineties, there were only 40 inspectors in the MTEySS, a figure that rose to 400 in a few years. For their part, Jelin et al. (1998), when referring to the specific area of home work, point out that it went from 50 inspectors in 1990 to only 6 in 1994.

44 This year is not a coincidence, since it was one of the measures that occurred after the fire at the workshop on Luis Viale Street, in CABA.

45 In the section that refers to media coverage, another example of these spasmodic reactions can be seen in 2016, in that case around the sale in La Salada, based on a political initiative that was not repeated after that moment.

Although these successive waves have a short-term effect, there is evidence that the lack of regularity generates medium-term effects on the actors in the sector to adapt to this dynamic by transferring their pressure to the workshops in a temporary manner (seeking compliance with formal aspects) until the situation that gave rise to the inspection passes. As noted by an interviewee in Etchegorry *et al.* (2018): “after the ‘epidemic of arrests’ [in 2011] inspections were no longer carried out on clandestine workshops in the province”.

Selectivity and lack of coordination

In addition to the problems in the frequency of inspections, different studies focus on the selectivity of the control procedures, or in other words, the way in which the companies and workshops to be controlled are usually identified and selected. Whether due to lack of inspectors or due to the difficulties inherent in the task of searching and detecting productive units hidden in the urban fabric, during periods that exceed the “waves of inspections” already described, the tendency seems to be only to carry out controls at the largest registered companies. A study by Amengual (2011) reported that in 2005 only 1.4 percent of the inspections carried out in CABA affected garment manufacturing and that during 2006, also in CABA, the multiple inspections carried out detected 1,600 workers and workers in exploitative conditions, while organizations linked to the issue (such as La Alameda) estimated that this number was fifteen times higher. Another study conducted by Etchegorry *et al.* (2018) in Córdoba, points out that only a third of the productive units in the sector had any inspection between 2005 and 2015, almost entirely of firms with some level of formalization in terms of their fiscal condition.

This bias towards the control of formal productive units usually leads to numerous complaints by businessmen, since it works as an incentive to stay out of tax registration, and as a reward for those who adopt the strategy of “not appearing” in the system:

“It is the drama we have here: the one inside the zoo, they kill you, and the one outside the zoo, it is very tempting, there is a big difference.” “Either you are totally out or you are totally in. If you are with one foot in, they will fall on you with everything they have. Now, if you are completely outside the system, absolutely nothing happens to you.” (Etchegorry et al. 2018, p. 20).

By the way, another cause of this selectivity is that in addition to the difficulty of detecting the workshops, there is also the difficulty of carrying out inspection procedures, considering that the workshops are frequently located in private homes, for which a court order is necessary. Obtaining these authorizations is not always feasible, since the workers themselves (in many cases migrants without legal residence and in exploitative conditions) do not file the corresponding complaints. Added to this is that in many cases, when the raid occurs, it does not result in evidentiary material that allows linking the workshops with those who subcontracted them (non-existence of contracts or signed work orders, labels that are reported as false by the brands, etc.). In some cases (such as illegal markets), they even point out that the inspector may be in danger. All of this generates a gradual disincentive for the different agents of the State to concentrate their resources on the informal segments.

“I mean, this question of imputation: who do we accuse? We charge... You notice that if I... we... sometimes the framework of, eh... lack of registration is such that many times we cannot even determine who the owner of the workshop is. For us it is a complication because we cannot make a single... we cannot make a proper imputation of the inspection. That is to say, I relieve five workers and I cannot accuse... eh? Who is the employer?!”.

“Yes, yes. It is understood or you get the feeling that what you find may be 50 percent of what there is because obviously there are some places that cannot be reached, due to ignorance, due to lack of information, there are places that cannot be reached. So, one understands that what one finds there may be more. Most of the inspections are (I understand) at the last link, the sale

of garment to the public. That's 85 percent, at least in my particular case, of the audits. We also inspect workshops and other previous links but, at least in my particular case, they have not been the majority".

"Of 10 procedures, 1 or 2 we have to enter with a Court order. Many times, it happens [generally, the order takes between 10 and 15 days] that when we return there is nothing more. We may have gone a couple of times [to the fairs], but no [they don't control them]. It's... very humpbacked, it's... even kind of dangerous, I would tell you."

The selectivity of the inspections in the same sense emerges from interviews with officials of the control bodies. The combination between legislation such as the current one and controls that are carried out by selecting only the largest and most visible firms could generate an incentive contrary to what is sought: continuing to reduce and fragment the size of the productive units or encouraging invisibility strategies. A problem associated with this phenomenon is the lack of coordination reported between the entities that must carry out the inspections. This generates, for example, that some organizations select in this case the aspects to control, leaving the supervision of other aspects in the hands of others. For example, this was pointed out by some inspectors and even businessmen:

"[...] Our competence is only to take the data of the workers to verify if they are actually registered or not. ...".

"We are not going [to the companies] to cause harm but we are simply going to corroborate the minimum and basic issues, such as having the worker registered."

"The Ministry of Labor in the last 10 years has been working for collection purposes: who had CUIT, who did not have CUIT, who was registered, who was not registered, and passed it on to the AFIP. In other words, they did little in the general conditions of the worker [...] No [there is no coordination between inspectors]... it must be a matter of jealousy of autonomy, I suppose... we basically, since I can remember, do what we do and we try to keep the activity from getting out of hand. There is no integration with other sectors."

One of them even pointed out that the limits of the Ministry of Labor and Social Security MTEySS sometimes generate "a bit of helplessness, because sometimes the worker calls you and you cannot give them the help they would like." The inability of the Ministry of Labor and Social Security MTEySS inspectors to sanction violations of labor regulations implies a waste of resources that would be important to reverse.

Resources, autonomy and networks

One of the main theses that seeks to explain both the success and limitations of inspections in this industry is related to the availability of resources and the autonomy of control agencies, although reinterpreting these concepts from a reticular model of the State. Indeed, while bureaucratic models, with a neo-Weberian imprint, suggest the importance of having a sufficient number of inspectors and deepening professionalism, regulatory coherence, access and promotion based on merit, the existence of long-term careers and hierarchical leadership, from this perspective it is proposed that these elements are insufficient if the inspectors do not have the capacity to mobilize and generate other types of resources and sources of autonomy through their relationships with society organizations (unions, business associations, NGOs) (Amengual 2014, Fine and Gordon, 2010, Weil 2005, Hardy and Howe 2009, Pires 2009). The link with these actors, on the one hand, implies that the State legitimizes them and transforms diffuse demands into a power factor, which cooperates with the ability to confront the economic and political powers that it must face. On the other hand, they provide inspectors with key resources for the success of their work: information on violations in an economic sector or geographic area; in some cases,

material and human resources to process the information and develop a response that creates incentives for companies to comply; and resist efforts by organized interests to block enforcement.

To support this thesis, Amengual (2011) points out, for example, that unlike the 1990s, as of 2004 the Ministry of Labor and Social Security MTEySS had a significant number of inspectors in absolute and relative terms (if compared, for example, with other regulatory agencies of Latin America or with the provinces), having hired about 400 throughout the country, with legal and accounting training, with access to computer systems, means of transportation and an acceptable budget. According to the author, both this ministry and its counterpart in CABA had the capacity to carry out tens of thousands of inspections per year⁴⁶, although they lacked some of the bureaucratic requirements indicated: hiring was not carried out through competition, their contracts were short-term, without a professional career. For the author, the key to the success of the work carried out since 2006 was therefore based not on the correction of the aforementioned problems but on the incorporation of other organizations, and in particular La Alameda⁴⁷. For the same reasons, when the CABA government changed in 2007 and political ties with this organization decreased, the inspectors indicated that “they lacked the power to confront it... due to their inability to appeal to La Alameda.” (Amengual 2011: 308).

In the interviews, some inspectors point out that those who usually make complaints are the unions, but that in recent years these have been scarce, partly due to their low presence in the sector and partly precisely because of the number of people it has available to gather information in a largely hidden and dispersed sector:

“The Ministry of Labor acts at the request of complaints due to union requirements. The union has a list of workshops that is fed with complaints or is fed in the way I told you. The search for information is done by the union... on the street in particular they have three people [for the entire province].”

The possibility of complementing State resources (which tend to be difficult to modify in the short term) with those of CSOs, to increase their capacity to enforce the law does not replace the existence of a team of inspectors trained and supported by the administrative structure, but it shows that it is possible to offer solutions by appealing to other types of capabilities, in this case to weave alliances and links outside of said structures.

Institutions of state and political protection

Although most of the studies analysed so far emphasize the capacity of the State, there are different investigations that focus on its willingness to control and punish violations of the law in this industry. Dewey (2015, 2018) draws on numerous antecedents and his own investigations, particularly around La Salada, to propose the existence of hybrid social orders, in which state agents operate in complicity with legal and extra-legal actors, allowing the operation of illegal markets as a way to reduce uncertainty and regulate social expectations in contexts of continuous economic crisis, ethnic segregation, social marginalization and persistent inequality.

For the author, state and political actors play an important role in maintaining informal institutions, as well as in the informal stabilization of illegal exchanges. Paradoxically, it is therefore not a weak or absent State but rather one that is present both in its role as a regulator and as a source of well-being, through

⁴⁶ According to the author, it had the “capacity to carry out about 100,000 inspections per year throughout the country,” which can be proven by analyzing that in CABA alone, in 2005, 20,000 inspections were carried out in all areas.

⁴⁷ According to the same author, the work areas of the governments did not seek the support of either SOIVA, the CIAI or La Alameda before 2006. In the latter case, the organization had emerged from a popular assembly during the 2001 crisis and it operated in one of the neighborhoods where precisely the most workshops were found, having contacts among the Bolivian community, and reporting the situation of these working people before the Viale fire.

mechanisms that include precisely the selective application of the law (Dewey 2017, 2018; Auyero 2007, Auyero and Berti 2015, Flores Pérez 2013).

This effect is produced through two “protection institutions”: state and political. On the one hand, illegal garment markets are regulated and taxed by informal mechanisms that take the form of money collection systems, an informal taxation that means an unofficial extraction of resources, which is imposed on a part of the population and used not only as a way of corruption but to finance the formal performance of the State. In La Salada, for example, managers would have a collection system to prevent police or health and safety inspectors from confiscating their products inside or on the way to the market. In this system, not only these agents intervene but also local or national politicians to whom this informal taxation system would provide enormous economic benefits for the financing of political campaigns (Dewey 2017, 2018). But beyond the economic aspect, the fair provides other benefits such as the creation of hundreds of jobs, increasing the consumption of garment and stimulating the general consumption of goods and services. The enforcement of the law would destabilize this social order, which is why this economy has been allowed to continue, granting it political legitimization. In this way, in alliance with extra-legal actors, the State energizes its actions in society, strengthens political power and creates social consensus.

The interaction of informal institutions and the interests of local actors thus prevents the implementation of norms and explains their persistence. If the extracted resources generate political benefits from the existence of these markets, it is possible to explain the resistance of these structures to being modified and few incentives to change. The tolerance of these actors towards the garment economy in these spaces legitimizes the existence of the workshops that produce them and obstructs the implementation of regulations, especially labor regulations, constantly reinforcing their dynamics. This is what explains why different attempts to formalize the La Salada market have not only failed, but have reinforced their behavioural patterns.

For these reasons, according to Dewey, if you want to modify the situation, it is not enough to make improvements derived from the previous dimensions, such as increasing the number of resources, improving bureaucratic structures or action networks. It is also necessary to influence the political agenda and discourses, including violations of labor legislation in a much broader discourse of legality that also challenges companies, unions and civil society.

The victims and the functional limitations of monitoring and control

The supervision, control and prosecution of criminals are part of the obligations of the powers of the State and relevant mechanisms to maintain the legal order in force and protect the rights of citizens. However, all these necessary resources are insufficient and must be complemented with other actions, if we think about both the structural solutions and the reality of the victims.

Regarding the first point, different interviewees point out the insufficiency of controls (at least in the way they are currently carried out) to modify the economic and social dynamics that structure the productive chain and the practices of its agents.

“The effect of regulating... of regularization lasts a couple of months until reality imposes itself. Moratoriums begin to be generated due to tax pressure, they begin to generate debts and then they return to informality. But this has been a constant for years here in Córdoba, it is like that. That is, you go to a workshop, you visit it. You come back, it shows you all the receipts, the garment delivery receipt, the mandatory life insurance, the social contributions, the pension contributions, the union contributions. You close the file, come back 3 months later and it's completely informal again. Or a large turnover of people, which is also another problem: personnel mobility is quite continuous.”

On the other hand, when structural problems are not solved, agents also adapt their behaviour to evade controls, something that is observed in the sector in tactics such as changing the company name, changing home workshops or taking them to areas where that control is more difficult:

"They change companies. The businessman founds the company and opens another, it is not that the guys committed suicide out of shame of the call. No, we are not for suicide here. They change the company and start another."

"In some cases, they leave once, twice or three times. Why can you go a third time? Because it moved. There are workshops that change their address two or even three times per year."

Some of the interviewees also allow us to observe the tension between the mandatory nature and the fairness of the sanction (both criminal and pecuniary) for criminals and offenders, on the one hand; and its functionality, on the other. While for some it is necessary to give "exemplary" punishments because this generates a deterrent effect, for others punishments do not replace what must be achieved with other more in-depth policies:

"And, I believe that the lack of operational capacity that we have (we, the Government of the City of Buenos Aires, the Ministry of Labor, all the organizations that control the issue of labor)... That for me is something important because if we had more capacity and the punishments were exemplary. For example: if we had had a case [...] that the businessmen determined that they were complicit, they were complicit and were sentenced and whatever one, 10, 15 years, a million-dollar fine [...] there would be a domino effect. Nothing ever happened here with the brands."

"Some fines have been updated but, perhaps, in some cases when they are repeat offenders, they should be a little onerous or sanction some other issues so that it is not an option for the employer not to discharge them. Beyond the formal aspect, obviously, I would always understand that the best thing is to discharge him, but hey, perhaps the employer doing the numbers would be better off paying the fine than to discharge him, it seems to me that this issue needs to be reviewed."

"To give you an idea, we are talking about 2009/2010, Immigration imposed fines of \$900,000 on some workshops. Do you think they will be able to pay it? In other words, they were practically forced to close and disappear and return to informality. I believe that the pecuniary or monetary sanction does not solve anything, this is a question of idiosyncrasy, this is a question of education, this is a question more let's say... Better expressed is that in this industry 'a chain is only as strong as its weakest link.'"

These reflections on the insufficiency of the State's supervisory role also extend to the situation of rescue and protection of victims of human trafficking and labor exploitation. Some of those interviewed point out that in the face of the closure of productive units, there are no policies that resolve the situation of workers. This reason is even one of the main causes of the lack of involvement of the victims themselves in reporting their exploiters and why some inspectors do not act with more severe sanctions:

"There are very few complaints against them. They are few. What's wrong there? For me because there is no answer afterward. Later has no solution. So, no one risks it."

"Yes, sometimes you get the feeling, in the sense that it is generated, there is the tension of the worker that, instead of being whitewashed, they are fired. It always generates, or not always, but generally it generates that tension, that possibility. Well, in fact, some employers tell you directly 'Well, you're leaving and I'm going to fire you' or directly to confront the workers they say 'Well, thanks to him you're going to lose your job', or whatever. Different situations, sometimes quite

tense, make you assume that in some specific cases you don't know if you are giving a hand or doing harm."

"The main concern in my work is the day after for the victims... My problem is that this group of people stops being victims but also stops having a job, stops having food and often stops having a home."

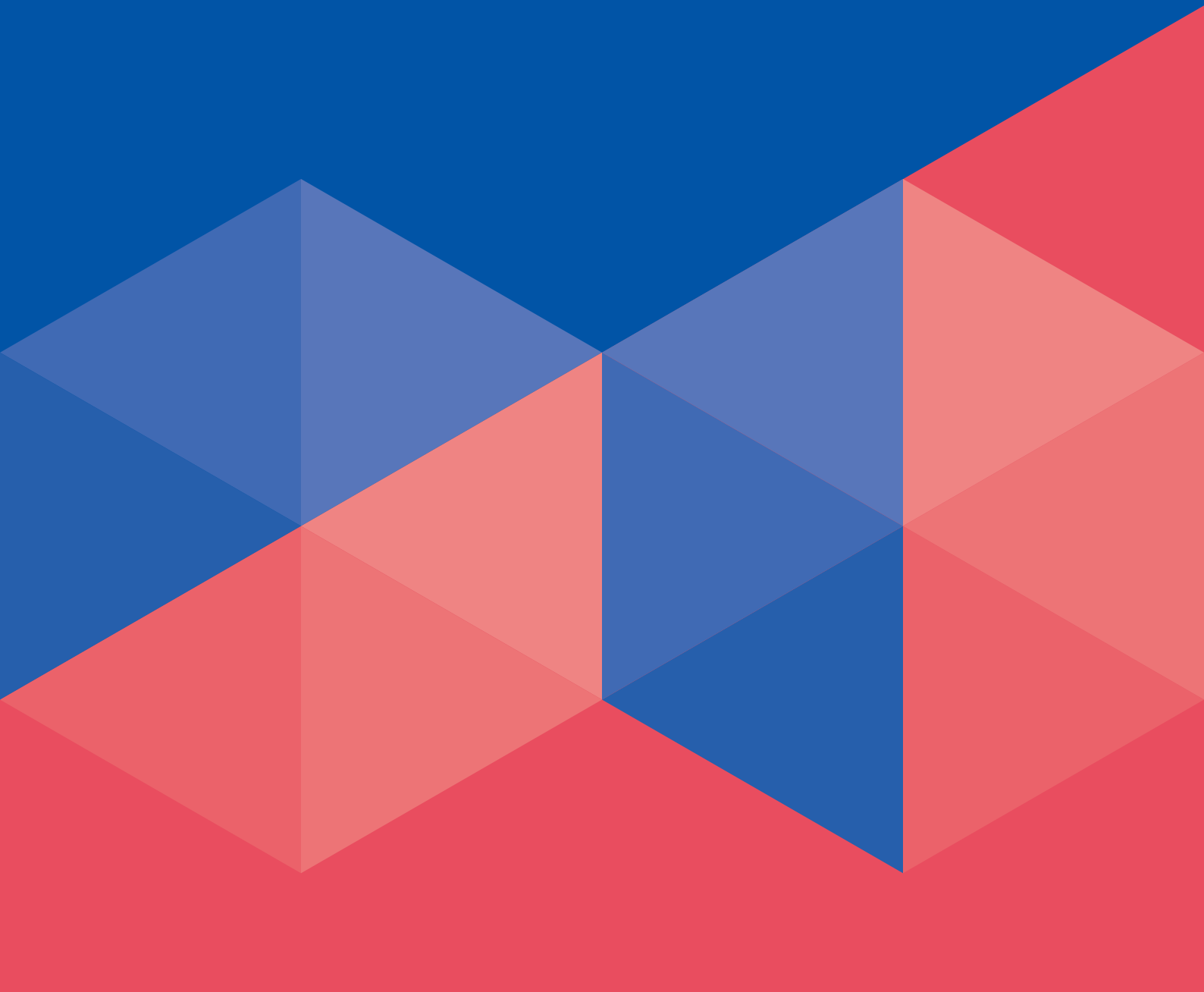
Among the measures that emerge as notable is the creation of the Victim Assistance Trust Fund within the framework of the Ministry of Justice, through which the assets of the productive units are seized and auctioned, to be sold later and used to compensate human trafficking victims. This policy is in line with what an official pointed out in the interview:

"That there is a search, and that those people immediately receive compensation to return to their place... that the cause is well prepared... eh... that they see results. And that will generate more complaints... and then what happened will happen, which I have also seen in some places, that conditions begin to improve."

In the first years of the La Alameda complaints, the confiscation of equipment and other means used for the exploitation of workers was a fairly widespread measure in the federal courts of CABA. At that time, the machinery was used to create work cooperatives or self-managed enterprises. This is how the aforementioned INTI Garment Showcase Centre was born. However, some of the officials related to these practices pointed out that these measures must be accompanied by prior work of comprehensive assistance, which even exceeds the provision of material resources and which considers the interests of the victims, to avoid falling into the errors of the past:

"If I have to evaluate where we failed, we failed to generate the conditions in which the same people, er... that... that we wanted to socially reintegrate find what they wanted to socially reintegrate into. In other words, they came out of clandestine workshops, we set up a textile cooperative. And maybe it wasn't their desire, maybe their desire is not to continue in textiles."

► The role of the Judicial Branch



► The role of the Judicial Branch

The actions of the Judiciary in terms of punishing those responsible for human trafficking and forced labor and compensating victims is of fundamental importance, since the high penalties that the legislation stipulates for these crimes constitute incentives—already insufficient—for progressive adoption of good practices by employers. In this regard, the analysis of sentences carried out for this research reveals a series of emerging themes that summarize the scope and limits of the actions of judicial operators.

Forced labor as an aggravating circumstance and not as a crime in itself

The fight against human trafficking in Argentina gave a fundamental boost to the prosecution of the crime of reduction to servitude. In fact, according to an official, until the enactment of Law No. 23,634 on human trafficking, there had been no conviction in the country for reduction to servitude. In the current legislation, the relationship between both crimes occurs through the prioritization of human trafficking. In effect, this covers the crime of reduction to servitude, so when it is considered that there is human trafficking, the reduction to servitude is understood as an aggravating circumstance as it implies the consummation of exploitation. This way of addressing the relationship between both crimes contributes to displacing or minimizing the discussion on situations of exploitation and prevalent working conditions that do not fit within the narrow limits of this figure, which includes in the end situations of forced labor. In fact, while human trafficking is judged in federal courts, reduction to servitude is the responsibility of ordinary (provincial) courts.

This last fact gives rise to a practice identified by an official, which consists of “deflating” the cases by changing the covers from human trafficking (federal justice) to reduction to servitude (provincial justice), something that also applies when transferring cases from criminal to labor jurisdiction, arguing that there is no reduction to servitude but rather violations of labor legislation:

“The local authority manages its local authorities, or manages a relationship with its local authorities, much more fluid, both in a good and a bad sense, than the federal authority can manage. So, I see it in many cases where I have to intervene, or where I see a colleague who is involved, how the first discussion that occurs is ‘he should get out of federal justice!’. Just as they say ‘leave criminal justice and go to labor justice’, ‘leave federal justice’ because it is not controllable, at least it is not as easy to control, the federal justice, for a province, as local justice is for that province.”

Even if the fight against human trafficking contributes to give prominence to federal justice, the lack of knowledge about the legislation, doctrine and jurisprudence on reduction to servitude was hardly modified by this fight, with the “passes” towards labor justice being a relatively common practice. The analysis of sentences showed in this regard a clear lack of univocal jurisprudence and the abundance of contrary arguments in the various courts. Here, the lack of clearer definitions in the legislation and the training of judicial operators to avoid very restrictive, or even wrong, interpretations of the reduction to servitude appear as urgent needs.

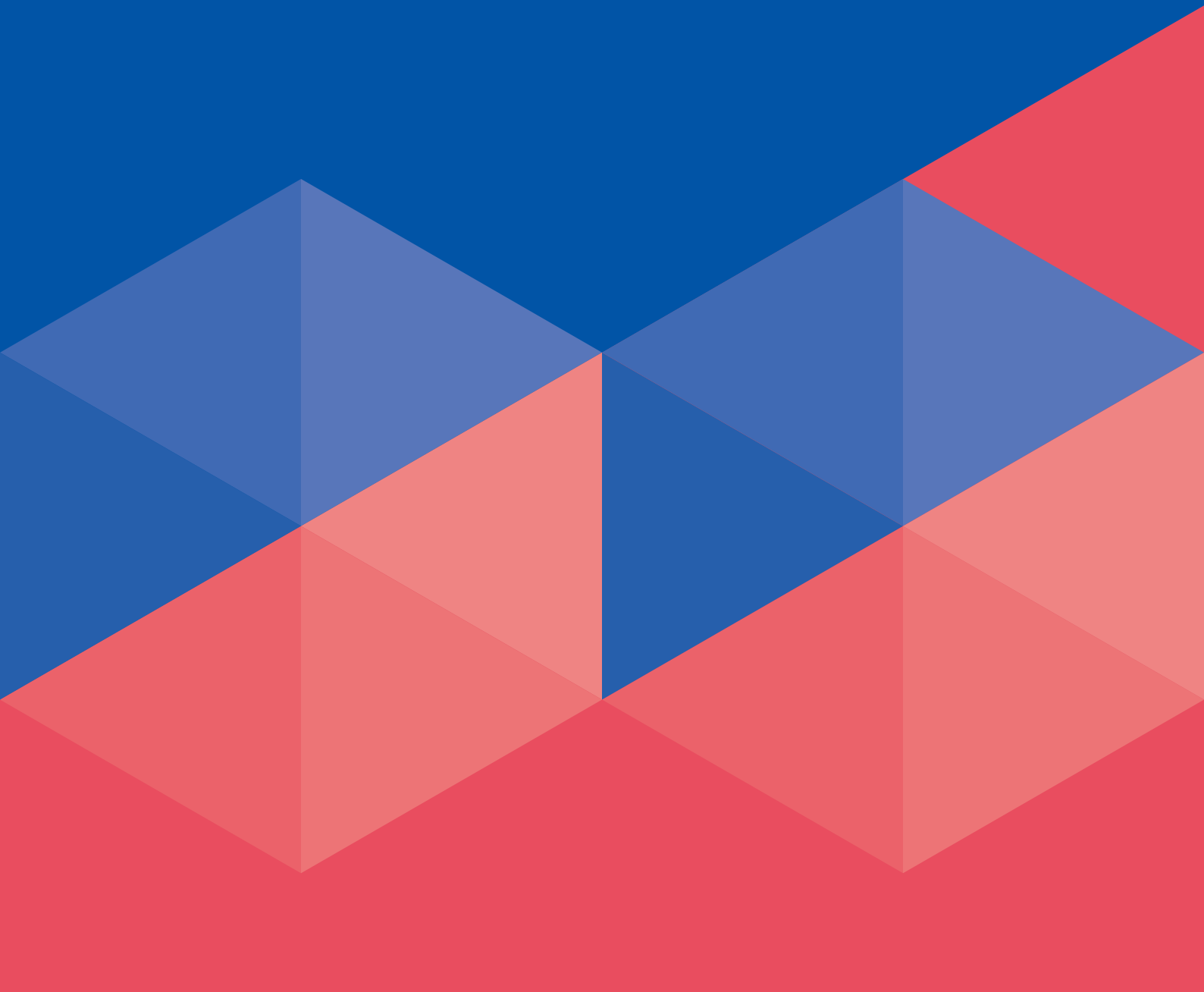
Impunity of the job givers

Since 2007, more than one hundred garment manufacturers – including most of the more recognized brands – have been reported for reduction to servitude, immigration crimes and violations of the home work law. However, the few existing convictions did not link the job providers to the crimes committed in the workshop. On the one hand, the simple lack of treatment in the vast majority of cases is notable. On the other hand, the acquittal of the job providers in the convictions reached was based on two arguments: the lack of merit (as in the case of the Viale workshop) and the “cultural conditioning” of migrant workers and their national workshop owners, that would explain the broad consent of those who work towards forced labor conditions.

This last point is of fundamental importance, since it implies a deeply uninformed interpretation but rooted in the idiosyncrasy of many judicial operators. The argument taken by the judge to separate the employer from the job in the case of a well-known brand of children’s garment was based on the need to understand the labor exploitation that occurs in clandestine workshops as a result of “cultural conditions” that explain both the actions of the workshop owners and the consent of those who work. Thus, for the Court it was not appropriate to charge those legally responsible for the brand with the crime of facilitating the illegal stay of migrants in order to obtain a benefit (art. 35 of Law No. 25,871) because their understanding was that the situation in the workshop consisted of the existence of “a human group that lives together as an *ayllu* or extended family community originating from that Andean region [the Bolivian highlands], which functions as a kind of mutual aid cooperative where expenses are shared. and the profits are shared.” This first instance ruling, however, was overturned by Cassation in 2012, but was never reviewed.

Another case that had great repercussion, and that culminated in the acquittal due to lack of merit of those giving the work, was that of the Viale workshop. In 2016, a court sentenced the workshop owners (an Argentinian and a Bolivian) to 13 years in prison for reduction to servitude, and ordered to re-investigate the possible responsibility of the owners of the brands that subcontracted production in the workshop, who had been excluded from the imputation requirements by the investigating prosecutor. The new evidence that emerged in the trial supported this decision, since it included statements from the workshop owners accusing the job providers. After the trial, then, the case returned to the same prosecutor’s office and the same court. However, the prosecution did not consider elements such as that the workshop worked exclusively for that job provider (a company with two members) and that the partners were owners of the burned property, so in 2019 the judge ruled to dismiss the case due to lack of merit. Thus, if the 2016 ruling that ordered a review of brand responsibility may have encouraged other brands to review their production chains, the 2019 acquittal sent a message of impunity to the sector that hinders progress in the fight against forced labor in the garment sector. Thus, none of the businessmen interviewed indicated the risks of complaints of human trafficking or forced labor among their concerns. Even the two businesswomen from the Avellaneda Street circuit interviewed pointed out that there is no control over the place where the garments are produced. When asked about the risks of lawsuits by workers, they understood that the question pointed to labor lawsuits and they disregarded the risks of lawsuits for human trafficking or forced labor.

► The support policies



► The support policies

The main objective of this section was to report on the initiatives that the powers of the State, together with companies and civil society, deployed to fight against human trafficking and forced labor. However, it is considered relevant to make a brief summary of some of the support policies that are aimed at the development of the industry or some of its segments, since, as has been repeatedly pointed out, there is an undeniable link between working conditions and the way in which this activity is structured economically, technologically and organizationally. In this sense, it is not intended to exhaustively list and describe these policies but rather some dimensions that allow characterizing their offer and their capacity to influence the sector.

Focusing on the macro level

As already observed in one of the previous chapters, the policies that generated the greatest impacts in this industry were, in general, those related to macro-economic policy instruments, and in matters of foreign trade and internal demand, in particular.

Being a procyclical industry, it was exposed to the pendulum movement of aggregate demand, with the alternation of periods of growth and recession that characterized the entire Argentine industry in the last 50 years. Generally, these cycles were marked by fluctuations in monetary, exchange, financial and credit policies, with stages of high inflation and uncertainty about variables that are key to planning investments or projecting the growth of productive units. The garment chain received the impacts of these changes in the context, but it cannot be said that it has been a determining actor (as other economic sectors may be) for the promotion of these policies, given its low impact on the national product. It is also unlikely that the different governments have taken their particularities into account when establishing these policies.⁴⁸ As one of the sector's businessman points out:

"I tell you more, they burned out more during 2015-2019 administration than with the pandemic. [...] Because of the interest rate. The drop in consumption put them in a critical situation. For example, X company saw its sales go down, the guy did not have a lot of margin, thought he was going to be selling all his life, sales go down 20 per cent, he has more sites than needed, he doesn't sell as much as he wants, he begins to have financial problems, he begins to ask for money from the banks with 70 percent interest. The drop in consumption continues, he melts down. He can't pay the bank. It is one thing to ask for money with a negative rate, that is, the rate is less than inflation and another to ask for money with 70 percent as in the last two years [2018-2019]. At 70 percent you owe \$1,000,000, each month, the fee is exponential. Therefore, the calls due to financial drowning are what kills the SMEs and for the medium-sized companies in the sector it is the rate, and that is why the calls were higher in that period".

On the contrary, in the case of foreign trade, the sector was one of the protagonists of the public agenda in each cycle of these policies: in the moments of greatest liberalization, due to the negative effects caused by the increase in imports; and at times of greater protection (imposing tariff and para-tariff barriers), due to the impact on consumer prices.

⁴⁸ Other policies that generate benefits for the sector (particularly in the AMBA) can be mentioned at this level, such as subsidies for power applied by national governments at different stages of the last decade.

The data presented in the previous sections show that the opening periods (generally accompanied by other policies of contraction of consumption) generated destruction of companies and employment, but above all, other non-reversible effects, such as the loss of organizational capabilities, of productive links that are permanently lost (production of inputs such as fabrics, threads, dyes, etc. and capital goods) and the impact on business strategies and industrial organization. Referring to one of the largest garment factories in CABA, which went bankrupt in 2018, a businessman illustrated this point clearly:

"[They] grew, they grew, and in this country, you can't do that. And [American sportswear brand] used them while they were useful, and then, that's it, and they burned out. So, a company like that, that works with polyester, should withdraw... They have already dismantled the entire plant in the south, the weaving factory remains, but not the dry cleaner plant... It is a luxury that this country cannot afford. We cannot lose that, because this will never be recovered again. Because it's not that you buy machines and install it. If you don't bring people from the sector no one will ever do that again. So, it's a shame, for me we have to protect the production of raw materials. Because if there is no national raw material, the textile industry in Argentina cannot run. And... I already saw two meltdowns."

"It is produced, [the raw material] is imported because there is no longer yarn in Argentina to buy. Until the nineties there were spinning mills in the Canning area that is now called Scalabrini Ortiz. There, there were many spinning mills that imported there but they had their own factories and, at that time, there was not so much variety of yarns, they worked with this synthetic wool called acrylic and they were all nationally produced. And those factories were dying, all the industries died in the nineties."

For their part, protectionist periods were generally associated with the growth of production and jobs, but not necessarily with the development of the chain. As one official critically points out:

"In that they have import restrictions, they have a lot of captive market and apart from benefits of all types and colours: credits at negative rates, subsidies. The textile businessman grabs everything, he is the most skilful there is. They take everything: subsidies, negative rate credits, subsidized power."

It is possible that the centrality of these macroeconomic policies in the development of the Argentine industry in general and in particular the relevance that the discussion on commercial opening and closing had historically, have been responsible for the fact that there has not been a specific, comprehensive and systematic policy for this productive chain in recent history. In some periods, this was considered unnecessary because it was an "unviable" or "reconvertible" industry and in others because it was trusted that the macroeconomic order would automatically generate a development process. As some actors (particularly businessmen) point out, this sequence and the uncertainty it entails is one of the causes of the current situation.

"In the previous government, our sector was in a PowerPoint that was circulated when they took office, in which we were a 'reconvertible' industry, I think that was the term. And when you talked to them, they told you 'it matters, it matters' [...] If in two years the policy is 'garment is inefficient, garment manufacturers are inefficient, they sell expensive garments to consumers, we have to bring clothes from Asia or Africa, as you just told me'... Well, that's what happens."

"[...] it is absolutely clear that a pendulum economy in the last 70 years 'import, do not import, import, do not import' makes everything that was the great textile industry of Argentina, which was enormous, two-block textile factories, first-level garment factories, in the great openings and liberal periods, were destroyed and disappeared. Therefore, upon resuming, due to external restrictions in dollars or due to the fact that governments stopped imports, it begins to be reconstituted on the basis of informality due to what we said before. 'There is work,

there is no work, there is work'... What does a workshop tell you today when we have Chamber meetings? 'Hey, I went to a workshop, I told him to bring in a few more people because you're short on production.' 'It's not good, I put them in, I formalize them. Then you lower the amount because in 2023 other political parties win and what do I do with the guys, do I eat them? I have to compensate; out of 20 people I have six lawsuits. I will burn out!'

"The constant threat that I see is uncertainty. There is no worse crisis than uncertainty. Uncertainty paralyzes. And the paralysis brings you problems of... of... of trust, of believing, of... of... of... it's like the floor is moving all the time. I'm used to it, but it's horrible, it's terrifying. All the time uncertainty. Because? Because they change the ball: 'today I'll leave you, tomorrow I won't leave you'. So... we were short of... machine spare parts, you understand? But because these are policies that I don't know what they are thinking".

An heterogeneous set of policies

As noted, even in the years of greatest growth, it cannot be said that there has been a comprehensive industrial development policy for the sector but rather a heterogeneous and not always coherent and articulated conglomerate of public and private programs and initiatives aimed at the industry in general (with little appropriation in the garment chain) or concentrated only in some of the segments that make up the chain.

This fragmentation occurs both at the level of the dimensions of intervention and the recipients of the policies (directed targeting), being structured—with few exceptions—according to the following logic:

- The areas of **Economy and Productive Development** (or the counterpart ministries and secretaries in the different periods of government) generally orient their policies to formalized companies of larger relative size (large, medium and, to a lesser extent, small)⁴⁹. In relation to this last aspect, although there is no explicit exclusion criterion, many of the incentives and requirements that are usually requested to participate, operate as entry barriers that result in a process of "self-focusing" in larger productive units, (many of the programs are credits). As can be assumed, the high levels of informality and the limited accumulation of capital (economic, financial, cultural, etc.) in most of the garment production units mean that in practice these policies can only be taken advantage of by some brands and to a lesser extent by design endeavours⁵⁰. From the point of view of the dimensions of intervention, in general the programs in these areas are oriented towards "economic" objectives: increased competitiveness, productivity, innovation or exports. Themes linked to employment or "social" issues in general are "delegated" to other departments⁵¹:

"[informality] is a concern that the actors in the Sectoral Roundtables bring, that is why we work and as a result we have these issues [...] of the different programs that were developed and that are being developed further, such as the joint evaluation to look at the issue of profile certification and so on [...] We work with the formal sector, so I can't talk to you about anything else. I have no information about that because that is handled by Labor and Social Development."

49 Some of the most relevant programs are: the National Program for the Development of Industrial Parks; Non-Refundable Contributions (ANR) for different objectives (Productive Development; Competitiveness Support Program - PAC; Climbing Entrepreneurs Program; Dynamic Entrepreneurship, etc.); credits at a subsidized rate (National Fund for Productive Development - FONDEP; Productive Investment Line for SMEs - LIP PyMEs; Banco Nación; Banco de Inversión y Comercio Exterior SA - BICE, etc.); investment funds (Entrepreneurial Capital; Accelerators, etc.); mutual guarantee societies; training programs (Tax Credit for SME Training; SME; Capacitar Program, etc.).

50 Previous studies show that even many of the programs have high under-execution (Matta 2012).

51 As mentioned, there are some exceptions, in this case the "Te sumo" program, to incorporate young people into the SME sector where the benefit is granted to the company and complements contributions to the worker financed by the MTEySS.

"If they want to incorporate people, today, the State is giving them the opportunity to do so, unemployed. But obviously, you have to register them immediately. In other words, there are tools that will and do favour, without a doubt, but they have to do so from a different position than the one from which, perhaps, they have historically worked".

In general, all these policies are offered for all sectors and there are no specific lines for garment. In recent years, Sectoral Roundtables were created in which the aforementioned topics are discussed and the way of applying these instruments is articulated. A relevant exception to this rule is the role that INTI operates (in the orbit of these distributions), which although traditionally it operated under this same logic, in recent decades it had a fundamental role (although with limited resources and scale of intervention) to articulate programs for medium-sized companies and smaller workshops⁵².

- The areas of **Social Development** generally direct their actions towards single-person or micro-sized productive units (which are usually included in the popular economy) and cooperatives ("social economy")⁵³. The focus of the programs is centred on the entrepreneur/worker and his/her home (generally in conditions of poverty), more than in productive entrepreneurship, which is seen as a strategy to obtain income. Self-targeting mechanisms also operate here based on the design of the instruments, since the amount of financing offered is usually unattractive or insufficient for certain types of non-subsistence ventures. In general, these policies are offered for all sectors, although the garment sector usually has some relevance due to its insertion in the poorest sectors.

In the case of cooperatives, in recent years the resources of the program "Potenciar Trabajo" stand out, which are usually assigned to federations of cooperatives in the form of "complementary social salary", and the Hacemos Futuro program, subsidies that require a minimum compensation in the form of training and/or participation in "socio-productive, socio-community or socio-labor" projects.

By concentrating on people and eventually on the social and cooperation processes between them, these programs emphasize the financing of working capital or minor equipment, but not on the economic, financial or technological aspects of the productive unit. The "problem" they seek to solve is the lack of income and therefore other issues such as working conditions or the way the entrepreneurship is inserted into the productive fabric remain in the background. An example is the distribution of sewing machines for home seamstresses or cooperatives who end up working for third parties for brands and workshops. Another example is the difficulty that these ventures have in getting out of the subsistence situation and moving on to a capitalization stage, as pointed out by the member of a cooperative created within the framework of an incubator⁵⁴:

"It did not become an incubator, because the incubator would have to be there for a while and then leave, it was not possible, that is, almost all the cooperatives remain there, because it is like we do not leave that place, we continue generating the same thing as years ago. In other words, there is no progress in working conditions... we are the same".

52 Among the first we can mention the Shared Social Commitment Program that certifies the production chain of companies and the Barracas Garment Demonstration Center (CABA) for the reintegration of victims of human trafficking and labor exploitation that has been operating since 2009 with machines that were provided by judicial seizures to clandestine workshops and contributions from the Ministry of the Nation's Social Development.

53 Some of the most relevant programs are Potenciar Trabajo, Federal Fair Plan, Get to Work; microcredits from the National Microcredit Commission (CONAMI); Financial Assistance Program for Cooperatives, "Creer y Crear" Program, etc. Due to the relatively low investment, some municipalities and provinces have similar programs for the purchase of small equipment, working capital or training.

54 Organization that accelerates the growth of enterprising projects.

- The areas of **Work and Employment**: in general, they direct their actions to the worker (and indirectly to the companies that employ them), mostly in a relationship of dependency and to a lesser extent, in recent years, also in cooperatives and self-managed ventures⁵⁵. In general, active policies in these areas (that is, leaving aside the inspection and control aspects already described) focus on employment services (such as labor intermediation, access to first job programs, etc.) and vocational training and training programs. Those who best take advantage of these benefits tend to be larger companies, with a series of discounts on employer contributions for youth employment or the incorporation of unemployed people. Although there have been some programs in recent years that sought to articulate these policies with productive aspects (such as the Local Productive Frameworks program), in practice most of the resources of these organizations are directed towards the aforementioned programs. In this case, there is also no focus on the garment sector, although—as in the case of social development—the importance of the activity for employment is evident in training programs (some framed in sectoral agreements with unions in the sector) or financing for self-employment in this sector.

Some interviewees point out that in recent times the growth of social movements that represent the popular economy and the social economy have been displacing the areas of Labor and Employment and unions from their central position in the spaces where policies for those sectors are agreed upon:

"I am experiencing it first hand in the Ministry. The negotiating tables are the companies, the State and the cooperative [...] [As a union] you were left out. So, today the table is what? The businessmen, the co-workers of the cooperatives are totally unprotected and the State is flopping around va yirando⁵⁶. The Ministry of Labor is no longer there, now there is the Ministry of Development."

The panorama described can be seen as the product of the inevitable process of specialization that an organization like the State requires. Furthermore, it is possible to observe that in the last two decades there has been learning in the greatest variety of instruments and the increase in social dialogue in their execution. The drawback in this case is that the existence of highly complex problems cannot be solved in a piecemeal manner, even less so when many of these programs also have a low scale, depth and limited time horizon (Matta and Montero Bressán 2020, Matta *et al.* 2015, 2017). This lack of systematicity generates the existence of unattended segments (workshops, for example), which are supported in some dimensions presupposing the existence of the rest of the capabilities (financing is granted to people without training, or vice versa, who make up an enterprise or cooperative) and the view of the chain as a whole is lost (there is no vocational training system, for example, that addresses training from basic sewing to design). In some cases, these actions may even be contradictory to each other and cooperate with the maintenance of the current situation (as is the case of state purchases from companies and productive units without traceability of the garments and working conditions in their manufacturing):

"During the pandemic, it is worth highlighting the alignment of the Ministry of Production with the textile industry and there was a very large investment and a strong focus on the purchase of medical products. Fundamental tenders were made (okay, it was a group of people) that were distributed to sustain a difficult moment... and respond to demand for different products. That was worked on, it was a result of the pandemic. I think it was positive... There were [sic] very large tenders that prioritized the national industry, they did not include the shared social commitment clause, which they could have, but well, it was a difficult time where well 'let's turn a blind eye to the conditions of work', but I would have liked them to put it in".

55 Some of the most relevant programs: Recovery and Productive Sustainment Program (REPRO); Labor Insertion Program (PIL); Independent Employment Program (PEI); training tax credit; Self-Managed Work Program; Local Productive Frameworks; Work Training Actions (EPT).

56 Turning around, aimlessly

Although most of this industry is concentrated in the AMBA, it is no less true that most of the existing policies are offered by the national State and, with exceptions, there is no policy that contemplates development at the provincial level, with the exception of those in which “industrial promotion”⁵⁷ regimes exist. During this study, it was found that generally, the description of the fragmentation of national policies is reproduced in provincial jurisdictions, and that they have little participation in the design of national initiatives (limiting themselves to being “windows” of the different programs). In general, they also have limited resources and their own programs to address the problems of this industry, which are reached indirectly through job placement programs, support for small businesses and cooperatives, or programs aimed at the popular economy. As expressed by a provincial Production official.

“I know that Nación has worked by sectors and has met with the value chain, but I don’t know why we were not invited and did not participate, I believe that there must have been no one from the province.”

So, it is possible to observe that a set of institutional dimensions were historically added to the characteristics of the productive system that contribute to the current situation of workers: the legitimization of outsourcing relationships based on various transformations in labor legislation, the creation of regimes that institutionalize the process of de-laborization, an agenda dependent on political fluctuations and the occurrence of tragic events; Also, weaknesses in the inspection, control and sanction systems that include the existence of cycles of cutting resources allocated for this purpose, along with a series of problems at the level of their organization (asystematic, selectivity, lack of autonomy and cooperation networks, lack of sanctions for those ultimately responsible, and the existence of institutions of state and political protection for offenders). In the final chapter of this report, proposals for action to address these problems are shared.

57 Such as Catamarca or La Rioja.

- ▶ **During and beyond
the pandemic cue to COVID-19**

► During and beyond the pandemic cue to COVID-19

The results presented in this research show a structural situation that persisted over several decades, in which different economic and political cycles alternated. Throughout this history, there were stages in which certain conditions mutated, improving or further harming the sector and the workers, although always within a framework of precarious conditions (safety and hygiene, salaries, among others) and instability and more or less permanent uncertainty.

In the specific case of the COVID-19 pandemic, a series of conjunctural changes occurred that had a differential impact among the various actors in the industry. During the first month of social preventing and mandatory isolation (end of March to end of April 2020) the sector was paralyzed. The activity began towards the end of April with the making of masks and health kits requested by the national State and the provinces. The companies obtained permits to produce these supplies, while numerous cooperatives participated in the tenders or were directly hired, as workers and cooperative members expressed: “Suddenly we became a cooperative that made health supplies,” “They gave us 230,000 kits of nightgowns and... Actually... they told us that they had to be made in two months and we have been doing this for two years.” These same interviewees agreed to point out that the tenders were careless and included “trucha or trout” cooperatives, that is, companies that fraudulently have the status of cooperatives.

If the tenders or direct contracting for sanitary kits were indeed what kept the cooperatives standing, for the formal companies, survival was sustained by two measures: the agreement between the employer sector and the General Confederation of Labor, and the Program of Emergency Assistance to Labor and Production (ATP). Through the first, the CGT agreed with businessmen—represented by the Argentine Industrial Union—to allow a 25 percent reduction in the salary of all workers. The ATP, on the other hand, consisted of a program aimed at “relief and containment for the workers and employers most affected by the isolation health restrictions imposed by COVID-19”⁵⁸. It consisted mainly of a subsidy from the national State equivalent to 50 percent of the salary of male and female workers, and a reduction and postponement of employer contributions for the sectors most affected by the quarantine. Thus, having to pay 25 percent of net (out-of-pocket) salaries, formal employers were able to stay afloat, and bankruptcies in this sector were very few.

“Why didn’t those of formality burn out during the pandemic? Because they gave you the ATP with half the salary. Fortunes, fortunes. Imagine a guy who has 300 people... half the salary. With an additional 25 percent, with a quarter you kept your job and did not pay social security contributions... And the other thing is the loans at 24 percent with a fixed rate with an inflation of 40/50”.

In line with the studies that the ILO Argentina carries out on the impact of the pandemic on work (López Mourelo 2021)⁵⁹, it is possible to infer that the impact of the pandemic on self-employed and informal wage earners was greater. This also applies to garment manufacturing, an industry in which women are overrepresented in groups of employees—formal and informal—and those who are self-employed. In these cases, no support programs or subsidies were considered, since the impact was rather indirectly mitigated through the transfer of resources managed by the Ministry of Social Development, without the involvement of the Ministry of Labor and Social Security MTEySS.

The results of this research show that the various companies and marketing circuits were affected unequally. On the one hand, and as mentioned, the cooperatives focused on the production of health

⁵⁸ See the official communiqué.

⁵⁹ See more about ILO’s work in this sector.

kits. On the other hand, the most recognized brands saw their sales decrease significantly, hand in hand with the reduction in occasions for wearing different garment such as attending work, parties, etc. This situation was partially prolonged in the post-pandemic due to the economic crisis, which by July 2021, already emerging from the toughest restrictions on production, 20 percent less garments were sold than in the same period in 2019. However, although the reduction in consumption is a reality and, as the CIAI points out, it is associated with the loss of people's purchasing power, both in La Salada and in the Avellaneda street circuit, the situation of manufacturers improved significantly with the pandemic. This can be explained by three fundamental issues. Firstly, the economic crisis not only led to a reduction in consumption, but also to many people turning to buy cheaper garment. In fact, the years of the economic crisis of 1998-2002 ended up consolidating what La Salada is, given this same movement. Secondly, the closure of imports – due to trade restrictions, the high price of the dollar or difficulties in global supply chains – favoured those who are dedicated to manufacturing garments in the country. As a merchant on Avellaneda Street pointed out: "Sales went down but it favoured the manufacturers because there is a consumption that must be satisfied. So, people asked for merchandise, not as much as before, but they still asked for merchandise. So, now it's the turn of the manufacturers".

Thirdly, it should be noted that the central aspect of the success of these circuits was the great commercial movement towards online marketing, through WhatsApp or social networks, channels in which many of these manufacturers had already developed links with retail buyers throughout the country. Indeed, online garment sales, which particularly in Argentina had been experiencing marginal growth compared to what happened in the central countries, experienced a true explosion. As formal garment factories remained closed due to quarantine for three months, production to meet the demand for online garment took place in informal workshops. As one official pointed out, production "today is three times more atomized than before the pandemic, because as there were many restrictions on working, it became much more atomized in the workshops." A businesswoman interviewed pointed out the success of the commercial circuit on Avellaneda Street from her experience, implying that she produces informally: "In April there began to be more orders, more demand and there was a terrible, terrible explosion of demand online. It was crazy! And everyone who had merchandise sold everything. And the people who had already started with the online sales movement did spectacularly because they already had the entire structure set up... And at that time, production was not that difficult either."

Online sales exploded during the pandemic and this is an aspect that will surely continue. A businesswoman pointed out this reversal as a structural movement that is here to stay:

"In the nineties Once grew and in the 2000s it was a transition of both parts [of Once and the Avellaneda street area] and then the entire wholesale garment business moved to this area of Avellaneda. But now, another virtual movement is brewing. It is no longer physical, there are many firms that no longer serve the public on the premises. They are dedicated to online sales. And I believe that there will no longer be these people who resell because I have my wholesale prices in the online store, there people see that price and are not going to buy from the store in their neighbourhood because they say 'but listen to me. These people sell it at this price and you scam me.'"

It is worth noting that online sales in the Avellaneda street area were centralized in two large sales platforms of entrepreneurs in the area (Modatex and Distrito Moda).

A beneficial and indirect consequence of online sales, and in particular payments through electronic means, is the possibility of tracing those payments to investigate tax evasion. In addition, the most used electronic means, Mercado Pago, automatically deducts most taxes. However, along with this channel, sales through social networks also grew, which are generally carried out in black.

Bottlenecks in the post pandemic

The current situation of the garment industry is going through a series of developments that add to the historical problems of informality, instability and uncertainty. **Two fundamental problems became evident in this research: 1) the lack of inputs; and 2) labor shortage.** Both problems create a situation that puts a brake on the growth that the good sales situation poses. As one businessman interviewed mentions, "Today is a terrible time. I mean... it's a very good time, it's a time of good sales, but manufacturing is in a total bottleneck."

The lack of inputs is related, on the one hand, to the current management of customs policies, and on the other, to supply problems in global production chains. After several decades of closure of fabric factories, dye plants, and even sewing machine factories (Matta et al. 2020), the Argentine garment industry depends heavily on the import of numerous inputs, especially synthetic fabrics. Since the shortage of dollars is one of the main concerns of the Executive Branch, customs policy is marked by guidelines, that the businessmen interviewed indicated as unclear, to limit imports. These complicate the availability of inputs and add to this the complications derived from problems in global production chains and transcontinental trade, which lead, for example, to a shortage of sewing machines. Added to the almost quadrupling of transportation costs, the shortage situation is central and was pointed out by all the manufacturers interviewed.

The labor shortage, for its part, is of vital importance to understand the current situation of work in this industry. It is related to the emigration of a large part of the migrant workforce since 2015 and the sustained deterioration in wages in recent years. Emigration is, in fact, partly a consequence of wage deterioration, especially in terms of the value of the local currency against the dollar. The shortage of labor supply is a central fact in the industry and marks the existence of a bottleneck identified by all the companies interviewed. Thus, the businesswomen interviewed on the Avellaneda Street circuit indicated that they were left without production for Mother's Day 2021, while the owner of a recognized brand indicated that there was concern regarding the possibilities of producing everything necessary for Christmas in that same year: "Producing is difficult now... There is no labor, cheap labor is already the history of another country. There isn't, there isn't."

The salary deterioration was recognized by all the businessmen interviewed, who made reference to the low salaries before being consulted about it. A businesswoman, for example, pointed out that salaries "are crap" and went deeper with the following words: "I also complain that salaries cannot be allowed to sink in the way they are allowed to sink. It's crazy. It's very nice that businessmen complain, but they increase my raw materials, and I pay for it. "The employee cannot be left behind in that horrible way."

The salary deterioration encouraged not only the return of migrant workers to Bolivia, but also the voluntary retirement of other workers. One of the businessmen interviewed described this reality clearly:

"I am very concerned about the pandemic (I start at the end). The pandemic multiplied informality. Why did informality multiply? Because by closing the workshops and not being allowed to operate during the strictest pandemic (during the strictest quarantine), many companies that had between 30 and 800 employees, which there are, these people stopped working in the companies, retired and left. They went to the neighbourhoods where they live. What's going on? Today the salary is very low, today you have \$45,000/50,000 for a sewing salary. What have the workshops and brands done? Today we are paying between \$60,000 and \$65,000, almost \$20,000 more per operator to be able to retain them and make it convenient for them to go to work. The issue is that you have a guy who lives in Merlo and has his workshop where he was hired in La Matanza, he has an hour and ten minutes of travel, and two or three buses. Suppose he earns \$45,000, he leaves the kids in the hands of a neighbour who takes care of them and takes them to school... So, you leave, you get on the bus, you get to the workshop, you come back, an hour ten. It took 10 hours of your life! You didn't take the kids to school or bring them from school and you left them with a neighbour to earn \$45,000, you have \$35,000

left out of your pocket. There you think: 'Why am I going to be formal? What's the point? It doesn't make sense. It doesn't because the one who left the factory doesn't want to return because on Saturday, she sells empanadas and earns \$30,000, she sews at home with two machines and sells garments in the neighbourhood and makes more than coming here and she takes care of the children all day. What's the point of formalizing it? No sense. She tells you: 'No, I'll work for you here.' She sells empanadas, or he is a plumber or he works in a "changa" (small business). s/he gets 30 or 40 Lucas⁶⁰, but social plan (that's the other issue). You're formal, you lose the plan (that's 10/12 lucas) plus the empanadas, plus the garments I sell in the 50/60 neighbourhood and I'm at home. How do you get them out of the neighbourhood? Sorry, I leave at 7 in the morning, I go to the bus stop, they rush me. I have to go out with three neighbours. If I go alone, they take something from me, why am I going? Grim, tremendous, what we are experiencing is something terrible. The only thing the pandemic did was multiply this in a chilling way... Once people enter the plans and the system that Social Development has, you have to get them out of there, but that structure is very difficult. There is no schedule. In a factory you have to punch ink, you have to be at your workplace, it is another structure".

Complaints from employers about the effect of social plans as an incentive not to work in a dependency relationship, common in other sectors as well (Gentile 2013), were present in this study: "I believe that the whole issue of the plans is an assault. It's very difficult: a crappy salary and a plan that is the same... which is a third of the salary. What is the person going to work for? It makes no sense".

The shortage of labor supply created a favourable situation for workers in terms of wages. Together with cooperative members, they are aware that they are in a position of greater salary bargaining power. Companies acknowledge that they are paying salaries well above the current salary scale, even up to 50 percent more, but even so the shortage remains present. A manufacturer, which outsources its production, pointed out: "Many workshops are charging what they want, that is, what they want! The workshop tells you what price and you have to say yes... Yes, yes [...] because otherwise you have no garments".

All the businessmen interviewed pointed out that it is necessary to find a way to increase salaries, but within the sector there is a dispute regarding what the limit of such an increase should be, especially considering the historical uncertainty and the ups and downs in trade policy, which at times favour the manufacturer and others, punish him. This point is illustrated in the following statements from businessmen in the interviews:

"The salaries are rubbish... But I, as an employer, am terrified of... of raising salaries, because if they later adjust them, I will be stuck in something that I don't know... It is very difficult for the employer, or at least for me, to give money formally and not run the risk of this knocking me down in later years."

"Right now, we ask ourselves 'well, is this good for more or is it another type of industry?' It is a discussion that we have [...]. And well, because there is a limit, because there is this thing that we were talking about, which today does not appear as an issue but the reality is that, if there were external competition, there is a ceiling... Many times, what happens in our sector, and that is why it's all a mess, it is because like many things in this country it is a swing, so there are moments that it is convenient for you to manufacture here and you are the king, like today, and there are moments, like in the previous government, if you have a factory here it is a burden... So, there is always that. If you tell me 'You will see a horizon', well, but if in two years the policy is 'garment is inefficient, garment manufacturers are inefficient, they sell expensive garment to consumers, we have to bring quality garment from Asia or Africa'... Well, that's what happen".

60 One luca is equivalent to one thousand Argentine pesos.

The historical and structural situation of uncertainty discourages the generation of “white” jobs and even the increase in salaries at a time when, due to the lack of labor, in many cases it is prioritized to produce less and charge more for garments, also taking advantage of the moment of good sales to achieve an extra profit that allows them to sustain their companies in times of crisis. Faced with this situation, in addition to offering up to 50 percent more than the agreed salary for new workers, which apparently remains insufficient, some companies resort to increasing productivity via a higher rate of exploitation of the labor force. work and working overtime: “I... there are times when I worked with an average of twelve-minute garments... of sewing, and now I am at... seven and a half, eight. Imagine. I grow without changing the squad.”

Possibly, the incidence of the relatively common practice in the sector of workers working overtime on weekends from home, sometimes even with the assistance of their family, has increased.

The role of the State

Perhaps the main impact of the pandemic on forced labor in the garment sector has been the disruption that the appearance of COVID-19 and the measures to contain its spread caused to the capabilities and priorities of the State. Since the pandemic exacerbated the economic crisis that the country had been suffering for years, guaranteeing sources of hire was the State's priority during this time. Thus, working conditions, and especially salaries, remained in the background. Labor and social security control activities were strongly affected by quarantine restrictions. The inspections were limited, then, to those sectors and places about which the ministries received complaints. According to an official, the decrease in the number of victims of human trafficking and forced labor rescued should not be read as a decrease in cases, but as a result of the lower activity of control agencies.

The State, in its various jurisdictions, then turned its attention to the complaints received. After the pandemic, the decline in inspections continued, along with the slow recovery of in-person activities in the national State. For example, before the pandemic, the MTEySS had ten inspectors for the entire province of Córdoba (the third most populated in the country) and today it has seven active ones. While before the pandemic they carried out between 10 and 12 inspections per day, according to an official from that province, today they carry out “5 or 6.” Likewise, inspections to detect human trafficking and forced labor in the rural sector contrast with practically no activity in terms of controlling these crimes in garment manufacture. In the latter, an inspector interviewed stated that “I can’t tell you what the activity was like at that time, in the context of the pandemic” because they received few complaints. Some officials explained this shift towards inspection in rural areas on the basis that these inspections tend to give better results, in terms of the probability of detecting human trafficking and forced labor and the number of victims. A union leader pointed out the role of the Ministry of Labor and Social Security MTEySS in the sector: “The Ministry of Labor should have a staff of professionals, inspectors who go to the companies, who tour or, at least, receive the complaints we make when we go to the companies and have inspectors go there... If you ask for an inspection, forget it. Sometimes they come, but very seldom.”

The weaknesses in inspections already extend to the provincial and CABA jurisdictions, which are in charge of controlling working conditions. In this regard, it was a businessman who pointed out the lack of controls in this sense: “Yes, yes [in terms of working conditions there is very little control]. Even in formal or quasi-formal workshops, let’s say, there is not someone who checks that the bathroom is in good condition, that the separation of machines is correct. No, very little, in fact, almost none... Between the pandemic and a previous period, this issue is not a priority”.

The return to in-person work presented a fundamental opportunity to strongly resume the much-needed controls regarding social security, working conditions, and human trafficking and forced labor. Coordination between various areas and jurisdictions, which in many provinces is more or less consolidated, must be a priority to ensure the effectiveness of controls.

Brief conclusions

If what happened due to the COVID-19 pandemic and the restriction measures imposed by States for its control are analysed, in terms of the rights of workers in the sector, it could be stated that it is characterized by a relative decrease in cases of forced labor, human trafficking and, in general, the most serious situations that could be observed since 2004.

However, the hypothesis supported here is that this was not achieved by a substantive change in the structural factors that make up the value chain (its productive relations, its institutions, etc.) but by temporary situations whose duration is not possible to specify. A good part of the improvements observed are mainly related to a drastic reduction in migration: the macroeconomic improvements in some countries in the region, such as Bolivia and Peru, coincide with the levelling off of the Argentine economy that has occurred since 2011 and the decline that has occurred since 2016, with successive devaluations of the local currency, which functioned as a brake on the migratory flow towards the country, and even as an incentive to emigration. The supply of workshops decreased due to the emigration of workshop owners to Bolivia and Brazil, particularly to São Paulo. Beyond the macroeconomic situation, already in 2015, the difficulty of workshop owners in attracting new labor was evident, given that in the country of origin the conditions in which Bolivian migrants lived had already become known, a fact that complicated the recruitment of human trafficking victims through deception.

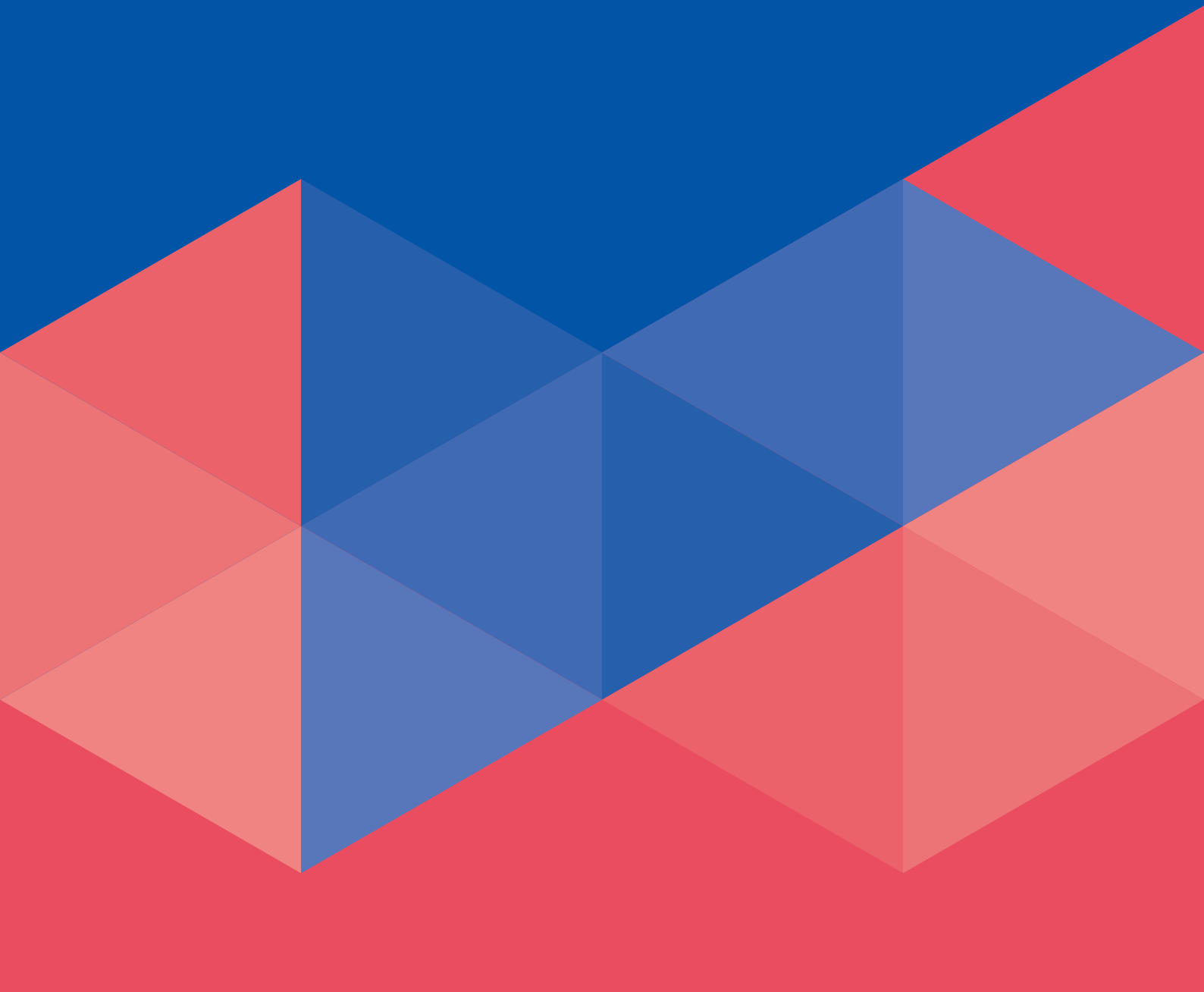
This does not mean that there are not some factors endogenous to the actors linked to the sector (including the state) that may have influenced this relative improvement, such as the successive “waves” of controls generally operated after fatal events in the textile workshops. For example, the 13-year prison sentence for the workshop owners of the workshop on Viale Street due to servitude (in 2016), which was added to other prison sentences for workshop owners and numerous expropriations of machinery following the implementation of article 23 of the Criminal Code.

The survey carried out confirms that these events may have been a strong signal to the migrant workshop owners of the need to improve the conditions in which the work is carried out, spreading the message in the Bolivian community of the AMBA that the Argentine justice system is persecuting the Bolivian workshop workers. When this message was combined with the deterioration of economic conditions and the difficulties in attracting labor, many workshop owners closed their workshops. Many of those who did not do so decided to implement improvements in working conditions, mainly by separating housing from the workshop. More recently, and as noted, the drop in the supply of workshops in turn allowed workshop owners to negotiate somewhat better rates with manufacturers, although their negotiating capacity remains minimal.

The improvement in working conditions may be related at the same time to a certain maturity of the generation in charge of the country's main brands. In the interviews for this investigation, there was a unanimous statement about the care that the most recognized brands take to avoid complaints about subcontracting to clandestine workshops.

In any case, it is reasonable to expect that, if a new positive cycle of the economy were to follow the current one, the situations already seen in previous decades could be reiterated, as the structural conditions do not change. The interviews carried out are also unanimous in pointing out that the lack of inspections aimed at detecting workshops located at the base of the production chains can encourage employers to relax controls.

- ▶ **Recommendations to approach the breach of principles and fundamental rights in the garment sector**



► Recommendations to approach the breach of principles and fundamental rights in the garment sector

The violation of fundamental principles and rights at work—particularly forced labor and human trafficking—in the Argentine garment industry pose numerous problems for the State, consumers and actors directly linked to the sector. Firstly, the victims of these crimes are in a dangerous situation because they are working – and often living – in places that are not properly equipped for the type of tasks carried out there. The impact on their lives of the violence to which they are subjected has long-term consequences, including in terms of their skills and motivations to function in the labor market. Employers from the formal sector, for their part, face unclear rules of the game, in a framework in which short-term, speculation and ruinous competition over prices and costs prevail, and which facilitates unfair competition. In other words, the way in which garment production is organized in the country is generally unproductive and rewards those who manage to lower labor costs by hiring—directly or indirectly—labor in conditions of forced labor and/or human trafficking. On the other hand, the State must dedicate resources to the prosecution of these crimes and to assistance to victims, when tax collection is affected by tax evasion derived from high labor informality and black marketing in some circuits.

The fight against the worst forms of labor exploitation in Argentina is essential not only to avoid degrading situations for groups of vulnerable workers, but also to raise standards in this industry in which over more than two decades the average salary has remained either below the poverty line or, in some short periods, barely appearing above it. The existence of informal workshops in which thousands of migrants are exploited in the hardest conditions works as an incentive to pay low wages in formal factories. The implicit threat of closing production lines and subcontracting that production to informal workshops that can be paid low rates, and per garment actually produced, disciplines workers' demands and the ability of unions to negotiate wages that at least exceed the poverty line. The dimension and complexity of the problems described and their long cumulative history make this industry a case that demands responses not only based on a deep knowledge of the sector, but also one that imaginatively proposes a path that transcends simplistic, dichotomous, pendulum responses, and even contradictory ones observed in recent history.

Below is a set of guidelines that can guide actions to combat human trafficking and forced labor in this industry, in two large dimensions: one focused on policies at a macro and meso-economic level, and another at an institutional level.

Macro and meso economic levels

A productive chain is an idiosyncratic configuration made up of various actors and social groups (firms, workers, consumers, civil society, state entities, interest groups, etc.) based on their recurring interaction around a productive process. This setup also includes a set of capital, technologies, knowledge, infrastructure, consumer practices, among other aspects, which must be coordinated both in structural and functional terms for the chain to meet its objectives.

As mentioned until now, the garment production chain has operated in recent decades based on a structure that is based, among other factors, on unregistered work and, in many cases, on the exploitation of workers. However, this situation cannot be explained solely by the will of more or less numerous group of individuals, but also by a macro and meso-economic structure that conditions it and makes it possible. Therefore, for the fight to eradicate these practices to be effective and to raise a horizon of respect for labor rights and clear rules, an agenda must be considered that is not only

directed at the prosecution of crimes and the protection of the victims but also to the comprehensive development of the productive chain and all the segments that are part of it.

International and foreign trade policy

The garment industry is marked by a strong procyclicality, which makes it extremely dependent on the evolution of aggregate demand, suffering from the falls in consumption that characterized different recessionary periods such as 1996-2002, 2015-2019 and more recently, during the COVID-19 pandemic. This pendulum trajectory, added to the “flexible” structure of the chain and the great deflation of garment prices derived from the internationalization of production, explain that in these situations the businessmen linked to marketing - who are the ones who impose the rules game in the chain—find greater incentives and opportunities to replace local labor with imported garments.

It is important to recognize that there are sectors of the economy in which the productivity of Argentine companies is low in international terms. Therefore, a liberalization of trade, and the elimination of tariff and para-tariff barriers to imports, would have as a first consequence the loss of employment in the most fragile links of the chain (workshops, home seamstresses) and in a second stage also of the manufacturers. A trade opening imposed through multilateral international commitments imposes a specific limit on the development of activity in Argentina, in other peripheral countries not linked to global production chains and even in central countries (which is why the textile and garment industries were protected with the design of the Multifibre Agreement in 1974, then dismantled between 1995 and 2005). This dynamic has already been widely verified in other producing countries and in Argentina, and a sample of this effect could be corroborated in 2016, considering the combined impact of the initial opening of imports and lower purchasing power.

In the country, a discourse persists among numerous actors that naturalizes the current rules of the game at the international level and thus promotes deindustrialization by considering this activity as not competitive. However, the legitimacy of the “competition” that this industry faces is not adequately evaluated, in an international division of labor imposed by the central countries to admit as fair, the competition of products that, according to the competent international organizations, are produced under standards that would be inadmissible locally. As various studies point out (Anner 2015, ILO 2014, WRC 2013), production went to countries where not only wages are lower and the economies of scale, but also capital minimizes the risk of supply chains being interrupted by limiting mobilization. and the organization of workers, imposing control regimes based on low wages or systematically violating their rights.

In addition to being a clearly unfair competition in ethical terms, a second aspect is related to the direct impact it generates on local employment and especially on particularly vulnerable populations (women and migrants) who were historically the workforce of this industry. In Argentina, this sector is the most relevant of the entire industry in terms of employment and, in general, those who advocate specialization in those sectors in which the country has comparative advantages usually propose that the solution to unemployment is found in the reconversion of the workforce engaged in this activity. Empirical evidence collected in other countries also shows that workers laid off *en masse* due to factory closures leave the labor market or end up in lower quality jobs. (Matta and Montero Bressán 2020).

Furthermore, the process of destruction of the industry not only has short-term consequences, but also other non-reversible effects, such as the loss of organizational capabilities of the links that are lost in a production chain. This has already happened in the country when fundamental links were lost such as the production of certain inputs (fabrics, threads, etc.) and also the manufacturing of capital goods with the consequent increase in technological dependence. The current shortage of sewing machines, pointed out by a businesswoman interviewed for this study, would surely not exist if local production of these goods had been maintained.

Although there were numerous private initiatives confronted from the philosophy of corporate social responsibility, events such as the collapse of the Rana Plaza in Bangladesh in 2013 raise serious questions about the effectiveness of such unilateral monitoring initiatives (Cairola 2015). It is essential to promote social dialogue between the various parties, both within each country and internationally, to generate legally binding agreements such as the Bangladesh Agreement or the incorporation of labor rights protection clauses in international trade agreements (There is already precedent in this regard as can be seen in Harrison *et al.* 2017, D'Ambrogio 2014, Anner *et al.* 2015). Thus, Argentina can promote permits to protect the local garment sector with the argument of avoiding the loss of jobs in the industry that generates the most jobs in the country, and which is plagued by the structural problem of forced labor, even more so in a context of pandemic and economic crisis. Likewise, it can prioritize this protection in bilateral negotiations, demonstrating the need to comply with its international commitments to guarantee fundamental principles and rights at work.

The international agenda on forced labor must promote in international trade forums the adoption of economic measures that allow countries, especially peripheral ones, to generate macroeconomic conditions favourable to combating human trafficking and forced labor in those sectors of the economy in which they are prevalent. Without these measures, the forced labor agenda could become a tool of economic domination by those nations whose multinational companies have developed complex production and marketing chains that allow them to offer products at dumped prices in other countries.

All of these aspects also require a foreign trade policy (tariffs, exchange rates, etc.) that seeks an intelligent balance between the protection of final products and openness to intermediate goods. The importance that this sector has in terms of employment requires measures capable of sustaining domestic demand, promoting the emergence of input manufacturers and an intelligent policy of protection against imports.

A comprehensive industrial development policy

As mentioned in this study, the permanent threat of competition generated by the drop in international prices is a relevant factor but not sufficient to explain the problems in working conditions in this industry. Proof of this is that during periods of protection and/or favourable macroeconomic conditions for the garment industry, high informality and job insecurity persisted. During these stages (such as the one that covered the years 2003-2015) the sector grew, but without modifying structural aspects or deploying its potential in those segments in which there were favourable conditions to do so. Even in the years of growth, it cannot be said that there has been a comprehensive industrial development policy for the sector but rather a heterogeneous and not always coherent and articulated conglomerate of public and private programs and initiatives aimed at the industry in general, with little appropriation in the garment chain. The set of policies implemented then had a series of restrictions that prevented it from adequately complementing the favourable context generated by the macroeconomy: its low complexity and scale, its limited depth and its limited time horizon (Matta and Montero Bressán 2020, Matta *et al.* 2015, 2017).

Because of all this, an industrial development policy should bring together aspects such as the following:

- A complex approach, which considers the different critical dimensions that affect the sector (productive, economic and financial, technological, labor, legal, social, etc.), overcoming the fragmentary organization of the State and its different agencies, and increasing inter-ministerial coordination, so that the programs come to form true systems or subsystems. What can currently be observed is that the three ministries most relevant to the issue seem to deal with different segments of the chain (brands, cooperatives and enterprises of the popular economy, and workers) and with approaches that are not necessarily complementary. This presents serious obstacles to addressing productive chains that should guide state actions.

Given that fragmentation and disarticulation are one of the problems of the sector, but they are also problems for support policies and programs, a first guideline should include the constitution and consolidation of multi-actor spaces that allow the articulation and orientation of the different programs and initiatives, both at the national and territorial level. Until now, these types of initiatives, when they existed, were limited in their setup (generally for formal companies), in their duration or in their legitimacy. These spaces, which must include the main State agencies and also representatives of workers and the different segments that make up the industry, should aim to design and evaluate medium and long-term development strategies, with a complex and comprehensive approach that guarantees stability and predictability for the private sector, and commitments to investment and improvement of productive chains on its part.

- A larger scale, which allows reaching significant portions of the population and in particular some of its segments. This not only implies increasing the amounts invested by the State but developing programs that do not treat heterogeneous segments within the sector in a homogeneous way, each with different problems, capacities and requirements.
- A greater depth of the programs, that is, they act on the causes of the problems that exist in the sector rather than on those emerging or their consequences. As an example, labor and tax inspections are very important, but they only address the effects, which have their origin in the broken and flexible structure of the productive chain. In the same way, financing the capitalization of cooperatives or home seamstresses does not solve the underlying problem if the ruinous competition between them and the hiring practices of the main employers continue, today based in many cases on the reduction of costs without taking care fundamental aspects such as labor registration.
- A time horizon that allows sustaining processes that manage to modify organizational and cultural logic or generate mutual adjustment mechanisms at the level of the different local subsystems. It is necessary that these initiatives seek to overcome the pendulum and speculative logic that is at the base of a good part of the behaviours that cause the deterioration of the productive chain, and that lead to the results obtained, even in the case of “successful” programs. dissolving quickly as they are not supported by other subsequent initiatives.

It is not possible to think about a comprehensive industrial development policy without considering the aspects mentioned in any proposed strategy and design, including some of the specific guidelines suggested below.:

► **Innovation, technological development and sustainability**

As happened in other sectors, the incorporation of innovations is a way not only to make this industry in Argentina competitive by increasing its productivity and the differentiation of its products, but also to thereby improve the quality of jobs. This could include supporting the new designer or “signature garment” segment to increase their added value through design; contribute to the development of new materials such as “functional” and “smart” textiles developed by materials science, computer science, nanotechnology and biology, advance in the study of automation processes that eliminate precarious and poorly paid jobs to replace them with others with better conditions. To move forward in this process, it is needed to strengthen the scientific-technological system (universities, CONICET, INTI, etc.) and the innovation “ecosystems” by improving its articulations with this productive sector.

The incorporation of innovations also includes support for practices that increase their sustainability in relation to environmental and ethical aspects such as the use of materials and processes that consider their effects on the environment: the use of textile materials and organic or biodegradable pigments, the recycling of materials, fair trade, among other aspects.

► **Productive articulation and organization of the chain**

The fragmentation of the sector requires promoting actions that favour the articulation and organization of sectoral actors. This implies supporting initiatives aimed at increasing cooperation and the creation of equity, particularly in the segments with greatest weaknesses: the creation of collective brands,

established to increase the symbolic value of garments and obtain higher sales levels; the constitution of “marketing organizations”, which coordinate the marketing actions of a group of productive units, articulating them with potential public, corporate and individual clients; the promotion of service centres in which access to specific financial and non-financial services is provided or facilitated or the creation of input banks, in order to facilitate access to raw materials and intermediate goods at better prices and payment conditions than the current ones.

A fundamental aspect of industrial production planning is the organization of production in long subcontracting chains that often end up being unmanageable for job providers. There is vast agreement in the literature on working conditions in the sector regarding the focus of subcontracting as a cause of the development of informality in the sector since the 1990s. Despite this, a good part of the business sector promotes eliminating precisely those aspects of the current regulations that regulate outsourcing (such as Law No. 12,713/41 on Home Work or the articles on “joint and several liability” in Law No. 20,744 on Employment Contracts).

It is important to point out, then, that deregulating subcontracting is a wrong path that can only lead to a worsening of the current situation of ruinous competition between workshops - which imposes pressures towards greater labor exploitation - and even a shortage of labor. In this sense, and unlike what previous studies in the sector showed a few years ago (Montero 2011, 2016), a part of the business community highlighted in the interviews the importance of having their own production, mainly to be able to control it and achieve greater productivity.

“The reality is that what is done externally has its cost benefits (at times), of not having the load of personnel on your payroll... But the reality is that it is not productive and it does not rotate... You send a shirt to be made outside and it can take you 60 days [...] Thinking about manufacturing, outsourcing is unproductive. You do not have productive workshop workers, in general, the workshop workers are people who know how to sew well but do not know how to manage the factory or a garment workshop, with the times, with the bottlenecks, if you are missing one. No no. It's like if a person who more or less cooks well at her house starts a restaurant: she's not going to have a method! And that's what happens in garment, I assure you [...] It worked for us to join together. What I think the other person thinks, that is, the one who makes the other outline, is that having a number of important workers on his back, he wants to hold his head and does not sleep peacefully. I think that's what the other person thinks. The issue is that in Argentina it is dealing with problems. If you tell me that you have 20 formalized workshops, you hire someone and that that workshop owner is efficient and so on, well, but that does not exist in Argentina [...] To grow I need production and to have production I need to have it mastered”.

“Look, the solution for entrepreneurs is to have the workshop inside, as it was in the beginning. They can control it, they can see who leaves, who enters [...] [they don't do it] for economic reasons, because it is much cheaper (and even more so today).”

As one businessman mentioned, as the market matures and the consumer demands higher quality in garments, the need to control production increases and, as an interviewed worker says, “having an internal workshop perhaps implies more work, more problems, but it also implies having control of production, quality and all that.”

Different people interviewed identify as motivations for those who adopt the outsourcing outline the peace of mind that implies that outsourced workers do not depend on the contracting company. There is neither bibliography nor statements from representatives of the sector that suggest that outsourcing in this industry is based on quality and efficiency criteria, but that the only criterion that supports it is flexibility. This is problematic because it is not about achieving flexibility for the execution of work with specific deadlines, but rather about the normal and central activity of companies. The problem that arises then is that if outsourcing is carried out in accordance with the current legal framework, the responsibility for the working conditions, salaries, hygiene and safety of the workers in the workshop

is in fact shared by the job provider. Of course, it is a responsibility diluted by the co-responsibility of the workshop owner, who may eventually be responsible for part of the costs resulting from lawsuits, dismissals and others, but in the event that the latter is not solvent, the responsibility will also fall on the main employer. To do this, however, it is necessary to test the link. The possibility of avoiding these costs and achieving peace of mind for the main employer by hiding the link through subcontracting, then, is an incentive to informal subcontracting.

The labor shortage is currently serving as the main incentive for the internalization of at least part of the production process by some of the main garment manufacturers, since it is essential to have greater control over the production process to ensure production. This, in turn, encourages the organization of production in factories with higher productivity than small informal workshops. The continuity of this process of progressive vertical integration is, therefore, essential to raise labor standards in this industry and minimize the incidence of forced labor. It is possible to hypothesize that state support for this type of initiatives would result in greater formalization of the workforce and an increase in productivity would result in greater tax collection.

► Professional education and training system

Although garment tasks are usually characterized as low-skilled, one of the recurring demands of agents in the sector in recent decades is related to the lack of trained personnel. This is related to the loss of working conditions in general, but also to the loss of knowledge that was once transmitted especially to women in homes and educational institutions in the widespread “cutting and sewing” courses. This problem was aggravated by the COVID-19 pandemic due to the voluntary retirement of trained seamstresses with experience in the sector.

Although there are formal and informal training offers, access is limited due to its costs, its lack of continuity over time, its limited dissemination or its focus on specific groups. Something similar happens with the acquisition of skills linked to design or productive and commercial management, for which there is usually less supply and these are skills that a good part of the people who enter to work in the sector also lack. Likewise, many employers do not consider the importance of training and are not willing to pay for the hours of work that employees dedicate to training. The existing initiatives do not come close to shaping a training system that covers all segments, which includes training in specific skills with different levels of complexity (many of the courses offered are basic in nature) but also training in non-specific or “cross-cutting” skills.

The risks associated with the lack of qualification and of competence development in the sector were pointed out with great concern by a businessman:

“What we are setting up, today, after the pandemic, we are setting up trade schools. In other words, recover the craft of sewing, which has been lost, and incorporate informal workers into formality. We are creating a structure of schools, the project is one in San Martín, province of Buenos Aires, another in Quilmes, another in Catamarca, another in La Rioja, where people can graduate, have an official or half-official diploma, and at the same time as the sewing instruction, s/he also receives the agreed salary, etc. It’s like a complete training in a trade... A trade that today is frowned upon because... Well, no, it is not frowned upon but rather it does not have a projection. In a pendular country, with macroeconomic crises every 10 years, where the garment industry falls to the ground due to imports or low consumption... people think ‘my mother was a seamstress and the company melted down three times and left her without pay. Why do I want to sew if my mother did so badly?’ It is not a job that today you say ‘I want to go to a factory as a garment worker’. It has no appeal today. So, you have to try to recover it because it is a trade that is learned relatively quickly, if you have a certain ductility.”

► Development of the coop sector

Textile cooperatives are a growing player in recent years, not only because of their number but also because of their organizational capacity. These managed to agglomerate small productive units in

factories, ensuring an improvement in productivity and strengthening the negotiation capacity of the actors vis-à-vis the State and companies, in particular also based on the support of national social organizations that gave them visibility and that manage state tenders, such as the production of health kits during the most pressing moments of the pandemic. As one worker pointed out: “[The cooperatives] demonstrated by making sanitary kits... I mean, from what I know, there are very few who did things wrong, and those who did the [sanitary] kit wrong corrected it. Most of us made quality products, which doctors also used to defend ourselves in the pandemic, and that has to have a value that has to be recognized”.

However, the vast majority of cooperatives work an important part of third-party production on a regular basis in a context of unfair competition due to high labor informality and the systematic violation of reference rates, which puts their survival and operation at risk according to cooperative principles. By virtue of the capacity of cooperatives to reverse the hyper-segmentation of production—and therefore of the workforce—and (ruinous) competition based exclusively on prices, they are a fundamental actor in the fight to raise labor standards in garment production. For this reason, and considering that the State cannot yet guarantee greater compliance with labor legislation in the sector, it is important to enable the necessary mechanisms to institutionalize the granting of tenders to cooperatives through a “cooperative purchase” policy that ensures a quota of state purchases of garments from cooperatives. These should be duly audited by the INTI and the National Institute of Association and Social Economy (the body in charge of supervising cooperatives) to avoid labor fraud. This policy, which could face some resistance from a segment of the business sector, could be applied for a limited time, as an integral part of the battery of measures aimed at combating forced labor in the sector. Likewise, this quota could be applied in specific ministries and is a model that can be easily exported to various state jurisdictions. This is a policy that would also address the lack of audits for State suppliers in the purchases of textile products.

► **Balanced development at territorial level**

This study allowed us to observe how the territorial concentration of the industry generates a series of difficulties for its operation. The oversupply of sewing workshops concentrated in certain spaces of the AMBA enabled ruinous competition that functioned as a breeding ground for forced labor and labor human trafficking. The de-concentration of supply, therefore, could play a fundamental role. Furthermore, with few exceptions, it is verified that there is no policy that contemplates development at the provincial level,⁶¹ while allowing the disorderly growth of centres such as the one that was generated around La Salada, which becomes one of the main “exporters” of garment to the rest of the country.

By investigating the effects of the pandemic in the sector, this study showed that due to the change in habits and the drop in salaries generated by the pandemic, the distance to work became one of the causes of job abandonment by part of the seamstresses⁶². As already noted, one businessman clearly pointed out this problem and summarized the need to meet the expectations of female workers:

“In a factory in La Rioja, for example, people ride bicycles, in 15 minutes they are at the factory, at a quarter past three they returned home. The agreement is the same in La Rioja as in Buenos Aires, and you save \$10,000 and three hours of life! [...] You have to have 30 workshops that need people in San Martín in less than 20 minutes, because if the school is in San Martín and they hire them in Avellaneda it is of no use to [the worker] either (beyond the fact that the salary has to increase). It is a combination of increased real salary plus little travel time, which is money and quality of life”.

By the way, this situation is aggravated by deficiencies in public transportation and the lack of free kindergartens and nurseries to be able to leave their daughters and sons in the care of trusted people or institutions during the work day. Being a strongly feminized sector, it is important that the public and

⁶¹ These exceptions are made up of the provinces in which there are “industrial promotion” regimes such as Catamarca.

⁶² See more about this matter.

private sectors work together to contribute to covering the care needs of families, which continues to fall primarily on women. In fact, some cooperatives are planning to open care spaces within factories.

“There are many colleagues (as I told you, it is 90/95 percent of colleagues who work there) who want to work and have all the technical capacity and desire to work, what they cannot do is leave the baby at home. Because? Because there is no one, the partner, the husband is working, they have no family, they have no one to see them, to take care of them and there is no early childhood kindergarten nearby (there is also no plan to do so from what it seems in the neighbourhood). So, those are the main problems we run into. We have projections to grow, but there is no budget. We have plans to grow, to make a garden and so on, but, again, if the State is not in the middle, if the State is not intervening, the State does not reach where it needs to go, there is a problem, a giant problem, because if not it lets the market do what it wants”.

In short, the labor shortage in this industry does not seem to be a problem that will be solved either easily or quickly. In this sense, rethinking the location of workplaces, replicating the workshop owners' strategy of bringing production closer to the places of residence of workers, and taking advantage of the relative ease with which, a sewing factory is set up, can lead to great benefits for employers in the current context of labor shortage.

The institutional level

The fight against human trafficking and forced labor in a productive chain implies considering the comprehensive development in economic, technological and organizational terms of this and all the segments that comprise it. However, the systemic perspective of the chain also includes the set of regulations, routines, beliefs and institutional arrangements that legitimize, shape and stabilize productive relationships. The sector needs, therefore, to agree on a series of measures aimed at strengthening institutional capacities, aiming, as a cross-cutting objective, to overcome the fragmentation between various state organizations, within the employer bloc and even between the unions themselves, through the promotion of social dialogue.

National Plan against Forced Labor

Before considering specific recommendations for the garment chain, it is necessary to provide them with a framework in terms of the anti-human trafficking agenda. As already mentioned, the fight against human trafficking helped give impetus to the fight against reduction to servitude and forced labor. It is necessary to maximize this momentum to give its own entity to the fight against forced labor.

Through the ratification of the ILO Protocol C29 of 1930, in 2015, the Argentine State committed to developing a National Plan to Combat Forced Labor. Until now, actions to combat this crime are included in the National Plan against Human trafficking and Exploitation, but it is necessary to give a higher status to the crime of forced labor. This is because labor human trafficking is actually the recruitment mechanism that gives rise to the ultimate goal: the exploitation of the worker, often in conditions of forced labor.

The generation of an specific plan would open an unprecedented opportunity for social dialogue aimed at developing a comprehensive and specific approach to forced labor. This implies, among other aspects, giving it normative entity status separating it from sexual exploitation, which would clarify the general view by removing this agenda from debates about the status of prostitution that today may be hindering progress in the fight against labor exploitation. The plan should consider a battery of combat measures that does not prioritize prison sentences and that aims to strengthen the organizational capacity of workers, and the active participation of the private sector.

The plan would involve institutional development that accompanies this initiative, creating a tripartite entity for this purpose and also strengthening organizations in the sector. Unlike other activities, even at an industrial level, the garment sector has a low level of association both at the level of companies and those who work. This constitutes a weakness to sustain development processes within the framework of public policies, but also to face other collective processes. In the case of companies, their institutions have room to expand their representation and capillarity, especially in the interior of the country, and this situation is not only due to the configuration of the chain, but also to the distrust between companies due to “unfair competition”, the dispute over the exclusivity of the workshops to which sewing is subcontracted, the differences between brands and industrial entrepreneurs over trade policy and the tensions between fabric producers and garment manufacturers. Something similar can be said in relation to the organizations of the workers, since only a small percentage of them is affiliated with the unions of the sector, at the same time that the conflicts that arise around the legitimacy of the union of workshop workers reduce the strength of the workers’ demands. In addition, there are numerous segments of self-employed workers or cooperative members that could be represented by other organizations that do not have sufficient visibility and support. The active role of the State in these cases could contribute to increasing its legitimacy and capabilities, if these institutions could participate in the design, management and evaluation of this plan.

Improvements in regulations, their control and compliance

Legislation

Considering the high incidence of reduction to servitude in the garment industry, the scarcity of condemnatory judicial sentences is worrying. One of the problems pointed out in this research by numerous interviewees was the connivance of judicial operators in small jurisdictions. Thus, the practice of derivation of cases by taking them to the labor court enables impunity, indirectly encouraging these practices that continue exploitation and distort the conditions of competition. It is then necessary to design measures to avoid this collusion. For example, the crossing of files between jurisdictions when deciding the jurisdictions to which a certain case corresponds, could help prevent personal relationships from interfering in the prosecution of crimes.

Also worrying in Argentine legislation is the lack of a detailed description of the criminal types “reduction to slavery”, “reduction to servitude” and “labor exploitation”. Although legislation alone does not ensure univocal interpretations by judicial operators, providing them with more tools to understand what these crimes consist of is important. This can go hand in hand with the development of operational indicators of vulnerability and exploitation that are adopted by the criminal justice system.

Likewise, in light of the limited progress in judicial convictions regarding the reduction of servitude, when specifically planning the penalties to be applied to those responsible, it is important to think about expanding the range of measures. In this regard, economic penalties could be rethought, increasing their amounts to calculate them based on the assets of those found guilty, considering that the objective is not only to compensate the victims but also to discourage these practices. In fact, previous studies (Montero 2016) indicate that the doubling of penalties in the modification to the human trafficking law in 2012 would have encouraged many large manufacturers to exercise greater control over the production chain. The lack of convictions in this sense, however, has the opposite effect. Other penalties, on the other hand, may be designed to encourage good practices among manufacturers. Considering the illegitimate competitive advantage implied by forced labor, penalties designed to harm the competitive capacity of employers found guilty, such as the suspension of brands (manufacturers’ main asset), could be highly effective in terms of punishment. This is what ethical consumer initiatives are based on, exposing unethical employers.

Monitoring and control

The aforementioned lack of general coordination in development policies is also valid in this matter, since the study allows us to observe that in the jurisdictions there is no adequate coordination between control agencies. The planning and execution of inspections and raids continues to be in the hands of organizations that usually work in an individual and fragmented manner (inspections that control specific aspects such as the safety and hygiene of the place, the registration of workers, etc.). If coordination today depends on the personal relationships maintained by the various areas in each province or locality, it is necessary to establish protocols so that the work must be joint and led by the national State. Furthermore, we can take as an example, the inter-institutional coordination initiatives (such as joint work, in networks, with civil society organizations), constituting mobile inspection teams (the case of Brazil, with its due adaptations, can be an example in this regard). Furthermore, the adoption of a strategy of formalizing cooperation outlines with unions and civil society organizations reduces the risk that knowledge and resources already mobilized will disappear in cases of political and administrative changes.

Traceability System

In line with the lack of vision of the productive chain that explains the fragmentary nature of development policies towards the sector, labor inspections are currently carried out based on establishments and not companies. Thus, when carrying out an inspection, the authorities control the social security and working conditions in the establishments they go to, and even only include workers who are present at the time of the inspection. As a result, the strategy of “hiding” workers from an establishment during inspections, as well as hiding entire productive establishments such as clandestine workshops, is very effective in avoiding controls. As some interviewees pointed out: “Yes, yes, we had inspections that come to verify if we are “white” and so on, but they don’t ask about the workshops, no,” “The inspection remains there in the store. Unless some particular, specific issue is seen, some relevant information regarding an anomalous situation remains there. It is limited to the establishment and the person who was in the establishment at the time.”

The link with manufacturers only arises “from the bottom up”, that is, when a workshop is inspected in which evidence of links with manufacturers is found. Over the years, the authorities gave up taking the opposite route, that is, asking a manufacturer for data corresponding to the origin of the garments. An official assured that this path was followed, but when going into the details he explained that it never gives results:

“[...] In fact, we have done it (at least in my case) [go to a recognized brand and ask where they make their garments] three times going from top to bottom. What happens is that, in reality, what happened to us was that it is a much slower job... it takes a lot of time to do that type of work, a lot of time because obviously, their entire chain is prepared to hide everything, and see how not only unregistered work is generated, but also illegal work and illegal sales, in some cases. Because if I see the billing, in reality, that billing is the one that is shown, perhaps there is a sale somewhere that is not showing me that it is the one that supplies this and then, with this, with this declared workshop, it is fine but in reality, he works much more, sells much more. So, the work is much more cumbersome.”

Mere territorial labor inspection is insufficient to detect informality in the sector. This must be accompanied by the crossing of a series of data that goes beyond what can be visualized in the inspections. Therefore, within the framework of inspection and control, different actors pointed out during the study that one way to improve these functions and at the same time to provide a message that can add consumers to this strategy is to advance in a garment traceability program that facilitates the identification of workplaces through special labelling.

There are already precedents on the matter both abroad and in the country. The INTI program “Shared Social Commitment” is an experience in this direction, although its result was limited for many of the reasons already explained above when referring to the scale and scope of policies for the sector. The traceability program designed in 2015 by the Undersecretary of Socio-Labor Policies of the Ministry of Labor and Social Security MTEySS, together with the Undersecretary of Technical Programming and Labor Studies and with the support of INTI-Textiles, could serve as inspiration to think about this fundamental tool. The proposal, which was never implemented, consisted of a labelling system on garments. These labels would be scanned directly at the points of sale by inspectors, and should contain all the information related to the origin of the fabric, the place and the date on which the garment was made. Thus, the information contained on the labels could be cross-referenced with that provided by the companies to the home work inspection areas to check for inconsistencies. The objective is to facilitate tax and labor inspection by the competent authorities throughout the entire chain. As one official noted:

“There are computer tools developed today (that is, today, not in 2008 but in 2018) that allow the development of a database in which all the garments sold becomes formal, that is, all the garment that is sold is registered and that connects directly with a workplace, connects with certain power consumption in that workplace, connects with a property where that work is carried out.”

A traceability system would provide transparency, visibility and registration to the chain before the State and consumers, and would favour greater control of compliance with legislation (labor, tax, immigration and occupational safety and hygiene) by manufacturers, intermediaries and workshops. Other officials interviewed also referred to the importance of traceability, while the CIAI expressed its agreement with the application of a garment traceability program, which, in the case of the CIAI proposal, would begin in the textile industry to avoid the large sales of fabrics to informal commercial circuits: “With the mechanisms of traceability of the merchandise we would be solving the problems of labor registration and the registration of workshops”, “The issue of garment traceability, for me, is something that would be an important tool when generating a circuit to be able to minimize the possibilities of big brands having that type of parallel economy situation”.

During the presidency of Mauricio Macri (2015-2019), the Ministry of Production worked on the implementation of a traceability system. However, it was planned as voluntary, by raising it as a requirement to access a soft credit line. This program was not applied either, possibly because since it was not mandatory, its scope would have been minimal.

The execution of a traceability program should be articulated with the improvement of the purchasing policies of the State, both nationally and in provincial and municipal jurisdictions. During the study, some interviewees pointed out that many areas and jurisdictions do not control compliance with labor legislation when calling for bids for large purchases of garments (uniforms, health kits, etc.). As one of the main buyers of garment in the country, the State, in its multiple jurisdictions, should be at the forefront of promoting decent work practices in this industry.

Improvements at the level of the Judiciary

Among the aspects that indicate the importance of making improvements in different instances of the Judiciary are the lack of compliance with the regulations in many jurisdictions of the country or the referral of potential cases of forced labor to labor justice, so that the workers must be the ones who carry out the demands.

It was also repeatedly mentioned that judicial institutions fail to reach those most responsible and beneficiaries of human trafficking and forced labor. In the case of garments, there is practically no

history of convictions of the job providers who ultimately hire the workshops where the existence of crimes was verified. It is important to demonstrate in the pleadings how these chains work, and the link between the unequal distribution of profit and the power to impose working conditions. In this same line, the work of the Executive Committee Against Human trafficking in connection with the AFIP and the Financial Information Unit for the study of the money route in matters of human trafficking and forced labor is notable. Furthermore, measures to facilitate the confessions of “accused-victims” as a mitigation of punishment, or the determination of the different degrees of participation, can help in the investigation of the chain of responsibilities.

To these actions must be added an active training policy for magistrates and judicial operators. Advances in the interpretation of the regulations relating to human trafficking and forced labor in Argentina have recently been concentrated (and with good results) on the members of the Public Prosecutor’s Office and at the level of the criminal cassation chambers, but among the courts of first instance throughout the country, restrictive interpretations of labor human trafficking, forced labor and servitude prevail. The training of judges throughout the country must have among its objectives precisely reviewing the restrictive readings, in which the subtle mechanisms of persuasion, control and taking advantage of the vulnerability of workers are understood as abuses that must be dealt with in labor justice or even as “self-exploitation practices” that derive from cultural or ancestral customs.

Improvements in the support policies for victims

When complaints of human trafficking or reduction to servitude are brought to labor jurisdiction, the victims are left unprotected to take action against their perpetrators. Although labor justice is free for the worker, unlike what happens in criminal justice, it is the worker, and not a lawyer or any complainant, who must take action against the perpetrator. Given the profile of the victims, the difficulties they face when hiring lawyers are a significant disincentive to their actions against employers in lawsuits developed in the labor jurisdiction.

That is why it is recommended to evaluate the convenience of generating institutions that operate along these lines, from the existence of Labor Prosecutors’ Offices to instances that provide legal assistance to workers by facilitating access to lawyers with the support of CSOs, unions and universities. This could help minimize the incidence of strategies of referring the cases to labor jurisdiction. In this regard, it would be useful to replicate in Argentina the experiences of lawyer clinics for victims of human trafficking and forced labor that exist in other countries⁶³.

Many interviewees linked to the human trafficking agenda in this and previous studies point out as one of their main concerns the shortcomings in assistance to human trafficking victims once they are rescued.

To achieve more active participation of victims in reporting their perpetrators, institutions must improve and expand assistance policies. Different specialists, judicial operators, inspectors of the inspection system and officials linked to the investigation into human trafficking pointed out that the actions currently developed are insufficient, not only in terms of having greater resources but also in terms of coordination and complementarity of existing resources in all provinces. There are already notable initiatives in this direction, especially the victim assistance trust fund within the framework of the Ministry of Justice. To these can be added improvements in the planning of assistance prior to inspections, with the objective that victims see, at the time of inspections and rescue, the benefits that the State’s involvement in these situations brings. Likewise, in the medium term, the labor reintegration program for victims promoted by the Executive Committee and designed from an approach focused on the interests of the victims is notable. According to an official: “This program [of the Committee] does not begin by offering a job to a person [...] The program has an entire first stage where the

63 See examples in Michigan (USA) and in Belo Horizonte (Brazil).

capabilities that the person brings are strengthened, they are helped to detect what other things they are interested in doing and later they are trained in that they want to be, not necessarily in what they were exploited to do.”

Improvements in the information systems

If every public policy must be permanently evaluated to review its effectiveness and the eventual need to improve mechanisms, the public and free availability of information is essential, while demonstrating transparency in the use of State resources. In this regard, it is necessary to highlight the importance of accompanying advances in the fight against human trafficking with the development of a unified and integrated information system on forced labor, labor human trafficking and related crimes, which allows for adequate diagnoses and evaluation of strengths and weaknesses of public policies on the matter. This is a shortcoming already pointed out by PROTEX (in its 2016 Annual Report), which then requested a virtual platform, operated from the Judiciary, through which it is possible to access all the resolutions issued within the framework of the files for human trafficking, to which could be added what is related to the complaints and the results of cases prosecuted for reduction to servitude and related crimes.

“I don’t know if there is a specific area, neither at the justice level... there should be one, and maybe what I’m talking about... nor at the court level, that can... follow the entire justice system, and for you to say ‘let’s see, for example, such a crime ... how many convictions were there in the country? Or causes?’ and you don’t know where to ask, where you’re going. Because there is a statistical agency of the Supreme Court, but no... we have not been able, let’s say, to know, eh... if it does that monitoring throughout the country. I mean, it’s like you have to go to... justice for justice, pray that they have statistics, eh... but there is no one to concentrate them, or if that someone exists, we don’t know him”.

For an initiative of this type to be carried out, the involvement and collaboration of the Judiciary is necessary to establish the obligation to publish this information and provide the necessary means. Similar difficulties arise from the lack of statistics and their open publication by the areas of persecution and victim rescue. Even today, information continues to be published sporadically and erratically. In the development of a unified and integrated information system, the example of the information system developed by Mexico can serve as inspiration.

On the other hand, the extensive informality in the sector led to a situation in which the information demanded by the various actors circulates in a disorganized manner. This can enable both abuses towards workers, by taking advantage of the lack of knowledge about their rights, and serious risks for employers who do not know the implications derived from the indirect hiring of labor in conditions of forced labor or labor human trafficking. Taking as a reference the Technical Assistance site for sustainable production developed by INTI⁶⁴, it would be very useful to set up a portal that centralizes information regarding the sector such as: collective labor agreement, updated salary scales, Law No. 12,713 on Labor at Home, home work rates, Employment Contract Law, Human trafficking Law, articles of the Criminal Code referring to the reduction of servitude and human trafficking, shared social commitment of the INTI, information to report or request assistance for victims, etc. Likewise, the information could be explained in a simple and accessible way. Finally, the portal could also include a list of suppliers and even forums divided by topic and by actors. For example, in the cooperative forum they could share information about job providers, prices, job offers, procedures, etc., while the job providers could share their experiences and information regarding good practices and so on.

⁶⁴ See in detail the technical assistance portal of the INTI.

► Conclusions

Working conditions in the Argentine garment industry have improved in recent years, reducing the incidence of human trafficking and forced labor in the sector. This happened despite the context of a sales crisis and an increase in local production.

The aforementioned improvements are due to numerous issues. Firstly, the reduction in the supply of labor, which forces employers to offer higher salaries (in some cases up to 50 percent above the agreed wages was detected). This reduction in the supply of labor is mainly due to the emigration of migrant workers and workshop owners in the face of successive devaluations of the local currency, the worsening of sales and the improvement of the macroeconomic situation in their countries of origin (mainly Bolivia).

A second cause can be identified from an improvement in the circulation of information among potential victims who are warned about the true working conditions in the destination, which complicates the mechanism of deception in the recruitment process.

Third, a series of court rulings that culminated in high prison sentences for workshop owners would have contributed to employers exercising greater control over the workshops to which they subcontract. Finally, some awareness among employers regarding the incalculable consequences on brands of complaints about "slave labor" in the media.

All these elements have contributed in some cases to a certain "internalization" of production by the main job providers through the opening or expansion of their own sewing factories, a process that is fundamental for the improvement of working conditions in the sector.

With the exception of the persecution strategies and the judicial sentences reached - which do not yet involve the main job providers - a good part of these aspects indicated can be considered temporary circumstances rather than the result of systematic and comprehensive deliberate actions aimed at combating forced labor in the sector by modifying structural aspects of the productive chain (economic practices, production organization, institutions, etc.). This shows the need to thoroughly rethink the way we approach this problem.

From the testimonies, it can be said that despite these improvements, the COVID-19 pandemic would have led to a certain expansion of informality in small clandestine workshops due to the high demand for garment that could not be made, during the isolation and distancing measures, in legal factories. These workshops are strongly linked to the large centres of informality in which most of the garments produced in the country is marketed.

These large pockets of informality were favoured by the economic crisis which, as happened during 1998-2002, pushed consumers towards purchasing cheaper garment. The persistence and consolidation of these circuits generates a favourable context for human trafficking and forced labor, which are largely based on the way in which the State, in its various jurisdictions, addressed the existence of these circuits. This context favourable to labor exploitation in the worst forms conditions the fight against forced labor in the sector and contributes to dragging down labor standards in this industry.

Efforts to promote the concentration of production in formal productive units with high productivity must be sustained through medium and long-term macro and meso-economic policies that guarantee stability and predictability. Such efforts require the commitment of the State and employers, who must respond to policies such as financial support and trade protection with commitments such as consolidating the sector's export potential and increasing the formalization of the workforce. Likewise, unions must assume a leading role in the fight against forced labor in the sector, developing specific strategies to involve migrant and home-based workers in the fight to defend their rights.

The need to rethink the way in which the various actors approached the problem highlights the importance of moving towards a National Plan against Forced Labor, in line with the ILO Protocol relative to C29 on forced labor of 1930.



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► Annex I. Methodology



► Annex I. Methodology

This research aimed to develop an updated overview of the situation regarding human trafficking, forced labor and related crimes in the garment production and marketing chain in Argentina, with emphasis on the impacts of the COVID-19 pandemic and the measures adopted to combat it. It is expected that the results will constitute valuable input for evidence-based decision-making regarding the fight against these crimes. To achieve results in line with these objectives, the methodological strategy detailed below was adopted.

First, a vast search for information and secondary sources was carried out. Secondly, a detailed report was prepared on the treatment that the country's main media outlets gave to the problem. Thirdly, and in line with the adoption of qualitative data collection methods proposed for this research, interviews were conducted with key informants. All resulting information was categorized using qualitative data analysis software to facilitate the preparation of this final report.

Information search

The information search included academic bibliography, official documents, national and international regulations on the subject, court rulings and official websites. Regarding the bibliography, the authors used their own library, built over more than 15 years of studying the sector, and updated through a new search through web search engines (mainly Google and Google Academic) through the use of descriptors. (keywords) such as "slave labor," "sweatshops," "sweatshop," "textile workshop," "forced labor," "forced labor," and "human trafficking + workshop." This was of fundamental importance in understanding the working conditions in this industry around the world, and the assessments by social scientists from various disciplines of the nature and consequences of the anti-human trafficking agenda and forced labor in the garment sector in Argentina.

Regarding official documentation, the search was mainly directed towards web pages in which reports and statements on the topics addressed in the study are published (mainly the web pages of PROTEX and the Executive Committee to Fight against Human trafficking and Exploitation of People). Likewise, national regulations, conventions and relevant protocols were added to the analysis.

The search for judicial rulings was carried out through the PROTEX and Judicial Information Center websites. Its objective was to preliminarily evaluate the specific consequences of the regulations in judicial processes. For this, six judicial rulings on cases of labor exploitation were selected (crimes of reduction to servitude, labor human trafficking, violation of the immigration law and violation of the home work law). These rulings were analysed together with the rest of the information to highlight relevant passages regarding the results of the rulings, justification of the courts' decisions and interpretations of the regulations, mainly in relation to the points that raise the greatest controversies, especially the differences in the interpretation of the rather abstract concepts of "reduction to servitude" and "exploitation".

Media Report

The media report prepared for this study aimed to address the following questions:

- What are the most common destinations for production (recognized brands, wholesale circuits, designers, informal fairs)?

- What are the most common locations for workshops?
- Do the conditions observed in the last decade, similar to the case of the Luis Viale street workshop (debt, overcrowding, confinement, etc.) still exist?
- How is the topic addressed in the media? What are the most outstanding problems? What are the main associated terms? What depth is given to the treatment (link of the problem with more general problems such as prices, imports, migration, etc.)?

The report was prepared based on an exhaustive search of journalistic articles in five media: Télam, Clarín, Página/12, La Nación and Infobae. We searched for articles published between January 1, 2016 and December 2021 with the descriptors already mentioned. All articles were compiled and systematized, which made it possible to create comparative tables and a word cloud. A fourth document was prepared on 100 articles divided equally by year and every other (without repeating cases) and indicating:

- Location of the workshops and destination of production.
- Living and working conditions, specific data (hours, document retention, debt, non-payment, salaries, workshop-housing, overcrowding, confinement, etc.).
- Does the concept of human trafficking, labor human trafficking or human trafficking appear?
- Does forced/forced labor appear? If it appears, indicate if it says forced or forced
- Does “slave labor”, “slavery”, “enslaved” appear?
- Brief description of the facts (if it is a raid, progress/setback in the judicial process, complaint, etc.).
- Intervening state agencies.
- Mentions to unions, chambers and CSOs.

The most relevant results were included in this report.

Interviews

To update and deepen existing knowledge about the state of human trafficking, forced labor and related crimes in the Argentine garment industry, 34 people were interviewed, using different strategies: 18 individual interviews, a focus group with seven workers and cooperative members of the sector, and three group interviews with three officials each.

The interviews were mostly face-to-face, with an average duration of 80 minutes and were based on a semi-structured questionnaire in which the interviewers were given a short list of topics to discuss, taking care not to direct the answers (for example, towards the use of certain categories or the prioritization of specific problems) and evaluating the relevance of the topics to be discussed based on the potential to obtain information according to the informant who was interviewed.

The questions and topics covered included:

- Functions of your job/institution.
- Evolution of the actions of your work/institution according to your experiences.

- Strengths and weaknesses of the actions carried out.
- Main current challenges of your function.
- Impact/s of the pandemic on your work and on working conditions in the sector.
- Measures that must be adopted from various areas to eliminate forced labor in the garment industry in Argentina.

All interviews were transcript, taking care of the literality expressed in the interview situation. It should be noted, finally, that these are strictly anonymous, so descriptors were used in writing the report that do not allow people to be identified. Likewise, making direct reference to the interviewees was avoided when referring to activities in their work area. Following basic ethical principles of scientific research, free, informed and explicit consent was obtained from each person interviewed.

Information analysis

For the analysis of the information obtained, the Atlas.Ti qualitative information analysis software was used. Thus, all the information collected was included in the corpus that constitutes the hermeneutical unit of the research, in text format. The selected information was categorized under labels that describe all the key themes emerging from the analysis. In other words, all the material was read by marking the most important parts under one or more labels/categories. A list of the categories used is presented below:

- Actors/institutions
- Anti-human trafficking agenda forced labor
- Productive chain
- Avellaneda Street Circuit
- Marketing – informal
- Working conditions – Argentina
- Macroeconomic context
- Cooperatives
- Compliance with regulations
- Companies - perspective
- Historical evolution of the sector
- Recent evolution (2016-2021)
- COVID-19 Impact
- Imports
- Informality
- Justice – rulings
- Justice - role
- La Salada
- Workshop location – AMBA
- Migrations

- Regulations
- Recommendations for action
- Role of the State and public policies
- Unions
- Clandestine workshops – description
- Clandestine workshops – operation
- Forced labor/exploitation

As a result of this stage, the software in question produced text documents that included the most important quotes for each category, along with any comments that the analysts considered relevant to make about some quotes. These documents were the main input for the preparation of a first progress report, in which the information available up to the time of collecting primary data for this research was summarized and organized. During the rest of the project we worked on that initial report. After the analysis of the interviews, a new filter was carried out to select the most relevant information and this information was organized based on the main themes emerging from the interviews, which functioned as subtitles of the final report.

► **Annex II.**
Indicators of forced labor



► Annex II. Indicators of forced labor

► Empirical references of forced labor indicators (ILO 2018)

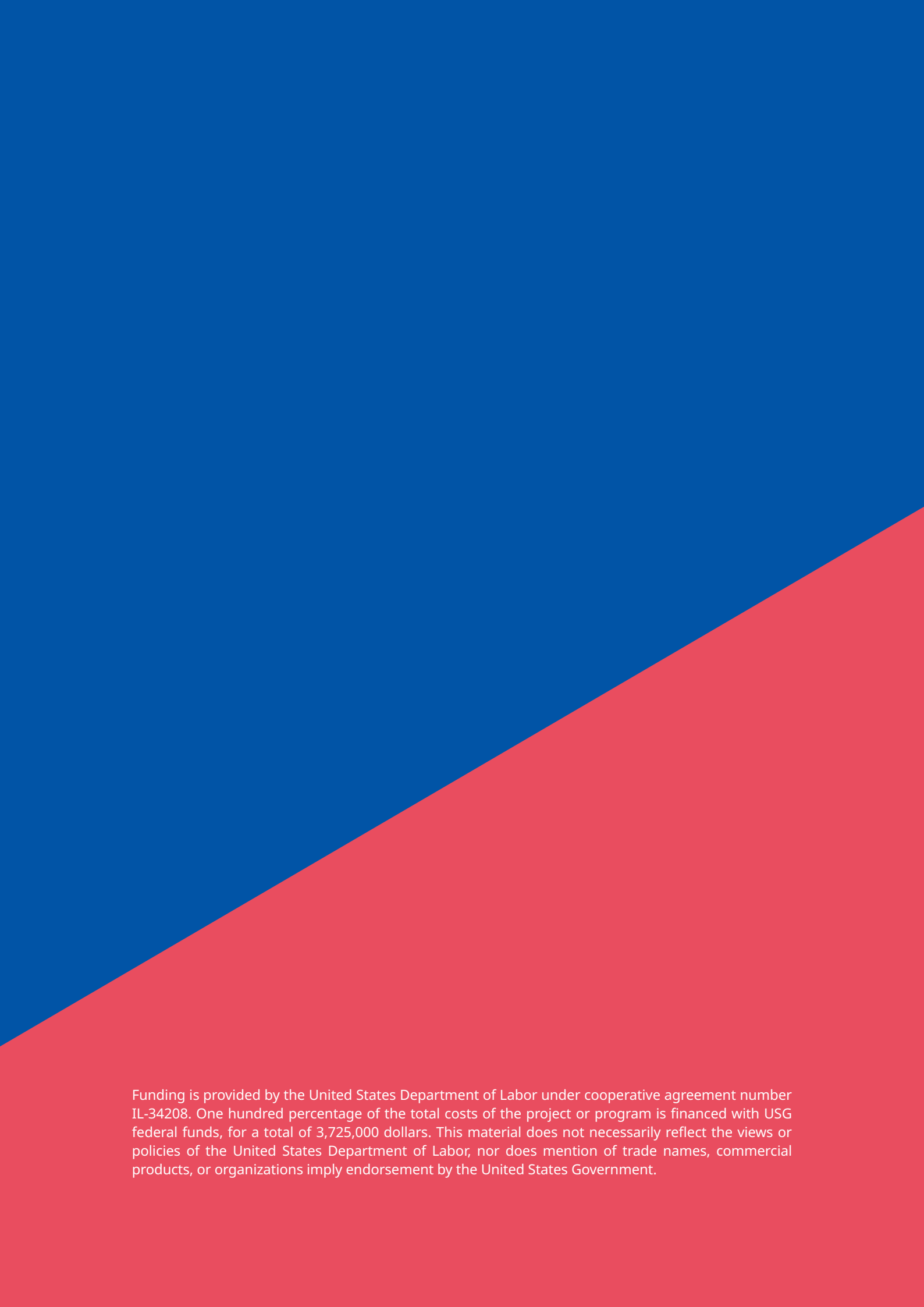
Dimension	Descriptor
Involuntary work Refers to all work carried out without the free and informed consent of the worker	- Situations in which the worker must perform work of a different nature than that specified during recruitment, without the consent of the person - Abusive overtime or on-demand work requirements that were not previously agreed upon with the employer - Work for a longer period of time than agreed - Working in dangerous conditions to which the worker did not consent, with or without compensation and protective equipment - I work with very low wages or no wages - Degrading living conditions imposed by the employer, recruiter or other party - Work for employers other than what was agreed - I work with limited freedom, or without freedom, to terminate the contract - I work to repay a debt to the employer or recruiter - I work to help another family member who was forced to work by an employer - Work for an employer in order to give another person access to a job, land, money or other resources
Coercion The threat of any penalty is the means of coercion used to impose a job on a person against their will	- Physical violence - Sexual violence - Threats of violence - Threats or violence against the family. - Threat or penalty of prohibition of food, rest, etc. - Threat or penalty of confinement in the place of work or accommodation - Threat or penalty of non-payment of wages - Withholding wages or other promised benefits - Threat or penalty of fines or financial punishments - Threats of dismissal - Threats of deportation or legal action - Retention of valuable documents, such as passports, identity cards, residence permits, travel documents - Debt manipulation - Isolation and dependence on the employer to leave the workplace or accommodation

Source: Author's own preparation based on the "Guidelines regarding the measurement of forced labor" (ILO 2018).

► Forced labor indicators recommended by PROTEX (2017)

Variables	Elements to consider	Indicators of forced labor
Workday	Maximum workday of the sector	Abuse coefficient: salary/hour actually received less than 60 percent of the basic salary/hour that corresponds to the activity, and less than the Minimum Living and Mobile Wage
Salary	> Minimum salary, vital and mobile > Sector collective agreement > Basic salary of the sector	
Context	Context elements that complement the analysis of the situation along with the abuse coefficient	> Induced debt > Withholding and non-payment of wages > Deception or false promises about the type and conditions of work > Retention of identity documents or valuable personal effects > Physical confinement or restriction of exits in the workplace > Absence of communication with the environment, induced or imposed > Lack of hygiene and adequate nutrition possibilities > Psychological coercion (threats) or physical violence

Source: Author's own preparation based on the *Guía de Procedimientos y criterios para detectar e investigar la trata con fines de explotación laboral* (Guidelines for procedures and criteria to detect and investigate human trafficking with labor exploitation purposes) (PROTEX 2017).

The background of the page is composed of two solid colors: a deep blue in the upper left and a vibrant red in the lower right. These two colors meet at a diagonal line that runs from the bottom left towards the top right, creating a dynamic, abstract geometric design.

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