

INDUSTRY STUDY

Mapping Global Production in New York City's Garment Industry: The Role of Sunset Park, Brooklyn's Immigrant Economy

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As a key production site in New York City's garment industry, Brooklyn's Sunset Park neighborhood is increasingly made up of small Asian and Latino immigrant-owned firms. Market conditions created by the globalization of garment production and the continued influx of low-skill immigrants promote a primary competitive advantage embedded in "low-road" strategies evident in the prevalence of sweatshop conditions. Reflecting a "carrot and stick" approach, Sunset Park has been a target for the federal and state departments of labor as well as the site for developing a garment manufacturers' incubator, Brooklyn Mills. This article examines the mismatch of using a conventional economic development strategy to address the conditions of Sunset Park's immigrant economy. Brooklyn Mills illustrates how immigrant firms feel the stick but benefit little in terms of innovative policy intervention, that is, carrots, to stimulate equitable development in a sweatshop economy.

Keywords: *garment industry; immigrant economy; business incubator; community economic development*

The prospects for New York City's garment industry, particularly for Asian and Latino immigrants laboring in small manufacturing shops, are increasingly bleak.¹ A competitive real estate market, increased imports, improved quality of offshore production, and retailer consolidation continue to pose seemingly insurmountable challenges to domestic apparel production. As a local manufacturer noted, "We are dying a slow death" (M. Landman, personal communication, September 26, 2000). Despite these harsh realities coupled by decades of steady decline, the apparel industry remains one of New York City's largest manufacturing industries, employing approximately 56,000 production workers (New York Industrial Retention Network, 1999; U.S. Census Bureau, 1999). Although imports and production outsourcing have created conditions of fierce competition and downgraded manufacturing, evidenced by the reemergence of sweatshops, key competitive advantages based on proximity to customers and suppliers; agglomeration effects that promote

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creativity, innovation, and flexibility;² and access to a skilled and cheap labor force ensure that a segment of garment production will continue locally.

As in the past century, apparel production continues to absorb thousands of immigrants as risk-taking entrepreneurs and low-skill workers who increasingly labor under conditions paralleling those of their counterparts in Asia, the Caribbean, and Latin America. The reemergence of sweatshop conditions underscores the need for an industrial policy to ensure the future viability of New York City's garment industry by pursuing innovative "high-road" development strategies rather than "low-road" cost savings. Promoting investment in skill development, capital improvements, and product innovation and quality is a principal high-road development strategy. In contrast, low-road practices are premised on minimizing production costs through low wages, few benefits, and high turnover (AFL-CIO Working for America Institute, 2002; Herman, 2001).

The collective efforts to sustain New York City's garment industry undertaken by government agencies, including the federal and state departments of labor, the garment workers union—United Needletrades, Industrial, and Textile Employees (UNITE)—and other institutions, namely, the tripartite labor, government, and industry organization Garment Industry Development Corporation (GIDC), represent a two-pronged policy and programmatic strategy of carrots and sticks.³ The carrots, in the form of technical assistance, public subsidies, and tax incentives, seek to promote high-road development in quick-response technologies, just-in-time production methods, worker and management skill upgrades, and new production arrangements including modular production to improve productivity and competitiveness in a highly volatile industry (Conway & Loker, 1999). The stick regulates the sweatshop economy by maintaining a floor on the rising prevalence of worker exploitation. By monitoring sweatshops and enforcing standard labor practices through penalties and fines, the key stick-wielding institutions—understaffed federal and state departments of labor—seek to contain the "race to the bottom" by punishing the industry's worst perpetrators.⁴

Brooklyn's Sunset Park, which has emerged as a key apparel production site, represents a juxtaposition of the high- and low-road strategies for sustaining New York City's garment industry. A growing segment of Sunset Park's neighborhood economy is fueled by small Asian and Latino immigrant-owned garment factories and an ethnic labor force made up primarily of immigrant women. Representing 40% of Brooklyn's apparel manufacturing base, 384 garment shops are located in the Sunset Park neighborhood (New York State Department of Labor, 2001). These shops employ a labor force of more than 10,000 workers, primarily Chinese, Dominican, and Mexican immigrant women. Targeted by the New York State Department of Labor and Brooklyn District Attorney in a series of factory raids in the summer of 1996, Sunset Park is also the site of a high-road development project sponsored by the Brooklyn Borough President's Office, the Brooklyn Chamber of Commerce, and the New York State Economic Development Corporation. The project has centered on the development of a garment manufacturers' incubator, Brooklyn Mills, which opened in September 1999 (Curan, 1999; Santiago, 1999).

Brooklyn Mills represents a collaborative institutional effort to improve the efficiency, competitiveness, and viability of "legitimate" firms to succeed in a short-cycle flexible manufacturing environment. Providing affordable manufacturing space, low-cost energy, tax incentives, and business support services, Brooklyn Mills is a prototype of future reindustrialization as envisioned by state and local officials. Rather than competing with low-priced imports, Brooklyn Mills supports firms to create high-end niche products, build and improve business networks, and integrate new production technology (Golden, 1999; J. Williams, Director of Economic Development, Brooklyn Chamber of Commerce, personal communication, November 21, 2000). In addition to seven manufacturing tenants, Brooklyn Mills houses the Quick Sew Center operated by the GIDC to provide technical assistance and worker training to local area garment firms.

Although the strategy to nurture garment manufacturers with high value-added products represents a sound industrial policy, the integral role of Sunset Park's immigrant economy in garment production presents a challenge to conventional economic development strategies. The globalized nature of the U.S. garment industry promotes a competitive advantage embedded in low-road strategies with direct and specific consequences for Asian and Latino immigrants. Brooklyn Mills represents a missed opportunity to coordinate and target public resources to counter the current

... strategies in New York City's garment industry are not high road at all because they do not support innovation or improved business practices. They merely serve to hold on to the garment sector through subsidized rents.

