Garment Industry Pyramid Structure

**Retailers — Top of the Pyramid**

The garment industry is structured like a pyramid. At the top of the pyramid are the retailers that sell brand name clothing directly to the public. Approximately $30 billion of California-made clothing is sold each year. This pyramid exists to shield the companies at the top from direct responsibility for wages and working conditions. Garments made by the Thai workers ended up on the racks of department stores nationwide.

**Manufacturers — Second Level of the Pyramid**

At the second level are manufacturers that design garments, select material, and create detailed specifications as to how those garments should be produced. These companies are more popularly known by the labels on clothing, such as Liz Claiborne, DKNY, XOXO. In El Monte, Clio, High Sierra, B. U. M., Anchor Blue, and Airtime were among those labels for which the Thai workers sewed.

**Contractors — Third Level of the Pyramid**

Contractors occupy the third level of the industry. Competition among contractors is fierce, and many open up and go out of business within a year. Contractors are at the mercy of manufacturers and retailers, which dictate the quantity, quality, type of work, turnaround times and even the prices they will pay to have that work done. Contractors serve only one purpose — to keep the workers in line and thereby ensure that garments are completed on time and to specification. In the case of the Thai workers, their captors were contractors doing work for private labels sold at major department stores, including Mervyn’s, Montgomery Ward and Miller’s Outpost.

**Garment Workers — Bottom of the Pyramid**

At the very bottom of the pyramid are garment workers, who are greatest in number and lowest in economic and political power. California has an estimated 60,000 to 80,000 garment workers. Abuse of workers, including overtime pay violations, failure to pay minimum wage, and health and safety violations, is rampant.

Source: [https://advancingjustice-la.org/sites/default/files/UCRS%203_Thai_Garment_Workers_story%20r2.pdf](https://advancingjustice-la.org/sites/default/files/UCRS%203_Thai_Garment_Workers_story%20r2.pdf)