

## No Justice, No Contract: The Worker Rights Consortium Leads the Fight Against Sweatshops

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The conditions at the Korean owned Kukdong apparel factory in Atlixco, Mexico were appalling. They included use of child labor, physical abuse, refusal to provide maternity leave and benefits to pregnant workers, locking workers in during lunch and providing rancid food, and paying less than livable wages. Some workers had been beaten with hammers and screwdrivers, and leaders of a movement to establish an independent union were threatened and fired. The factory manufactures Nike, Reebok and other brand name clothing to be sold to universities and retailers.

On January 18, 2001, four workers at the factory submitted a complaint about the abuses to the Worker Rights Consortium (WRC), an independent monitoring firm. Over the course of four days -- January 20-23 -- the WRC, which inspects supplier factories of companies licensed to produce university apparel, conducted a fact-finding investigation that revealed abuses of international and Mexican law, and many universities' codes of conduct. It was the first test of the newly-formed monitoring organization.

Abuses of the type found at Kukdong are common among garment manufacturers, especially subcontractors like this one. What was uncommon about the Kukdong case is what happened after the WRC reported its findings. Working closely with nongovernmental organizations (NGOs), unions, and students at universities across the U.S., the WRC publicized its findings, sparking protests on those campuses that had licensed production of their apparel to Nike and Reebok.

After universities—spurred by student protests and publicity -- leaned on Nike and Reebok, the two companies eventually forced the senior Kukdong administrators to sign an agreement that would allow the union organizers and hundreds of workers who had been fired to return to work. Nevertheless, leaders of the independent union movement continue to face threats and illegal resistance. Indeed, the battle is not over at Kukdong; six months after the initial incident, activists continue to press for improvements.

Even this incomplete victory for workers' rights would not have been possible without the combined efforts of the anti-sweatshop movement. Ever since a 1996 National Labor Committee (NLC) exposé revealing child labor and sweatshop conditions in a factory manufacturing products under the Kathie Lee Gifford label, there has been a flurry of activity. However, as the Kukdong case shows, protecting workers is difficult.

### Organizing Consumers: Universities and Beyond

The little market research performed on consumer preferences for working conditions suggests that the problem of sweatshops lies not in crass consumerism but in the complexities of the global marketplace. For instance, a study conducted at Marymount University has shown that a large majority of consumers is willing to pay an extra \$1 on a \$20 article of clothing if they can be sure that the workers who made the item were paid a livable wage and worked in safe and clean conditions. While consumers

have great power to change working conditions, it is very difficult for them to act collectively, especially in situations where they do not have reliable information about the conditions they wish to change.

Consumers cannot monitor factories, and most are unwilling to sift through the various labels and public reports to separate corporate gloss from reliable facts. Some "sweat-free" labels and publicity actually come from objective, independent sources, while other labels are industry sponsored and meaningless. Moreover, globalization diffuses accountability and authority across various institutions and governments—is it the retail company, national government, or supplier factory that is responsible for worker protection?

One of the biggest struggles to date has been to get big name retailers to take responsibility for workers laboring in supplier factories that are supposedly independent from the company itself. Forcing Nike and Reebok to accept responsibility for abuse at the Kukdong factory was one of the unusual and promising victories of that campaign. In general, even though consumers may not want to buy clothing made in sweatshops and are willing to pay extra to help workers, it turns out to be very difficult for them to act on this value.

There is one special market in which some consumers are neither disorganized nor passive: the university apparel market. And while universities represent only about 2 percent of the market, results from the campus anti-sweatshop campaigns have important consequences for the industry at large. Universities are unique consumers. They are big purchasers; therefore they have leverage. And because of student activism, universities are much more pro-active than an individual consumer about finding out the conditions in which their apparel is made.

#### A Recent History of University Sweatshop Organizing

Students have been one of the most important voices in making labor standards a national and international issue. In July of 1998, stimulated by involvement with the Union of Needletrades, Industrial and Textiles Employees (UNITE), other unions, and visits to factories in Central America, students formed United Students Against Sweatshops (USAS). Since its founding, USAS has grown rapidly, now sponsoring campaigns on 200 campuses. USAS campaigns have been responsible for a variety of different actions including "fashion shows" in which students model clothes made in sweatshops, street theater, and sit-ins informing and pressuring college administrations on a variety of sweatshop issues. Students, in partnership with NGOs, have also begun extensive research and monitoring groups into factory conditions, in an attempt to understand the best way to protect workers. USAS has recently begun funding summer internships called the Collegiate Apparel Research Initiative (CARI), which sends students to communities near factories in countries like Honduras, Mexico and Indonesia so the interns can help build close ties between the movement in consumer countries and workers in the producing countries.

The idea behind the USAS campaigns has been to hold universities accountable for purchasing arrangements that reject exploitation and sweatshops. They then hope to use the universities' market leverage to force licensed companies to produce by the codes of conduct universities adopt. While universities may represent a small fraction of the apparel market, they are nevertheless a \$2.5 billion market. Their dollars are organized through large licensing contracts, rather than disorganized in the form of many small purchases. Indeed, universities are ideal consumers from the standpoint of worker rights activists because they can pay a premium for fairly made clothing, can actively sort through information about production practices, and have the market power to force companies and factories to correct abuses when identified. Of course, universities have only become such consumers when pressured and assisted by student activists.

At every step, students and their NGO and labor allies have had to fight attempts by the apparel industry to co-opt, misdirect, stall, and block their efforts. Initially students convinced universities (after many protests and sit-ins) to adopt strict codes of conduct that all of their licensees must adhere to in their supplier factories. These codes include various demands for safe and clean working conditions, obedience to national labor laws, the right to organize, living wage provisions, and an end to discrimination, forced or child labor and physical abuse in the workplace. Many universities have been cooperative on this issue, although some universities have been more progressive than others.

One of the main issues in the university codes of conduct has been full public disclosure of factory locations, often resisted by the companies as a violation of "trade secrets." Revealing factory locations, the companies argue, would give away protected

information crucial to their competitiveness in the global market. However, the demand for public disclosure protects workers: There is no way to enforce codes of conduct if monitors do not know where to go to inspect factory conditions. In addition, many universities have in fact managed to win public disclosure of factories producing for licensed retailers with no evident decrease in competitiveness. Nike was one of the first companies to release the locations of some of its factories, and many other companies followed suit, often with the tacit admission that their "trade secrets" argument had simply been an attempt to avoid factory monitoring.

## The Monitoring Bodies

Student activism has increased as college administrations have tried to choose between the Fair Labor Association (FLA) and the WRC, two organizations that profess to inspect factories to ensure they are meeting standards laid out in codes of conduct. Although the FLA has recently modified its founding document and code of conduct to adopt some more aggressive investigative protocols, there are key differences between the FLA and WRC that indicate significant ideological differences between the two: The FLA relies on companies to monitor themselves according to guidelines the FLA sets out, acting as a kind of accreditation group for the whole apparel industry; the WRC believes that only independent, external monitoring can uncover and address sweatshop abuses. These distinctions make the difference between effective monitoring and meaningless accreditation.

The history of the two organizations offers a first clue into the difference between the FLA and the WRC. The FLA grew out of a White House initiative (originally inspired by then Secretary of Labor and current *American Prospect* national editor Robert Reich), formed after the Kathie Lee Gifford exposé to forge some consensus between unions, industry, NGOs and the government about trade policy and labor standards. The AFL-CIO, UNITE and The Interfaith Alliance eventually withdrew from the FLA because they could not reach agreement with industry. The non-industry groups felt that the industry representatives wanted too much power in the group, and would only agree to a code of conduct that was too weak.

Given that corporations like Nike, Reebok, Liz Claiborne, and Adidas effectively possessed collective veto power over any modification to the original charter, and that there was no right to organize clause or living wage provision in the original code of conduct, the concerns of labor and The Interfaith Alliance were well founded. Without this critical support, the FLA became an accreditation organization for the apparel industry with a 12-person governing board composed of six industry representatives, five NGO representatives and (later) one university representative.

These developments coincided with the arrival of USAS and college anti-sweatshop campaigns, which quickly pressed for universities to find monitors as a complement to the adoption of codes of conduct. At the time, early in 1999, the only available institution for the universities was the FLA, which was happy to modify its original charter to accommodate a single university representative.

Students protested the weak organization but also realized the need for an alternative. USAS spent 1999 working with UNITE and experts in international labor rights and monitoring to develop the Worker Rights Consortium, which held its founding conference on April 7, 2000. The WRC founding conference established a governing board whose composition reveals the radical difference between the WRC and FLA: Five representatives from the WRC's advisory board of international labor rights experts (including Linda Chavez-Thompson, executive vice president of the AFL-CIO), five representatives from the university caucus, and five student representatives from USAS. The organizations' other differences are essential:

- The WRC's code of conduct contains the highest standards in the industry, including the right to organize and living wage provisions. (The FLA's code was recently modified to accommodate weak versions of those demands.) These codes inform what is investigated; FLA-approved investigators may ignore certain abuses.
- The WRC appoints monitors on site-specific criteria by mixing experts with individuals that have local knowledge and contacts in the community, allowing its investigators to get information that workers might be afraid to report when at work. The FLA allows industry to choose from a variety of approved monitoring groups with weak provisions for community contacts.
- WRC makes its investigations public -- publicity is one of the best ways to change abuses. Moreover, it relies on close ties with activists who will pressure powerful purchasers, like universities, to force licensees to make changes. Alternately, the FLA

sends its reports back to the company, releasing only report summaries. The FLA believes close ties with industry are the only way to make effective changes.

- The WRC emphasizes independent, unannounced monitoring so that managers cannot prepare their factories for inspection. The FLA encourages internal monitoring, allows companies to decide which factories will be inspected by outside monitors, and will assign accreditation after only 30 percent of a company's factories are monitored with provisions that would permit those factories to be inspected only once every 10 years.
- Finally (though the list is longer), the WRC believes in forming quick response teams for third party complaints, as it did in the Kukdong case, whereas the FLA sends third party complaints back to the company, appointing external monitors after an internal process, and only if the affected companies agree.

If the Kukdong case is exemplary at all, the WRC is far better in most every respect. What has been called the WRC's weakness -- its limited scope, investigating only factories producing university apparel -- turns out to be its strength. What the FLA claims is its strength -- industry-wide coverage -- turns out to be its great weakness. While the WRC does not inspect the apparel industry at large, it ends up taking an interest in a much greater portion of the market as a percentage of factories inspected, because university apparel is distributed over many factories in which a lot of non-university apparel is produced. Improvements in these factories, therefore, spread far beyond just the collegiate share of the apparel market. On the other hand, though well-intentioned, the FLA is designed in such a way that it could accredit a company that allows supplier factories to perpetrate many abuses. The FLA attempts to monitor the entire apparel industry, but ends up revealing very little.

### Sweatshops in a Broader Context

The monitoring debate proves how difficult it is to protect workers in the global marketplace. Even after universities and companies have adopted codes of conduct, and the activist and publicity network is in place, getting into the factories and discovering the truth of what happens there is resource and time-intensive. Broadening the WRC monitoring model to the industry at large is extremely difficult without the cooperation of national governments and international trade institutions. Without the assistance of these kinds of actors, the solutions are likely to be either effective but inadequate inspectors -- like the WRC, or sincere but meaningless labels -- like the FLA. Only national governments enforcing strong laws combined with the resources of international institutions and trade negotiations can adequately address the power imbalances that subject global workers to unjust and terrible conditions.

Eventually the point will not only be to find a way to strengthen the collective preferences of consumers for fair apparel production, but to find a way to ensure workers can organize to help themselves. Indeed, another way in which the Kukdong case was exemplary was that the main issue was the right to organize. Workers, after all, know better than consumers and NGOs when conditions are bad and which improvements are most essential. They lack the power on their own, however, to make this knowledge effective. Promoting the right to organize has become one of the main issues for USAS and the WRC in its campaigns, and continues to be one of the fundamental demands unions make during trade negotiations. Indeed, the eventual hope is that unionized labor in poor countries will make activism in rich countries practically obsolete.

### Coordinated Efforts on the International Stage

There are many ways for the poor and weak to lose out as countries continue to open their markets. Even well intentioned anti-sweatshop campaigns could ultimately hurt the poor. For instance, if workers win the right to organize, the ensuing wage increases could price the laborers of that country right out of the market, killing the jobs they value and need. Those concerned about protecting workers need not perceive sweatshops as a necessary evil, however. The various elements of the movement -- students, unions, workers, NGOs -- must work together to avoid poorly designed standards and ensure that well-designed ones are implemented and enforced.

Winning the right to organize and living wage provisions for workers must be joined with efforts to ensure that willing consumers can trust "sweat-free" labels enough to pay the small premiums that fund better conditions for workers. Campus anti-sweatshop campaigns offer a promising wedge, especially if they are joined with nascent union-led municipal campaigns to ensure that city

workers' uniforms are made sweat-free. Eventually these efforts and purposes need to be integrated into carefully designed trade regulations, and incorporated into the missions of existing international institutions. For now, the activism centers on protecting workers in factories producing university licensed apparel. And though broadening the task is daunting, incremental improvements suggest promising changes for the future.