

MONEY & MANAGEMENT

8 Colleges Sign On to Anti-Sweatshop Plan but Worry Over Antitrust Issues

BY AUDREY WILLIAMS JUNE

THE SUCCESS of the latest phase of the college anti-sweatshop movement hinges, in part, on whether colleges can be assured that supporting it will not get them into legal trouble.

At least eight institutions have publicly endorsed the principles behind a proposal that calls for colleges to require that apparel bearing their logos be made only at factories that pay employees a living wage and have legitimate unions. But those colleges have stopped short of backing the proposal to the letter.

At issue is whether doing business with certain factories, while freezing out others that do not comply with the new rules, violates antitrust laws.

United Students Against Sweatshops, a national network of student labor activists that introduced the proposal last fall, is lobbying college administrators to back what is called the "designated-supplier program."

All eight institutions that have signed on—Duke, Georgetown, Indiana, and Santa Clara Universities, Smith College, and the Universities of Connecticut, of Maine at Farmington, and of Wisconsin at Madison—are members of the Worker Rights Consortium, an independent monitoring organization that would oversee the program.

Conversations about the plan's potential conflicts, and exactly how it would work, continue.

"We believe strongly that this is a program with significant merit that reaches our overall goal to eliminate sweatshop labor," said Julie Bell-Elkins, associate dean of students at the University of Connecticut and leader of its anti-sweatshop efforts. "But if we're going to pro-

ceed, . . . we want to make sure that it's just and it's legal."

INTENSE DISCUSSIONS

Under the designated-supplier program, companies licensed to produce college apparel must use factories where workers are treated fairly. The companies would pay more than the industry norm for the goods they buy from those factories, so that the factories could then pay workers a living wage.

Students say sweatshop conditions would begin to disappear if, in return for respecting workers' rights, a designated group of factories received a steady stream of college-apparel business and fair prices for their work.

The Worker Rights Consortium, which comprises 152 member institutions and works closely with such activist groups as United Students Against Sweatshops, would determine which factories the licensees could use. The companies would have to get at least 25 percent of their goods from those factories the first year the program became official. That proportion would go up to 50 percent the next year, and to 75 percent the third year.

After that, according to the proposal, institutions could decide whether to push licensees to have all college apparel produced at such factories.

Scott J. Nova, executive director of the Worker Rights Consortium, said he was not surprised by the intensity of the discussions the proposal has sparked. "It's a very bold proposal," he said. "It has lots of facets. But I'm cautiously optimistic that in the end, the university community will embrace this."

To help smooth the way, the con-

sortium hired a lawyer to review whether the proposal creates antitrust issues for colleges. The review says the designated-supplier program does not "run a significant risk" of violating the law, because colleges do not compete with each other in licensing their logos, or with the licensees and factories that may be excluded from the market.

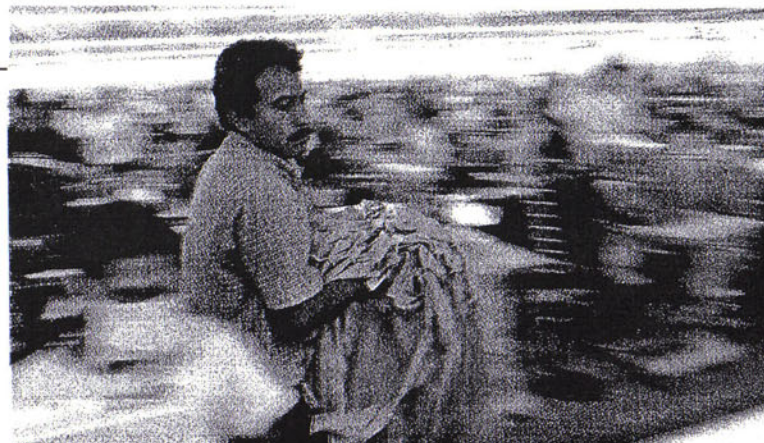
What's more, "colleges do not stand to profit economically" by supporting the program, wrote the lawyer, Donald I. Baker, a former assistant attorney general in the Justice Department's antitrust division and a partner at Baker & Miller, a law firm in Washington.

Even so, antitrust claims could come from factory owners who believe they should have been included among designated suppliers, Mr. Baker wrote. Or claims could be made by licensees whose contracts are terminated for a failure to abide by the terms of the program. The consortium's process of selecting designated suppliers and how it enforces the rules must be as fair and transparent as possible in order to minimize the number of such complaints, the lawyer wrote.

LACK OF CRITICAL MASS

The legal review "provided some comfort, but I don't think I can say that it resolved our concerns about exposure," said LaMarr Billups, special assistant to the chancellor at Wisconsin. "We would probably not be subject to an antitrust claim, but our licensees might be."

In December officials on Wiscon-



AP/WIDE WORLD

A worker carries T-shirts in a clothing factory in Guatemala City. In a proposed "designated-supplier program," companies licensed to produce college apparel would use factories where employees are treated fairly.

sin's flagship campus announced plans to begin an 18-month version of the designated-supplier program this fall. Madison has since found out, however, that many of the companies that make its products have already signed contracts with factories for 2007, which means that it would be impossible to require them to use certain factories so soon, Mr. Billups said.

Wisconsin's program would differ from the student labor group's in that factories need only allow unions, rather than have them in place. And the university is not asking licensees to pay the factories more so workers can earn a living wage. Student labor activists at Madison are upset that the university, which earns \$1.6-million annually from licensing fees, won't adopt the proposal in its entirety and move quickly to put it in place.

"I think students are frustrated with the pace and, as a result, they want to keep up some pressure on the university," said Mr. Billups, referring to a recent Madison protest in which members of the Student Labor Action Coalition marched into the chancellor's office demanding full support of the program. "They really feel like if we don't adopt the designated-supplier program wholeheartedly, no one else will."

Such frustration is likely to build.

Officials of Georgetown University, among other institutions, have yet to discuss the program with their licensees and suppliers. "We understand there are many details that need to be worked out in negotiation with the other stakeholders that are involved," said Douglas B. Shaw, director of policy planning at Georgetown. "Getting universities involved would only be one step."

Alan Marks, director of corporate media relations for Nike Inc., said in a statement that the company continued to focus on improving the working conditions of the people who make its footwear and apparel, including collegiate licensed products. Company officials are discussing the proposal with several colleges and universities, Mr. Marks said, and Nike is "exploring ways in which we can constructively and collaboratively further our shared goals."

Nike is one of 20 apparel companies that are members of the Fair Labor Association, an anti-sweatshop coalition that also includes colleges.

Still, most colleges agree that the designated-supplier program will not work unless several of them, particularly those with large licensing programs, agree on its details and then together call on major apparel companies, like Nike, Adidas, and Reebok, to follow the rules. ■