

# WORKER RIGHTS CONSORTIUM 2015-2016





University Fees	1,209,000	(73%)
-----------------	-----------	-------

Grants/Contributions 260,000 (16%)

Monitoring Income 190,000 (11%)

Total \$1,659,000

# PROJECTED EXPENSE BY CATEGORY FISCAL YEAR 2016



Staff	830,000	(56%)
Field Consultants/Project	ts 337,000	(23%)
Travel	99,000	(7%)
Communications	58,000	(4%)
Overhead	148,000	(10%)
Total	\$1.473.000	

#### WRC U.S. PERSONNEL



Scott Nova Executive Director

Jess Champagne Research Director

Ben Hensler General Counsel

Chelsea Rudman Development Director

Tara Mathur Latin America Coordinator

Laura Gutierrez Bangladesh Coordinator

Lynnette Dunston Office Manager

Agatha Tan Special Projects

#### **WRC FIELD OPERATION**



Jess Champagne (Research Director)

\_\_\_\_

Bent Gehrt (SE Asia) Tara Mathur (Latin America/Caribbean)
Tony Fung (China PRC) Laura Gutierrez (Bangladesh)

Aryane Trew (CA) Ruairi Rhodes (DR/Haiti) Anha Khan (Bangladesh)

Manodeep Guha (India) An Nan (Cambodia) Renu Bobutdee (Thailand)

Mohamad Darisman (Indonesia)

Consultants/Contractors (As Needed)

#### **NEW WRC AFFILIATES**



University of Alabama
Oklahoma State University
West Virginia University
Franklin & Marshall College

University of East Anglia
University of Manchester
University of Winnipeg
Vancouver Island University



# WRC: Our Impact by the Numbers

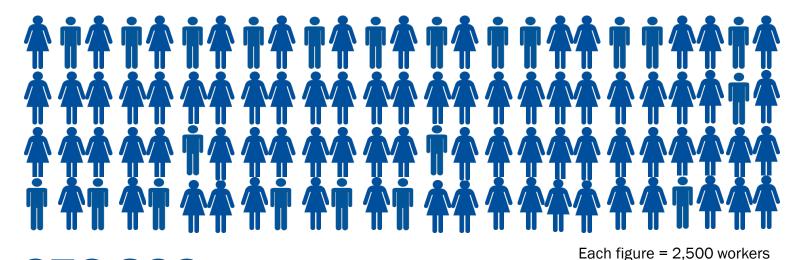
#### **MEASURING OUR IMPACT**



- Total workers helped
- Workers helped for specific violations
- Reinstatements for wrongful terminations
- Monetary benefits (where possible)

#### **TOTAL WORKERS HELPED**





250,600 workers

workers

1,002,400

total people affected, including workers' families

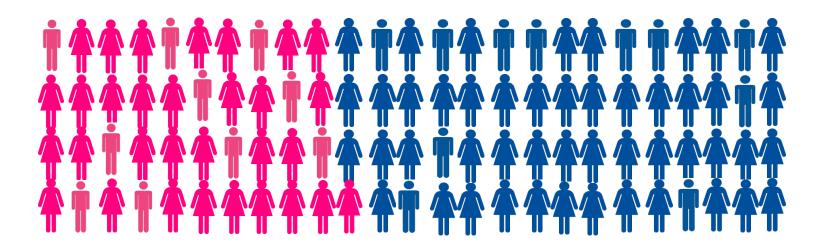
# HEALTH & SAFETY: COMMON VIOLATIONS



- Fire safety violations
- Excessive heat in factories
- Hazardous chemicals
- Inadequate safety equipment

#### **HEALTH & SAFETY: WORKERS HELPED**





103,325

workers now working in safer factories due to the WRC's work

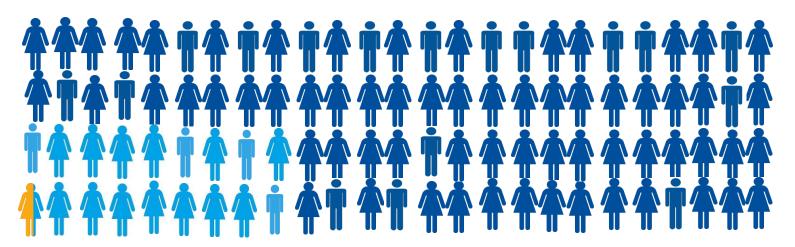
#### **WORKERS REINSTATED**



- Factories fire worker leaders in retaliation for exercising their associational rights
  - Reasons: forming a union, seeking advice from local women's rights or human rights NGOs
- Firings usually illegal

# WORKERS AFFECTED BY REINSTATEMENTS





1,460

workers reinstated after being wrongfully fired **42,500** 

total workers at factories where the WRC got workers reinstated—who now enjoy stronger associational protections

#### **WAGE THEFT**

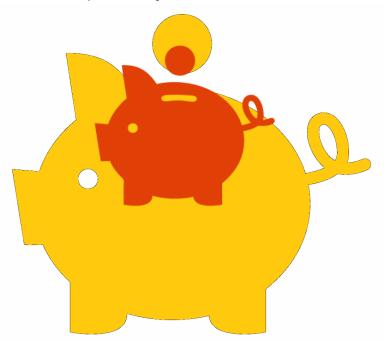
W R C
WORKER RIGHTS
CONSORTIUM

- Off-the-clock work
- Failing to pay workers:
  - Overtime pay
  - Minimum wage
  - Severance pay

#### **HOW MUCH BACK PAY?**

WORKER RIGHTS
CONSORTIUM

In the past 10 years alone:



\$34,158,500

Total back pay the WRC has won for workers whose wages had been stolen from them

\$100,842,000

Purchasing power of that back pay in workers' countries

Note that wage theft cases comprise only 17% of the WRC's case work.

#### AFFILIATE FEES VS. BACK PAY



Average annual affiliate fees for schools by category (FY2016)

A:

B:

C:

•

\$1,500

\$3,699

\$27,335

Average annual back pay won for workers (2006-16, PP)

\$10,084,200

#### **OUR IMPACT IS EVEN GREATER**



#### Additionally:

- "Front pay" calculations
  - Both for wage theft stopped and reinstatements
- Health and life value of ending H&S violations
  - Ending safety risks → health benefits, lower risk of death







## Factory Investigations

2015-16

#### **SOUTHEAST ASIA (1)**



				CONSORTIUM
Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Nan Yang Garment	Thailand	Ahead, Antigua Group, Nike, adidas	Overtime violations, illegal demotion	Partial resolution; some issues outstanding
	Thailand		Failure to pay minimum wage, excessive and mandatory overtime, sexual harassment	Under investigation
Thai Garment Export	Thailand	Cutter & Buck, Peter Milliar	Health and safety	Partial resolution
PT Jaba Garmindo	Indonesia	Haddad Apparel, Jack Wolfskin, S.Oliver, Trutex, Stadium, Uniqlo	Retaliatory termination of union leaders, unpaid severance. Additional allegations: health and safety, overtime violations, illegal termination of pregnant workers	In progress; partial remediation followed by further violations

#### **SOUTHEAST ASIA (2)**



				CONSORTIUM
Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Yupoong Vietnam	Vietnam	Nike, Richardson Sports, adidas, Puma, Columbia	Benefits for pregnant women and new mothers, closure-related legal rights	In progress
Far Eastern Apparel	Vietnam	Nike, Columbia, PVH	Health and safety	In progress
North Shore	Burma	Jack Wolfskin, Salewa	Freedom of association (retaliatory dismissals)	Partially resolved
Horizon Outdoors	Cambodia	VF	Freedom of association (threats and retaliatory dismissals)	In progress
Xin Fang Garment Mfg	Cambodia	E5, Walmart, Carter	Retaliatory termination of unionists, anti-union intimidation/threats, health and safety	In progress
Can Sport Shoes	Cambodia	adidas	Discrimination against pregnant women	In progress

#### **SOUTH ASIA (1): INDIA AND PAKISTAN**



				CONSORTION
Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Maral Overseas Ltd.	India	Charles River Apparel	Unpaid wages, overtime, gender-related violations	Partially resolved
Shahi Exports (3 factories)	India	Columbia	Health and safety	In progress
NJK Apparel	India	Columbia	Health and safety	In progress
Gokaldas Exports Ltd.	India	adidas, Gap, Puma, H&M, Decathlon, Columbia	Retaliatory termination of unionists, anti-union intimidation/threats, health and safety	Partially resolved
Fitwell Corporation	Pakistan	JSW Uniwear, J. America	Unpaid wages, nonpayment of legally required benefits, failure to enroll workers in social security programs	In progress

#### SOUTH ASIA (2): BANGLADESH



				CONSORTIUM
Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Panorama	Bangladesh	Antigua, H&M, Next	Freedom of association (coerced resignations)	In progress
Han Embroidery	Bangladesh	Zephyr Graf-X	Unpaid severance	Remediation plan in progress of implementation
Azim Group (7 factories)	Bangladesh	VF, Li & Fung, PVH, Gap, Walmart	Freedom of association (retaliatory factory closure, retaliatory suspensions, threats), unpaid compensation	In progress

#### CENTRAL AMERICA (1): EL SALVADOR



				CONSORTION
Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Manufacturas del Rio	El Salvador	Russell Brands, Hanesbrands, Lacoste, Levi Strauss/ Hampshire	Unpaid severance	Resolved
F&D	El Salvador	Hanesbrands (supplier for City of Los Angeles)	Anti-union intimidation/threats, health and safety, overtime violations	Violations resolved; ongoing monitoring including ombudsman

Unpaid wages Resolved ΕI College Kids, Salvador Outerstuff MJ Soffe, VF, To Allegation: ΕI In progress Salvador The Game, retaliatory dismissal American

**Style Avenue Apple Tree Threads** 

#### CENTRAL AMERICA (2). HONDLIBAS

adidas, Gear for

Nike, adidas

Sport

Honduras

Star



CEN	IRAL	AMERICA	A (2). HUNDUKA	WORKER RIGHTS CONSORTIUM
Factory Name	Country	Licensee/Brand	Violations	Remediation Status
Industrias de Exportacion (INDEX) (Grupo Beta)	Honduras	Gear for Sports, Adidas, VF, Under Armour, Knights Apparel	Health and safety, unpaid wages, overtime violations, gender-based violations, failure to provide legally required child care, etc.	Most violations resolved; some outstanding
Gildan Villanueva	Honduras	Cotton Gallery, Pro Ad Sports, J America, Gildan	Health and safety, overtime, gender-related violations	Resolved
Jerzees Buena Vista	Honduras	Russell Brands, Pro Ad Sports	No violations; WRC engagement related to factory closure and transfer of employees	On-going monitoring pursuant to 2009 Russell agreement
Manufacturas Villanueva	Honduras	Russell Brands, Pro Ad Sports	No violations; WRC engagement transition to 4x4 schedule and	On-going monitoring pursuant to 2009 Russell agreement

/ista		Pro Ad Sports	related to factory closure and transfer of employees	2009 Russell agreement
Manufacturas /illanueva	Honduras	Russell Brands, Pro Ad Sports	No violations; WRC engagement transition to 4x4 schedule and absorption of JBV workers	On-going monitoring pursuant to 2009 Russell agreement
Genesis	Honduras	Box Seat, SanMar	Health and safety, overtime, gender-related violations	Most violations resolved; some outstanding
Petralex	Honduras	VF, Outerstuff,	Freedom of association (retaliatory	Resolved

to layoffs

termination of union leaders,

members, and family members)

Under investigation: issues related Investigation in progress

#### CADIDDEAN

Palm

Goal

Multiwear

Haiti

Haiti

Haiti

Gildan, New

Gallery

Russell,

Agenda, Cotton

Hanesbrands

Hanesbrands

W R C

Partially remedied; in

No remaining violations

No violations identified

progress

C	AKIBB	WORKER RIGHTS CONSORTIUM		
Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
JoeAnne Dominicana	Dominican Republic	Franklin Sports, Russell Brands, adidas	Allegation: retaliatory termination	No violations identified
Alta Gracia	Dominican Republic	Altagracia Apparel	No significant violations	Resolved
Codevi (multiple factories)	Haiti	Russell Brands, Tailgate, Hanes	Failure to pay minimum wage	Partially remedied; in progress
Premium	Haiti	New Agenda, Cotton Gallery, Gildan	Failure to pay minimum wage	Partially remedied; in progress

factories)				
Premium	Haiti	New Agenda, Cotton Gallery, Gildan	Failure to pay minimum wage	Partially remedied; in progress
SISA	Haiti	New Agenda, Gildan	Failure to pay minimum wage	Partially remedied; in progress

minimum wage

Failure to pay minimum wage

Failure to pay minimum wage;

monitoring issues related to closure

New factory; monitoring transition of

Multiwear workers and payment of

#### **EAST ASIA & AFRICA**



				CONSORTIUM
Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Huaian Yuantong Headwear Mfg Co , Ltd.	China	Nike, New Era Cap, Outdoor Cap	Excessive overtime, alleged retaliatory dismissal	Partially resolved
O-Ta Golf Products (Shenzhen) Co. Ltd.	China	Nike	Health and safety	In progress
Yue Yuen	China	adidas, Nike, ASICS	Failure to make legally required payments to government social insurance funds	Partially resolved
TexRay	Swaziland	VF	Health and Safety	Partial remediation; in progress

# LICENSEES SOURCING FROM INVESTIGATED FACTORIES



adidas

Ahead LLC

Altagracia Apparel

**American Threads** 

Antigua Group

**Box Seat** 

**Charles River Apparel** 

College Kids

Columbia

**Cotton Gallery** 

Cutter & Buck

Dallas Cowboys (289C)

**E**5

Franklin Sports

Gear for Sports

**Haddad Apparel** 

J America

JSW Uniwear

Knights Apparel

Lakeshirts

MJ Soffe

New Agenda

New Era Cap

Nike

**Outdoor Cap** 

Outerstuff

Peter Milliar

Pro Ad Sports

Richardson Sports

**Russell Brands** 

**Tailgate Clothing Company** 

To The Game

**Under Armour** 

**VF** Corporation

Zephyr Graf-X





# Minimum Wage Compliance Haiti

#### UNIVERSITY PRODUCTION IN HAITI



#### **FACTORIES**

Codevi (multiple factories)

**Astro Carton** 

Genesis

**H&H Textiles** 

Industrial Revolution II

Multiwear

Palm Apparel

**Premium Apparel** 

Sewing International, SA

Valdor Haiti

#### LICENSEES AND SUPPLY CHAIN PARTNERS

Ad Resources

Boxercraft (Jones & MItchell)

**Cotton Gallery** 

Gildan

Hanesbrands

**Knights Apparel** 

MJ Soffe

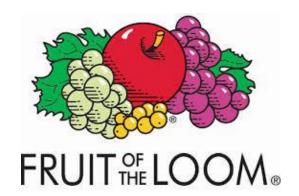
**Russell Brands** 

**Tailgate** 

#### **KEY BUYERS**















#### **Video Presentation**





### Han Embroidery Ltd.

Bangladesh

#### **BACKGROUND**



- Closed on October 24,
   2015 without paying
   workers \$72,157 of legally
   owed severance pay
- Employed 168 workers
- Decorated collegiate goods as a subcontractor to Han Apparel Ltd, a direct supplier to Zephyr Graph-X



#### **FAILURE TO PAY:**



- 1. Severance pay (one month of wages per each year of service)
- 2. Notice pay (one additional month of wages in in lieu of notice)





#### **BRAND RESPONSE**

### WORKER RIGHTS CONSORTIUM









### **DISBURSEMENT**



WORKER RIGHTS CONSORTIUM













### Medical Care in Collegiate Factories

Bangalore, India

### Jul. 2014 – Aug. 2015 WRC Investigates Death of Child in Factory's Care



- July 2014 2 year old son of worker dies in care of onsite nursery at factory of Gokaldas Exports, largest Indian garment manufacturer, then a supplier to adidas.
- WRC investigation finds legal violations unqualified caregivers, lack of required emergency equipment.
- Factory provided inadequate compensation (US\$2,400 = 2 yrs. wages).
- After WRC contacts factory, buyers, recommends corrective action, additional compensation, FLA investigation also finds violations.
- Factory corrects violations; agrees to pay \$11,000 additional compensation (9 years wages).

# 2015–16: WRC Assesses Compliance at Collegiate Supplier Factories in Bangalore



- Investigation of legal compliance of onsite childcare and emergency medical care at 4 factories in Bangalore -Columbia Sportswear.
- WRC conducts offsite interviews of workers from 2 of 4 factories; requests Columbia arrange access to all factories.
- After onsite inspections at all 4 factories, WRC investigation reaches preliminary findings:
  - Compliance concerning childcare facilities at 2 of 4 factories;
  - Noncompliance concerning emergency medical facilities at 3 of 4 facilities.
- Columbia is currently reviewing WRC preliminary findings and preparing response.



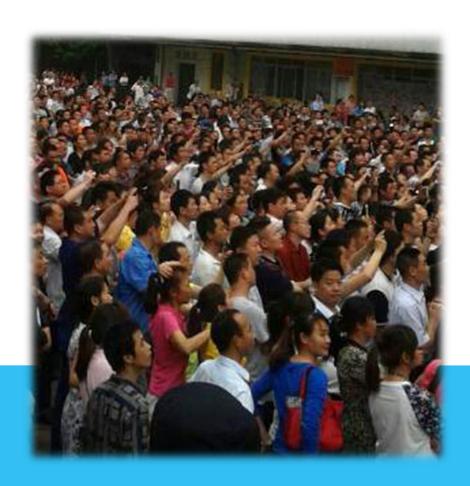


### Crackdown in China

#### CONTEXT

WRC
WORKER RIGHTS
CONSORTIUM

- •Significant increase in strikes in South China
- No independent unions allowed – only unions under
- •ACFTU, which do not generally effectively represent workers in disputes
- More than 30 grassroots
   labor NGOs in Pearl River Delta region of Guangdong



#### **DECEMBER CRACKDOWN**

WORKER RIGHTS
CONSORTIUM

- Surprise raids at NGO offices and homes
- At least 21 individuals detained for questioning
- Targets included
   Panyu Workers'
   Center and
   Nanfeiyan Social
   Work Service Center



#### **ARRESTS AND CRIMINAL CHARGES**



- Six labor rights advocates arrested
- Two activists released but expelled from Guangdong
- Four face criminal charges, 3 for "gathering a crowd to disturb social order," 1 for "misappropriation of occupational funds"
- Two released on bail
- Two remain in detention



#### FREEDOM OF ASSOCIATION



- Arrests deprive workers throughout Guangdong of the assistance of these groups in securing legal rights.
- CLC Special Agreement on Labor Codes of Conduct: "In countries where law or practice conflicts with these workplace standards, Licensee agrees to ... take effective actions ... to achieve the maximum possible compliance with each of these standards."

#### LICENSEE ENGAGEMENT



#### WRC contacted four major university licensees:

- adidas
- Nike
- VF (owner of Jansport and Majestic)
- Hanesbrands (owner of GFSI and Knights)

#### Recommendations

- Express concern about the current repression of labor rights advocates, in writing, to the Chinese government
- Request the immediate end of the detention, and the dismissal of all charges against, the labor rights advocates

#### LICENSEE RESPONSES



VF: Agreed to write to Chinese government

Hanesbrands and

Adidas: Signed FLA

brands letter to U.S.

government

Nike: No response







## Alta Gracia

Dominican Republic

### **ALTA GRACIA (DOMINICAN REPUBLIC)**



- Living wage
- Continued compliance with local law and university codes of conduct
- Transition to an independent company



#### LIVING WAGE AT ALTA GRACIA



- More than three times the Dominican minimum wage
- Results in better nutrition, improvement of homes, and educational opportunities



### MENTAL HEALTH RESEARCH



#### WORKER RIGHTS CONSORTIUM

- Depression and anxiety common among low-wage workers
- Study shows positive health effects of living wage
- Workers who do not earn living wage two times as likely to demonstrate signs of depression

Downloaded from http://bmjopen.bmj.com/ on April 29, 2016 - Published by group.bmj.com/ Open Access

Research

BMJ Open Impact of a private sector living wage intervention on depressive symptoms among apparel workers in the Dominican Republic: a quasi-experimental study

> Katharine B Burmaster, <sup>1</sup> John C Landefeld, <sup>1</sup> David H Rehkopf, <sup>2</sup> Maureen Lahiff, <sup>3</sup> Karen Sokal-Gutierrez, <sup>1</sup> Sarah Adler-Milstein, <sup>4</sup> Lia C H Fernald<sup>3</sup>

To cite: Burmaster KB Landefeld JC, Rehkopf DH. et al. impact of a private sector living wage intervention on depressive symptoms among apparel workers in the Dominican Republic: a quasi-experimental study. BMJ Open 2015;5::e007336. doi:10.1136/bmjopen-2014-

 Prepublication history for this paper is available online. To view these files please visit the journal online (http://dx.doi.org/10.1136/ bmjopen-2014-007336).

Received 1 December 2014 Accepted 14 May 2015

ABSTRACT

Objectives: Poverty reduction interventions through cash transfers and microcredit have had mixed effects on mental health. In this quasi-experimental study, we evaluate the effect of a living wage intervention on depressive symptoms of apparel factory workers in the

Setting: Two apparel factories in the Dominican

Participants: The final sample consisted of 204 hourly wage workers from the intervention (99) and comparison (105) factories,

Interventions: In 2010, an apparel factory began a living wage intervention including a 350% wage increase and significant workplace improvements. The wage increase was plausibly exogenous because workers were not aware of the living wage when applying for jobs and expected to be paid the usual minimum wage. These individuals were compared with workers at a similar local factory paying minimum wage, 15-16 months postintervention.

Primary outcome measures: Workers' depressive symptoms were assessed using the Center for Epidemiologic Studies-Depression Scale (CES-D) Ordinary least squares and Poisson regressions were used to evaluate treatment effect of the intervention, adjusted for covariates

Results: Intervention factory workers had fewer depressive symptoms than comparison factory workers (unadjusted mean CES-D scores: 10.6±9.3 vs 14.7±11.6, p=0.007). These results were sustained when controlling for covariates (β=-5.4, 95% C! -8.5 to -2.3, p=0.001). In adjusted analyses using the standard CES-D clinical cut-off of 16, workers at the intervention factory had a 47% reduced risk of clinically significant levels of depressive symptoms compared with workers at the comparison factory (23% vs 40%).

Conclusions: Policymakers have long grappled with how best to improve mental health among populations in low-income and middle-income countries. We find that providing a living wage and workplace improvements to improve income and well-being in a disadvantaged

#### Strengths and limitations of this study

- To the best of our knowledge, this study is the first to assess the impact of a living wage programme on workers' mental health in the developing world.
- This living wage programme is unique because it provides a much larger income shock (350% wage increase) than other income interventions (typically <140%) as well as significant workplace improvements.
- Although not randomly assigned due to ethical and logistical constraints, workers at the intervention factory were hired with no knowledge of the living wage intervention and we statistically controlled for all covariates in adjusted analyses.
- Workers earning a living wage for 15-16 months had significantly lower levels of depression symptoms compared with workers at a factory paying minimum wage.
- Our results suggest that earning a living wage in a positive work environment may have a profoundly positive effect on mental health; however, data were cross sectional so causality cannot be shown.

population is associated with reduced depressive



For numbered affiliations see end of article.

Correspondence to Katharine Burmaster: Katharine Burmaster@ucsf.

#### INTRODUCTION

Depression is a common illness worldwide and an especially important global public health issue. The lifetime prevalence of depression is estimated at 12%, with even higher rates among patients with chronic medical illnesses. Depressive disorders cause significant disability and are a leading cause of the global burden of disease,

## ONGOING MONITORING AND REPORTING



- WRC visits factory every week
- Report issued January 2016







## Russell Athletic / Fruit of the Loom Honduras

## ONGOING MONITORING AT RUSSELL AND FOTL FACTORIES IN HONDURAS



- Continued compliance with 2009 agreement
- Respect for freedom of association at all Honduras facilities
- Unions at four factories
- Important progress in the relationship between the company and union



#### **CONSOLIDATION OF TWO FACTORIES**



- One factory is closing and operations at a second factory are expanding.
- Union & management successfully negotiated the terms of the transition.

 Workers affected by the transition will receive additional compensation to that required by law.

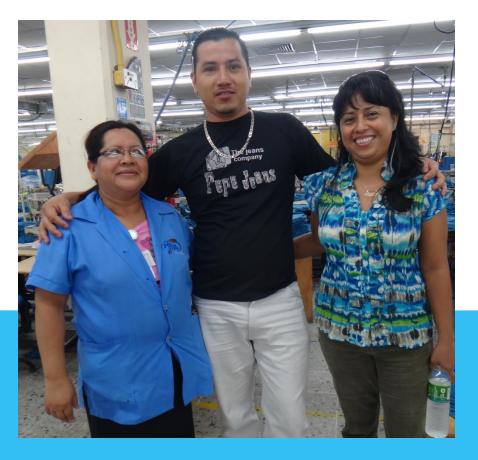


#### **ONGOING MONITORING**



- WRC will continue to monitor compliance.
- Union and management relationship is

unprecedented in the international garment industry.





# Monitoring for the City of Los Angeles

## MONITORING FOR CITY OF LOS ANGELES

W R C
WORKER RIGHTS
CONSORTIUM

- Sweat Free Ordinance
- Crossover with monitoring for universities: Genesis Apparel and Gildan Villanueva

 City of Los Angeles may join the Sweat Free Purchasing Consortium





# Labor Rights Defenders Program with ABA Center for Human Rights

### SUB-GRANT FROM U.S. STATE DEPARTMENT AND ABA CENTER FOR HUMAN RIGHTS



- Builds on joint ABA-WRC training with labor rights advocates in Phnom Cambodia in Mar. 2015.
- Program is focused on violations against garment worker advocates in Cambodia and Burma.

