

2010

Workshop  
Notes



**[NATIONAL  
SWEATFREE  
SUMMIT 2010]**

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Over November 5-7, 2010, SweatFree Communities held the National SweatFree Summit 2010 in Olympia, Washington, bringing together leaders of sweatfree campaigns, representatives of allied organizations, international participants, and local community members, including youth, from Olympia. The conference was hosted by Sweatfree Northwest, SweatFree Communities' regional affiliate. These notes intend to capture the major content from most of the sessions.

SweatFree Communities, a program of the International Labor Rights Forum, coordinates a national network of grassroots campaigns that promote humane working conditions in apparel and other labor-intensive global industries. Sweatfree campaigns build broad community support for sweatshop-free government purchasing and help to build a market for decent working conditions.

[www.sweatfree.org](http://www.sweatfree.org)

## **Sweatshops, Government Purchasing, and Washington State**

*Briefing on city and state efforts to end sweatshops in the apparel industry*

### Panel

- **Rebecca Johnson**, Government Affairs Director, Washington State Labor Council
- **Bjorn Claeson**, Director, SweatFree Communities & Interim Coordinator, Sweatfree Purchasing Consortium
- **Nancy Locke**, Purchasing Director, City of Seattle
- **Rep. Steve Conway**, Washington State Legislature (29<sup>th</sup> District), Chair of Commerce and Labor Committee

### **Bjorn Claeson:**

- The Sweatfree Purchasing Consortium ([www.buysweatfree.org](http://www.buysweatfree.org)) enables members to pool their resources to collectively enforce sweatfree purchasing requirements. Members receive access to a shared supply chain database and consulting on best practices in sweatfree procurement. The City of Seattle is the newest member of the Consortium. The City of Olympia, the State of Washington, and other entities are invited to join.
- SweatFree Communities' new report (published November 1, 2010), *Enemies of the Nation or Human Rights Defenders? Fighting Poverty Wages in Bangladesh* is available at <http://www.sweatfree.org/bcws>. The report investigates recent repression against the Bangladesh Center for Worker Solidarity. Bangladesh is one of largest exporters of apparel to the United States. The country's 3.4 million garment workers produce 80% of the country's exports. Typical working conditions include:
  - Poverty wages (only US\$43 per month as of Nov 1st)
  - Verbal and physical abuse
  - Poor health and safety conditions – hundreds have died in recent years due to buildings catching on fire and collapsing while workers are locked inside
  - The labor law providing for freedom of association is not enforced
- Why is the sweatfree purchasing important?
  - It's a moral, humanitarian, and human rights issue
  - Government purchasing can have a profound economic impact on conditions in the supply chain
  - Government has a responsibility to taxpayers and citizens in our communities
  - When purchasing is blind to working conditions, it provides advantages to unscrupulous businesses
- The Sweatfree Purchasing Consortium:

- Creates a bigger, controlled market share for decent working conditions through ensuring that no taxpayer dollars go to sweatshop companies
- Allows members the ability to pool resources and knowledge to create an investigatory capacity that benefits from shared intelligence
- Includes eight cities and four states (representing more than 40 million people and \$50-60 million in annual purchasing of apparel) as members
- May later include allies such as incorporated non-governmental organizations as members
- Consists of a leadership of labor rights experts and state/city citizen representatives
- Is developing an online supply chain database to link factories, vendors and buyers. It will:
  - Provide tools for buyers to manage a sweatfree-compliant procurement process
  - Ensure that vendors have equal access to information on the products that they are trying to sell (to give sweatfree vendors a fighting chance to submit a competitive bid)
  - Allow workers to file a complaint, bring labor rights violations to the Consortium's attention
  - Include a U.S.-based factory monitoring organization as well as abroad monitoring organizations, and there are also possibilities for partnership with the Department of Labor (DOL) for investigations if violations are in U.S. factories
  - Be a clearinghouse for information sharing, consultation, expertise, policy development, best practices for monitoring and investigation, etc.

### **Nancy Locke, Purchasing Director, City of Seattle**

- Overview of Seattle's sweatfree purchasing policy:
  - Adopted on June 28, 2010
  - Consistent with Seattle's ongoing commitment to social responsibility
  - The City Council's first step was a statement of legislative intent
  - Applies only to textiles and uniforms over a certain threshold
  - If a bidder is either found as compliant or not, similar to the sweatfree policies in Los Angeles or Portland. This contrasts with San Francisco's policy which will give preference to the 'most compliant' bidder.
  - Requires disclosure of manufacturing facility names and addresses at the point of production and assembly
  - Anticipates exemptions may be necessary if no one can provide the product they need or if it's an emergency purpose
  - Enforcement provisions include the right to pursue a dispute resolution process, to apply liquidated damages, to impose third party audits, or to terminate the contract
  - Considers the policy to be "aspirational, pragmatic... we, like other cities, are learning" – the policy is a model for where Seattle should be in the future, and will hopefully also be a model for other cities

- The policy was purposefully constructed *not* to be an ordinance to allow for more flexibility and learning early on. The city has not yet done a contract under the policy, and expects that changes will need to be made; a *policy* can be changed to reflect the learning process. Once the policy is perfected, it can then be accepted as an ordinance and locked into law.
- Seattle *does not* have cost preferences. A cost preference would mean that when a vendor enters a bid, a city can give it a cost preference so that it becomes the number one bidder. Seattle isn't convinced of cost preference's necessity.
- Recommendations for enacting a sweatfree policy:
  - Involve community participation
  - Use a statement of legislative intent for a "reasonable, thoughtful policy"
  - The drafter should be familiar with legislative language and have experience writing policy
  - Meet separately with manufacturers and community organizations
  - Use entities with preexisting sweatfree policies as resources

**Rep. Steve Conway, Washington State Legislature (29th District), Chair of Commerce and Labor Committee**

- Rep. Conway represents the South Tacoma area as a union negotiator, and has represented garment workers. He has served as president of National Labor Caucus of State Legislatures and as chair of the National Conference of State Legislatures' Labor and Economic Development Committee, and has held a workshop on sweatfree issues. He has toured textile factories in Cambodia.
- Rep. Conway held a hearing on sweatfree procurement last year, but decided not to proceed on the state level at that time due to the severity of the recession, although the movement continued on the city level in Seattle. Now it's time to get the state on board: "Legislative bodies tend to be motivated by dollars now, but I think they recognize the moral value of this issue." A model code of conduct and model legislation will be useful. A joint resolution approach between the State House and Senate could pressure the governor to act. Uniformed employees could be great allies as many of them appreciate and understand the need for a fair wage and decent working conditions.

**Key Points from the Question & Answer Period**

- Supply chain transparency is paramount. Disclosure of factory locations should be a top requirement on vendors, and the foundation of a sweatfree purchasing process. Otherwise investigation of working conditions is not possible. However, it is a new way of doing business, and will require some time to take root.
- In some cities activists wish to modify the ordinance to have a lower threshold so that more of the cities' apparel procurement is covered.

- Most sweatfree policies apply only to textiles and apparel, but could consider expanding one product area at a time so that later food commodities and electronics are covered, especially once policy implementation for textiles and apparel is delivering results.
- Membership recruitment by Consortium members, including direct outreach and utilizing conference venues, will be helpful.
- The intention is for “lowest responsible bidder” to require responsibility for Code of Conduct compliance in supply chains.

## **Plenary: Highlights & Lessons from Around the Country**

*Presenters: Kristen Beifus, Washington Fair Trade Campaign (on winning in a major city); Wes Brain, Southern Oregon Jobs with Justice (on campaigning in a small town), Bernadette Madden, SweatFree Ohio (on state-wide organizing), Elizabeth Swager, SweatFree Northwest (on regional coordination)*

### **Speakers: Challenges and Strategies on the Road to Sweatfree Victories**

*Kristen Beifus, Seattle, WA*

- Allies that were key to the passage of the sweatfree policy in Seattle were: South Sound Clean Clothes Campaign, students at University of Washington, King County Labor Council, Washington Fair Trade Coalition, members of City Council and city purchasing staff
- Reaching out to educate and build relationships with city council members, their staff, and city purchasing agents was important
- Discussed the options of resolution, ordinance, or policy with the staff, who thought that the best option would be to create a statement of legislative intent
- Having a synergy between the purchasing officials and the policy helped
- Throughout the process, SweatFree Communities staff provided input on ideas and draft documents
- It was helpful to have separate meetings with purchasing officials and activists

*Wes Brain, Ashland, OR*

- It helped to build off the successful policy passage in Portland
- Southern Oregon Jobs with Justice led the campaign in Ashland, and involved local peace groups and labor organizations – recommends involving people experienced campaigners who can make the introductions to the right people
- Attending the SweatFree Summit in Philadelphia provide information and new connections that aided in campaign
- Used the Jobs with Justice pledge to encourage folks to get involved. The pledge reads: “During the next year, I will be there at least five times for someone else's fight, as well as my own. If enough of us are there, we'll all start winning.”
- It helps to make the goal seem easy and winnable, to provide examples of how other local efforts have been successful, and to show all the support that the movement has
- Gaining coverage in the local media about the exhibit of the Presente garment worker paintings helped the campaign

*Bernadette Madden, State-level Organizing Ohio*

- Supporters of the state-level campaign include church congregations, labor unions, Jobs with Justice, student groups, Ohio Conference on Fair Trade, the InterReligious Taskforce on Central America, among other endorsers. A challenge in coordinating the endorsers is that the organizations have many other competing issues on their agendas.
- It helps to have committee members familiar with legislative language
- The campaign has been building off policies passed in cities and counties in the state, while encouraging those entities to join the Sweatfree Purchasing Consortium

*Elizabeth Swager, SweatFree Northwest*

- The goal of regional coordination has been to strengthen efforts in separate cities. It has supported sweatfree policy victories in Olympia, Seattle, Portland, and Ashland, and is leading to new activism in Oregon City, Salem, and in Eugene. Benefits of regional coordination have included:
  - Sharing experiences, energy, resources, planning and strategizing together
  - Mutual support
  - Monthly conference calls to share progress, maintain momentum, keep energy levels up, and plan for the future
  - Getting help on local campaigns – for example when phone calls to politicians are needed
  - Coordinating regional events like “Made in L.A.” film screenings and directors’ tour and sweatfree art shows to build visibility and cultural appeal
  - Putting purchasing officials in touch with their colleagues in other cities who are familiar with and supportive of sweatfree policy

**Group sharing: organizing tips**

- Build personal connections to garment workers
- Keep a dogged determination; get the leadership to buy in and champion your cause
- Dedicate time and effort to developing good relationships with people who have decision-making power
- Keep the pressure on and stay in communication with those in power
- Learn from other people’s mistakes

- Develop alliances with kindred movements (labor, fair trade, fair food); commit to solidarity and collective action
- Share positive examples from cities who made it work; use clear models and learn how to fix mistakes from previous successes
- Collaborate with environmental groups and immigration groups, and look for common themes
- Demonstrate that there is enormous public support for no tax money for sweatshops
- Create demand with consumer visibility, especially through using social media
- Create a spreadsheet of friends and colleagues and gently move them through your plan
- Educate political candidates by posing questions about the sweatfree movement at forums
- A personal story is a great way to maintain interest
- Identify organizations with political influence and pursue communications; be open to creativity
- Build strategic coalitions
- Work with suppliers and bidders, and work to educate them
- Repetition, repetition, repetition
- Regional collaboration can strengthen the movement
- Build a movement of activists, unions, and related parties
- Face-to-face communication can work miracles
- Direct action techniques and public humiliation can be effective
- Educate, inform and involve the local people who work on labor issues

## **Strategy Session: Strengthening the Movement**

*Facilitator: Bjorn Claeson, SweatFree Communities*

**Focus of this session:** Our goal is to bring more public entities into the Sweatfree Purchasing Consortium because it is key to the enforcement of sweatfree policies.

### **The Role of the Sweatfree Purchasing Consortium**

- It stems from the desire to put teeth into sweatfree purchasing laws. A number of places have had these laws on the books for years, but without investigatory capacity. We need to coordinate and pool together resources in order to create better monitoring capacity.

### **Connecting the Consumer to the SweatFree Movement**

- We can move people incrementally towards understanding the need for sweatfree procurement by making the benefits simple and obvious. The government buys clothes with your tax dollars.
- By telling stories we can connect consumers to workers, and help them relate.
- Focusing on the positive is important.
- Tie into local issues.
- Look at what people are already organizing on, and connect to that – ex. fair labor contracting clauses in building trades.

### **Linking to Other Movements**

- Working on food would enable connecting to school districts, parents, and US-based worker organizing.
- Witness for Peace effectively links migration, trade policy, and sweatshops.

### **Building the Movement**

- Consider opportunities for media coverage.
- Increase outreach efforts to elected officials -- check with staffers about what method of communication most utilized by their representative.

## **Fair Trade Standards and Certification**

*Presenters and facilitators: Andrew Kang Bartlett, Presbyterian Hunger Program (PCUSA); Trina Tocco, International Labor Rights Forum*

### **Overview: Fair Trade Certification of Apparel**

- There is inconsistency in the use of the “fair trade” label – it can refer to the level of raw material or to the assembly process. It can refer to a certification or be self-proclaimed.
- Fair Trade USA (until recently TransFair USA) has now certified three factories as fair trade during their pilot project.
  - Fair Trade USA is part of a broader movement that born six years ago as FLO: Fair Trade Labeling Organizations (FLO), whose goal is to establish worldwide standards and certification processes.
    - FLO International sets Fair Trade standards and provides business support to producers. (Currently it has five pilot projects – each around two years long – to test components of the implementation of a Fair Trade label for apparel.
    - FLO-CERT inspects and certifies producer organizations, audits traders, and coordinates implementation.
  - The Fair Trade USA pilot was supposed to test out a living wage for workers, even though it’s not legally required in the producing countries. However, the pilot standard is not requiring a living wage.
  - Goal of the pilot is to implement techniques more broadly, and internationally, if the project is successful at the pilot level.
- It is important for a standard-setting body and auditors to be separate.

### **Key Points from the Discussion**

- FLO does not address intermediary levels. It is only applied to raw material or cut-and-sew levels so in soccer balls, for example, stitching centers that pay piece rate are not included, and disclosure of such subcontractors is not required.
- Fair for Life is FLO’s emerging competitor
- Fair Trade USA certification lacks:
  - Standards for buyers
  - A living wages requirement
    - The minimum wage is required, and an additional percentage of between 1-10%, based on a market basket formula, is paid to the factory depending on how close they are to a living wage.
    - Many organizations are not supporting the standard due to the lack of a living wage requirement.
  - A requirement for an independent, democratic union
    - The standard requires a worker-management joint committee, which presents a concern due to the involvement of management which puts workers on unequal footing. It is the committee’s role to decide for the

factory how the Fair Trade premium will be distributed workers (ex. either as wages, benefits, or community projects), but anti-sweatshop groups remain concerned that factory management may not approve of having financial decisions made by this entity.

- Anti-sweatshop groups believe that for a factory to be labeled Fair Trade there must be a union, or at least an environment that embraces democratic decision making.
  - If there isn't a union, how do workers learn their rights?
    - A sufficiently strong fair pricing requirement
    - A volume requirement for orders, making it possible for a factory to be “fair trade” just one day a year
    - A child labor prohibition for above 15 years old
- Engagement by anti-sweatshop groups and others did lead to Fair Trade USA making some improvements in the initially proposed standards:
  - Changed environmental management and women's rights from being a “minor” to a “major” requirement

### Lessons & Looking Ahead

- Buyers must be organized so that their economic power can have an actual effect on their supplier factories.
- Consumers need to be educated about Fair Trade labels.
- We need to have consistent standards and language, and to be ready with responses to questions about the implications of our principles.
- From the success story of Alta Gracia we learn that it is important for the union to exist before the factory starts production so that workers can participate in decision-making before contracts come in. There can be no continual progress without the presence of a union and collective bargaining.

### What is our stance as a movement toward FLO and Fair Trade USA? What is our strategy to get them to improve their standards? Or, are we choosing to write them off?

- They are opening up the market for debate. Engaging the public is an important part of the process. More opportunities for public dialogue and engagement are good.
- This is still a pilot program; however, it is hard to communicate that fact to consumers on a label. There is worry that it may result in the creation of a gold standard that is too low.
- It's up to us to educate ourselves and each other, and to create and support an alternative.
- See [www.sweatfree.org/fairtrade](http://www.sweatfree.org/fairtrade) and [www.sweatfree.org/shopping](http://www.sweatfree.org/shopping) for further thoughts by SweatFree Communities and ILRF on the criteria for fairness in apparel production and analysis of the Fair Trade USA pilot.

## **Workshop: Understanding Government Procurement**

*Presenter: Christine Moody, Director of Purchasing, City of Portland, Oregon & Board Secretary, SweatFree Purchasing Consortium*

Use this link to access the slideshow presentation for this session: <http://3bl.me/5ztk6w>

The main rule in government purchasing is that all public contracts shall be based on competitive bids unless otherwise stated.

### **Overview of the Procurement Process:**

1. Check budget.
2. Fully describe the item.
3. Review your sources. Ask: Who is local? Who is national?
4. There are three types of bid processes:
  - a. Small bids are \$5,000 and under. There is no competition process and the city can seek out a vendor directly, and will typically look for local vendors first but will go out of state if there isn't one.
  - b. Informal bids are from \$5,000 to \$150,000 and they require at least three bidders. Purchasers will look first for local vendors.
  - c. Formal bids are anything over \$150,000. The purchaser is not allowed to direct or restrict any search due to inter-state commerce laws, and must announce the bid publicly and allow anyone qualified to bid. Tends to be a very competitive process.
5. Use a competition/quote process.
6. Prepare the contract/memo.
7. Receive the goods.
8. Invoice and pay the company.

### **Portland's Bid Process Under the Sweatfree Ordinance:**

- The Request For Proposal (RFP) competitive process is based on best value, not just lowest price, and determined by a points system. The highest scorer gets the contract.
- Portland's sweatshop-free policy applies to uniforms and clothing contracts over the formal threshold (>\$150,000).
- Certain city employees receive procurement cards with which they can purchase from the city's contracted vendors. If the total amount that will be purchased from city employees cumulatively over the year is more than \$150,000 then the sweatfree policy applies.
- The sweatfree policy requires bidders to incorporate the city's Code of Conduct, and it commits the city to utilizing best practices by establishing an oversight committee. There is also a public complaint process.
- The sweatfree policy only applies to the factories where goods under contract are made, and only for the production of those goods.

- If the vendor receiving the award is not already in compliance, they can complete a “Delayed Compliance Request” form. This allows the city to procure a necessary product in a timely manner.

### Ensuring Compliance

- Without investigatory work by the Sweatfree Purchasing Consortium, the only method of verifying compliance is to ask the companies directly whether they comply and request full disclosure. The city is in the process of educating companies which had contracts when the sweatfree policy was enacted.
- *Full compliance* is considered to be met when the vendor fully completes the form, signs the affidavit, provides documentation, and provides information on how compliance is verified and maintained. The last piece has been a stumbling block because it seems difficult to do, and it is the area where the Consortium’s work could come in. *Delayed compliance* refers to when the company submits a remediation plan, within a time restraint, for achieving compliance. The plan is reviewed by the purchasing officer and the Sweatfree Purchasing Oversight Committee for approval. It is difficult to judge which bid is more honest regarding its compliance level.

More information is available at the City of Portland’s sweatfree webpage:  
[www.portlandonline.com/omf/index/cfm?c=503428](http://www.portlandonline.com/omf/index/cfm?c=503428)

## Workshop: Where Am I Wearing?

*Kelsey Timmerman is the author of Where Am I Wearing? (<http://kelseytimmerman.com/>).*

- Kelsey decided to investigate where his favorite clothes were made, traveling to several countries.
- In Bangladesh he learned that workers were making only \$24 a month, and that the garment industry primarily employs women, which helps families more since women reinvest more in their families than men. Workers now say that the recent wage increase doesn't make a real difference. The production lines are long – for example, it takes 85 workers to make a pair of jeans, and pants that take more modifications will require even more workers.
- In Cambodia he learned that the average worker supports six or seven people. People less fortunate than those who have sweatshop jobs survive by scavenging through the dump, collecting recyclables.
- Many workers who migrate (either within their country or abroad) send remittances back to their families.
- In China, he visited a Decker's factory. The Better World Shopping Guide gives Decker's an A on an A-F scale and ranks it as one of the best shoe companies. However, Kelsey found that employees at the factory worked seven days a week, 100 hours a week.
- What if the garment industry could be part of the solution? The new Alta Gracia factory in the Dominican Republic pays workers three times what they would earn at any other garment factory.

## **Plenary: Voices from the Grassroots: Worker Organizing, Corporate Campaigning, and Sweatfree Policy**

*Reynaldo Corporan Donastorg, Secretary of Education, FEDOTRAZONAS, Dominican Republic & Trina Tocco, International Labor Rights Forum*

### **Trina Tocco:**

As of earlier this year, SweatFree Communities is now a campaign of the International Labor Rights Forum (ILRF), which is based in Washington, DC. This collaboration enables inter-organizational coordination and the pooling of resources. ILRF frames its work in four main areas: macro trade policy, systemic change for corporate accountability, child and forced labor, and women's rights. ILRF's history is based in taking action in solidarity with trade unions around the world.

### **Reynaldo Corporan:**

#### *BJ&B*

In 2001 Reynaldo Corporan started working at BJ&B factory in the Dominican Republic, where he produced hats for major brands like Adidas, Nike and Reebok, under license for universities across the United States. The factory was located in a community of only 4,000-6,000 people, and thus it was a major employer in the community. It provided an opportunity for women to have employment since the only other major employer, the cane sugar industry, employed mostly men.

In 2001 the workers attempted to unionize, but the factory fired the supporters. FEDOTRAZONAS filed a complaint with the Dominican government, and as a result the fired union supporters were successfully reinstated at the factory. Factory management responded by saying that they would shut down the factory in response to another collective action. They also gave the reinstated workers the worst task: trash collection.

An international solidarity campaign, led by United Students Against Sweatshops, asked Nike, Adidas and Reebok – the major buyers at the factory – to intervene. A representative of Reebok's Human Resources Department visited factory and confirmed that the unionized workers were being humiliated by being forced to collect trash. Nike sent a letter to the factory emphasizing that Nike's Code of Conduct should be respected. The union's next small victory was that its supporters were moved from trash collection to making garments again, albeit to one of the most difficult jobs.

The factory management conducted an intimidation campaign. Management followed workers outside of the factory to monitor who they talked to. Workers were fired just for speaking to others who were part of the union campaign.

Workers organized through a clandestine process that took about nine months. A majority of the 1,800 workers at the factory (about 1000 workers) affiliated with the union without the management's knowledge. In 2002, once the management officially recognized the union, the next step was collective bargaining. The resulting contract was one of the strongest that the Dominican Republic had seen in many years.

However, in 2005, upon the expiration of the Multi-Fiber Arrangement textile and apparel quotas, garment industry work increasingly moved from the Dominican Republic to countries like Bangladesh. Nike, Adidas and other brands kept sending less work to BJ&B, and the factory gradually laid off employees until it closed in 2007. Following the closing, through organizing, the union secured severance pay amounting to the equivalent of three months of wages for the fired workers, and were able to obtain additional pay for workers who were pregnant at the time. In addition, Nike granted a small fund to pay for training for the laid off workers.

### *Alta Gracia*

The union considered whether it would be possible to partner with a company to open a new factory that would employ the laid-off workers. During 2008 to 2009, FEDOTRAZONAS and the Worker Rights Consortium conducted research into what a just wage in the Dominican Republic would amount to. The research included interviews with former union leaders and workers. In 2009 steps were taken to open a new factory with the company Knights Apparel, the largest collegiate apparel licensee. Workers were able to participate in discussions about wages from the get-go, setting a new model that other factories could follow.

In 2010, the dream became a reality. The new factory, named Alta Gracia, after the village where it is located, has high health and safety standards. Whereas 5400 pesos per month is the minimum wage, Alta Gracia's wage is set to be a living wage so that workers can support their families: 18,500 pesos per month (US\$500). At first many workers thought this unbelievable, but once they have seen the actual living wage checks, thousands more have applied.

The union is legally constituted within the factory. Workers are provided with trainings. Meetings between the union and the workers are frequent. Independent parties conduct investigations to verify and ensure decent working conditions. The factory is quite different from others in the country.

The wage difference is not significantly impacting cost. The living wage results in an added \$0.80 at the wholesale level but Knights Apparel has decided not to raise the retail price of their shirts.

The workers, FEDOTRAZONAS and United Students Against Sweatshops are encouraging consumers to buy Alta Gracia products from university bookstores in order to help prove that it is feasible to sustainably produce and sell a product made in decent conditions.

*Gildan*

Gildan, a Canadian corporation, is one of the largest suppliers of blank t-shirts. One of FEDOTRAZONAS's goals is to educate workers about the injustice of the 4x4 system. In the 4x4 system, the factory is always operating; there are four shifts: two shifts every four days, and a day shift and a night shift. This structure impedes workers ability to pursue higher education as no university in the Dominican Republic enables such a schedule so that workers could be employed simultaneously in a 4x4 schedule. The system of payment is complex: Dominican law provides that workers can be paid daily, weekly or monthly. However, when workers are paid every eight days they end up losing pay when their yearly total is calculated.

At TOS Dominicana, a Hanes factory, a lawsuit required the factory to pay lost wages owed to employees under the 4x4 system. A separate issue is that no law in the Dominican Republic regulates time taken for lunch.

Recently, 100,000 free trade zone jobs have been lost to Asia. This impacts more than just those workers and their families as each job in a free trade zone generates three additional jobs outside the zone.

*Propper*

Propper is the largest supplier of uniforms to the U.S. military. In the Dominican Republic, their factory supplies uniforms to city and state governments in the U.S. In 2009, FEDOTRAZONAS conducted an investigation of their factory which produces battle dress uniforms. The factory utilizes a modular form of production. The complex soldier's pants have many parts and requirements.

## **Workshop: Organizing for Fair Electronics**

*Alan Flum; Carmen Duran, Tijuana, Mexico; Ramon Vives, SETEM-Catalunya, Spain*

### **Alan Flum:**

*Use the following link to access the power point for this part of the session: <http://3bl.me/fh5qpp>*

Factories are costly and cost up to 1 billion dollars. There are many large factories, but there are only a few major retailers. So the consolidation of the industry offers opportunity for engagement. Brands either contract out the manufacturing or operate their own factories. One factory may produce computers for many different brands. The top five Electronic Manufacturing Services (EMS) companies that build the designs for many different brands are Foxconn, Flextronics, Jabil Circuits, Sanmina, and Celestica. Companies that operate their own factories include Motorola (Droid), Sony (TVs, PSP3), Matsushita (Panasonic TVs), and LG.

Corporate branding creates a green-wash of corporate image. The reality is very different. We need to develop campaigns that overcome the corporate marketing. Real auditing is very expensive and it is impossible to audit the majority of the supply chain. As an example, HP has funded a corporate social responsibility program, conducted factory audits and inspections, expressed a willingness to engage with non-governmental organizations, and completed this process somewhat transparently.

A core problem is that the supplier's gross margin is less than 6%. Gross margin equals selling price to brands minus materials and labor costs. It does not include overhead or administrative costs.

What can be done? Focus on the top end of the supply chain rather than the bottom of the supply chain, and establish incentives for honest corporate compliance. A price premium (such as 5%) on purchase price could go into a worker revenue sharing and education fund. Such a program should be administered by third party auditors. There would little or no cost to supplier or brands.

### **Carmen Duran:**

Carmen worked at an electronics factory in Tijuana, Mexico, for six years, making product for Sanyo and other companies. She initially worked from 2:00 pm to 10:00 pm Monday through Saturday, but later her hours were increased. She earned 130 pesos a week. One of the products she made was the playback for inside the TV. "When you don't know your rights, abuse is normal," she says. Workers' access to the restroom and to potable water was limited.

Initially the company did not provide transportation for workers. After two workers were killed walking home through a deserted area after the night shift, the company started providing transportation, but only at night. Workers also successfully organized to get rid of the Saturday shift. However, soon after that the company moved some of the work to Indonesia, and workers were relocated to another factory. Some lost their jobs, and others quit upset at company practices. The relocated workers were rehired for reduced pay and had to start at the bottom of the wage scale again. Their workload was increased as they were made responsible for the assembly of more components. Pregnant women were required to work at night despite a law prohibiting requiring pregnant workers to take night shifts.

One of Carmen's tasks was to weld together pieces of electronics. But the fans did not work and she was forced to breathe smoke. Due to worker demands, they were given masks but they were inadequate. Later Carmen took a blood test and discovered she had lead in her blood. Workers died from lead and chemical exposure, but management did not take responsibility and blamed illness. When the work went to Indonesia the workers decided to sue the company, and that is how Carmen became an activist and community organizer.

### **Ramon Vives:**

*Use the following link to access the power point for this part of the session: <http://3bl.me/gkmm4z>*

Procure IT Fair is a coalition of non-governmental organizations based in various European countries that aim to raise awareness regarding the working conditions and environmental pollution caused by the production of computers. It petitions politicians and public purchasers to use their buying power to demand compliance with international labor rights and ecological standards within the global supply chains of computers. Procure IT Fair was funded by the European Union through 2010. The European Union will not fund them in 2011 but they intend to apply again for 2012. They are working on a step-by-step Europe-wide approach.

The global supply chain is complex and there is a lack of transparency. The total of all the components in a computer may come from 70 different manufacturers.

There is a lack of proper trade unions and mature social dialogue that considers both green and social procurement. Resellers and providers provide computers but have no responsibility. Dialogue with brand corporations is needed.

In Europe there have been lobbying efforts to make sustainability a horizontal and cross cutting policy, but there is not yet a structure for a better system. The Dutch government has created working groups toward making all government purchases sustainable. The European Commission offers a restrictive position – European leaders are more interested in Free Trade than Fair Trade. Activists have attempted to utilize a progressive interpretation of the EU directives but there were legal challenges.

The EICC Code of Conduct is a good first step, but not enough in the long run. Independent monitoring through a multi-stakeholder approach is ideal. Bidders should be evaluated on what they are doing, and when violations are found there should be established consequences. However, someone has to look for these violations and this is expensive – how can such monitoring be funded?

Existing resources:

- Buy IT Fair Guides written in many languages, provided online with legislative contexts for each country
- Online Petition -- are aiming for 5000 signatures: <http://procureitfair.org/petition/english>
- Events: Amsterdam round table 2010, Berlin round table 2010 and speaker's tour 2010.

## **Strategy Session: Holding the Line**

*Dick Meyer, Traditions Fair Trade and Dan Cardozo, Ethix Ventures*

### **Dick Meyer:**

Dick Meyer's background is in social movements. After traveling to Guatemala in the 1980s he learned about a Mayan co-op created by people displaced by the violence and brought their products to U.S. to sell, which helped to empower the women. The partnership focused on social empowerment, education and health care. At an alternative trade conference in 1991, he connected with a community of activists and coops, and later decided to form a store devoted to products sourced from fair conditions, offering an alternative in the Olympia community. He organizes on sweatshop issues and supports the development of worker-empowered merchandise.

Reflections from this experience:

- There is a long application process to become certified fair trade. It requires someone to work closely with the cooperative.
- The market requires strong standards and complete transparency.
- Networking and partnerships in other countries is important. Marketing plans are dependent on networking. It's basically marketing from the ground up.
- It has helped to connect a café with a fair trade store to provide a community space.
- There is no guarantee the products will sell. Working with a co-op is an ongoing partnership. There is need for constant adjustment to make sure products are sellable and practical.

### **Dan Cardozo:**

Ethix started as a union factory SweatX in Los Angeles, but this turned out to be premature for the movement. A market needs to first be lined up, and the sweatfree community is not organized enough yet to provide that market. Dan Cardozo wanted to start his own clothing store but Kevin O'Brien convinced him that the market wasn't yet ready and involved him in Ethix, which he was starting at the time with a focus on purchasing by groups. The organizational purchasing market that Ethix taps into tends to be small orders, but added together it's a large market.

This market can emphasize a race to the top. If enough people support ethically made stuff then the message will spread. People will then be forced to compete for higher wages rather than lower. We have collective power in this movement but we are not using it well enough. The more we condense purchasing to ethical projects, the more power we gain.

As not yet a large market for union/fair trade clothing for the general public, sweatfree organizations and businesses must chose a specific market to aim towards: Ethix targets

organizational purchasing, SweatFree Communities targets government purchasing, and United Students Against Sweatshops targets universities.

### *Discussion*

How do we expand the sweatfree market?

- Right now it is important to solidify Alta Gracia's market to show that it can succeed. This includes working against resistance from big-name brands by creating a buzz around the product and chipping at client-patron relationships between universities and brands like Nike.

How do we get more organizing to build the sweatfree market?

- One idea is to develop a more interactive purchasing guide that includes testimonies and stories, where people can interact with each other and with workers.
- Emphasize positive reinforcement: yes to Alta Gracia, not no to Adidas or Nike.
- Direct contracts with the buyers for production are vital.
- Build the confidence of people to support suppliers that treat their workers decently.
- Improve direct communication between companies in the sweatfree market.

Many thanks to our co-sponsors who made possible the National SweatFree Summit 2010!

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