

Co-op America Quarterly

CELEBRATING 21 YEARS OF BUILDING ECONOMIC ALTERNATIVES

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A Guide to Ending
Sweatshops

Proxy Voting and Divestment

I will be sharing the information from your *Shareholders in Action* issue (Spring 2004 CAQ) with my union. Many of my fellow members and I have tried to get our union trustees to divest from Wal-Mart with no success, but you have offered another possibility. We could vote our proxies, or persuade the union to vote the proxies, instead of leaving the voting to the management company. Thanks for all your great work.

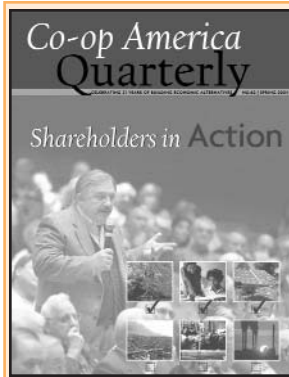
Jean de Smet, Willimantic, CT

Mutual Funds and Proxy Voting

Thank you for your recent information on shareholder action. As a shareholder, I always vote my proxies after reading the various resolutions; however, I've decided to simplify my life and am systematically getting out of stocks and into mutual funds. How do owners of mutual funds such as myself influence companies held by those funds to change?

Beth Snider, Indianapolis, IN




Editor's Note: Good question, Beth. Mutual fund managers cast proxy votes on behalf of their shareholders. As of this coming August 31, these companies will be required by law to disclose their voting records to their investors. Your mutual fund proba-



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We love to hear from our readers. Write to Co-op America Quarterly, 1612 K St. NW, Suite 600, Washington, DC 20006; call the editors at 202/872-5328; fax 202/331-8166; or e-mail editors@coopamerica.org.

bly won't tell you about upcoming resolutions, so keep informed by consulting the Web site of our shareholder program: www.shareholderaction.org.

Once you know how you'd like your fund to vote on upcoming resolutions, call the investor relations department before the vote and voice your concerns. Keep track of how your fund is voting, and if their votes don't match your values, call them back to tell them you're disappointed, and why. If your fund continues to vote in ways that trouble you, consider switching funds to one that supports social and environmental responsibility. Institutions like Pax World Funds , Domini Social Investments , and Calvert  offer socially responsible mutual funds that may better match your values.

Check out www.socialinvest.org for a list of SRI mutual funds, including performance and contact information.

Co-op America is dedicated to creating a just and sustainable society by harnessing economic power for positive change. Co-op America's unique approach involves working with both the consumer (demand) and business (supply) sides of the economy simultaneously.

Co-op America's programs are designed to:

1) Educate people about how to use their spending and investing power to bring the values of social justice and environmental sustainability into the economy; 2) Help socially and environmentally responsible businesses emerge and thrive; and 3) Pressure irresponsible companies to adopt socially and environmentally responsible practices.

Here's what you can do:

Reduce, reuse, recycle, and repair to conserve and protect the Earth's resources. Read *Co-op America Quarterly* and *Real Money* for sustainable living tips for you, your workplace, and your community.

Reallocate the purchases you make from irresponsible companies to socially and environmentally responsible businesses. Turn to Co-op America's *National Green Pages™* to find green businesses. Use Co-op America's long distance phone and travel services.

Reinvest in the future through socially responsible investing. Turn to Co-op America's *Financial Planning Handbook* for your how-to guide. Use the financial services of Co-op America business members.

Restructure the way America does business. Turn to "Boycott Action News" in this publication for information on the worst offenders and how to demand that they change.

Co-op America's programs are supported almost entirely by contributions from our members. Individual memberships begin at \$20, business memberships at \$60. All members receive our publications and access to our services. Business membership, pending approval, also includes a listing in Co-op America's *National Green Pages™*.

As a national nonprofit 501(c)(3) membership organization, all contributions to Co-op America are tax-deductible. We welcome your membership and contributions.

Co-op America

1612 K Street NW, Suite 600
Washington, DC 20006
800/58-GREEN • 202/872-5307
info@coopamerica.org

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Co-op America

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Sweatshops and Child Labor: Use Your Voice and Economic Choices for Change

Together, step-by-step, you and I are turning sweatshops around the world into workplaces that offer people living wages, decent conditions, and opportunities to create better futures for themselves and their families.

Thanks to the pressure consumers, investors, workers, and allied organizations are putting on major corporations, companies like Liz Claiborne, Bebe, the Gap (see Sweatshop Victories, p. 15) and Talbots are taking steps to monitor and improve conditions in the factories they contract with here in the US and around the world.

Notice the goal here: As we work for an end to sweatshops, we are demanding that these companies improve the conditions, wages, and opportunities in their factories. Indeed, the goal is NOT to close sweatshops and put already impoverished people out on the streets. What we want is a complete turnaround—from sweatshops to responsible workplaces.

We are making progress—but we have a long way to go. That’s why, on behalf of people laboring in factories and fields everywhere, we present you with this issue of the *Co-op America Quarterly* on “Ending Sweatshops.” In it, we bring you the latest and most effective strategies for increasing the pressure on corporations to create workplaces that work for everyone.

Naming Names: Co-op America’s Retailer Scorecard

In this issue, we are also pleased to launch Co-op America’s Retailer Scorecard (see p. 6). We name names and tell you which of the major discount and retail stores have the biggest problems with sweatshops in their supply chains. You’ll see that Wal-Mart, with its refusal to deal with its labor problems here and abroad and its legendary contracts forcing prices down each year, rates an “F.” And Kmart, Kohl’s, Target, Sears, and J.C. Penney are nipping at Wal-Mart’s heels with “D” ratings.

Use this Scorecard to guide where you will shop—and refuse to shop—and let the retailers know why. Share it with your friends and family.

Wal-Mart Needs to Hear from Us

Please also join us in putting pressure on Wal-Mart, the only company to receive our “F” grade, to improve its labor practices here in the US and around the world. We’ve made it easy for you: send Wal-Mart the postcard included in this issue.

I’m counting on you—I want Wal-Mart to hear from all 65,000 of our members. We need to accelerate the drum beat for Wal-Mart to enact real reform—from living wages to workers’ rights and community own-

ership. Take every opportunity to tell Wal-Mart we demand a complete turnaround.

Vote with Your Dollars Every Day

With Co-op America’s Retailer Scorecard telling you which companies to avoid, turn to our *National Green Pages™* (www.greenpages.org) and our Green Festivals to find what you need.





People often ask me: “I love this idea—purchasing from the most responsible companies and supporting the growth of a green economy. But is it realistic? Can I really find what I need, at prices I can afford?”

Absolutely yes! To give you an example of just how easy it can be, I assembled a list of the clothing purchases I’ve made over the past several months. In each case, I got beautiful, sweat-free clothes at comparable prices—and the satisfaction of knowing that I am supporting workers, the environment, responsible companies, and the growth of the green economy. Check it out in the box below—and let me know about your great green finds.

Here’s to using our economic clout for people and the planet,

Alisa Gravitz, Executive Director

YES, YOU CAN BUY SWEATSHOP-FREE: ONE QUICK SNAPSHOT

PURCHASE	COMPANY	PRICE	PRICE COMPARE	COMMENTS
Sierra suit: jacket & skirt Organic cotton	Birdland Ranch  www.birdlandranch.com	\$355	\$395 Ann Taylor Dry clean only	Perfect for negotiating social and environmental improvements in corporate boardrooms. No dry cleaning saves money and the environment over the life of the suit.
Basic black traveling suit: jacket, skirt & slacks Machine washable	Local thrift store	\$40	\$395 Ann Taylor Dry clean only	Purchases from thrift shops recycle clothes, and reduce the overall clothes budget. I now have two suits for \$395, the price of one Ann Taylor suit.
White blouse Hemp/silk blend	The Emperor’s Clothes  www.emperorshemp.com	\$68	\$88 Talbot’s	Works with both suits; beautiful texture and feel; far superior to any blouse I’ve found in a department store.
Casual multi-color jacket Cotton; fair trade	Cheppu Himal  www.cheppu.com	\$76	\$85–\$120 Chico’s	Perfect for strategy planning meetings with allies; one-of-a-kind graphics and buttons; far more beautiful than anything I could find at Chico’s.
Camisole Organic cotton	Maggie’s Organics  www.maggiesorganics.com	\$15	\$24–\$45 J. Jill	Maggie’s Organics partnered to help start the women-owned cooperative in Nicaragua that makes these beautiful camisoles.



Ending Sweatshops

Sweatshops aren't inevitable. Our guide shows how you can use your consumer and investor power to help abolish sweatshop practices around the world.

A child carpet weaver, her hands swollen from her work, sits next at her loom in Nepal.

IN HER 2002 BOOK *NO LOGO*, NAOMI KLEIN TELLS THE STORY OF ATTENDING AN ANTI-SWEATSHOP WORKSHOP THAT BEGAN WITH THE GROUP'S LEADER PASSING AROUND A PAIR OF SCISSORS AND ASKING PARTICIPANTS TO SNIP THE TAGS OFF THEIR CLOTHING. THE LEADER THEN UNFURLED A GIANT MAP OF THE WORLD AND SEWED THE TAGS IN PLACE ACCORDING TO EACH GARMENT'S COUNTRY OF ORIGIN.

"Most of the dense little rectangular patches were concentrated in Asia and Latin America, taking faraway, complex issues, and planting them as close to home as the clothes on our backs," notes Klein.

As the map exercise reminded Klein, every stitch of every T-shirt or jacket or pair of jeans that we wear was put there by another human being located somewhere on the planet that we share. Someone placed every drawstring in every hooded sweatshirt, and someone stitched the sole onto every pair of running shoes. Someone picked every banana we eat, sewed the seams on every baseball we throw, and snapped the wheels onto every toy car we have ever given as a present to a child.

The clothing, sports supplies, housewares, foodstuffs, and toys we buy get to our local stores through a series of steps known as the supply chain. Most large retailers order merchandise from dozens or even hundreds of subcontractors, who in turn assign various pieces of production to different factories. All too often, someone at some point in the chain decides that maximizing profits is more important than upholding fair labor standards and requires workers to produce products in less time, for less money, or in less safe conditions. Most of us would never want to buy products that depend on exploitation at the point of production, but the supply chain can be hard to follow.

That's why we've produced this guide.

Not only is it important to be mindful of the sweatshop problem at the beginning of the supply chain, illustrated by Quang Thi Vo's story below, but it's important to know how to

create solutions at our end of the supply chain, and how to avoid companies known to have a record of sourcing from sweatshops.

On p. 6 of this guide, we present "Co-op America's Retailer Scorecard," where we highlight some of the most egregious sweatshop abuses of the last few years, identifying the business-as-usual retailers involved. Showing how the same retailers source from questionable factories from Asia to the Americas, our scorecard grades them accordingly to help you make informed purchasing decisions. Plus, throughout this guide, we'll show you how workers, consumers, business leaders, and human rights activists are working to end sweatshops—and how you can help.

THE BEGINNING OF THE SUPPLY CHAIN— QUANG THI VO

In early 1999, Quang Thi Vo was a young mother with a husband and two children, working as a seamstress in Quang Dinh City, Vietnam. She earned about \$20 a month, and her family lived in a small house without indoor plumbing. Dreaming of a better future, Vo was enticed by a radio ad promising lucrative sewing work in the US territory of American Samoa.

"Because my family was poor, I thought I would go to American Samoa to make some money and support them," said Vo, now 34. "But when I got there, I was so disappointed."

Vo borrowed \$5,000 to cover airfare and work permits, and said goodbye to her family, looking forward to her new opportunity. Describing her first impressions of the Daewoosa Garment factory, however, Vo told *Co-op America Quarterly*

Ending Sweatshops

Boat People S.O.S.



Quang Thi Vo was lured to a sweatshop in American Samoa by promises of a “big and beautiful” factory and a living wage to support her family.

through an interpreter that even her first glimpse of her new workplace failed to live up to what had been advertised in Vietnam.

“I had heard that the factory was big and beautiful,” said Vo. “But when I came it was small and simple, and I saw that there was nothing there. People were living in small rooms, 18 to a room, with no good food and no air-conditioning.”

The worst was yet to come.

Once they started work at the garment factory, Vo and around 200 other Vietnamese women found themselves trapped in virtual slavery. Deep in debt from paying for passage to Samoa, the workers couldn’t earn money fast enough to climb out, with factory bosses paying them only a fraction of what they had promised. Workers were threatened with confiscation of their passports and were deprived of food or beaten by the guards at the workers’ compound if they complained.

“We couldn’t move around freely,” said Vo, describing life under armed guard. “If the owner asks you to come to the factory, you have to go. But if it was a time when they didn’t have any jobs at the factory, the guards wouldn’t let you out [of the company barracks] to look for a way to make money.”

Vo said she was at work at the factory during a particularly gruesome incident documented by the US Department of Labor (DOL). According to DOL documents, a fight broke out on the factory floor one day, which resulted in guards and supervisors beating workers into submission. One victim had

her eye gouged out with a plastic pipe, and others were hospitalized for their injuries.

According to the DOL, Vo and her fellow workers toiled up to 14 hours a day, filling orders for J.C. Penney, Kohl’s, Target, Sears, and other US companies, as corroborated by court records. What’s more, American companies could sell these goods under the “Made in the USA” label, since they had been sewn in a US territory.

Finally, in December of 2000, about a month after the fight on the factory floor, the South Korean owner of the factory, Kil Soo Lee, was arrested on charges of human trafficking. In March of 2001, Vo was among many Vietnamese workers relocated to the US as witnesses against Lee. Working with a grant from the US Department of Justice, the Virginia-based nonprofit Boat People S.O.S. helped Lee to resettle in northern Virginia, and she testified against her former boss during his trial. Lee was convicted in February of 2003.

Today, Vo works as a manicurist in Virginia and has recently received her “T” visa, a visa specifically for victims of human trafficking. Though she is still waiting to receive back wages and restitution for her time at Daewoosa, her husband and children are planning to join her in the US soon.

Vo’s story is a microcosm of the sweatshop problem, which isn’t confined to the clothing industry. Human rights violations abound in factories where workers make sporting equipment, athletic shoes, hand-woven carpets, and children’s toys, and on farms. Fortunately, sweatshop abuses—from unsafe workplaces, to unfair compensation, to the exploitation of children—aren’t inevitable. People like Frances Bartelt, whose story is told below, are using consumer power on their end of the supply chain to abolish sweatshop practices.

THE RUN FOR THE BORDER: WHAT SWEATSHOPS DO TO COMMUNITIES

When the Levi-Strauss Co. closed its plant in San Antonio, TX, in January 2004, the last 2,000 workers manufacturing Levi’s jeans in the United States found themselves laid off.

For 150 years, the famous blue jeans company had produced its garments in the US, but in the mid-1990s, citing competition and pressure to reduce costs, Levi’s began shifting its production overseas. Today, Levi’s, once an American icon, makes no blue jeans in the US, an irony that’s not lost on the laid-off workers.

“What happens to our American dream?” asked Marivel Gutierrez, who worked for the San Antonio plant for 24 years. A former side-seam operator, Gutierrez told a *New York Times* reporter that she hoped workers in Mexico and elsewhere would benefit from her community’s loss of jobs, but at 43 years old, she said she worried about what kind of job she could get next.

By firing Gutierrez and her co-workers, Levi’s eliminated thousands of jobs that paid as much as \$18 an hour, in favor of hiring new workers in places like Tehuacan, Mexico, where average wages top out at about \$50 a week.

And while Gutierrez searches for work in San Antonio, her hope that communities in Mexico might benefit from her loss goes unrealized. The influx of manufacturing jobs to cities in Mexico draws workers out of their villages in the countryside to compete for low-wage sewing positions, emptying rural villages and destroying local agriculture. Meanwhile, big city factories don’t pay enough for workers to support their rural families, creating a cycle of poverty, while long hours at the factory and crowded living conditions at worker dormitories fail to foster healthy communities in the cities.

“Families that would have been farmers are no longer working the land but are assembling cheap jeans for the United States and Canada,” says Ian Thomson of the Maquila Solidarity Network. “Not only does this by itself alter local communities, but the effects of the manufacturing processes hurt communities, too. A lot of the designs on jeans are made by toxic chemical treatments done by hand. This gives American consumers the look they

want, but it’s unhealthy for workers, and these chemicals end up going into the community’s water supply for irrigating crops.”

Ultimately, shifting manufacturing to areas where corporations can pay low wages and evade tough labor and environmental standards negatively impacts all communities involved. Unfortunately, corporate leaders like Levi’s Philip Marineau have said they think consumers no longer care about the communities where their products are made.

“Consumers are used to buying products from all over the world,” Marineau told the *New York Times*. “The issue is not where they’re made. For most people, that’s not gut-wrenching anymore.”

It is gut-wrenching, however, for workers like Josephine Rosales, a 55-year-old seamstress laid off after 26 years at the Levi’s plant in San Antonio, who lamented to the *Times*, “If only more people would pay attention to what they buy and where it was made.”

—Andrew Korfhage

THE END OF THE SUPPLY CHAIN— FRANCES BARTELT

Around the same time Vo relocated to the US, Milwaukee resident Frances Bartelt read about some Nicaraguan sweatshop abuses in the *Milwaukee Journal Sentinel*.

The *Journal Sentinel* reported in early 2001 on the plight of the workers producing blue jeans at the Nicaraguan Mil Colores plant, a supplier of Milwaukee-based Kohl's Department Stores. (Turn the page to see Co-op America's ratings of Kohl's and other retailers.) In the article, Frances read about workers fired for their union activities and about workers protesting low wages, harsh managers, and supervised bathroom breaks. She also read the comments of Mil Colores owner Craig Miller, who moved his factories from the US to Nicaragua in the 1980s, as he explained his view that wages as low as 20 cents an hour for Nicaraguans are simply a fact of life for manufacturers who want to compete in the global marketplace.

"The American public, they want quality, and they want price," Miller told the *Journal Sentinel*. "People don't purchase with their conscience. If they did, we'd still be manufacturing in the US."

Bartelt vehemently believed that Miller was wrong. People do purchase with their consciences. One week later, she fired off a letter to the editor of the *Journal Sentinel*, which the paper published.

"I would like to take issue with Craig Miller's [argument that] it's okay to violate fundamental human rights, as well as labor rights, because the American public wants low prices," wrote Bartelt. "This is one American consumer with a conscience who will be taking a stand on the sweatshop issue by not buying sweatshop-produced jeans."

At the same time, some concerned Kohl's shareholders helped some of Miller's fired workers, such as Rosa Esterlina Ocampo Gonzales, visit the US to draw attention to conditions at the factory. The shareholders drafted a resolution asking Kohl's to pressure its suppliers (including Mil Colores) to adopt a code of conduct based on international labor standards.

The pressure worked, and by the end of 2002, Mil Colores had reinstated many of its fired workers (including Ocampo) and had drafted a labor agreement with its workers that was described by union leaders and the National Labor Committee as "excellent ... a model agreement that could set a new labor rights precedent for Nicaragua and all of Central America."

As for Bartelt, she recently told Co-op America that she spread the word about Mil Colores because she feels a connection between her purchasing power and the efforts of workers, like Rosa Ocampo, who manufacture the clothing she buys. She said ensuring that her purchases don't cause harm to others along the supply chain is important to her, and that the example of Mil Colores inspired her to take other steps to change America's purchasing patterns.

"I pay more attention to where I shop now, and I also buy lots of used clothing," said Bartelt. "Plus, now I'm working on the Milwaukee Clean Clothes Campaign, which lobbied for a city resolution requiring Milwaukee to avoid sweatshops in its purchasing of clothing for government employees." (The resolution passed unanimously in April 2003.)



Human Rights & Labor Commissions of Tehuacan Valley

Workers in Mexico sew pants at a sweatshop in the Tehuacan Valley.

Frances Bartelt's letter and comments could have been made by any one of our 65,000 Co-op America members, many of whom have shifted their purchasing habits, worked with community groups, written letters to the editor, voted on shareholder resolutions, and taken countless other steps to end sweatshops. Thank you to all of you who've taken action or are planning to do so. Together, we've achieved major victories (see p. 15), and there's still much to do. We hope this guide will help you take new steps (see p. 16) or help you educate others to join you in your work to end labor abuses.

As dramatically illustrated by Naomi Klein's logo exercise, behind every label is a point of origin—a place, somewhere on our planet, where human hands performed real labor to manufacture the products that we buy. Behind each of those products is a Quang Thi Vo or a Rosa Ocampo, and it is everyone's responsibility—in our roles as consumers, investors, retailers, subcontractors, and producers—to appreciate those human connections and ensure fair and humane treatment for everyone involved in the supply chain, from the beginning to the end.

—Andrew Korfhage

WHAT WORKERS WANT

When these conditions are met, sweatshops will cease to exist:

A Living Wage: Companies must pay workers a living wage—enough to meet their basic human needs and enable them to plan for a better future.

Education: Workers and their families need the opportunity to achieve an education. To advocate for better conditions, workers need to be educated about their rights, including local labor laws.

The Right to Self-Determination: Factory workers must be able to freely associate and advocate for rights and improvements to their working conditions, pay, and benefits without fear of reprisal. Outside of the factories, workers need the right to form cooperatives or worker-owned enterprises in their communities.

THE KEY TO ENDING SWEATSHOPS

Together, workers, activists, and consumers have determined that the following elements are key to ending sweatshops:

Full Public Disclosure: Companies must disclose the treatment and pay of workers—how and where products were made.


Accountability: Full public disclosure must be backed with independent monitoring of working conditions and pay.

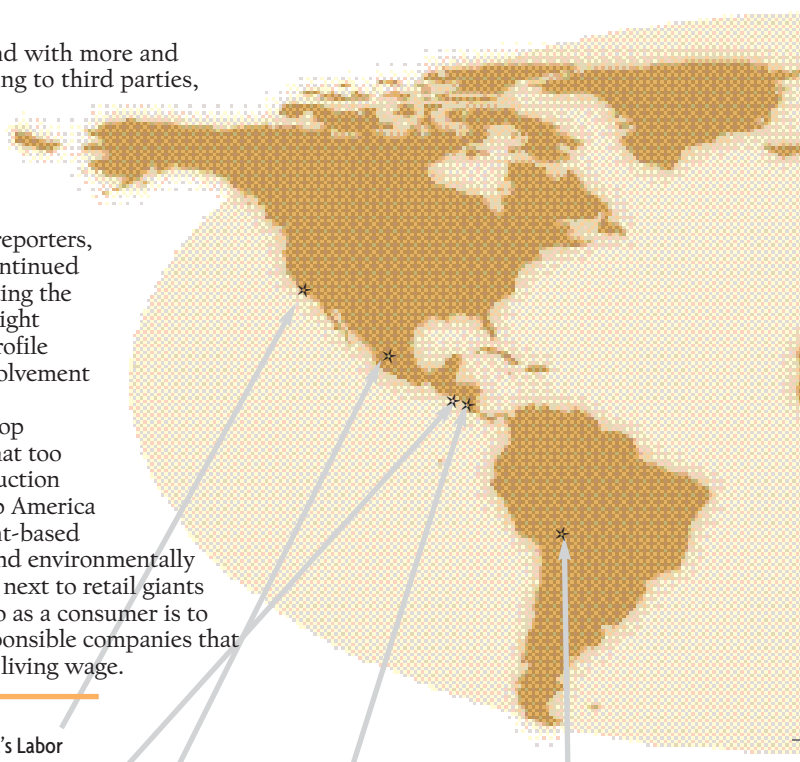
Responsible Actions: Violations discovered through independent monitoring must be corrected in a way that protects workers and their jobs. Such corrections include paying for education for child workers found in factories and paying adults a living wage.

Around the World with

With sweatshop abuses spanning the global marketplace, and with more and more giant corporations subcontracting their manufacturing to third parties, how to make an informed choice about where to shop for sweatshop-free products is one of the questions people most often ask us. That's why we're publishing Co-op America's "Retailer Scorecard" as an at-a-glance reference to help you choose where to shop—and equally important, where to avoid shopping.

Thanks to the dedicated efforts of watchdog groups, investigative reporters, and factory inspectors worldwide, worker abuses that might have continued unnoticed have been exposed and corrected or punished. Consolidating the efforts of these diligent sources, we've gone around the world with eight major players in America's retail landscape, looking at recent high-profile sweatshop abuses in their factories, and we've summarized their involvement in the accompanying chart.

While the examples below represent only a fraction of the sweatshop abuses perpetuated around the globe, they illustrate the violations that too often occur when corporations demand lower prices and faster production from their subcontractors. We also chose to add one fair trade Co-op America Business Network (CABN) member to the mix. Kusikuy , a Vermont-based fair trade clothing company, illustrates how any one of the socially and environmentally responsible CABN and Fair Trade Federation businesses would rank next to retail giants like Wal-Mart or Target. One of the most powerful things you can do as a consumer is to avoid companies with poor human rights records and shop with responsible companies that go the extra mile to treat their workers with dignity and give them a living wage.




San Francisco, California: The US Department of Labor urged California's Labor Commissioner in October 2002 to help provide unpaid wages to more than 200 garment workers who were owed almost \$1 million. The workers (mostly Chinese immigrant women) worked for months without pay at three San Francisco factories known as the **Wins facilities**. After labor violations at the factories were uncovered in 2001, proceeds from Wins shipments were directed into a fund designated for paying workers; now that Wins has filed for bankruptcy, creditors are attempting to claim those funds instead. Wins made clothing for customers that included Kmart, Sears, and Wal-Mart. [Sources: *San Francisco Chronicle*, *Sweatshop Watch*]

Mexico: The nonprofit Sweatshop Watch reported in March of 2004 that the remaining 500 workers at the **Tarrant Apparel Group's** factory in Ajalpan, Mexico, were fired after trying to organize a union. The mass firing brought to 5,000 the number of Tarrant layoffs in Mexico since union organizing began in June 2003. Workers allege working 24-hour shifts for Tarrant, without overtime pay or the profit-sharing bonuses mandated under Mexican law. Tarrant denies the charges and says losing contracts to China forced the layoffs. Wal-Mart and Kmart sourced from Tarrant before the first round of firings. Federated inked a deal with Tarrant in April 2004 to begin production on a line of clothing called "American Rag" to be sold at Macy's this fall. [Sources: *Sweatshop Watch*, *Orange County Weekly*, *Women's Wear Daily*]

El Salvador: The National Labor Committee (NLC) in March 2001 exposed a suppressed El Salvador government report that documents worker abuses at the **Leader Garment Factory**, where workers said they were locked in the factory compound, were subjected to mandatory pregnancy tests, had no right to organize, and were paid less than one-third the cost of living. At the time of the report, Kohl's, Sears, and Target sourced from Leader Garments. [Source: NLC]

El Salvador: In December 2003, the nonprofit Human Rights Watch reported that US retailers J.C. Penney, Kmart, and Wal-Mart did business with the **Confeciones Ninos** factory before it closed in March 2002. Workers at the plant reported being denied overtime wages, drinking water, bathroom visits, and sick days, in addition to being threatened with termination for union activity. [Sources: *Human Rights Watch*, *The Economist*]

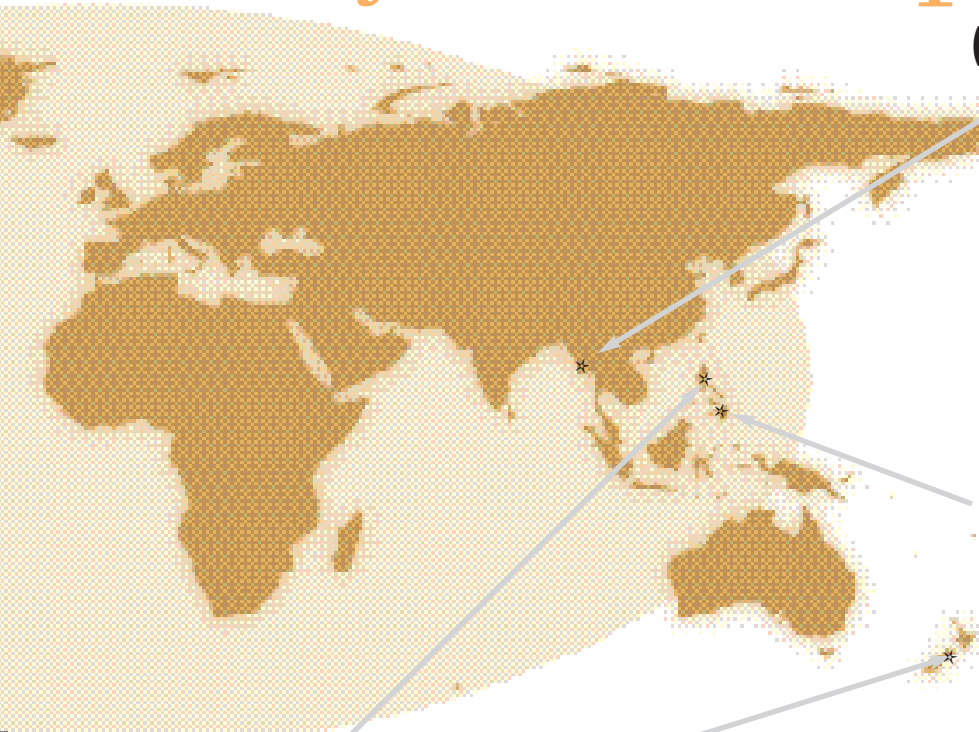
Bolivia: In 1997, Tamara Stenn and several indigenous communities in Bolivia founded Kusikuy , a fair trade business that sells llama and alpaca wool sweaters hand-knit by native women. The women earn a living wage that allows them to improve their lives and communities, and they work in cooperative and sustainable conditions.

American Samoa: Lee Kil-Soo, owner of the **Daewoosa** factory in American Samoa, was convicted in February 2003 of human trafficking for illegally confining workers in "involuntary servitude," holding their passports, and threatening deportation in retaliation for any acts of non-compliance. A US Department of Labor (DOL) investigation reported that workers at Daewoosa were often beaten, deprived of food, and forced to work without pay. Clothing produced by the Daewoosa factory was sold with the "Made in the USA" label, because American Samoa is a US territory. Before Mr. Lee's arrest and the closing of the factory, Daewoosa supplied clothing to J.C. Penney, Kohl's, Sears, Target, and Wal-Mart. According to the *Manchester Guardian Weekly*, only J.C. Penney has paid back wages to the Daewoosa workers. [Sources: DOL, *Manchester Guardian Weekly*, *Washington Post*]

Nicaragua: In April 2001, a Nicaraguan court ordered **Chentex**—a Taiwanese-owned maquila that was making jeans for J.C. Penney, Kmart, Kohl's, and Wal-Mart—to rehire nine illegally fired union leaders. Chentex had been targeted by the National Labor Committee for its union busting activity, while workers earned just 18 cents for each \$24 pair of pants they sewed. [Source: *National Labor Committee*]

8 Major US Corporations

(and One CABN Member)



Burma: *The Financial Times* of London reported in April 2003 that **Burmese clothing exports** to the US dropped 27 percent between 2001 and 2002. Many retailers started pulling out of Burma even earlier than that, in recognition of the widespread human rights violations by the country's ruling military junta, and as of July 2003, the US Congress made it illegal to import garments from Burma into the United States. Some companies, however, were more resistant than others to pulling their business from the country. Federated Department Stores, for example, did not announce it would pull its business from Burma until August 2002, and May's Department Stores waited until the very late date of May 2003. [Sources: *Financial Times*, *Free Burma Coalition*]

US Commonwealth of Saipan: In September 2002, 26 major retail apparel companies settled a lawsuit over working conditions on the island of **Saipan**, a US commonwealth. The settlement included a \$20 million fund to pay back wages to workers and to create a system for monitoring factories for labor abuses. The 1999 class-action suit was filed by Global Exchange; Sweatshop Watch; the Asian Law Caucus; and the Union of Needletrades, Industrial, and Textile Employees in response to what plaintiffs described as modern-day indentured servitude. Saipan workers allegedly paid "recruitment fees" of up to \$5,000 to land factory jobs, then struggled to pay it back while receiving low wages that were further reduced by deductions for housing and food. May's, J.C. Penney, Target, and Wal-Mart were among the companies that settled the suit in 2002. Sears settled in 1999, when the suit was first filed. [Source: *Global Exchange*]

The Philippines: A July 2003 investigation by the *Philippine Daily Inquirer* uncovered sweatshop abuses by **Anvil Ensembles**, a producer of baby clothes. The *Inquirer* exposed instances of management giving workers amphetamines to keep them awake for 48- and 72-hour shifts, failing to pay minimum wages, and providing substandard latrines. J.C. Penney and Sears both subcontracted with Anvil as of July 2003. [Source: *Philippine Daily Inquirer*]

Co-op America's Retailer Scorecard

SUPPLIER	Federated*	J.C. Penney	Kmart	Kohl's	May's**	Sears	Target	Wal-Mart	Kusikuy ^{im}
Tarrant	X		X					X	
Anvil Ensembles		X				X			
Daewoosa		X		X		X	X	X	
WINS Facilities			X			X		X	
Saipan		X			X	X	X	X	
Chentex		X	X	X				X	
Leader Garments				X		X	X		
Confecciones Ninos		X	X					X	
Burma***	X				X				
GRADE	C	D-	D	D+	C	D-	D+	F	A

*Federated includes these stores: Bloomingdale's, Burdines, Fingerhut, Goldsmith's, Lazarus, Macy's, Rich's, Stern's, The Bon Marché — **May's includes these stores: After Hours Formalwear, David's Bridal, Famous-Barr, Filene's, Foley's, Hecht's, Kaufmann's, L S Ayers, Lord & Taylor, Meier & Frank, Priscilla of Boston, Robinsons-May, Strawbridge's, The Jones Store, ZCMI — ***Note that as of July 2003, federal law bans imports from Burma. Companies marked on this chart did not announce a pull-out from Burma until less than a year before the law compelled them to do so.

Use these answers to the most frequently asked questions about sweatshops to educate others. Let them know that another way is possible—one that cares for *all* workers.

Frequently Asked Questions

Q: Why are there sweatshops?

A: Corporate greed and global competition to produce goods at the lowest possible price are the main reasons for the existence of sweatshops. It's much more cost-effective for corporations to subcontract their manufacturing to suppliers who produce goods cheaply by minimizing worker salaries and benefits, skimping on factory and dormitory upkeep and standards, and demanding high levels of productivity (long hours and big quotas) from their workers.

Developing countries desperately need foreign investment, and therefore compete with one another to produce goods more and more cheaply, effectively allowing US corporations to dictate their purchase prices.

As reported by the business journal *Fast Company* in December 2003, Wal-Mart (the country's largest retailer) actually implements a corporate policy of requiring its vendors continually to seek ever-lower prices for its products.

"[Wal-Mart] has a clear policy for suppliers," writes *Fast Company's* Charles Fishman. "On basic products that don't change, the price Wal-Mart will pay, and will charge shoppers, must drop year after year." (To join our Wal-Mart campaign, see the postcard next to this page.)

As retailers compete with one another by seeking lowest-cost workers, they put pressure on suppliers to keep their costs down, and they encourage consumers to buy more at "discount" prices. This market for cheap goods then squeezes factory owners to pinch even more. The result is forced overtime, low wages, punishments and fines for slow work and mistakes, worker intimidation, child labor, and other abuses.

Q: But if the reality is that companies have to cut costs to stay competitive, aren't sweatshops inevitable?

A: No. Low prices are only one of many factors consumers take into account when they shop, and most consumers don't willingly purchase goods made in sweatshops or with child labor.

Since 1995, three separate research organizations have conducted surveys on consumer attitudes toward purchasing products made under sweatshop conditions. The surveys consistently find that the average consumer would pay up to 28 percent more for an item if s/he knew it wasn't made in a sweatshop.

Furthermore, with staggering disparities between the pay rates of corporate executives and the pay rates of actual workers, there's no reason that the pursuit of low prices should demand rock-bottom wages for those least able to afford it. For example, while workers in Saipan sewing Levi's blue jeans were making just \$3.05 per hour, Levi's CEO Philip Marineau saw his

pay soar to \$25.1 million (or \$11,971 an hour), nearly 15 times what he earned in 2001, according to Sweatshop Watch.

The money allocated for Marineau's raise could have accommodated a 50 percent pay increase for more than 7,500 minimum wage workers in Saipan, helping to lift whole communities out of poverty. Alternatively, such a large sum of money could have continued to pay the salaries to more than 600 of the Levi's workers recently laid off in San Antonio, and Levi's could have avoided shifting even more of its production overseas (see p. 4). Furthermore, even with the shift to cheaper overseas production, such savings at the corporate level rarely get passed on to consumers.

If corporations can afford such exorbitant compensation for their executives, they can afford to pay workers a living wage while remaining competitive in the marketplace.

Q: Isn't the low-wage employment offered by sweatshops better than not being employed at all? Don't sweatshops help poor people climb out of poverty?

A: No. Sweatshop workers and child laborers are trapped in a cycle of exploitation that rarely improves their economic situation (see Quang Thi Vo's story on pp. 9–11). Since multinational corporations are constantly pressuring suppliers for cost-cutting measures, workers most often find conditions getting worse instead of better.

"While the standard of living in other countries may be lower, sweatshop workers are not earning a living wage," says Ian Thomson of the Maquila Solidarity Network. "Many receive starvation wages, and countries frequently set a very low minimum wage in order to attract companies to bring jobs."

Consider the example cited in a 2003 National Labor



Robin Romano

Former Nepalese child carpet weavers are educated in a RUGMARK school after being rescued from the looms.

Committee report on a Honduran worker sewing clothing for Wal-Mart at a rate of 43 cents an hour. After spending money on daily meals and transportation to work, the average worker is left with around 80 cents per day for rent, bills, child care, school costs, medicines, emergencies, and other expenses.

Not surprisingly, many workers are forced to take out loans at high interest rates and can't even think about saving money to improve their lives as they struggle to meet their daily needs.

Q: Isn't it time-consuming and expensive for corporations to track their goods' origins?

A: No, actually most corporations already track their goods to the subcontractor or factory level in order to monitor the quality of their products.


"In competitive industries like the apparel industry, all companies have quality control," says Nikki Bas, executive director of Sweatshop Watch. "If companies are able to send representatives to inspect the quality of a garment, they can inspect the quality of their factories as well."


Around the world, name-brand retailers are investing in new technologies—information systems, international shipping firms, quality assurance monitoring, business-to-business software, bar codes, universal numbering systems, and more—all of which can facilitate better oversight for the factories at products' points of origin.

Q: When companies track their goods to keep sweatshop labor out of their supply chains, do they mark their products with a special label?

A: Unfortunately, no overarching "sweatshop-free" label exists. Some independent monitors like Verité (www.verite.org) follow the supply chains of companies that pay a fee for that service and help facilitate follow-up correction programs for factories found to be in violation of labor standards. Because

conditions can change rapidly at factories, Verité does not go on record endorsing particular companies or factories.

For some select industries, however, dedication to monitoring efforts has resulted in useful labeling for a handful of products. For example, the RUGMARK Foundation  combats the existence of child labor in the woven rug industry by certifying manufacturers to agree to RUGMARK standards, and then following up with random, unannounced inspections. Carpets made by these companies then carry the RUGMARK label, letting consumers know that the carpet is child-labor-free.

Furthermore, certain commodities such as coffee, tea, chocolate, and bananas are monitored by TransFair USA , which labels products as Fair Trade Certified™, meaning that the consumer can be assured that the farmer at the product's point of origin received a fair price. (See "Labels to Look For" below for more information.)

Q: Should I boycott manufacturers that use sweatshop labor, or should I pressure companies to change?

A: You can do both. In general, boycotts are most effective when organized by the workers themselves. Otherwise, a boycott effort could cause a company to cut and run from a factory found perpetuating sweatshop conditions, rather than working with the factory to change its business practices.

A good way to help improve conditions for workers is to contact the retailers and manufacturers of the products you buy and ask for guarantees that their workers were paid living wages and given basic rights. Include the tag from inside a garment with your letter to let the company know you are already a customer.


If you can find the product that you need produced by a company you know to be responsible in its labor practices, you should reward that company with your business.

LABELS TO LOOK FOR

Unfortunately, there isn't one specific label that makes it easy for consumers to locate sweatshop-free goods. However, here are some labels that you can look for to find select goods that are produced by workers who labor under fair and healthy conditions

UNITE! and Other Union Labels—When in doubt, look for the Union label. This label means the workers belong to the Union of Needletrades, Industrial, and Textile Employees (UNITE), and earned decent wages in healthy work environments. To shop for clothing with the union label online, try www.uniteunion.org and www.justiceclothing.com.




Fair Trade Certified™—TransFair USA , the only independent, third-party certifier of fair trade practices in the US, uses this label to certify goods that are produced in accordance with fair trade guidelines. When you see this label on coffee, tea, chocolate, or bananas, you are assured that the farmer at the point of origin received a fair price for the harvest. Visit www.transfairusa.org to find retailers of certified fair trade products.



Fair Trade Federation—Although not a label per se, the logo of the Fair Trade Federation appears on the products of some member companies (though not all). To join this association of fair



trade wholesalers, retailers, and producers, prospective members go through a rigorous screening and continually demonstrate their commitment to fair trade principles.

RUGMARK®—The handwoven rug industry is notorious for its use of child labor in the production of its products. RUGMARK  is a global nonprofit working to end illegal child labor in the carpet industry and offer educational opportunities to children. RUGMARK monitors looms and factories, rehabilitates and educates the child workers it takes off the looms, and marks rugs with

this label so consumers know which carpets are certified free from child labor. Visit www.rugmark.org for more information.

What about "Made in the USA?"—The "Made in the USA" label does not guarantee that the workers behind the label were paid at least a minimum wage or worked under safe and healthy conditions. Sweatshops continue to be discovered operating within the US, and furthermore, sweatshop operations located in US territories, like the Daewoosa Garment factory (see pp. 9-11), are allowed to use the USA label while remaining exempt from certain labor laws. To be sure that US-made clothes are sweatshop-free, look for the Union label.




Ending Sweatshops

Can we really end sweatshop abuses?
We can and we have. Use the steps
below to join us in pressuring
companies to ensure that no worker
anywhere has to endure abuse.

Ten Ways to End Sweatshops



Green Mountain Coffee Roasters

Farmers who supply coffee to Green Mountain Coffee Roasters  under the fair trade system are guaranteed a living wage and healthy working conditions.

Former child laborer Nazma Akter, who was featured in a 2003 documentary about the disaster entitled “Race to the Bottom,” is now the founder of the Bangladeshi Independent Garment Worker’s Union. She hopes to replicate early 20th century US labor successes in her native Bangladesh, where she works to organize Bangladeshi workers, while reaching out, through her film appearance and through independent lecture tours, as an educator for Western consumers.

Workers around the world who face sweatshop conditions every day on the job are organizing in much the same way as Nazma Akter and her colleagues to demand safe working conditions, fair wages, and the right to self-determination. At the same time, US groups are still uncovering sweatshops from New York to L.A., and unions are fighting to preserve gains from overtime pay to health benefits. Your choices and actions, from where you shop to how you invest, can support these struggles here and abroad. The ten steps to ending sweatshops fall into three main umbrella strategies: 1) You can pressure companies to improve their human rights records, 2) support socially and environmentally responsible alternatives to sweatshop labor, and 3) “do it together,” by taking action with others to advocate for a global economy that respects workers, communities, and the planet we all share.

PRESSURE COMPANIES TO IMPROVE

In January 2004, the *New York Times* reported on the jaw-dropping pay disparity between US baseball players and the Costa Rican workers who stitch baseballs for the major leagues. According to the *Times*, the average US baseball player makes around \$2.4 million

a year or \$46,154 a week. Working 11 hours a day, Costa Rican laborers can craft about four balls an hour, at an average pay rate of 30 cents apiece. Usually, this works out to about \$55 a week.

“[The work] messes up your hands, warps your fingers, and hurts your shoulders,” worker Overly Monge told the *Times*, adding that the 95-degree factory temperatures can cause workers to suffocate.

You can protect and advocate for workers in factories and fields, in the sporting goods industry, the clothing industry, and others, in these ways:

1 Organize locally: You can work in your local community to end sweatshops. Ask your school board to enact a sweat-free purchasing policy or bring a proposal for a sweatshop-free purchasing law to your local or state government. (See p. 15 to learn about the law passed recently in Maine.)

You can learn from the example of students across the US, who are persuading their institutions to buy items such as uniforms, sporting equipment, and more from companies that monitor conditions along the supply chain and guard against employee abuse at all stages of production. For example, students at Southwest High School in Minneapolis convinced their school board to adopt a “sweat-free” policy for the purchase of athletic equipment and apparel. (See p. 19 for another student group’s story.)

2 Support Co-op America’s Wal-Mart campaign: Co-op America regularly conducts consumer campaigns to push for corporate accountability. Wal-Mart, the world’s largest retailer, has been widely criticized for sourcing its products from sweatshops and for mistreating the workers in its stores. Currently, Co-op America and our allies are asking Wal-Mart to adopt a vendor code of conduct based on the International Labor Organization standards and to use third-party auditors to check its suppliers’ compliance. Wal-Mart has been resisting activist pressure on this issue, so we need to get hundreds of thousands of consumers to help us make this demand. Please sign and mail the enclosed postcard, and tell your friends to visit www.sweatshops.org to contact the company. For more information on the campaign, visit www.sweatshops.org.

3 Join other consumer campaigns: Co-op America’s allies also often call consumers to action to work for

human rights and greater corporate accountability. For example, the human rights nonprofit Oxfam International has launched the “Play Fair at the Olympics” campaign, with the goal of using the 2004 Olympics to spotlight worker abuses behind famous-label sportswear. Interviewing 186 workers from six countries, Oxfam documented instances of workers being attacked and harassed for union activity, fired for not working overtime, and forced to sew sportswear for 16 hours a day, six days a week. Watch for Oxfam-sponsored media events in several countries during the summer Olympics to publicize the sweatshop abuses of Olympic sponsors.

Keep informed about anti-sweatshop campaigns through Co-op America and our allies listed in the


resources section of this guide on p. 16. You can support these efforts by letting your friends and family know about campaigns and by donating money to the sponsoring organizations.

4 Use shareholder clout: If you own stock in individual companies, check the proxy ballots that you get in the mail and be sure to vote in support of any shareholder resolutions that require the company to improve its labor policies.

Also, if you put money into mutual funds, your investments can still work to improve the way companies treat their employees. Some mutual funds refuse to invest in companies that demonstrate indifference to workers’ welfare, while others engage in the practice of shareholder action to get companies


INDEPENDENT MONITORING: A KEY TO ENDING SWEATSHOPS

In the absence of a unified, universally accepted strategy for monitoring and labeling “sweat-free” goods, some companies have taken steps toward greater accountability to consumers. Many are voluntarily purchasing the services of independent monitors discussed below.

RUGMARK —**A CARPET LABELING LEADER:** In 1994, the RUGMARK Foundation set out to help consumers avoid hand-woven rugs produced using child labor. This independent organization monitors looms in India, Nepal, and Pakistan, taking immediate action when it finds children weaving rugs. Retail businesses pay a fee to join, ensuring that their carpet suppliers are continuously monitored by RUGMARK. This association allows them to put RUGMARK’s label on their carpets, telling consumers their rugs are free from child labor.

In the 10 years since RUGMARK was founded, its certification and distribution network has grown to include more than 300 retailers, representing three million child-labor-free carpets exported from South Asia. What’s more, if RUGMARK inspectors find child labor at a carpet factory, the children are removed from the looms and given a free education at one of RUGMARK’s rehabilitation facilities. A portion of the purchase price of each RUGMARK carpet is earmarked to help pay for the facilities’ upkeep.

“When a child is found on a loom, our inspectors will return with a local authority, who makes sure the child is removed safely,” says Nina Smith, RUGMARK’s executive director. “What’s good about our system is that the inspections are totally random, so loom managers have to be on constant guard, because they never know when RUGMARK inspectors are going to show up.”

INDEPENDENT MONITORING—VERITÉ : Right now, rugs are the only factory-made product with an accepted labeling process helping consumers make informed purchasing decisions. However, some companies in other industries engage in RUGMARK-like monitoring by hiring independent auditors to inspect their suppliers.

For example, Verité, an independent, nonprofit monitoring organization, began inspecting factories for client companies in 1995. Since then, Verité has conducted more than 1,000 audits in 65 countries, researching all aspects of a factory’s performance, including wage issues, production quotas, fire safety, disciplinary measures, discrimination, freedom to organize, sanitation, and use of child labor.

“After we inspect, we help the companies create correction programs, including training seminars for factory management and workers, and remediation of unlawful or inhumane conditions,” says Heather White, president and founder of Verité. “Since our sole purpose is monitoring, we have skills and resources to uncover things that companies generally don’t.”

Verité does not publish a list of companies they have audited, citing the fact that conditions can change rapidly at factories, in between visits by a monitor. Verité inspects factories only when companies ask them to, so monitoring is not necessarily constant.

CODES OF CONDUCT: Still other companies choose to join with associations that establish codes of conduct to screen out suppliers and factories that engage in sweatshop abuses. Most of these codes are based on International Labor Organization (ILO) guidelines, adopted in 1998, which encourage member countries of the United Nations to endorse minimum standards for worker rights, such as: the right to organize and bargain collectively, a commitment to abolish child and forced labor, equal workplace opportunities and freedom from discrimination, and non-exploitative workplaces.

Although each of the code-of-conduct associations listed below enforces some form of monitoring of its members’ factories, none issues labels or guarantees constant compliance with ILO standards. For that reason, some anti-sweatshop activists criticize these associations for being less helpful or stringent than they should be.

Nonetheless, the codes offer hope for a future where more companies take an active role in monitoring the conditions of their supplier factories. Below are three of the better associations currently establishing corporate codes of conduct.

Fair Labor Association (FLA)—An association of US-based garment companies, the FLA promotes internal monitoring by its member companies, but also independently reviews its members with accredited external monitors. The FLA posted its first annual report to its Web site in June 2003, including compliance reports on the suppliers for seven of FLA’s 12 participating companies, such as Land’s End, Adidas, and Nordstrom (www.fairlabor.org).

Social Accountability International (SAI)—SAI monitors factories on a plant-by-plant basis, and companies that subcontract with factories may join SAI’s Corporate Involvement Program (CIP) to help them seek out compliant production facilities. Participating companies include apparel retailers Amana, Charles Vogege, and Eileen Fisher; at press time, only compliance documents for Eileen Fisher appeared on the SAI Web site (www.sai-intl.org).

Worker Rights Consortium (WRC)—A nonprofit dedicated to helping universities enforce codes of conduct for their suppliers, the WRC counts more than 100 schools among its affiliates. At the WRC Web site, users can find factory monitoring reports on manufacturers who supply apparel and sports equipment to the affiliated universities (www.workersrights.org).

—Andrew Korfhage

Ending Sweatshops

DZI-The Tibet Collection



Fair trade workers make felt for DZI—The Tibet Collection

in which they invest to improve their labor practices. Over the past few years, mutual funds such as Calvert and Domini Social Investments have been working to get companies such as Dillard's and Wal-Mart to adopt policies designed to ensure that their products aren't being made under sweatshop conditions.

To find a mutual fund that screens out companies with bad labor practices or engages in shareholder advocacy, consult the financial planning section of Co-op America's *National Green Pages*[™], or visit www.socialinvest.org.

Investigate companies: Co-op America's Responsible Shopper research tool, online at www.responsibleshopper.org, lets you investigate companies' records on issues from labor to the environment. When you see an item that concerns you about a particular company, it only takes a few clicks to send a message to the management letting them know you're displeased. When you're out shopping, ask salespeople if the store has a code of conduct for the vendors that manufacture their products—and how the company checks vendor compliance and deals with infractions. (See p. 11 for more on codes of conduct.) If the company lacks a code or procedures for enforcing it, let them know you'd like them to adopt one.

SUPPORT ALTERNATIVES

When a handful of middle school students in Greenwood Village, Colorado, learned about RUGMARK on the Internet, they knew they wanted to help the foundation's cause. The students were researching potential presentation topics for the Colorado World Affairs Challenge, which had chosen "the rights of the child" as 2003's theme. The students chose to highlight RUGMARK's work to end child labor in the carpet industry for their presentation, but they didn't stop there.

After presenting their project at the state-wide competition, the students decided they wanted to do more for RUGMARK's cause than simply tell people

about it. So they set up a booth at school, which they staffed before school and during lunches, handing out RUGMARK educational materials and asking for donations. The students raised over \$400 for RUGMARK's work to educate and rehabilitate former child carpet workers, which just goes to show that all you need are a little bit of creativity and enthusiasm to support alternatives to sweatshops and child labor.

In addition to pressuring companies to change unfair practices, you can help eradicate sweatshops by supporting businesses that offer alternative products and services, free from worker abuses.

Buy fair trade: Fair trade is an economic system that ensures healthy working conditions, self-determination, and fair wages for workers. Generally, workers are organized into democratically run cooperatives that produce commodities such as coffee or cocoa. Companies that buy from fair trade-cooperatives pay prices that are sufficient to provide for workers' families and sustain their businesses. In the case of some items, such as bananas, even non-cooperative workplaces like plantations can earn fair trade certification if the owners meet standards such as providing fair wages to workers and respecting workers' rights to unionize.

When you purchase fair trade items, you help ensure a sustainable livelihood for farmers and workers. In the supermarket, look for coffee, tea, and chocolate bearing the Fair Trade Certified[™] label. Certified bananas, pineapples, mangoes, and grapes have also recently become available in select food retail outlets. If your supermarket or local health food store doesn't stock fair trade products, ask them to do so and explain why. At restaurants, suggest the addition of Fair Trade Certified[™] coffee to the menu. Restaurant comment cards, flyers, and links to fair trade coffee retailers are available online at www.fairtradeaction.org.

You can also buy gifts from companies that belong to the Fair Trade Federation (FTF), an association of fair trade wholesalers, retailers, and producers whose



Kusikuy

Bolivian weavers handknit fair trade sweaters made from alpaca and llama wool for Vermont-based Kusikuy (www.kusikuy.com).

members are committed to providing fair wages and good employment opportunities to economically disadvantaged artisans and farmers worldwide. (FTF members are listed in the *National Green Pages™*, which is available online at www.greenpages.org or for \$10.95 by calling 800/58-GREEN.) These businesses stock fairly traded handicrafts ranging from jewelry and clothing to decorative items for the home, and recipients will get the extra benefits of knowing their gifts were made by workers earning a fair price.

Support fair trade campaigns: When Co-op America and our allies were asking Procter & Gamble to begin offering fair trade coffee, our members and supporters played a key role in convincing the company to take this important step. You can participate in campaigns like this one by contacting companies, asking for fair trade products at specific stores, and educating people in your community about fair trade. To keep up to date on Co-op America campaigns, sign up for our online action updates at www.coopamerica.org/signup.

Congregations and faith organizations are playing a lead role in advancing the fair trade movement. Your local faith community can get involved by signing the fair trade pledge promising that coffee provided after services and other events will be fair trade, educating members about the importance of fair trade, and mobilizing members to join fair trade-related campaigns. Materials for faith organizations are online at www.fairtradeaction.org.



Wellesley College Association of Labor Rights Activists

Buy union-made, local, and secondhand: For clothing and household items, check out your local secondhand or consignment stores. When buying new clothing, look for the union label (see p. 9) on the clothing you buy, or make your purchases from the socially responsible businesses listed in the *National Green Pages™*. Support local food retailers such as farmers' markets so that your dollars go to the people who grow your food rather than to middlemen.

Students from Wellesley College participate in a sweatshop simulation to draw attention to worker rights.

DO IT TOGETHER

From school districts to congregations, different kinds of communities are using their shared strength to work toward a common goal: ridding the world of sweatshops and ensuring fair treatment for all workers.



TRUE TALES

How Wellesley students creatively raise awareness about sweatshops.

WELLESLEY COLLEGE ASSOCIATION OF LABOR RIGHTS ACTIVISTS

The heat inside the room was oppressive, the clamor of machines unrelenting. A dozen 18-22 year-old women crowded around a long table, struggling to meet their quota of 23 canvas bags per hour. They arrived near dawn; when they left, it would be dark. For 12 hours of manual labor, each earned a daily wage of three dollars.

Their sweatshop, however, was located at one of America's elite liberal arts colleges, closer to Boston than Bangladesh. On Wednesday, Feb. 25, the Wellesley College Association of Labor Rights Activists (WALRA) held its second annual sweatshop simulation, designed to raise awareness of workers' rights.

"I think it's the noise that really drives everyone mad. We have four sewing machines running, but the killer is the two factory noise CDs we have playing on repeat all day," Wellesley senior and WALRA president Liz Mandeville said. "At the end, of course, I was exhausted."

In just two years, the event has changed Wellesley's approach to labor rights. A week after college administrators attended WALRA's first sweatshop simulation, Wellesley joined the Workers Rights Consortium (see p. 17). A month later, fair trade coffee was added to the college's dining halls.

Students organized and staffed the simulation, although Mandeville called professors and administrators "extremely supportive." To reproduce actual sweatshop conditions, window drapes were drawn closed and six heaters were set to full power. During their 30-minute lunch break, workers ate only a small cup of rice and beans.

Students labored throughout the day, mass-producing tote bags that were stamped to read, "This bag was made in a sweatshop." Others worked in shifts at information tables, selling the bags and fair trade WALRA T-shirts. All the profits will fund labor events on campus, including upcoming speakers and next year's simulation.

Prohibited from socializing with each other, workers were allowed to answer questions from the hundreds of people who attended the simulation. Statistics about sweatshops were also written on workers' shirts and the walls, another attempt to spread consciousness about labor abuses.

In the end, the simulation successfully raised awareness among both its spectators and participants.

"I think what you really understand after the sweatshop simulation is not what it's like to be a sweatshop worker, but how connected we all are to sweatshop work," Mandeville said. "If everyone in a position of privilege could take those 12 hours to think that fact over, what an enormous and powerful movement we would have."

—Jonathan Kalmuss-Katz

Ending Sweatshops

Spread the word: Let the people around you know what kinds of sweatshop-fighting actions you're taking and why it's important to do so. Tell them about resources, such as Co-op America's Web site www.sweatshops.org, that they can use to find sweat-free products and anti-sweatshop campaigns.

Use the power of collective action: Think about the different groups you belong to, such as community organizations, office sports teams, a faith community, or alumni associations. Then, think about how your group can work together to end sweatshops or advance fair trade.

You might start with something simple, like making sure that your group's T-shirts are made by workers earning fair wages or that your gatherings feature fair trade coffee, tea, and hot chocolate. Or, your group might decide to launch a campaign to convince your university or local government to adopt an anti-sweatshop purchasing policy. You can start by sharing this guide with the rest of your group; additional copies are available for a small fee when you call 800/58-GREEN. No matter what you decide to do, doing it with others will increase your impact—and probably make it a lot more fun, too.

—Liz Borkowski and Andrew Korfhage

SWEATSHOPS AND THE RIGHT TO KNOW



AP/Wide World Photo

Survivors of the Bhopal gas disaster protest Union Carbide's continued effect in their community on the anniversary of the 1984 tragedy.

many companies resisted it initially, they've since realized that compiling data for the TRI has helped them improve their own management."

Now, activists are working for an International Right to Know (IRTK) law that would require US companies to disclose this kind of information on their overseas facilities as well as their domestic ones. A coalition of environmental and human rights advocates, including ERI and FOE, is working to bring an IRTK bill to Congress.

The IRTK would also force companies to disclose information on labor and human rights issues. "In the US, we already have relatively strong labor protections, such as health and safety standards and prohibitions on child labor," Redford explains. "Under the IRTK, companies would not face these operating requirements, but they would be required to report how many people have been hurt or killed in each factory and what the age of their workers is."

Another important issue in US companies' overseas operation is the use of military or police forces for security—a practice that can lead to human rights abuses. ERI is currently suing the oil company Unocal over its Burmese gas pipeline project, which employs the army of Burma's brutal military regime to provide security. According to ERI, the military security force is implicated in thousands of human rights abuses, from forced relocation of entire villages to rape, torture, and extrajudicial killings.

An IRTK wouldn't force companies to comply with environmental, labor, or human rights laws, but it would make it harder for companies to avoid accountability. IRTK data could help local groups demand better practices from facilities, such as improved safeguards in factories that use hazardous chemicals. People who've suffered from disasters such as Bhopal would have access to information about the kinds of chemicals to which they've been exposed and the likely health effects—something that Bhopal residents are still fighting to obtain.

Consumers of US products would benefit from the additional information, too. If you want to know whether the company that made your blue jeans employs ten-year-olds or if the company whose oil fuels your car uses an abusive army for security, an IRTK would help you make informed purchasing decisions.

"We often find that the corporations talking about social or environmental responsibility are the same ones who are trying to get rid of accountability so they can operate in secret," observes Redford. "With an IRTK, we can uncover their abusive practices and work with local communities to seek change."

—Liz Borkowski

Contact: International Right to Know Campaign (c/o Friends of the Earth), 202/222-0718, www.irtk.org.

In the early-morning hours of December 3, 1984, a toxic cloud spewed out of a Union Carbide pesticide plant and drifted through the city of Bhopal, India. More than 2,000 residents died within hours of the leak, and activists place the eventual death toll from the accident as high as 20,000. Hundreds of thousands of people who were exposed to the gas still suffer injuries ranging from chronic lung ailments to neurological disorders, and the shuttered facility continues to poison Bhopal's groundwater.

According to EarthRights International (ERI), a nonprofit working within the legal system to safeguard human rights and the environment, the mindset that leads companies to operate sweatshops also creates the conditions for environmental and health disasters.

"Bhopal is an example of what can happen when corporations seek out the highest profits without regard for human beings," says Katie Redford, co-director of ERI. "Union Carbide knew its facilities were dangerous and that they didn't have the proper safety mechanisms in place—the accident was foreseeable."

The ironic thing, says Redford, is that "the US reacted to Bhopal by passing a law designed to prevent such accidents from ever happening within our borders—but it didn't do anything to protect people like those in Bhopal."

The 1986 Emergency Planning and Community Right to Know Act requires companies to disclose information about how they use, store, and release chemicals from their US facilities. Anyone can access this data, which is contained in the Toxic Release Inventory database—so if, for example, a community is concerned about emissions from a local factory, residents can find out exactly what substances that factory's releasing into the air.

"The Right to Know Act has been hugely successful at reducing pollution in the US," says policy analyst Colleen Freeman of the nonprofit Friends of the Earth (FOE). "Within its first decade, industries reduced releases by almost 50 percent—and although

Sweatshop Victories

Thanks to the collective efforts of workers, activists, and concerned consumers, we enjoyed the following victories against sweatshops in 2003-2004.

May 2004—Gap Inc. Sets New Public Disclosure Standards. Clothing giant Gap Inc. released a landmark social responsibility report detailing results from extensive inspections at 3,000 of its manufacturing facilities worldwide. Inspectors have been monitoring factories for compliance with Gap's Code of Vendor Conduct since 1996, but the May report marks Gap's first public disclosure of inspections results, which included the discovery of numerous safety, wage, and hour violations. Gap stated that it will work with noncompliant manufacturers to foster improvements, though it will sever ties with manufacturers that refuse to address problems. (In 2003, the company revoked approval of 136 factories.) Socially responsible investors who conducted two years of dialogue with the company on this issue applauded the release of the report as an important step forward on public disclosure and accountability.

March 2004—Bebe Settles Sweatshop Lawsuit With Garment Workers. Bebe Stores Inc., a California-based women's clothier, announced in March that it would agree to a settlement in a federal lawsuit, originally filed in December 2001, which alleged sweatshop conditions at two Southern California factories contracted to produce garments for the Bebe label. According to the Asian Pacific American Legal Center (APALC), which represented the 13 garment workers who sued Bebe, workers were subject to "harassment and inhumane treatment" and typically toiled 11-hour days, six days a week. The lawsuit furthermore alleged that the factories denied workers a minimum wage (and overtime wages) by forcing them to punch out on the time clock while continuing to work "off the books." Although the terms of the settlement were not publicly disclosed, Minah Park, an attorney for APALC, called the settlement "mutually satisfactory" and "long overdue."

January 2004—Workers Gain Rights Through Settlement of Saipan Lawsuits. Workers and labor advocates involved in a series of high-profile lawsuits against 27 US retailers and 23 Saipan garment factories settled the last of their suits for a combined \$20 million, securing contributions to the settlement from all named US retailers except Levi-Strauss and Co. The landmark settlement is the largest award to date in an international human rights case and will trigger back payments of as much as \$4,000 (or nearly a year's salary) each for about 30,000 workers. Furthermore, independent monitoring of Saipan garment factories has begun, and the settling companies agreed to a code of conduct that prohibits a number of sweatshop abuses.

September 2003—New York Law Allows Public Schools to Shun Sweatshops. New York governor George Pataki signed a bill in September of 2003 allowing public colleges and school districts in New York state to choose

suppliers of soccer balls, footballs, tennis gear, and other sports equipment based on their commitment to fair labor practices, rather than solely on price.

July 2003—US Bans All Imports from Burma. Following years of activist pressure for US corporations to stop doing business with the Burmese military dictatorship, Congress passed and the president signed the Burmese Freedom and Democracy Act of 2003 in July. Although many companies had already announced their intention to stop doing business with Burma in response to activist pressure, the law codified that no US company may import goods made in Burma.

May 2003—State of Maine Passes Anti-Sweatshop Law. In early May of 2003, Maine governor John Baldacci signed the nation's first state-level anti-sweatshop law, requiring companies doing business with the State of Maine to sign a code of conduct affirming that their products are not made with sweatshop or child labor. The law applies to all companies selling textiles, clothing, or footwear to the state, and requires that companies provide the names and addresses of each of their suppliers. The Maine legislature provided \$100,000 in funding for a purchasing database for state-level staff to monitor factory working conditions. If any factory in the supplier database is found to be in violation of state standards, the law calls for the State of Maine first to help bring the facility into compliance, then to terminate the contract if sweatshop conditions continue.

March 2003—Former Sweatshop Workers Launch Sweat-Free Label. Former employees of Bed & Bath Prestige, a Thai garment-manufacturing company, established their own manufacturing cooperative in March of 2003 after their former employer ceased operations and fled the country. A producer of sportswear for Adidas, Nike, Fila, and Umbro, Bed & Bath Prestige still owed workers more than \$400,000 in unpaid wages and severance pay at the time of its October 2002 closing. Aggrieved workers succeeded in securing lost wages from the Thai Ministry of Labor and successfully campaigned for changes in the law regarding severance pay. Then, they launched their own worker-owned cooperative under the name "Solidarity Group." With borrowed sewing machines and loans from the Labor Ministry, Solidarity Group now produces clothing under the label "Dignity Return."



AP/Wide World Photo

Members of UNITE! union protest illegal sweatshops in New York's Chinatown.

AFL-CIO

202/637-5000, www.aflcio.org. Federation of US unions that gives working people a voice on the job, in the government, and in the global community.

Bangor (Maine) Clean Clothes Campaign

207/947-4203; www.pica.ws/cc/. Launched the first community-based grassroots campaign against sweatshops in the US.

Campaign for Labor Rights

202/544-9355, www.campaignforlaborrights.org. Works to inform and mobilize grassroots activists in solidarity with major international anti-sweatshop struggles.

CorpWatch

415/561-6568, www.corpwatch.org. Counters corporate-led globalization through education, network-building, and activism.

Earthrights International

202/466-5188, www.earthrights.org. Documents human rights and environmental abuses in countries where few other organizations can safely operate.

Fair Labor Association

202/898-1000, www.fairlabor.org. Independent monitoring system that holds its participating companies accountable for the conditions under which their products are produced.

Fair Trade Federation

202/872-5338, www.fairtradefederation.org. Association of fair trade wholesalers, retailers, and producers.

Fair Trade Resource Network

202/302-0976, www.fairtraderesource.org. Raises consumer awareness about improving people's lives through fair trade alternatives.

Free the Children

905/760-9382, www.freethechildren.org. International network of children helping children through leadership and action.

Global Exchange

415/255-7296, www.globalexchange.org. International organization working for human and economic rights.

Human Rights Watch

212/290-4700, www.hrw.org. Investigates and exposes human rights violations and enlists the international community to support the cause of human rights for all.

Interfaith Center for Corporate Responsibility

212/870-2295, www.iccr.org. Uses shareholder advocacy to promote corporate responsibility.

International Labor Rights Fund

202/347-4100, www.laborrights.org. Advocacy organization dedicated to achieving just and humane treatment for workers worldwide.

International Labour Organization

202/653-7652, www.ilo.org. UN agency promoting internationally recognized human and labor rights.

International Right to Know Campaign (c/o Friends of the Earth)

202/222-0718, www.irtk.org. Coalition promoting legislation to make US corporations disclose environmental, labor, and human rights information about their international practices.

Maquila Solidarity Network

416/532-8584, www.maquilasolidarity.org. Promotes solidarity with worker groups organizing in Mexico, Central America, and Asia.

National Labor Committee

212/242-3002, www.nlcnet.org. Exposes human and labor rights abuses committed by US companies producing goods in poor countries, and organizes campaigns to end these abuses.

Oxfam America

617/482-1211, www.oxfamamerica.org. US branch of the global organization working to find long-term solutions to poverty, hunger, and social injustice.

Resource Center of the Americas

612/276-0788, www.americas.org. Resources to promote human rights, cross-cultural understanding, and economic justice.

RUGMARK Foundation

202/347-4205, www.rugmark.org. Certifies child-labor-free carpets and offers education to children in Nepal, India, and Pakistan.

Social Accountability International

212/684-1414, www.sa-intl.org. Monitors and certifies factories for compliance with SA8000 standards.

Sweatshop Watch

510/834-8990, www.sweatshopwatch.org. Coalition of organizations working to end sweatshops in the global garment industry.

TransFair USA

510/663-5260, www.transfairusa.org. Independent, third-party certifier of fair trade practices in the US.

Union of Needletrades, Industrial, and Textile Employees (UNITE)

212/265-7000, www.uniteunion.org. The nation's largest apparel and textiles workers' union.

United Students Against Sweatshops

202/NO-SWEAT, www.studentsagainst-sweatshops.org. International student movement fighting for sweatshop-free labor conditions and workers' rights.

Verité

413/253-9227, www.verite.org. Nonprofit social auditing and research organization working to assess and improve factory conditions worldwide.

Wal-Mart Watch

www.walmartwatch.com. Provides news and resources for Wal-Mart campaigns.

Witness

212/274-1664, www.witness.org. International organization helping local groups to use video in their human rights advocacy campaigns.

Worker Rights Consortium

202/387-4884, www.workersrights.org. Assists in the enforcement of manufacturing codes of conduct adopted by colleges and universities.

CO-OP AMERICA RESOURCES

Co-op America offers the following resources to promote corporate accountability, end sweatshops, and ensure fair and healthy working conditions for all.

National Green Pages™—Our directory of socially and environmentally responsible businesses, including fair trade companies. \$10.95 or free at www.greenpages.org.

Guide to Ending Sweatshops—More copies of this issue of the *Co-op America Quarterly* can be ordered for \$4 plus shipping by calling Co-op America at 800/58-GREEN.

Responsible Shopper—www.responsibleshopper.org. Use our Web site to investigate companies' records on social and environmental issues, and contact them about your concerns.

Fair Trade Action—www.fairtradeaction.org. Get tools on our Web site to promote fair trade in your community and join national action campaigns.

Social Investment Forum—www.socialinvest.org. Find socially responsible investment options on the Web site of our partner organization, the Social Investment Forum.

Shareholderaction.org—Go to our shareholder action Web site to find out how you can use your shareholder power to encourage corporate accountability.

Sweatshops.org—www.sweatshops.org. Take action online at our sweatshop Web site, and get resources for ending worker abuse around the world.

Co-op America is a membership organization helping people to vote with their dollars for a better world. Membership includes a subscription to the *Co-op America Quarterly*, our *Real Money* newsletter, and the *National Green Pages*.™

MEMBERSHIPS New and gift memberships are \$20. Renewals begin at \$25. Call (202)872-5307 for credit card orders or send a check to the Membership Department of Co-op America at the address below.

GROUP DISCOUNTS Bulk subscriptions for teachers, educators and others are available. Write to the address below or call (202)872-5307 for information.

CO-OP AMERICA

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1612 K Street NW, Suite 600, Washington, DC 20006

www.coopamerica.org • 202/872-5307 • fax: 202/331-8166