

# SweatFreeCommunities

**A Network for Local Action Against Sweatshops**

**www.sweatfree.org**

**Second Annual National Conference**

**May 6-8, 2005, Denver, Colorado**

*Hosted by Ethical Trade Action Group (E-TAG)*

## **REPORT**

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# **Opening Plenary: Opportunities and Challenges for the Anti-Sweatshop Movement**

**Friday, May 6 2005**

*We are facing trade agreements with no enforceable labor rights standards and enormous obstacles to worker organizing globally. The end of textile quotas is causing a wave of plant closings around the world. How do we respond? How can sweatfree campaigns provide part of the solution?*

**Notes:** Brian Brown-Cashdollar, Western New York Sweatshop Awareness Project

**Presenters:** Bjorn Claeson, SweatFree Communities; Gilberto Garcia, Labor Studies and Support Center & Just Garments union organizer in El Salvador; Hee Won Khym, Behind the Label; Brian O'Shaughnessy, New York State Labor-Religion Coalition; Jessica Rutter, United Students Against Sweatshops.

**Discussant:** Alejandra Domenzain, Sweatshop Watch

**Moderator:** Josh Schachterle, Ethical Trade Action Group (E-TAG)

## ***Bjorn Claeson, SweatFree Communities***

Welcome to everyone who has come from all around the country and outside the country. Special thanks to the host, Ethical Trade Action Group.

A big piece of the big context of our work is the world that transnational corporations are trying to create through trade agreements. It's scary to see what corporations say about trade agreements. This is where corporations reveal themselves. Look at the trade agreements and you can see their naked power grab and their dreams, and you can expose them.

You can expose their dreams to shrink government for the public, to prohibit government from:

- Giving favorable treatment to local or domestic businesses.
- Limiting the size or locations of big box retail outlets.
- Using any regulation that is more "burdensome than necessary" for a transnational corporation seeking local market access. The World Trade Organization would define "necessary".
- Using government purchasing as a public policy tool to promote economic development, environmental responsibility, or fair labor standards.

They're also trying to redefine government regulations to protect people as a "regulatory taking" that requires compensation to the owner, just as when a government takes private land for a highway it has to pay the fair market value.

While these commercial provisions in trade agreements are enforceable and backed up by trade sanctions, there's not protection for workers rights.

The Central America Free Trade Agreement (CAFTA) allows labor rights and human rights violations with impunity. It does not require, only asks countries to “strive to ensure” International Labor Organization standards. It requires compliance with existing labor laws, but labor law violations cannot be sanctioned by withdrawing trade benefits – only by fines capped at \$15 million. CAFTA says that it is perfectly fine to keep on violating labor rights and human rights as long as you pay the fine every year. Moreover, countries pay the fine to themselves, supposedly to strengthen labor law enforcement. But there is nothing in CAFTA that prohibits countries from simultaneously shifting resources away from labor law enforcement. So the net result of violations could be zero.

But right now CAFTA is falling. This has less to do with inadequate Washington lobbying than local grassroots opposition. A senate aid says CAFTA's problems have to do with “those awful grassroots.” Those awful grassroots are us. Our opposition have understood our power. We must too.

When we organize a “sweatfree Denver” we create different rules for the global economy than CAFTA's rules. We are saying that ILO standards are mandatory minimums, not optional, that workers should be paid living wages, not starvation legal minimum wages, that the right to organize is fundamental.

We do not have a seat at the table to negotiate the trade deals. But we decide how to spend tax dollars. All of us can sit at the table crafting local purchasing policies. That is our leverage to create a just global economy, an alternative. With the spread of sweatfree policies, we show that corporate free trade deals are out of step with the mainstream. We erode the legitimacy of “free trade.” That's what legislators are feeling now, and that's why CAFTA is in trouble.

We have three challenges:

- Enforcement of sweatfree policies. How do we make the new rules count?
- Laws are only as strong as the movement. People in local communities need to continue to educate, organize, agitate. We need to use the new policies as tools for worker solidarity, or the new rules will be meaningless.
- We need to increase capacity to strategize across borders and with workers around the world. What should go in policies? When do we link international solidarity campaigns to enforcement of sweatfree policies?

***Hee Won Khym, Behind the Label and UNITE HERE***

At Behind the Label we post stories about workers from around the world. ... Let's have some examples. [asks for audience to tell stories of their own activism]

***Chie Abad, with Global Exchange:*** Our biggest victory was the lawsuit against the GAP. Finally after years and years of legal fight we won back wages for workers. We're working on a sweatfree policy in San Francisco.

***Colin O'Malley, USAS:*** A couple of weeks ago University of Colorado, Boulder affiliated with the WRC. It ended a three year campaign.

***Kristen Kennedy, Western New York Sweatshop Awareness Project:*** Working to pass a sweatfree purchasing policy in Lancaster High School, Buffalo.

***Laurel O'Connel, Youth Adelentanto:*** In the passed year we had a sweatfree policy passed; now we are working on a cap and gown campaign, pushing for reuse of cap and gowns.

I did this because I wanted activists to have a voice, because that's why we're here. So we can talk about successes and challenges. Nike has issued a report admitting that there are endemic problems in factories, as did the GAP. They call this report "progress," but this is what we've been saying all along.

When I went to China I met a worker who had 80% of his body burned for trying to organize to improve working conditions. I went to Swaziland where workers are called useless pigs and that they should be prostitutes. There are reports coming out of factories in Bangladesh that workers have had their fingers broken for working too slow.

Is it a victory when Nike admits there is a problem, but still blames the factory that has to compete for these contracts? Factories have to compete to decrease prices while increasing productions and decreasing turn around time. Ultimately this pressure falls on the workers because the factory owners are under the gun to continue to push down prices. We should pressure the brands to not press for lower prices and more productivity, else conditions will be getting worse.

***Jessica Rutter, United Students Against Sweatshops***

I want to talk about USAS and our model and how it can work in high schools, towns, cities and states.

USAS is a network on 150 campuses working on worker solidarity campaigns. USAS in the late 1990's began questioning where their school apparel was made. Students forced Universities to adopt schools to do this, to disclose location of factories. Students helped create WRC and got schools to pay for it. I like SweatFree Communities because it uses a similar model.

USAS also believes in a solidarity model. USAS wants to use its power so workers have the space to organize. The MFA (MultiFiber Agreement since 1974) was completely face out January 1, 2005. Practically that means giving companies opportunity to cut and run a lot more. [*ed*: companies are not forced to spread out production in a lot of different countries by quota requirements any more]. So workers where USAS organizes are now threatened that factories may move to China. We need to be able to provide security and reinforce positive working conditions. I also want to echo what Bjorn said about follow up. It's extremely important that we can enforce the policies we pass, and that requires having an organization and a sustainable movement.

***Gilberto Garcia, Just Garments and Centro de Estudios y Apoyo Laboral***

**Translator:** Martha Ojeda, Coalition for Justice in the Maquiladoras

I want thank everyone who worked on organizing this event and are doing this kind of work in the United States.

Some years ago we encountered the *maquilas*. From the 1950s – 1970s in the US they were successful in building power and capacity in collective bargaining, so they started moving south to avoid this. It is much more possible to outsource productions and production is much more mobile.

In a recent Gap compliance conference were there was a strong critique. ... The Gap is trying to take credit for fair trade, but they don't want to make a commitment for real change. The fair labor movement is very strong in the last few years – like with Fila. They've been able to push success in working with the WRC. However, some conservative groups are pushing for the sweatfree label. They are looking at Starbucks as a model trying to claim its coffee is fair trade coffee.

When a university affiliates with the WRC it's a promise, without knowing if it's being followed through with schools that affiliate with the WRC. It's just the beginning. We're going to have to have many different forces coming together to improve conditions.

Another challenge is that sweatfree is becoming more marketing than practice, that corporations are trying to co-opt students. I mention all this because with our campaign in El Salvador, where we went from collective bargaining to running the company [Just Garments]. We can't talk about success, as we're accumulating a lot of debt, we're collapsing, we don't have any chance to increase salaries and we're on the brink of bankruptcy.

Other challenges: Under the MFA, workers in Central America and the Caribbean are having a harder time competing against China. Workers in El Salvador are fighting an industry saddled with debt. With this reality, the only solution is for workers to take over the factories like in Argentina, Uruguay and Brazil. This is becoming more likely as the factories close. We can talk about this over the next few days.

***Brian O'Shaughnessy, New York Labor-Religion Coalition***

I have four points:

1. I was at the third annual farm workers dinner. A group of business folks, Partnership for the City, were there. When we were trying to pass an increase in the minimum wage law, this group of business people came out in support. Here they're supporting for the farmworkers group. We need to look to people like this as allies who can provide resources and maybe even help fundraising.
2. How can we consolidate images that get beyond the head and move people in the heart? I go back a long way to the girl running naked from napalm. This image helped change history. I know we have stories. We have to take the stories and the images to break through this stupid and awful rhetoric to change people's hearts. We need to use the stories of workers in the U.S. and abroad to promote a common vision for worker justice.
3. We don't have a movement unless we have song. Some of you know Pat Humphrey, a singer who came to the farm worker dinner. She came because eight years ago she learned that farm workers did not have the right to water or toilet facilities. She wrote a song called "A Cup of Cold Water." This song and the workers' stories moved people. She's got another song called "Sweatfree." Share your songs, write your songs, sing your songs. We need them, because fighting these battles is hard, but I'm never worn down when I'm singing.
4. Sweatshops are a moral issue. It's frustrating to me that the right has stolen morality. I want to make workers rights the moral issue of this century. I want to hold people of faith to their teachings. Like the 800 catholic schools in New York can buy uniforms from Flynn & O'Hara (uses UNITE HERE plant in Pennsylvania) and blouses from a women's coop in Thailand which is often the only option to the sex trade.

***Alejandra Domenzain, Sweatshop Watch, Discussant***

To start the discussion of lessons learned in the course of doing this work, I want to share three lessons from the Garment Worker Center's campaign against Forever 21, a popular retailer of trendy clothing for young women which has the majority of its production in Los Angeles. Recently a settlement was reached, but it was a hard three year campaign.

### **1. The role of community based organizing.**

While having an independent, democratic union (or worker owned cooperative) is the ideal in any workplace, in some cases we have to look at other models. For example, in Los Angeles one-third of the garment industry is underground. Small sweatshops open and close frequently to avoid any liability. Workers don't know the name of the employer or business and get paid cash under the table. Thus, there is no real "shop floor" or "employer" to organize against; the factory will disappear. Also, workers are constantly threatened with deportation and in the current anti-immigrant climate and local enforcement of federal immigration law this is a real concern. However, in the Forever 21 campaign, the Garment Worker Center provided a safe space for workers to build leadership and organize. The community based approach also gave us flexibility, allowing us to focus on issues such as gender, linking workplace rights with other political development.

### **2. The importance of linking a particular campaign to broader political movements.**

For example, in Los Angeles we are part of a strong coalition of low-wage worker advocates. We try to not just focus on sweatshops, but also on the broader attacks on labor rights for all workers. The same workers and families are in all of the low wage industries: garment, restaurant, market, janitorial, domestic, day labor work, and so on. We also link what's happening in Los Angeles to national and international dynamics. We link labor issues to moral (link to clergy), human rights, and corporate accountability issues. And we don't just focus on labor rights, but also on economic opportunity; the reason people take sweatshop jobs is because they don't have an alternative, so we have to question this economic model and create other types of economic opportunity.

### **3. The role of students and youth.**

Youth are the primary consumers of Forever 21 clothing, and in general youth are a large segment of consumers within the US, which is the largest consumer of clothing worldwide. We can question the consumerist model where clothing is supposed to be updated every few weeks with ever-changing styles and clothing has to be produced cheap and fast because it's almost disposable. Most importantly we need to raise awareness among youth not just to recruit future leaders, but because there are so many other "agendas" out there we are competing with. One anecdote: in a recent hearing in California about the governor's proposal to weaken workers' rights to a meal and rest break, hundreds of young, middle class, mostly white food servers provided testimony sharply contrasting with other workers' testimony about fainting in the fields after hours of picking lettuce without water or breaks, and about being disabled as a result of repetitive motion injuries or kidney infections caused by not being allowed to go to the bathroom in garment factories. The California Chamber of Commerce recruited and paid the young food servers to testify. This was probably their first overtly "political act." We need to make sure that young people have a broader understanding of what low wage workers are going through.

## Questions and Answers

***Katheryn Sharpe, Resource Center of the Americas:*** We all want companies like that [Just Garments] to survive. But at the same time the goal of sweatfree movement is not just to create these little islands, but also to affect broader change. What do we do?

***Gilberto Garcia:*** I think that you quickly got to the point. I think as I see it, it's a complex dilemma. I don't think we should make lists to include the just factories. It's a struggle that is prolonged and long term. I think that Just Garments and others are a part of this process. We are the vanguard, the model of how to do this differently. Our industry is collapsing in Central America. We have to have examples to show what is possible for the whole industry. We have to prove that it is possible. We have to look for a way that is sustainable. With just one large long-term contract we could survive, one hospital, one union. We don't have the funds to purchase the material to compete for these contracts. It would be sad if Just Garments collapsed. But there are some exciting things happening like in the DR and Haiti, where they are negotiating together for one contract.

***Kenneth Miller, Pittsburgh Anti-Sweatshop Community Alliance:*** Our power lies in our ability to talk to others about sweatshops. We should emphasize the similarities in experiences between workers in our communities and workers in sweatshops. When we do that we empower ourselves.

## **Workshop: Sweatfree Schools Campaigns**

**Saturday, May 7 2005**

*Learn the organizing steps to starting, running, and winning a sweatfree purchasing policy in your school or school district.*

***Brian Brown Cashdollar, Western New York Sweatshop Awareness Project (WNYSAP)***

### **The goals of WNYSAP:**

- To develop youth leaders/activists.
- To provide resources for trade/sweatshop campaigns.
- To build community.
- To pass and implement sweatfree purchasing policies.

### **Outline of High School organizing:**

1. How to start a group: what it takes and first steps.
2. Running a group: how to organize and build leadership. Differences between youth-led and teacher-led groups.
3. Running a campaign
  - Defining sweatshops and humanizing the discussion.
  - Types of sweatfree policies
    - School-based approach with a pre-approved vendors list.
    - District-base approach: adjusting municipal or school board purchasing law.
    - Underground policy: implementing a policy without knowledge of the school board.
4. Implementation
  - Many policies are passed without being implemented.
  - Building a concerned community to make administration/district accountable.
5. Throughout the campaign, educate about global trade.

# **Workshop: Sweatfree City and State Campaigns**

**Saturday, May 7 2005**

*Focusing on building strong coalitions, this workshop will prepare you to take the organizing steps that are key to winning a sweatfree purchasing policy for your city or state government.*

**Notes:** Bjorn Claeson, SweatFree Communities

**Facilitators:** *Kath Golub, No Sweat Connecticut, and Valerie Orth, Global Exchange*

## **1. Brainstorm goals of campaigns**

- Pass policies.
- Raise standards for workers.
- Let workers know that we have high standards.
- Worker organizing.
- Public education and awareness. Make worker rights so fundamental that we don't need laws.
- Use the laws as tools for worker solidarity campaigns.
- Show concretely that there are alternatives to sweatshop exploitation.

## **2. Running a Successful Campaign – 10 Steps**

(Based on Sweatfree Toolkit organizing guide).

- 1) Define your campaign goal.
- 2) Build a coalition.
- 3) Organize the group & develop leaders.
- 4) Do research – where does the tax dollars go?
- 5) Evaluate the political climate – create a power map.
- 6) Do public education.
- 7) Do public actions and work with the media – figure out when you want media coverage.
- 8) Make the case to elected leaders.
- 9) Prepare to be involved in implementation of the policy.
- 10) Celebrate victories.

## **3. Small Groups**

Each group brainstorms concrete tactics on coalition building, creating political pressure, creative public awareness tools, and implementation and enforcement of the policy.

A. Implementation and Enforcement. *Example brainstorm:*

- Make sure there are resources in the budget for monitoring disclosure information collected by the institution.

- Create an advisory committee that can oversee how the policy is implemented and help evaluate contract challenges and allegations of worker rights violations.
  - Include demand of wage disclosure in policy – make sure wage disclosure is joint campaign of several campaigns at once.
  - If purchasing from a pre-approved list, consider implementing incrementally focusing on certain products first.
- B. Building a Coalition: *Example brainstorm:*
- Do a power analysis: Who is on your side? Who is opposed & how do you neutralize opposition? Who is on the fence & how do you win them over?
  - Invite a broad range of allies to be part of your coalition.
  - Use networks from previous campaigns to create the coalition.
  - Don't neglect possible business allies, e.g., businesses that already have made a sweatfree commitment.
- C. Create Public Awareness: *Example brainstorm:*
- Set up public speaking events.
  - Ask coalition partners to spread the word.
  - Educate and organized local ministers to talk to their congregations.
- D. Build Political Pressure: *Example brainstorm:*
- Find out who makes the purchasing policy.
  - Understand timing of political pressure: what are the election cycles? When are elected representatives going to be most responsive?
  - Do letter-writing, fax, phone call campaign – e.g., organize a call-in day or week.

## **Workshop: Sweatfree Purchasing Rules**

**Saturday, May 7 2005**

*The scope of sweatfree policies is expanding to include all purchases, not just apparel. More policies include living wage requirements, and provisions for independent monitoring and advisory groups (that include activists) to help implement policies. This workshop explores why each one of the policy components is essential to supporting worker struggles.*

**Notes:** Bjorn Claeson, SweatFree Communities

**Facilitator:** *Kevin Thomas, Maquila Solidarity Network*

### **Goals of a Sweatfree Policy – Brainstorm**

- End child labor
- Create a tool to support worker organizing
- Build more power for workers

### **Content of a Policy – Brainstorm**

- Compliance with local labor law.
- Living wage.
- ILO standards.
- Freedom of association & collective bargaining.
- Limits on required working hours.
- Monitoring and reporting requirements.
- Multi-year specific factory projects (i.e., guaranteed work for the factory).
- Payroll certification (no invalid pay records to workers).
- Wage disclosure.
- Disclosure of factories (need to be in English and in the language of the country of manufacture; the English name and address of a Chinese factory will not lead an investigator to the actual factory).
- Community-based sweatfree procurement advisory group (this group creates a relationship between the community of activists and those who implement the sweatfree policy, making sure that the community can use the policy to pressure companies).
- Resources for the institution to educate the community on why the sweatfree policy is needed, how it is designed to be used, and how well it is working.

Note: Several of the policy elements listed above are new, innovative, and untried.

[For more information, see “Key Elements of a No Sweat Policy” at [www.maquilasolidarity.org](http://www.maquilasolidarity.org)]

# **Presentation: Government Purchasing Rules in Trade Agreements**

**Saturday, May 7 2005**

*Focusing on the Central America Free Trade Agreement (CAFTA), we look at the following questions: Do the purchasing rules in trade agreements conflict with sweatfree purchasing rules? Do the trade agreements limit us in any way? Can we use sweatfree campaigns to confront unjust trade rules?*

*Sara Johnson, Public Citizen's Global Trade Watch*

**Problem:** The rules of the global economy and the institutions that enforce them are failing to hold corporations accountable for the way they treat workers, communities, and the environment.

At this conference, we've been grappling with some of the complexities of the solution:

- SweatFree Communities strategy – Influence corporate behavior through the purchasing power of schools and state and local governments.
- Another piece – Change the rules of the global economy so that corporations' participation in the market is conditioned on good behavior. In other words, if you're going to benefit from a system of global trade, there are certain conditions that must be met.

The current model of corporate globalization embodied by NAFTA and the WTO is only one version of the rules. This model is not inevitable and it can and must be changed if we're going to make any headway on the problem – that corporations have free reign to treat workers, communities, and the environment as they please.

In the movement to transform corporate globalization we're facing an extremely important battle: the Central American Free Trade Agreement (CAFTA). The outcome will determine the direction of trade policy in this country. And, what we do in this country has enormous implications around the globe.

- Will we continue to expand the failed NAFTA/WTO model?
- Or will we begin to acknowledge the model's failures and start to have a conversation about alternatives/what we can do differently.

We're at a real crossroads, and so we need to do our work right to stop CAFTA in its tracks.

In this presentation, first I am going to discuss what CAFTA is and where it is at in the U.S. Congress. Then I am going to focus in on a particular aspect of CAFTA with relevance for Sweatfree campaigns – CAFTA's rules on government procurement. Hopefully we'll have some time left at the end for questions.

## **What is CAFTA?**

- No mistake that CAFTA rhymes with NAFTA.

- CAFTA is an expansion of the NAFTA model to 5 countries in Central America – Costa Rica, El Salvador, Honduras, Guatemala, Nicaragua – as well as the Dominican Republic.
- Trade negotiators literally did a cut and paste from NAFTA to create CAFTA – 90% of the agreement’s 900+ pages are identical.
- The other 10% go beyond NAFTA and are worse for workers, farmers, consumers, the environment.
- Bjorn talked yesterday about the mismatch between CAFTA’s commercial provisions and the labor/environmental provisions.
  - Labor standards – weak and not strongly enforced (no ILO standards – just enforce your own laws, countries should “strive to ensure” that they do not weaken laws to attract investment, fines capped at \$15 million paid back to the violating country, etc.)
  - Commercial provisions – draconian rules on intellectual property, services, investment, procurement – strongly enforced with trade sanctions.
- A lot of CAFTA is not about trade in a traditional sense of tariffs and quotas – it’s a vision of corporate governance and control – and our discussion of government procurement will provide some insight into this.

### **What is CAFTA’s status?**

- Negotiated by the Bush administration and signed May 28, 2004.
- Usually it takes an average of 55 days for Congress to approve a trade agreement. Now it’s been almost a year.
- Why? Opposition from organized labor, environmentalists, family farmers, U.S. Latino groups, sugar & textile interests.

### **Why is CAFTA winnable, given that Republicans control White House and Congress? (for the skeptics)**

- Widespread opposition among Democrats
  - NAFTA = 110 Democrats supported
  - Fast Track = 20 Democrats supported
  - CAFTA – trying to keep it under 10, and it’s doable. Just this week several “New Dems”/hard core free traders announced their opposition to CAFTA.
- Sugar and textile interests, as well as sovereignty issues = block of Republicans

### **We’re ahead – but there’s still lots to be done**

- Republican leadership calling for a vote before July 4 recess.
- Bush administration is sponsoring tour of Central American presidents to drum up support all next week.
- They have incredible resources – money, access to media, etc and are ramping up their effort to get the votes they need.

### **What you can do**

- Public Citizen and the Citizens Trade Campaign have several organizers who are dedicated to district by district organizing in almost every state. Contact me at 202-454-5193 or

[sjohnson@citizen.org](mailto:sjohnson@citizen.org) to get connected with someone who can help you figure out who the targets are in your state and what you and your coalition can do to get them to vote no.

- Bjorn said last night that someone on the hill said that “the grassroots are awful” – well, we need to make them unbearable.

That’s Congress – now on to the procurement rules and the states.

I’m going to talk specifically about the area in which CAFTA restricts government behavior – CAFTA’s Chapter 9 on Government Procurement (one of 20+ chapters in the agreement – Congress is considering the whole package) from two points of view:

- The trade rules on government procurement are very pernicious and they fly in the face of what you all are trying to do. It’s very important that we push back and stop them from being expanded so we can continue to use government procurement as a tool for social change.
- Though the procurement rules are disturbing –and left unchecked could grow to be even more constraining – they should not, in the vast majority of cases, impede you from achieving your campaign goals. So – you need to be armed with precise information so that you can respond if your opponents try to use these rules against you to chill your campaigns.

### **Logic of the rules**

Governments incorporate values into purchasing decisions – they spend taxpayer dollars in ways that promote social, environmental and development goals. They use price **and** other criteria (e.g. sweatfree, recycled content, locally produced, etc.) Government purchasing is a huge market – and so naturally corporations want a piece of the action. At GTW we have a saying: “He who writes the rules, rules.” I imagine it went something like this: Multinational corporations with access to trade negotiators got together and said something like, “We just want to compete for contracts on price – none of this other feel-good nonsense... and we don’t want any government telling us we can’t bid on contracts because we’re a foreign company.”

So the negotiators cooked up the following principles:

- **National Treatment** – All suppliers must be treated the same as domestic suppliers.  
Ex: When purchasing toilet paper, can’t say made in the USA.
- **Technical Specifications** – Must specify in terms of performance – can’t detail how a good is made or how a service is provided.  
Ex: When purchasing toilet paper, can say 1 in diameter tube or 2-ply, but can’t say mercury free, or made without child labor, or recycled content.
- **Supplier Qualifications** – Conditions on suppliers limited to the “legal, financial, and technical ability to fulfill the contract.”  
Ex: When purchasing toilet paper, can’t say, only from a company that gives its workers healthcare.

## **To whom do the rules apply?**

- Almost all federal government agencies
- States that choose to be bound (optional)
- Public universities – when states bind them (ex: NY, WA, CT, and a few others)

## **Exceptions**

- A few are binding: such as carve outs for minority and women owned businesses, a few particularly sensitive products for states.
- Many are non-binding: For example, exceptions that are purported to protect green procurement.

## **Enforcement**

- Similar to WTO process – country to country challenges.
- Closed tribunal
- Must conform to the panel's ruling, or faced with trade sanctions. In the case, the federal government is obligated to force the state comply (or face sanctions).

## **Take a step back**

Who should decide how X state tax dollars are spent?

- a) State legislature with approval by governor OR
- b) Three unelected bureaucrats appointed to trade tribunal, in which state officials have no standing to defend their own law.

You'd be hard pressed to find too many people who say B – this is a place where the corporate globalizers have overreached. Private sector trade is different from government purchasing, which is why we're having some success in pushing back.

On CAFTA, 28 states signed up initially- but 7 governors (IA, PA, ME, MN, MO, OR, KS) have rescinded – and the Maryland state legislature recently passed a law overriding the governor's commitment.

Check the list in your packet to see if you're signed on – and if so, be in touch with me to figure out if there is something you can do to get your state off the list.

This is also one of the issues you can raise with your member of Congress about why CAFTA is a bad model – whether or not your state is bound.

## **From the perspective of a sweatfree campaigner:**

- Do not under any circumstance let anyone tell you that your local sweatfree initiative would violate the trade rules. City and county procurement are not covered by the CAFTA or the

World Trade Organization Agreement on Government Procurement, which has similar rules and applies to 38 countries (very controversial).

- If you are working on a state level campaign, ask first:
  - Is your state bound?
  - If so, can your governor or state legislature be persuaded to take you off?
  - If not, then:
    - Rules only apply to contracts over \$477,000
    - Challenges are rare (like lightning – probably not going to get hit in your lifetime, but if you do, you wouldn't be the same. More threatening = chilling effect on policymaking.)

## **Creating a Consortium and Enforcement of Codes of Conduct**

**Saturday, May 7 2005**

*The Worker Rights Consortium provides independent monitoring of factory conditions for over 130 colleges and universities. Now other public institutions can come together and form a consortium and work with an independent monitor, such as the Worker Rights Consortium, to enforce policies. How would such a consortium work? How many public institutions do we need to launch a consortium? How soon can we do it?*

Notes: **Eric Dirnbach, UNITE HERE**

**Scott Nova, Workers Rights Consortium (WRC)**

I will discuss codes of conduct (CoC) and WRC's role in this effort. CoCs are a set of rules for apparel companies. What does it mean to apply a CoC, and how does this apply to sweatshop workers? CoCs don't solve problems themselves and they do not transform factories. The global apparel industry is defined by sweatshops. There are no good factories outside of union factories in industrialized countries and a few in developing countries. Universities don't have the power to fundamentally change this situation.

However, a CoC can be a powerful tool to help workers organize to improve their working conditions. A CoC is a weapon for workers in supplier factories. Usually, workers organizing will be fired and blacklisted. However, if a factory produces for the university market, workers have a tool they can use, working with USAS student activists and the WRC. It's possible to pressure the factory to change behavior. Losing the business of Nike or other brands may be more unpleasant than having a union. Other brands may stop using the factory as well, and it could become a pariah in the industry. This process can help workers organize to improve their conditions. The WRC's role is to take the licensing power of universities and use this as a tool for worker empowerment.

This is a radically different process than the usual factory monitoring. Monitoring was a concept originally developed by activists to put factories under scrutiny. The apparel industry appropriated the concept and set up its own monitoring systems. Nike employs over 100 people in monitoring, and the Gap maybe over 1,000. Their way of monitoring is to hire consulting firms, usually accountants, to visit a factory for 4 hours, look at the books, interview management, and talk to a dozen handpicked workers in the factory. They produce auditing reports that miss widespread workers rights abuses. These audits are designed to create the illusion of normalcy in the industry, so that what's needed is not unionization, but technical improvements in factories that will reassure consumers. This illusion of change has in many ways convinced consumers, but really only modest change has happened. Genuine and widespread worker empowerment has not happened.

City/State purchasing codes can act in the same way and can also have this impact. Our new way of monitoring is about taking City/State purchasing power and using it for workers empowerment. There are perhaps more possibilities with City/State procurement. Cities and

States are doing the buying directly from vendors, as opposed to the indirect university system, which gives logo licenses to Nike or other brands, which then sell apparel to consumers. Cities and States have the direct power to address the low prices paid for apparel, which gives factories the incentive to pay poverty wages. Tens of thousands of factories competing for orders from brands in the U.S. leads to constant downward pressure on wages. Cities and States can decide how much they pay for uniforms and can decide to pay more so that workers can be paid a decent wage. There is enormous potential in this movement.

How can Cities and States use a CoC to help workers? It is very expensive to do monitoring right. Fundamental change in factories requires months of work. It sometimes takes over a year to form a union and bargain a contract and this success still needs to be watched closely. This is a different way of monitoring. The WRC has a budget of \$1 million per year and does about a dozen factory investigations each year. Given the costs, it makes sense to do this work collectively. For example, each of the 138 universities that are affiliated with the WRC pays fees that are pooled, which creates enough money to do this work. And just like with universities, vendors that supply to one City/State often also supply to others, and several City/States acting together are much more powerful.

The WRC has been talking to SFC about this work for a year and a half to find a way to expand this work to cover City/State purchasing. It should be feasible for Cities and States to form a consortium that agrees to work together on enforcement to hold vendors accountable for labor rights standards. The WRC is starting a pilot project with Los Angeles to enforce their new ordinance and hopefully we can do this with more entities.

The WRC can create a new category of membership for Cities and States to do this work. Or, if that's not feasible, we can set up an independent entity to do this work. USAS faced this situation before the WRC was formed. USAS won commitments from universities to be part of an entity, which eventually became the WRC. Now we can look back on the university experience to see what has worked. Soon we can build a similar City/State entity.

## **Questions and Answers**

Q: Is there a difference with City/State procurement, which often buy from small no-name brands?

A: Actually, a lot of no-name companies also supply universities and they are very vulnerable. In contrast to Nike, a small company's whole business may be selling collegiate apparel. They can be forced to act more quickly. The same should happen with City/State procurement, which deals with many small companies.

Q: How similar do City/State policies have to be to form a consortium? How do we get information on this effort to workers?

A: Policies should be roughly similar, but do not have to be identical. There are about 180 different university codes now, but they are basically the same. The WRC has a model code, which is the strongest, and some university codes have a living wage, respect for freedom of

association and other provisions, and that's enough to make a difference. For Cities and States with weak codes, we'll have to make a political decision whether to let them into the coalition. Informing workers about this effort has been happening for years. There have been a lot of negative lessons on fake monitoring but also positive lessons on using a CoC to help workers. In the WRC's work with LA, we'll be working with workers.

Q: What is the university response to the WRC pilot project with Los Angeles?

A: Mixed response. Universities worry about the expansion of WRC work to university procurement, rather than just licensed goods. There is great fear and resistance to this increased hassle and cost. The City/State procurement work may result in pressure on university procurement policies, with or without the WRC.

Q: Do City/State CoC policies apply to school districts?

A: It varies among jurisdictions. In Los Angeles it did not. In most cases, school boards are independent. It's a question of strategy where to focus our energy. Large school districts should be worked on. We have a WRC project with Catholic schools in Toronto, which are a major purchaser of these uniforms.

Q: In general, CoCs do not work since retailers control them. Has the WRC had a positive result?

A: The CoC is a tool for industry to defend their image, and they were designed to do this, it's not an accident. They try to create the image of change without the expense of real change. All corporate codes deserve the discredit that has been heaped on them. Our approach is radically different since enforcement is done by entities not under the control of companies. The first WRC case was a factory in Mexico called MexMode, where workers were trying to replace their company union with a real independent union. University pressure led to the formation of the independent union and a decent collective bargaining agreement, with 40% wage increases. There are other examples.

## **SweatFree Marketplace: A Tool for Worker Organizing?**

**Saturday, May 7 2005**

*There are several ongoing initiatives to define and publicize positive sweatfree clothing options for both individual and institutional consumers. Can we harmonize these approaches to create a unified national and international system? Does a larger marketplace for sweatfree clothes create a useful space for workers to organize and improve conditions? What can we all do to help create such a marketplace?*

**Notes:** Elisa Meredith, New York Labor-Religion Coalition

**Resource people:** Eric Dirnbach, UNITE HERE; Mark Franciose, United Students Against Sweatshops; Gilberto Garcia, Labor Studies and Support Center (CEAL) and Just Garments; Zach Knorr, United Students Against Sweatshops; Dick Meyer, South Sound Clean Clothes Campaign; Trina Tocco, International Labor Rights Fund.

### ***Trina Tocco, International Labor Rights Fund***

What do you tell people when they ask you, where should I buy my clothes?

Multiple answers, including:

- [www.pcusa.org/sweatfree](http://www.pcusa.org/sweatfree) if you want t-shirts...
- Justice Clothing
- Unite Union Label website...
- La Nueva Vida fair trade zone...

We all have different answers, and that can be a positive thing, but it's also an obstacle in terms of organizing. ... There are many different terms, different kinds of rhetoric...

The Fair Trade movement and the Sweatfree movement are not the same. We need to work together for positive alternatives – not just who are the bad guys, but what are the positive directions? How would we implement the sweatfree marketplace? How do we do the research? How much do we know about the supply chain?

In April there was a conference in Ann Arbor, Michigan, on “Creating Conscientious Consumer Markets.” Some challenges that came out of Ann Arbor include:

- The lessons of fair trade coffee are not a model we can just plug into sweatfree apparel – agriculture is not applicable to mass production of garments. However: fair trade bananas has a lot more applicability, because of the larger plantation system.
- Different definitions: Fair Trade certification is based on Fair Trade Labeling Organization (FLO) standards. If someone says this is a fair trade garment, I would assume it means that the cotton has been grown fairly (through a cooperative, for example).

- Sweatfree: means aspiring to have independent union-made or worker cooperative-made or other worker-voiced production on the cut-and-sew level.
- Organic: how the cotton is grown – only at the farm level.

***Dick Meyer, South Sound Clean Clothes Campaign***

I have a fair trade store and I am working with the national movement. Store and café in Olympia Washington represent value economics. I wanted to develop and maintain long-term relationships with workers I met; and to contribute to my community and others who want to create positive options for their communities. And to provide a forum for people to learn about how things are produced – to question what I have available, and from there all the other things that I don't. To expand into traditional things (shoes, t-shirts, etc.) as a response to people saying “Where can I find...” And as a spur to other merchants! A local roaster, Batdorf and Bronson, do many good things supportive of the community, but they refused to have fair-trade certified coffee and yet present themselves as socially responsible. When I learned more and ultimately said I could no longer buy from them, and started to buy from another roaster that was buying fair-trade, then they started to carry fair-trade coffee... and so there's leverage on a local level to keep expanding the fair trade market and movement.

In my half-waking dreams, I wish it could be so much larger! The “anti-Walmart” with such a range of products that communities would have the tools to open this kind of store and provide a meaningful alternative to shut those stores down. So many of us wish to have access to the right sources; so as part of community-building, a lot of my work goes into working to make this something that can be replicated.

It's difficult to make certain comparisons between fair trade (largely working with communities and cooperatives – smaller units where the workers are controlling the means of production) and the garment/sweatfree issue where we have to look at broad levels of mass production.

***Zach Knorr, United Students Against Sweatshops***

Sweatfree could very easily be used to make people who are fairly well-off feel good about themselves for what they're buying. We need to have workers define for themselves what “sweatfree” means.

***Mark Franciose, United Students Against Sweatshops***

Are there goals we kind of step around when talking about sweatfree stuff? Is it a major strategy of the anti-sweatshop movement? That's a complicated issue. In USAS, we've worked more on an institutional level. ... I am skeptical about the capacity of sweatfree marketplace to be a meaningful tool for creating the kind of empowerment of workers. What goals do we want it to accomplish? ... We have limited capacity to exert power over brands, which is where the action is. Sweatfree has to proceed in conjunction with other approaches – otherwise not powerful enough.

***Gilberto Garcia, Labor Studies and Support Center (CEAL) and Just Garments***

For us, it's been very important that the efforts we put into Just Garments go along with, and are not instead of, the work we put into the labor movement.

CEAL is a research organization that works with trade unionists – women, students. For the past four years, we've been trying to work with the first garment workers collective bargaining union agreement in El Salvador – and then in 2002, the factory (Tainan) closed. We worked with a huge coalition in El Salvador – AFL-CIO, UNITE, USAS, CLR, and others -- and importantly also with groups in Asia where the same corporations were doing business.

So when the union in the factory in Cambodia took a stand that they would not accept work from closed factories in El Salvador – that, in other words, they would not be our scabs! – this brought the company to a place of having to negotiate with STIT, CEAL, and others.

We were able to make an example of how you can succeed by working on two levels: at the level of the workers, and at the level of the corporate directors/owners. The company re-opened its factory, though smaller and with less capital, and became Just Garments. The collective bargaining agreement stipulated that the workers could elect a representative to the board of directors. The union saw Just Garments as a place where it could go and re-charge its batteries, and then go forth to other struggles. Right now we're engaged with the owners of the factories – on that level.

We definitely need a market, for education, to support the union, to show that we have power. The majority of workers are in the big factories where the big brands' clothing is made. We need to coordinate our efforts into collective agreements across borders, since multiple factories produce goods for the same corporations. Yes: we have to do both things as part of the strategy! Complementary strategies.

***Eric Dirnbach, UNITE HERE***

UNITE has been doing this work for over 100 years, since the Triangle Shirtwaist Fire... but in a collapsing industry, we're always obsessing about what tactics we can use, every tool available, to organize workers. So I approach sweatfree market as part of that: is it going to help our workers, help new workers become part of union shops, etc.

We'll try to take customers away from a company as a tactic – let's say, a laundry company. So this is the inverse: we're good at taking them away from bad companies; can we be as good at bringing them to good companies? Both institutional customers and individuals?

My concern is that the union label effort has largely failed. It's a market that exists, but we're not meeting it. There is no clear consistent labeling; no clear consistent marketing. If the sweatfree market can serve to direct business toward the decent shops – the Justice Clothings, the UNITEs – then we'll have gotten the first thing done, and created more room for worker empowerment.

## Questions, Answers, Comments

**Atim Leon Germain, Quebec Coalition Against Sweatshops:** If we're aiming at the individuals market, we need a label. How can we pretend we'll be able to define the label and enforce it, unless we have that expertise? We've seen the confusion and the difficulties with "organic" (several labels, with differing specifications). Maybe the Worker Rights Consortium will eventually move on to create a WRC label – could that be a part of the solution?

**John Studer, No Sweat Apparel:** At No Sweat, we're trying to create a market. Union-made doesn't translate into sweatfree for most people – many people have negative views of independent trade unions. I think we're making headway – in order to compete, you have to be big enough to have nice products and deliver them on time...

**Valerie Orth, Global Exchange:** A problem with a label for fair trade certification is that it doesn't necessarily go to the source. Even a UNITE label doesn't reflect the working conditions of the laborers in the field... and the Shop Union website has Hershey's on it... and so there are issues, and problems with TransFair – we need to use our sweatfree legislation to keep things straight on the factory level.

**Elisa Meredith, New York State Labor Religion Coalition:** If the big brands are the folks who have the expertise in marketing, then is there a place for them at the table?

**Gilberto Garcia:** It's interesting. I personally wouldn't give any concession to a brand until all their factories, all their lines, had independent worker representation. As to the "failure" of the Union Label marketing approach, perhaps it was just not the time. If we can increase the percent of institutional purchasers, we'll be in a better position to build that stronger individual consumer base.

**Brent Hall, Bangor Clean Clothes Campaign:** Coming up with one line that's sweatfree, that shows no commitment to what sweatfree is about. If the big companies can get away with that, they'll settle for that.

**Saamir Rahman, United Students Against Sweatshops:** Having a union doesn't mean that you're no longer a sweatshop, but it's a step. There are real problems with creating a sweatfree or fair trade marketplace – what happens to all the 99% of coffee workers who aren't part of that – we never hear about those workers any more. In some ways it makes it all worse than before. And we can't compete with the large industry and all that they have access too, all they can afford to create – so – the sweatfree marketplace isn't going to go away, right, but it's not the answer. Will the creation of a sweatfree marketplace sap the energy of the movement to push for more? We need to raise the entire industry. What worked to get it all started? Negative media. Negative press hurts major brands – that's what works. It accomplishes all our goals.

**Valerie Orth:** No, that's not true.

**Atim Leon Germain:** In Montreal, besides American Apparel with its four stores opening this year, there are two other brands now that claim they are sweat-free. They're small now, but they may grow to take a larger market share. The sweatfree marketplace is creating itself.

**Dick Meyer:** In terms of the broader globalization picture: one of my motivations for continuing to maintain and expand fair-trade business relationships is as a challenge to the global creation of terrible pressure to have people move to urban areas and compete with each other for the lowest possible working conditions. We each can only do some, not all, of the work – I'm trying to help create a model of local business, money that circulates within the community. Although it's idealistic, it's part of a pattern of supporting an alternative.

**Valerie Orth:** [back to the coffee issue] It's not that movement has forgotten about the other farmers – it's that there isn't enough demand for the product for them to become fair trade certified. So we focus on building the market in order to increase the demand. 20% of fair trade farmers actually sell their product at a fair-trade price; the other 80% are selling at market price.

If we bring the idea to the workers – if we're following the workers' lead – then maybe yes, we would go with a big brand having one sweatfree line, not as a goal in and of itself, but as a step in the process, as a tool.

**Andrew Kang Bartlett, Presbyterian Hunger Program:** We have the idea of creating a sweatfree/ fair trade store in Louisville as a way to help build the consumer market.

**Gilberto Garcia:** We have to recognize that the marketplace already exists – how much energy do we want to put into supporting it and growing it? The movement did not begin with the media, or with the U.S. – people have fought and died for this long, long before the media even noticed. One sweatfree line for a major line isn't going to help – there's nothing that consumers can do to help workers – workers have to make their power for themselves with their own hands.

**Mark Franciose:** How do we make sure brands don't coopt the movement? By not accepting the idea that one line makes you sweatfree. We need to have constant and firm demands.

**Trina Tocco:** American Apparel has coopted sweatfree! People buy their claim that they're sweatfree. We do have the power to demand on a factory-by-factory level that they meet our demands (example: union-made organic clothing). We need not to underestimate our power.

**Brent Hall:** What's up with Bono's clothing line? All I know is that he's trying to do the right thing, someone finally stepping up with the capital –

**John Studer/Valerie Orth:** Not many people can afford a \$350 t-shirt.

**Atim Leon Germain:** It's so important that we continue to educate the consumers. We have to create the consumers' desires for sweatfree product. If Nike has a sweatfree line and it sells more than its non-sweatfree line, then that's a good indication. I work in the labor movement, and we don't have the ability, the expertise in marketing – but we **do** have the ability and the

responsibility to define what is “sweatfree.” Why do we not have a term, a label, that we can stamp only on the right garment?

***Gilberto Garcia:*** We have to sue American Apparel for false advertising!

# How Can Sweatfree Policies Support Worker Organizing? Lessons from the Gildan Campaign

**Saturday, May 7 2005**

*The Gildan Campaign was remarkable for the breadth of participants: Unions on two continents, investors, public institutions, religious organizations, students, and other anti-sweatshop activists all worked in solidarity with workers in Honduras and Nicaragua, creating multiple pressure points on Gildan. This campaign was also the first time we used the leverage of states, cities, and schools to win worker rights demands. In what ways should we try to replicate the Gildan campaign in the future? What aspects of sweatfree purchasing policies are particularly important for empowering workers to create better working conditions?*

**Notes:** Bjorn Claeson, SweatFree Communities

**Resource People:** Scott Nova, Worker Rights Consortium; Miguel Ruiz, Union Workers' Confederation "Jose Benito Escobar," Nicaragua; Jessica Rutter, United Students Against Sweatshops; Israel Salinas, Unitary Confederation of Honduran Workers (CUTH); Katherine Stecher, Campaign for Labor Rights; Kevin Thomas, Maquila Solidarity Network

**Facilitator:** Hee Won Khym, Behind the Label

Note: For more information about the Gildan campaign see: [www.maquilasolidarity.org](http://www.maquilasolidarity.org). For an independent monitoring report on Gildan's El Progreso factory in Honduras, see: <http://www.workersrights.org>.

## Summary of Key Discussion Points

### *Israel Salinas, Unitary Confederation of Honduran Workers (CUTH)*

- Have had success working with the National Labor Committee and Charlie Kernaghan. The big brands fear national publicity. The NLC brought garment workers (girls) from Honduras to the United States to shine light on sweatshop abuses. Now the Honduran Congress wants to declare Kernaghan a "persona non grata" and has accused us of bringing him to Honduras. But we can continue to work with them.
- We don't have a direct relationship with the AFL-CIO, but things have changed for the better with the AFL-CIO (in past they financed paramilitary groups).
- In the Gildan campaign, all actors made different errors. But, yes, we can have a regional organizing campaign focusing on Gildan as long as we have systematic communication with all the participants.

### *Miguel Ruiz, Union Workers' Confederation "Jose Benito Escobar"*

- We have lost communication with the AFL-CIO. We also don't have much communication with the International Confederation of Textile Workers. So we need an alliance with all of

you. These are the most valuable resources we have. If we coordinate well we can have good results.

- Nicaragua is not going to be very affected by the phase-out of the Multi-Fiber Agreement for at least 10 years because of the low income levels. Gildan is adding three more factories in Nicaragua. With good coordination we will be able to successfully pressure those factories.
- We need organizing training and capacity building on the local level.
- We need to be clear about what we are demanding on all levels – local, regional, and global. We need coordination on all levels.

### ***Katherine Stecher, Campaign for Labor Rights***

- The Nicaragua campaign was successful for two reasons: first, because Gildan was already scared after two-year campaign focusing on Gildan in Honduras. In Nicaragua, we won by only threatening a campaign. Second, because we had direct communication between Gildan management and the union in Nicaragua. That way we (northern solidarity groups) aren't the movers and shakers of campaigns. [Salinas agrees with this point.]

### ***Kevin Thomas, Maquila Solidarity Network***

- The Gildan Campaign has been a success and not a success. For example, the El Progreso factory is closed. That is not a success.

There are several lessons:

- Research is a key part of a campaign. We should not engage in a campaign until we have all the information.
- There should be people available to engage with a company at all times, even when we are campaigning (confrontationally). We tried to work with Gildan first, but they rejected all our requests.
- The demands of the campaign were broad enough to attract a broad range of participants, including institutional investors.
- The Fair Labor Association and the Worker Rights Consortium both played a positive role in the campaign. Worldwide Responsible Apparel Production (WRAP) was not helpful.
- We cannot be ahead of workers in campaigns. The north-south dynamic started well in this campaign, but in last steps we lost involvement of Honduran workers.
- In the Nicotex case, the mere threat of action was successful.

### ***Jessica Rutter, United Students Against Sweatshops***

- Gildan shutting the El Progreso factory was completely inappropriate. We should not never stand for that. A company that shuts down a factory that is under investigation threatens our whole organizing model. That is why the students' demand of universities was: "don't do business with Gildan until they reopen the El Progreso factory."
- We need to address cutting and running in our policies.
- We need to get better at working together on a campaign, make sure we are coordinated and make good use of our different leverages.

- USAS struggles against the model of the Fair Labor Association, sees the FLA as an organizing obstacle.

*Scott Nova, Worker Rights Consortium*

- We failed the workers at El Progreso. Why?
- The ability of companies to close factories is a powerful tool against us.
- The potential for Gildan workers in other factories regionally to organize can be a positive outcome of the campaign.