

*Not with their sweat,  
Not with our dollars!*



## **Ending Public Subsidies of Sweatshop Abuses**

### **A Guide to “Sweatfree” Procurement Laws**

**By Tom Hayden<sup>1</sup>**  
for No More Sweatshops!

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## Purpose

This is a handbook for public officials, policy advocates, unions, clergy, students and activists associated with the anti-sweatshop movement. Its purpose is to outline the practical case for why and how to attach anti-sweatshop, or “sweatfree,” guidelines to expenditures of taxpayer dollars for garments and numerous other materials currently produced in sweatshops.

## Introduction and history

Sweatshops are back. Once thought to be banned by progressive governments everywhere, sweatshops are proliferating as the cornerstone of the new global economy, along with a resurgence of slavery, indentured servitude and the exploited labor of children. It is estimated that roughly two billion people on earth work for two dollars per day or less. The “trickle down” promises of growth have failed to end their plight. These are not a class of temporary unfortunates awaiting an elevator out of poverty. These are impoverished workers connected by the chains of contract labor to the most modern global corporations. Their toil is integral to the Western consumer’s way of life. They pick the coffee we drink, stitch the garments we wear, make the components for our computers and our cars. Even the uniforms of the police forces guarding our way of life are often produced by sweatshop workers.

There are millions of Americans, however, who reject a “way of life” built on sweatshops and child labor. In the past decade, a new global movement against sweatshop conditions has

arisen, gaining majority sympathy according to every public opinion poll. The new movement has challenged 21st century corporations to end their 19th century labor and human rights practices. Government and corporations have responded with a series of gestures that appear to address the problem, for instance by adopting voluntary corporate codes of conduct and hiring auditors to monitor their overseas operations. However, the steps taken so far have been small and token, as summarized by a recent article in *Fortune* magazine:<sup>2</sup>

- The first batch of corporate audits show that in 40 factories inspected, a pattern continued of “all the ills that have plagued low-wage producers for years”;
- Numerous companies including Nike, Wal-Mart, Gap and Walt Disney have “largely refused to release the audits to the public”;
- The Fair Labor Association (FLA), a monitoring group created in 1997 with a push from the Clinton Administration, “doesn’t even try to make sure that factories pay a living wage by the standards of the countries in which they operate”;
- Nor do the audits include names and locations of factories audited;
- Workers are not interviewed by auditors off-site, leading to obvious problems with the credibility and effectiveness of these investigations;
- The FLA only requires member companies to inspect 5% of their factories.

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<sup>2</sup> Aaron Bernstein, “Commentary: Sweatshops: Finally, Airing the Dirty Linen”, Business Week Online, June 23, 2003.

Clearly, the anti-sweatshop movement has created a favorable climate of public opinion, forcing the world’s largest corporations to respond. But given the nature of that response, it is time to explore government-based solutions through reforms in our public policy.

The huge climate of public support for ending sweatshops can be translated into citizen initiatives to control where public money is being spent. The question is a simple one: do you favor spending public tax dollars to perpetuate sweatshops, or do you favor using those tax dollars to alleviate the suffering of sweatshop workers.

Most people forget that their tax dollars are used by public agencies to purchase (“procurement” is the technical term) goods and services including police and fire uniforms, coffee for bureaucratic hearings, computers for government offices and countless other items. Those expenditures have all kinds of strings attached to protect the public interest: from the specs defining the look of the uniform to “responsible bidder” provisions that require background checks and data about a contractor’s fiscal condition. By now, contractors are used to filling out these disclosure forms. After all, they are seeking the public’s money. In California alone, state government spends an estimated \$7 billion annually on procurement.

The core idea of “sweatfree” public policies is just that: to make sure that contractors and subcontractors follow minimal labor laws and basic standards of human decency in exchange for the privilege of obtaining billions in public subsidies.

What is needed is an expanding activist movement, together with progressive public officials, to begin denying subsidies to corporations that operate sweatshops or abuse child labor and instead require humane conditions for the workers being paid in public dollars.

How many candidates and politicians want to be known as channeling their voters’ tax dollars to

sweatshops? Not many. That creates an opportunity for the anti-sweatshop movement.

It was government policy once before that helped eradicate sweatshop labor after it first surfaced in America in the 19th century. Child labor laws were first passed in the 1830s. Immigrant workers fought for decades against sweatshop conditions, marching, joining trade unions, seeking political allies, until finally winning recognition in the 1920s and 1930s. Well-known Americans like Eleanor Roosevelt actively joined their cause. The New Deal opened doors to the right to organize and bargain collectively. By the 1940s, the International Ladies Garment Workers Union had over 300,000 members.

Then came a business backlash against unions and regulation, leading to the phenomenon of runaway shops in America and the re-organization of the global economy. Union memberships dwindled as garment and manufacturing jobs were relocated in sweatshops, maquiladora, and “export processing zones” overseas. First the garment factories moved from New York to the American South and Los Angeles, then to Asia, Mexico and Central America, where wages range from 23 cents an hour in China to 59 cents an hour in El Salvador.

This has meant suffering for workers in “developing” countries, job loss for workers here in the United States, huge profits for multinationals, diminished control by the American people over their economy, and the shredding of any global standards protecting workers and the environment.

Instead of further diminishing the New Deal, it is time to reassert its core values for those who are being left out: Wages sufficient to keep workers and their families out of poverty. Health and safety plans to ensure against workplace catastrophes. Non-discrimination against women and children.

The global economic infrastructure that currently protects investors against the illegal use of trademarks should by rights also protect workers against the illegal theft of their dignity.

### Where to begin?

As Justice Brandeis said long ago, the state governments are the laboratories of reform. Local governments are laboratories too. There are progressive bastions across America where social movements have prepared a climate for change, for experiment, for setting examples, from where national and international events are set in motion. For example, the campaign against South African apartheid led to divestment of California pension funds before growing into national divestment. The campaign against military rule in Burma similarly began in Massachusetts before President Clinton issued an executive order. In this time of conservative rule, the anti-sweatshop movement will succeed at state and local levels, causing a national impact and debate that eventually will influence the U.S. Congress.

Already, “sweatfree” policies are being considered in the California state legislature, the Los Angeles City Council, and the Los Angeles Unified School District, sponsored by the No More Sweatshops! coalition. Similar initiatives are developing in Minnesota, Wisconsin, Washington state, New York state and Maine through the efforts of the Sweatfree Communities coalition and “Clean Clothes” campaign.

### How citizens can spark “sweatfree” legislation

The first step is to build a coalition that key politicians will pay attention to. It is important to meet initially with any community groups representing immigrants and sweatshop workers, to listen to their ideas and experiences. The most likely trade unions to show significant interest are

those affiliated with UNITE, the garment workers international union, but most labor federations also have stakes in stopping the proliferation of sweatshop labor. Then the coalition-builder can tap into the religious community, which has a tradition of social action on behalf of sweatshop and low-wage workers. Many campuses have activists from United Students Against Sweatshops (USAS), or other student groups, faculty and staff working on immigrant and social justice issues.

These contacts can be pulled together in a core coalition of labor, clergy and campuses for an anti-sweatshop campaign. It is necessary that a single individual or group take full-time responsibility for coordinating the campaign, but it is important that the campaign be composed of permanent, established groups with an organizational self-interest in a successful outcome. Such groups are respected by politicians because they represent the mainstream of local civic society and influence the political climate in countless ways, including direct messages to thousands of members who vote and volunteer for campaigns.

Once the core coalition is constituted, the next step is to request meetings at the local offices of politicians, or equivalent offices if the coalition is statewide. Usually politicians will agree to meet directly with representatives of labor, clergy and campuses. If not, a strong message should be communicated through their staff representatives, along with another request for a meeting.

Patience is important. Time is necessary to expand a greater base of active support. It is easy to build, and easy to see through, a mere “paper coalition,” pasted together by a handful of people representing only letterheads. Those letterhead endorsements are only an initial step in building a committed, educated, activist network with energy for the long haul. If politicians are slow to respond at first, there is more time to build the movement until they do. Using the Internet and writing e-mails, it is possible to rapidly spread

information, involve people, and barrage elected officials like never before.

Remember: if it were easy and non-controversial to eliminate sweatshops through the passage of laws, there would be no need for an anti-sweatshop movement today. The good news is that millions of people are on your side. So what’s the problem? When the democratic majority challenges the basics of the global economy, it’s a prolonged fight. The challenge is to translate that sentiment into effective political action. John Muir once observed, “This playing at politics saps the very foundations of righteousness.” The only solution to Muir’s lament is building grassroots politics on those very foundations of righteousness.

If initial rejection is the worst-case scenario, the best-case is obtaining the involvement of progressive elected officials in the beginning stages of the campaign. They lend official legitimacy to the cause. Their role is a sign that something is going to happen. They can be the most effective lobbyists of their peers. They have direct power to impact the inner workings of the public procurement bureaucracy. They can hold public hearings and compel testimony. They have access to legal resources.

Sometimes citizens can and must become amateur legislators until politicians show an interest. For example, UNITE has an experienced legal team that can help with drafting local or state legislation. So do many community groups advocating for immigrants and sweatshop workers. Presenting the coalition’s demands as model legislation can be impressive to politicians and the media, as well as an empowering step in itself.

## What are “sweatfree” procurement policy guidelines?

Think of yourself as conceiving and drafting an extension of the Bill of Rights for those beyond its reach. Not only the fine rhetoric, but the detailed mechanisms that will make the Bill of Rights more enforceable for hundreds of millions of people.

Draft ordinances are attached to this document in an appendix. Here are some broad conceptual guidelines for any “sweatfree” ordinance:

First things first. What is a sweatshop? The US General Accounting Office (GAO) defines a sweatshop as a site where “an employer violates more than one federal or state labor law, industrial homework, workers’ compensation, or industry registry law.” The group, Sweatshop Watch, defines a sweatshop as a place where workers suffer extreme exploitation, including the absence of a living wage or benefits, hazardous work conditions, and punitive discipline.<sup>3</sup> The general point is that for companies, there is a competitive economic advantage to be gained by violating labor, health and safety and human rights laws, especially if those laws are not enforced. A sweatshop is a serial violator of the norms and laws of society. A persistent, multiple violator of those norms and laws is the essence of any definition in an anti-sweatshop public policy.

Second, what is the intent of the public policy? Intent is expressed at the outset by a series of “whereas” clauses that generally express the legislative body’s “findings” and “declarations.” These express the purpose of the legislation and can become important in court cases where attorneys may argue that implementation has exceeded the law’s original purposes.

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<sup>3</sup> Sweatshop Watch, <http://swatch.igc.org/swatch/industry>

Here are some examples of “findings”:

- “Whereas, the Los Angeles region is the sweatshop capital of the U.S.”—suggesting the moral and public policy importance of the issue.
- “Whereas, the City recognizes a public interest in preventing the expenditure of public dollars to subsidize child labor or sweatshop labor”—indicates a right of the City to intervene in the market.
- “Whereas, the City recognizes that its citizens have the consumer right to information and choice, especially concerning expenditures of their tax dollars” - stakes out a public right to know versus the claims of some companies to secret factory locations.

Here is an example “declaration”:

- “Resolved, that the City shall establish a “sweatfree” procurement policy or code of conduct that ensures apparel purchased, licensed or required by the City be manufactured by responsible employers, not in conditions involving child labor or sweatshops.”—states the intended scope of the ordinance.

Third, it is vital to establish the scope of the procurement policy. Since everything a governing body purchases may originate in sweatshops, scope becomes important. There may be cases where the elected officials are willing to include all materials under the scope of the ordinance. But generally speaking, the politicians, press and public want to see evidence of where the problem exists before supporting legislation. Thus it becomes very important for the coalition to do its homework. The Internet is a good place to begin. Public requests should be made for contracting information from procurement agencies. Workers themselves may have testimony. Unions like UNITE can show clear evidence of abuses in the garment industry. Students can research the

origins of their publicly subsidized college t-shirts, athletic uniforms and soccer balls.

At the end of the day, scope is a political question. At its narrowest, scope might be limited to garments and laundering services. At its broadest, scope should include all goods purchased by the governing body. In between, it is possible for legislation to start with garments, but to also identify a lead bureaucrat to review and recommend the expansion of the initial scope based on evidence beyond garments.

### The “Code of Conduct” of core standards

The norms and laws necessary to protect workers in sweatshops are known generally as “standards.” An ordinance should promulgate enforceable standards in such areas as:

- wages and benefits
- health and safety
- freedom of association and collective bargaining
- child labor
- women’s rights
- non-harassment
- non-discrimination

There is a significant, though not absolute, consensus on these so-called “core labor standards” in this country and the world. Most are reflected in the protocols periodically adopted by the International Labor Organization (ILO). They are not universally binding and official, however, and their content may vary from state to state. There is no explicit ILO standard for wages, for example. Some countries (and companies) reject the imposition of a wage standard. Some unions prefer the standard be set by workers through collective bargaining.

However, there is a broad consensus on minimum standards based on respect for human dignity. “Sweatfree” public policies all seek to establish these standards as a floor beneath which no person should be forced to toil. Such standards are shown in the draft policy for the City of Los Angeles and the adopted Occidental College (in Los Angeles) procurement guidelines attached. Even within this consensus, advocates may find themselves conflicted on certain issues, such as:

- ▶ Should the wage standard be a “living wage” for sweatshop workers? Los Angeles and several other cities already have passed living wage ordinances for certain workers on public contracts, excluding sweatshop workers. Should that gap now be closed? Others will argue that because of market conditions, a living wage for sweatshop workers would exacerbate the problem of runaway shops. They would argue that “sweatfree” guidelines should establish a “non-poverty wage” plus benefits, based on the notion that the public sector should not be subsidizing poverty wages. (See formulas for both living wages and non-poverty wages, attached.)

While these discussions go on, it is well to remember that the purpose of the ordinances is to prevent the widespread pattern of labor violations of existing wage laws and standards rampant in most sweatshops. For example, in 2000, the U.S. Dept. of Labor reported that 67 percent of garment factories in Los Angeles were violators of minimum wage and overtime laws, and 98% violated safety laws, putting workers “in danger of suffering severe injuries and accidental deaths.” CITE Nationally, according to Clark University labor specialist, Professor Robert Ross, there were 265,000 apparel workers employed for less than the federal minimum wage in the 1990s, and an even larger number of restaurant workers not paid

for overtime. Six of ten garment contractor shops “persistently break the labor laws” nationally.<sup>4</sup>

The leverage of public procurement dollars may result in improved wages and working conditions—if nothing else, raising workers from abject misery to life above the poverty line—assuming there is persistent pressure. Certainly, however, public dollars should not be subsidizing those who profit by routinely circumventing existing laws.

### Disclosure of factory locations

An essential, non-negotiable element of a “sweat-free” public policy is the end of corporate secrecy regarding the location of workplaces. The policy rationale is that the public has a right to know where tax dollars are expended. Without disclosure, the ordinance simply is unenforceable by independent parties. With disclosure, on the other hand, it becomes possible to investigate conditions in plants first-hand, or through the research of local media reporters, unions and human rights advocates.

### Contractor responsibility

It is also essential that all sub-contractors be held responsible for the Code of Conduct or their contractors be liable for the behavior of their subcontractors and suppliers. Here it is important for advocates to watch the pee under the shell. For instance, in many jurisdictions, public employees receive a direct stipend to shop for their uniforms, patches, gun holsters, etc. They shop over-the-counter or on-line from virtually unregulated vendors. It is possible, for example, for a citizen to purchase a California state trooper’s uniform made at a sweatshop in the Dominican Republic over the counter in Los Angeles. Any outlet selling official city or state

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<sup>4</sup> Robert Ross, forthcoming book from University of Michigan Press, 2003.

materials must be in compliance with the Code of Conduct provisions.

One of Sacramento’s most powerful lobbying firms, Governmental Advocates, Inc., argues on behalf of the Construction Employers’ Association that “it is difficult if not impossible to supervise the production of goods or materials in other countries which may not have strict labor laws or enforcement.”<sup>5</sup> They neglect to point out that those goods must meet various standards set by the state of California, such as the quality of limestone, clay and sand for subway tunnels. A “sweatfree” law would simply require that contractors be as careful with workers under subcontract as they are required to be with cement mix. Disclosure before procurement decisions are made is the vital first step.

## Public access

Because, as we shall see, public participation in monitoring and enforcement is necessary for success, it is paramount that all contractor information regarding compliance with the code of conduct be posted for easy access on the Internet, as well as all contractor and subcontractor workplaces in the appropriate languages. Government bodies also should maintain a readable database of prior complaints against contractors and subcontractors for public scrutiny.

## Citizen, Monitoring, Compliance, Enforcement

A “sweatfree” policy should designate an existing bureaucracy for the task of enforcement, complete with a Web page with public education materials. It also should include permissive language allowing entities to contract with independent, non-profit monitoring organizations if they so

choose. But there the focus must shift to a new approach.

As the Fortune article cited earlier states, there is little or no independent monitoring or enforcement of the existing corporate codes of conduct. Cities and states cannot afford to dispatch professional monitors to developing countries. The solution to this bind is to identify a role for citizen monitoring. In several states, there already are provisions for citizen lawsuits to enforce laws like the Clean Water Act. Citizen monitoring would mean reliance on local union activists, investigative reporters, human rights observers and others to report sweatshop violations to the appropriate governing body for action. In the best of worlds, the governing body would be given, say, 60 or 90 days to respond to a complaint and, if it refused, citizens would be able to charge the accused contractor in civil court. But given bureaucratic resistance to such a notion, the alternative is citizen action for enforcement: taking the findings of sweatshop abuses to public hearings, lobbying, and action to compel the interest of elected officials.

This approach, forced by budgetary necessities, requires that sweatshop activists see the passage of “sweatfree” policies as a stage in a process, not the endpoint or solution. While pressure should be maintained on existing regulators (in this case, procurement officials) to crack down on sweatshop abuses, the reality is that those bureaucracies are overwhelmed by the scale of the problem. As Ross points out, the rise of new sweatshops is connected to deregulation and the deliberate slashing of government budgets. During the Eisenhower presidency, when the workforce was far smaller than at present, there were over 1,100 wage-and-hours inspectors. By 1996, there were only 781, their numbers declining. Ross correctly notes that “this is like firing two out of every

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<sup>5</sup> April 17, 2003 letter of opposition

three cops and then wondering why there are more traffic accidents and robberies.”<sup>6</sup>

The difference for the anti-sweatshop movement is that the abuses they discover in the Dominican Republic, Mexico, or Orange County would be sanctioned if brought to public attention under the provisions of a “sweatfree” public policy. The movement needs the law just as civil rights workers needed the law in Mississippi in the early Sixties, as a persuasive basis for political pressure on elected officials. Only a growing and sophisticated anti-sweatshop movement can keep a “sweatfree” law from becoming toothless. At the same time, these policies provide the movement with the legal and practical basis for bringing abusers to accountability. What elected official is going to dismiss a hearing room full of well-informed advocates pleading the cause of sweatshop workers producing campus football jerseys or prison uniforms?

## Penalties

Public contractors will pay no attention to an ordinance that occasionally slaps them on the wrist before permitting a return to business-as-usual. On the other hand, workers will not support a “sweatfree” law that causes employers to disinvest and shut their plants. The penalty mechanisms must use the leverage of public money to produce improvements in wages and working conditions, or to invest in clean, unionized factories wherever they might appear. Upon receipt of a credible complaint, the governing body should follow a proper administrative process, leading to one of several outcomes: (a) remediation of the cited problem, while the contract continues, (b) recovering damages, (c) declaring the contractor in default, (d) terminating the contract, or (e) debarment or suspension of the contractor or subcontractor.

## False information penalties

Contractors found to have knowingly provided false information should be made subject to immediate termination or and a three-year prohibition on future contracts.

What about violating trade agreements under the WTO? Indeed, this is a cloud on the horizon. At some future point, pro-corporate trade agreements will try to block “preferences” on procurement expenditures as barriers to investors’ rights. Ultimately, this could mean the legalization of publicly subsidized sweatshops in the name of “free trade.” That could cause a shift in public opinion towards “fair trade” politics as people feel the loss of democratic control over their communities and budgetary choices.

But we are not at that point. “Sweatfree” ordinances are currently legal, and concerned citizens must resist any attempts by the global corporate lobby to subvert them. As a current example, the U.S. Supreme Court struck down Massachusetts law prohibiting purchases of goods and services from the Burma (Myanmar) military regime. But it did so on the narrow grounds that the Clinton Administration had preempted Massachusetts’ state role by issuing an executive order on the same issue. This means that, currently, any state or municipality can enact a “sweatfree” law unless the federal government preemptively issues similar standards for all public purchases.

The situation is ever-changing, however, and anti-sweatshop activists should pay close attention to policy developments emanating from the World Trade Organization (WTO), NAFTA, FTAA, etc., through Citizens Trade Campaign and other fair-trade networks.

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<sup>6</sup> Ross, paper cited.

## Summary

A tool for organizing, a progressive standard for the public sector, a new hope for sweatshop workers. The wave of anti-sweatshop activism has been slowed on the beach of success. No one knows what the next wave in the global justice movement will be, but inevitably it will raise the plight of billions of sweatshop and low-wage workers. The period of blind promotion of privatization has ended. Now is the time for government to restore its role of regulating the excesses and injustices of the unfettered market economy.

The spirit of “sweatfree” laws is to provide an organizing tool for those who want to reclaim government for the public interest, who insist that public tax dollars no longer bankroll illegal

and abusive contractors, who believe that the public sector should set a standard for responsible labor practices and who believe that sweatshop workers deserve rights and respect. It is not a traditional “government solution” however. It is based on a movement’s successes, and will only have meaning for workers where there is a movement to make its promise real. Nor is it an alternative to taking on corporate power with targeted consumer boycotts, picket lines and lawsuits. It is an attempt to shift billions in procurement expenditures at city and state levels to the sweatshop workers’ side of the scale, until the corporations and federal government are prepared to engage the discussion about changing national policies and trade agreements in the expanded spirit of the New Deal.

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## City of Los Angeles “Sweatfree” Code of Conduct

### Findings and Declarations

WHEREAS studies indicate that the Los Angeles region is the sweatshop capital of the US; and

WHEREAS the City of Los Angeles is a national leader in creating a living wage ordinance and protections for working people, including immigrant workers and their families;

WHEREAS, the City of Los Angeles spends millions in public tax dollars on garments, uniforms and other goods and services from private bidders, vendors and contractors;

WHEREAS, the City of Los Angeles recognizes a public interest in preventing the expenditure of public dollars to subsidize child labor or sweatshop labor; and

WHEREAS, the City of Los Angeles recognizes that its citizens have the consumer right to information and choice, especially concerning expenditures of their tax dollars; and

WHEREAS, the City of Los Angeles has an interest in providing incentives for responsible bidders; therefore be it

RESOLVED, that the City shall establish a “sweatfree” procurement policy and code of conduct that ensures apparel purchased, licensed or required by the City be manufactured by responsible employers, not in conditions involving child labor or sweatshops; and be it

RESOLVED that the City shall only solicit and use contractors, including subcontractors, who submit information prior to receiving a contract showing compliance with the principles of the sweatfree code of conduct, as follows:

### I. “Sweatfree” Code of Conduct

A “sweatfree” code of conduct shall be established by the City FOR INCORPORATION into the City’s Contractor Responsibility Ordinance. A bidder questionnaire shall be signed by all contractors as a complement to the criteria set forth in paragraph (a) of Sec. 10.40.2. Contractors shall be selected from a city-approved “sweatfree” list of bidders/retailers. The contracting agency shall make the completed information on bidders subject to public review for at least 14 calendar days between the dates of the receipt of the contractor bid and of the contract award. Any entity which manufactures garments or other goods for purchase by the city of Los Angeles or by any city employees shall comply with the Code of Conduct. CITY CONTRACTORS SUCH AS “MEGA-CONTRACTOR” LONG BEACH UNIFORM, shall ensure that ALL OF their subcontractors comply with the “sweatfree” code of conduct under penalty of perjury. Subcontractors shall ALSO sign a RESPONSIBLE SUBCONTRACTOR compliance statement. The City shall maintain, make public, and promulgate to its employees a list of approved manufacturers.

In order to facilitate public review consistent with the purposes of this ordinance, the City shall establish a formal task force including groups advocating on behalf of sweatshop workers and unions representing garment workers. The task force shall review any and all bids for compliance with this ordinance.

**A. Compliance:** Contractors based in Los Angeles must comply with all appropriate local ordinances concerning wages, workplace safety and non-

discrimination standards in addition to any other state or federal laws. Contractors based in California must comply with all appropriate laws of the state of California in addition to other federal laws. Contractors based in other states in the United States must comply with all appropriate laws of their states or with appropriate federal laws, whichever standards are more protective of workers. For contractors whose locations for manufacture and/or assembly are outside of the United States, those contractors must assure that their subcontractors comply with the appropriate laws of countries where their facilities are located, as well as the following standards for wages and working conditions.

**B. Wages:** Contractors must ensure that workers are paid at a minimum a non-poverty wage and, if possible, a living wage.

**C. Working Hours:** Workers shall (1) not be required to work more than the limits on regular hours allowable by the law of the country of manufacture, or 48 hours per week, whichever is lesser, and (2) be entitled to at least one day off in every seven-day period, in addition to holidays and vacations.

**D. Overtime:** All overtime hours shall be worked voluntarily. Workers shall be compensated for overtime at either (1) the rate of compensation for regular hours of work, or (2) as legally required in the country of manufacture, whichever is greater.

**E. Child Labor:** No person shall be employed who is younger than the legal age of child labor in the country in which the facility is located. Regardless of legal age, no children under the age of 15 shall be employed in the manufacturing process. Where the age for completing compulsory education is higher than the age for legal employment, the age for completing education shall apply.

**F. Forced Labor:** There shall be no form of forced labor of any kind, including slave labor, prison labor, indentured labor, or bonded labor, including forced overtime hours.

**G. Health and Safety:** There shall be a safe and healthy work environment that is at minimum in compliance with the manufacturing locale’s local, state and national laws. If residential facilities are provided to workers, they must be safe and healthy quarters. Contractors shall ensure that its direct operations and those of subcontractors keep and maintain records documenting health and safety programs on the site (such as through facility and equipment inspections, workplace air samplings, accident investigations and employee training).

**H. Nondiscrimination:** There shall be no discrimination in hiring, salary, benefits, performance evaluation, discipline, promotion, retirement or dismissal on the basis of age, sex, pregnancy, maternity leave status, marital status, race, nationality, country of origin, social or ethnic origin, disability, sexual orientation, religion or political opinion.

**I. Harassment and Abuse:** No worker shall be subject to physical, sexual, psychological, verbal or any other form of harassment or abuse. Corporal punishment shall not be tolerated. Every worker shall be treated with dignity and respect.

**J. Freedom of Association and Collective Bargaining:** Contractors shall recognize and respect their workers’ rights to free association and collective bargaining. No employee shall be subject to harassment, intimidation or retaliation. Contractors shall allow unions freedom of access to employees, and recognize unions of the workers’ choice.

**K. Women’s Rights:** Women workers shall be provided equal pay and benefits, equal treatment, equal evaluations, and equal opportunity to fill positions. No workers may be forced to use

contraceptives or take pregnancy tests. No workers shall be exposed to toxic chemicals, including glues and solvents, which may endanger reproductive health.

**L. Local Los Angeles Preference:** Contractors who commit to responsible production in the City of Los Angeles for a particular competitive bid for apparel procurement shall be a preferred source for purposes of that bid where the price bid by such bidder is not greater than 10 percent higher than the lowest price bid by otherwise responsive and responsible bidders.

## II. Disclosure and Verification

**A. Prior Disclosure Requirement:** All contractors and manufacturers covered by this ordinance shall provide prior disclosure of the name and location of every plant, including every subcontractor’s plant, engaged in the manufacture or distribution of garments or other products or services procured by the City. Such disclosure would be incorporated into the facility’s statement of compliance with the “sweatfree” code of conduct. The prior disclosure statement shall also stipulate any areas of non-compliance with the code of conduct, as well as plans for remediation and monitoring. These verification requirements shall include but not be limited to disclosure of all applicable state tax identification numbers, workers compensation and liability insurance policy numbers, and wages to be paid. Each contractor must renew and keep current its information as required by this section.

**B. Scope:** The entire chain of contracting is covered by the “sweatfree” code of conduct. The contractor shall be required to list the names and addresses of each of its subcontractors and manufacturing plants utilized in the performance of a contract. The contractor shall further list each of its and its subcontractors’ manufacturing or other facilities and operations for performance of the contract, including the locations of each

such facility, TO ABOLISH “SECRET SWEATSHOPS.” Upon request by the City, the contractor may also be required to provide any of the following: Company names, owners and/or officers, addresses, phone numbers, e-mail addresses, nature of business associations and relevant steps performed in the manufacturing process. City proprietary departments are also covered under this act.

**C. Public Access:** All contractor information required by the “sweatfree” code of conduct shall be posted by the contractor on the Internet in a form readily accessible to public requests or scrutiny. The same information shall also be posted in all contractor and subcontractor manufacturing facilities and other workplaces in the appropriate languages. A database of complaints about the contractor or subcontractor shall be maintained by the City and made readily accessible on the Internet.

**D. Inspections:** The City may contract for workplace inspections with independent, nonprofit, qualified organizations that have expertise in workplace monitoring and labor conditions.

## III. Enforcement and Penalties

**A. Penalties:** Upon belief or credible information that a contractor, manufacturer, or subcontractor covered by this ordinance may be in violation of the “sweatfree” code of conduct, the City shall review the information and offer the contractor or subcontractor an opportunity to respond at a hearing, as defined in Ch. 1, Div. 10, Art. 14 of the Los Angeles Administrative Code. It shall be the duty of the contracting agency to take such action as may be appropriate and provided by law, rule, or contract, including but not limited to seeking compliance, recovering damages, declaring the contractor in default, terminating contract, and/or seeking debarment or suspension of the contractor or subcontractor. The intent of this

section is to remediate illegal and abusive conditions in the workplace, WHEN feasible.

**B. Non-Retaliation and Whistleblower Protections:**

Penalties of fines and/or revocation of contract shall be applicable for “sweatfree” code of conduct violations.

**C. False Disclosure:** Any contractor found to have knowingly provided false information under this act shall be subject to immediate termination and a two year prohibition on future contracts.

**D. Independent Audit:** The city may require the contractor, in the event of a violation, to submit to and pay for an independent workplace audit to verify that the violation has been remediated.

**E. Role of City Attorney:** The Office of the City Attorney shall cooperate with the City contracting agency to ensure proper enforcement of and compliance with this act.

**F. Employees’ Rights of Recourse:** The rights and remedies provided by the “sweatfree” code of conduct do not preclude an employee from pursuing other rights or remedies under any other provision of state or federal law.

## IV. Definitions

**1. “Sweatshop”** means the workplace of any contracted vendor of apparel or textiles procured by the City of Los Angeles, or workplace of any contracted vendor of goods or services procured by the City of Los Angeles, or the workplace of any subcontractor’s apparel or textiles procured by the City of Los Angeles, or the manufacturer of any garments or goods purchased by the city or its employees, which engages in (a) multiple instances in any one year period of unlawful conduct or (b) egregious violations that indicate a pattern or practice of violating employees’ rights in the manufacturing, distribution or servicing of these apparel, textiles or goods and services:

- Paying poverty wages;
- Violating any applicable minimum wage, maximum hours, overtime, or non-payment-of-wages laws;
- Forcing workers to work more than 48 regularly scheduled hours per week;
- Forcing compulsory overtime without additional compensation;
- Refusing workers at least one day off in seven;
- Violating any applicable child labor laws;
- Violating any applicable building code, fire code, or workplace health and safety laws;
- Harassing or abusing workers as defined in this act.

**2. “Contractor”** means any person, firm, corporation, partnership, association or any combination thereof, including contractors who are retailers engaged in manufacturing, which enters into a contract with any awarding authority of the City, including proprietary departments.

**3. “Subcontractor”** means any person or entity who enters into a contract with a contractor to assist the contractor in performing a contract with the City, including contracts directly or through intermediary subcontractors, for the manufacture or supply in whole or any part of any garments, apparel or textiles or other services for the cleaning, repair or maintenance of such products. “Subcontractor” shall include beneficiaries of bankruptcies, assignment, transfer, sales of operations, or other successors intended to evade responsibility or liability for any wrongful conduct enumerated herein.

**4. “Manufacturer”** means any person or entity which produces official garments or other goods purchased by the City or by its employees including but not limited to public safety uniforms.

# Code of Conduct for Occidental College Garment Contractors

(Adopted May 12, 1999)

## I. Introduction

Occidental College committed to conducting its business affairs in a socially responsible manner consistent with its employee personnel policies and expects its garment contractors to conduct their business in a manner consistent with, and follow workplace standards that adhere to, this Code of Conduct (the Code).

## II. Notice

This Code shall apply to all garment contractors of Occidental College. Throughout this Code the term “college” refers to Occidental College. Throughout this Code the term “Garment Contractor” shall include all persons or entities who have been authorized by the College to provide garments bearing the name, trademarks and/or images of Occidental College and therefore have entered into a written Garment Contractor Agreement with the College most often through the mechanism of accepting a Purchase Order. Throughout this Code, the term “subcontractor, vendor and/or manufacturer” shall include each subcontractor, vendor, and/or manufacturer that is engaged in a manufacturing process that results in a finished garment for the consumer. “Manufacturing process” shall include assembly, packaging, shipping and receiving.

As a condition of being permitted to produce and/or sell garments bearing the name, trademarks and/or images of the College, each Garment Contractor must comply with this Code

and ensure that each subcontractor, vendor, and/or manufacturer comply with this Code. All Garment Contractors upon acceptance of a college purchase order acknowledges and agrees to comply with this Code.

## III. Remediation

If the College determines that any contractor has failed to remedy a violation of this Code, the College will consult with the Garment Contractor to examine the issues and determine the appropriate measure to be taken. If consultation and agreed upon measures fail to adequately resolve the violations within a specified time period, the College and the Garment Contractor will implement a corrective action plan on terms acceptable to the College. The College reserves the right to terminate its relationship with any Garment Contractor who continues to conduct its business in violation of the corrective action plan.

Employees of the Garment Contractor or their subcontractors, vendors and/or manufacturers are the third party beneficiaries of this Code and may enforce this Code against the Garment Contractor or its subcontractors, vendors and/or manufacturers in a forum of their choosing, such as a court of law, before any governmental agency with quasi-judicial powers, through binding arbitration, or by any other fair and impartial trier of fact in the countries in which they reside, including but not limited to recovery of unpaid wages and obtaining injunctions against violations of this Code. However, nothing herein grants any third-party beneficiary rights to any person to bring claims against the College in the event that any Garment Contractor or other person fails to abide by any provision in this Code.

## IV. Standards

Occidental College seeks Garment Contractors who take a leadership role on these issues and, to

the extent practicable, exceed the standards of this code. Garment Contractors must operate workplaces, and ensure that their subcontractors, vendors and/or manufacturers operate workplaces, that adhere to the following minimum standards and practices:

- A. **Legal Compliance:** Garment Contractors must comply, at a minimum, with all applicable legal requirements of the country in which garments are manufactured. Where this Code and the applicable laws of the country of manufacture conflict or differ, the higher standard shall prevail. Such compliance shall include compliance with all applicable environmental laws.
- B. **Ethical Principles:** Garment Contractors will commit to conduct their business according to a set of ethical standards which include, but are not limited to, honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each human being.
- C. **Employment Standards:** The College will only do business with Garment Contractors whose workers are present at work voluntarily, are not at undue risk of physical harm, are fairly compensated and are not exploited in any way. In addition, the following specific guidelines must be followed:

**1. Wages and Benefits:** Garment Contractors must provide wages and benefits which comply with all applicable laws and regulations, and which provide for essential needs and establish a dignified living wage for workers and their families. A living wage is a “take home” or “net” wage, earned during a country’s legal maximum work week, but not more than 48 hours. A living wage provides for the basic needs (housing, energy, nutrition, clothing, health care, education, potable water, childcare, transportation and savings) of an average family unit divided by the average number of adult wage earners.

**2. Regular Working Hours:** Employees shall (I) not be required to work more than the lesser of (a) 48

hours per week, or (b) the limits on regular hours allowed by the law of the country of manufacture; and (2) be entitled to at least one day off in every 7-day period, as well as holidays and vacations.

**3. Overtime:** All overtime hours must be worked voluntarily by employees. In addition to their compensation for regular hours of work, employees shall be compensated for any volunteer overtime hours at the greater of either (a) the rate of compensation for regular hours of work or (b) as is legally required in the country of manufacture.

**4. Child Labor:** No person shall be employed at an age younger than 15 (or 14, where, consistent with International Labor Organization practices for developing countries, the law of the country of manufacture allows such exception). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section. Garment Contractors agree to work with governmental, human rights and non-governmental organizations to minimize the negative impact on any child released from employment as a result of the enforcement of this Code.

**5. Forced Labor:** There shall not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.

**6. Health and Safety:** Garment Contractors must provide workers with a safe and healthy work environment. If residential facilities are provided to workers, they must be safe and healthy facilities. In addition, Garment Contractors must comply with the following provision: The Garment Contractor shall ensure that its direct operations and any subcontractor generate records documenting its health and safety activities on site (such as facility and equipment inspections, workplace air sampling, accident investigations

and employee training) and maintain these records for a period of no less than one year.

**7. Nondiscrimination:** Garment Contractors shall employ individuals solely on the basis of their ability to perform the job. There shall be no discrimination in hiring, salary, benefits, performance evaluation, discipline, promotion, retirement or dismissal on the basis of age, sex, pregnancy, maternity leave status, marital status, race, nationality, country of origin, social or ethnic origin, disability, sexual orientation, religion, or political opinion.

**8. Harassment or Abuse:** Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Garment Contractors will not use or tolerate any form of corporal punishment.

**9. Freedom of Association:** Garment Contractors shall recognize and respect the right of employees to freedom of association and collective bargaining. No employee shall be subject to harassment, intimidation or retaliation in their efforts to freely associate or bargain collectively. Garment Contractors shall allow union organizers free access to employees. Garment Contractors shall recognize the union of the employees’ choice.

#### 10. Women’s Rights:

- a. Women workers will receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions as male workers.
- b. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
- c. Workers who take maternity leave will not face dismissal nor threat of dismissal loss of seniority or deduction of wages, and will be able to

return to their former employment at the same rate of pay and benefits.

- d. Workers will not be forced or pressured to use contraception.
- e. Workers will not be exposed to hazards, including glues and solvents, which may endanger their safety, including their reproductive health.

## V. Implementation

Occidental College seeks to foster an environment of labor standards compliance through ensuring adherence to the standards established by this Code.

**A. Garment Contractor Agreement.** Upon acceptance of a college purchase order which permits the production and/or sale of garments bearing the name, trademarks and/or images of the College, each Garment Contractor must comply with this Code and ensure that its subcontractors, vendors and/or manufacturers comply with this Code.

1. Initial Phase-In of the Code: At the direction of the President of Occidental College, all persons or entities who are currently authorized by the College to manufacture garments bearing the name, trademarks and/or images of Occidental College will be notified of the Code.
2. Upon receipt of notification of this Code, the Garment Contractor must provide such written assurances that it and its subcontractors, vendors and/or manufacturers acknowledge and agree to adhere to this Code.

**B. Written reports:** Upon written request of the College, the Garment Contractor shall be required to provide the following to Occidental College:

1. The company names, owners and/or officers, addresses, phone numbers, e-mail addresses and nature of the business association, includ-

ing the steps performed in the manufacturing process, of all of the Garment Contractors’ contractors and manufacturing plants which are involved in the manufacturing process of items which bear, or will bear, the name, trademarks and/or images of Occidental College;

2. Written assurances that it and its contractors adhere to this Code.
3. A summary of the steps taken, and/or difficulties encountered, during the preceding year in implementing and enforcing this Code at each site.
4. If these reports are provided to the College in a language other than English, the Garment Contractor must provide the original report as well as English translation.
5. Such written reports shall become the sole property of Occidental College, filed with the Director of Occidental College Emblematic Contracting and shall be available to the Occidental community as stated in Section VI. Disclosure.

**C. Notification.** All Garment Contractors and their subcontractors, vendors and/or manufacturers shall notify their employees of the existence of the Code and make copies of the Code available to employees upon request, written in languages(s) which employees understand.

**D. Pricing.** The Garment Contractor must assure that they are paying their subcontractors, vendors and/or manufacturers a sufficient price to meet production costs while complying with this Code and to make a reasonable profit.

## VI. Disclosure

Information provided by the Garment Contractor, as described in Section V. Implementation, shall become the sole property of Occidental College.

**A. Information provided in Section VB 1.:** The company names, owners and/or officers, addresses, phone numbers, e-mail addresses and nature of the business association, including the steps performed in the manufacturing process, of all of the Garment Contractors’ contractors and manufacturing plants which are involved in the manufacturing process of items which bear, or will bear, the name, trademarks and/or images of Occidental College will be filed with the Director of Occidental College Emblematic Contracting.

1. The information will be made available to the Occidental Community through any or all of the following: the Board of Trustees, Officers of the College, President of the ASOC, President of the Faculty Council, Convenor of the Administrative Council, Convener of the Staff Council and the Director of Occidental College Emblematic Contracting.

**B. Information provided in Sections V.B.2 and V.B.3.**

Will be filed with the Director of Occidental College Emblematic Contracting and be available to the Occidental Community.

## VII. Verification and Compliance Mechanism

It shall be the responsibility of each Garment Contractor to ensure its compliance with this Code, and to verify that its subcontractors, vendors and/or manufacturers are in compliance with this Code. It shall be the responsibility of the college to ensure its compliance with this Code and verify that the Occidental Community adheres to this Code.

**A. Internal Monitoring and training:** The President of Occidental College will establish an Emblematic Contractors Review Board. It will be the responsibility of this Board to advise the President regarding the provision of training and the establishment of internal monitoring procedures to insure adherence to the Code by members of the Occidental community.

1. Membership of the Review Board shall include but will not be limited to three representatives of the ASOC and one representative from each of the following: the Office of Student Life, Athletics, Facilities, Campus Dining, Admissions, Development, Bookstore, Business Office and the Faculty. ASOC representatives will be nominated by the ASOC and all others will be nominated by CAC. The President will appoint membership from those nominations submitted.
2. The Review Board in conjunction with the ASOC and CAC insure that:
  - a. The Occidental Community is provided with adequate training regarding the Code.
  - b. A method of internal monitoring is established and maintained.

**B. External Monitoring:** At the direction of the President, the Review Board in conjunction with the ASOC and CAC will explore a means of independent external monitoring, investigation, receipt and processing of Garment Contractor employee complaints, adjudication of disputes, and mechanisms for external enforcement of this Code. These findings will be presented to the President.

## VIII. Public Accountability

Occidental College shall establish a procedure to include students, faculty, staff and administrators in the development of this Code and the oversight of its verification.

A. The Code of Conduct for Occidental College Garment Contractors shall be published on the College website.

B. A listing of authorized Occidental College Garment Contractors shall be maintained by the Director of Occidental College Emblematic Contracting and shall be published on the College website.

## IX. Funding

A. All expenses incurred for the establishment, implementation and maintenance of this Code will be funded at the discretion of the President of Occidental College.

## Appendix A

### Mr. Tokofsky - “No Sweat” Procurement (Noticed November 26, 2002) (Waiver of Board Rule 72)

Whereas, Conditions of sweatshop labor, impact many thousands of families in Los Angeles, most of them immigrant families, including many parents of children attending Los Angeles public schools;

Whereas, Garments such as uniforms, athletic apparel, and sports equipment such as soccer balls utilized in our public schools are often manufactured in sweatshop conditions, including child labor, in southern California and countries in the global South;

Whereas, Public tax dollars should not be expended to subsidize these sweatshop conditions, but as an incentive to contractors and subcontractors to provide their employees with non-poverty wages, and all rights and protections required by law;

Whereas, The Los Angeles Unified School District on December 16, 1996, found that it imports a variety of products including over 800 soccer balls per year, and resolved to “only purchase products that have been certified as having been manufactured without the illegal use of child labor;” and

Whereas, The District recognizes that many colleges and universities in Los Angeles and the United States have adopted “sweatfree” procurement guidelines with beneficial effects; now, therefore, be it

Resolved, That the Board of Education of the City of Los Angeles direct staff to review and revise its procurement policies to ensure that

District contractors and subcontractors do not employ child labor or sweatshop labor; and

Resolved further, That the Board is committed to developing a “sweatfree schools” code of conduct to ensure that the apparel and certain sporting goods purchased, licensed, or required by the District, or any of its schools, be manufactured by responsible employers and include incentives to producers and vendors of school apparel and sporting goods to assure that decent conditions prevail in their factories. This code of conduct shall be developed based on the following principles:

1. non-poverty wages (a “non-poverty wage” means a national wage and benefit level above the poverty line defined in the United Nations Human Development Index for Less Developed and More Developed Countries.)
2. safe and healthy working conditions
3. worker rights to assemble or organize
4. prohibition of child labor (No person shall be employed who is younger than the legal age for children to work in the country in which the facility is located. Regardless of that legal age, no children under the age of 15 shall be employed in the manufacturing process. Where the age for completing compulsory education is higher than the standard for minimum age of employment, the age for completing education shall apply to this section.)
5. compliance with the code
6. disclosure of manufacturing plant locations
7. verification and enforcement mechanisms
8. responsible bidder forms
9. penalties; and

Resolved further, That the Superintendent be directed to create a working group to develop this “sweatfree” code of conduct, composed of appropriate District staff, employee representatives,

union representatives, garment worker advocates, students, and experts in the field;

Resolved further, That the Superintendent direct appropriate staff with technical knowledge or experience in current procurement policies to assist the working group in its considerations; and be it finally

Resolved, That the working group report its findings and recommendation to the Board no later than March 15, 2003.

## Appendix B

### MOTION

The City of Los Angeles is a recognized leader in responsible contracting policies. We in the City have proven that we can be efficient and cost effective in our procurement of goods and services, while still ensuring that workers are paid a living wage and that companies doing business with the City comply with our Equal Benefits Ordinance.

The City of Los Angeles spends millions of dollars in public funds on the procurement of uniforms for thousands of our employees, including public safety employees, sanitation workers, and electricians in the Department of Water and Power to name just a few.

In its uniform procurement, the City of Los Angeles should not be doing business with vendors whose production relies on sweatshop labor. We need to ensure that our contractors - and their subcontractors - maintain basic fair and ethical labor practices for their employees, many of whom are overseas.

The City of Los Angeles can and should be an example of local accountability in that public money cannot and will not subsidize unfair, unethical labor practices.

I THEREFORE MOVE that the General Services Department, the Chief Administrative Office and the Chief Legislative Analyst’s Office form a working group and prepare a report within 90 days to the Economic Development and Employment Committee to 1) conduct an inventory on the procurement of all apparel in the city; and 2) develop a city policy for the procurement of a “sweat-free” apparel for our city employees, including mechanisms for independent monitoring or verification of the working conditions at the firms which actually produce our uniforms (whether or not they have a corporate affiliation with our contractors).

Presented By: \_\_\_\_\_

ERIC GARCETTI  
Councilmember, 13th District

Seconded By: \_\_\_\_\_