



A Network for Local Action Against Sweatshops

Subsidizing Sweatshops: Companies Respond and We Reply

July 30, 2008

1. Executive Summary

On July 1, 2008, SweatFree Communities released *Subsidizing Sweatshops: How our tax dollars fund the race to the bottom, and what cities and states can do.*¹ This is the first of its kind report on working conditions in the global uniform industry. It documents severe human rights and labor rights violations in 12 factories located in nine countries, producing for eight major uniform brands. We have received detailed responses from five companies and culled reactions from three other companies from a variety of media reports.

On the basis of the information we have received, there appears to be a clear theme to companies' responses: denial. Companies deny the report findings, deny worker rights violations in the factories investigated for the report, and in some cases, deny violations in any of the uniform factories that produce for the company. If this response were credible, there would be little point to workers' own attempts to improve conditions or to any advocacy work in support of workers.

But a response that denies all problems in a subsection of a larger apparel industry, known to be characterized by sweatshop violations, is not credible. If companies' factory monitoring reports show that their suppliers are in full compliance with all applicable labor law and code of conduct requirements, as many of them claim, there is a problem with the corporate monitoring system.

We believe that there are three basic problems with corporate monitoring:

- **Corporate monitoring is structurally flawed.** Investigations that are conducted either by a company itself or by an organization that is controlled or financed by the companies or the factories that are monitored are marred by conflict of interest.
- **The messages regarding code compliance and the economic incentives to factories are contradictory.** Code of conduct compliance costs money, but buyers usually are not prepared to pay more for good working conditions, instead expecting delivery of the cheapest possible products in the shortest possible time, creating an economic incentive against compliance.

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- **Workers do not play a significant role in the auditing process.** Corporate auditors are usually not prepared for the time and effort to gain the trust of workers who fear retaliation from management for exercising their freedom of speech.

SweatFree Communities looks forward to continuing the conversation with companies to improve working conditions for workers who sew uniforms around the world. We urge companies to:

- Take responsibility for contractor labor rights and human rights violations.
- Reexamine the reliability of their auditing protocols, commit to full public disclosure of production facilities and monitoring conducted by organizations independent from the industry.
- Evaluate how their own purchasing practices influence working conditions, and commit to sourcing practices that help rather than hinder factories to comply with labor law and codes of conduct.

Most immediately, companies must commit to remediate violations rather than cutting and running from factories that violate workers' rights. Workers do not deserve losing their jobs because of lack of orders after having suffered abusive working conditions. Companies should commit to maintaining present levels of orders during any investigatory and remediation process, and should provide additional economic incentives for factories that work productively to improve conditions.

2. Introduction

Subsidizing Sweatshops: How our tax dollars fund the race to the bottom, and what cities and states can do is the first of its kind report on working conditions in the global uniform industry. It documents severe human rights violations in 12 factories located in nine countries, producing for eight major uniform brands. The report has garnered significant local and national media attention. Public entities, including the states of Maine, Ohio, Pennsylvania, Vermont, and Wisconsin, have urged companies to respond constructively to the report findings by addressing worker rights violations. Some of these public entities notified their vendors of the pending report well before its public release.

SweatFree Communities also notified all companies via email and fax just prior to the release of the report in order to "seek [their] cooperation in addressing and remediating any human rights and labor rights violations in supplier factories." We told all companies that we hope they would respond to the report "as an opportunity to deal constructively with an industry-wide problem by working with suppliers, customers, and worker advocates and ensuring that sweatshop exploitation cannot be used as a competitive advantage for government contracts." We asked for their commitment to:

- Implement the highest possible labor standards, including non-poverty wages, in supplier factories.
- Ensure that their business and sourcing practices facilitate factory compliance with such standards.
- Publicly disclose all production facilities to enable independent investigations of working conditions and full cooperation with those investigations.

We have received detailed responses from Blauer Manufacturing Company, Bob Barker Company, Eagle Industries, Cintas Corporation, and Lion Apparel. We have culled reactions and responses from Fechheimer Brothers Company, Rocky Brands, and Williamson-Dickie Manufacturing Company from a variety of media reports. We have yet to notice any public response from Proper International.²

By issuing this response to companies we are not questioning their stated commitment to workers' human rights and labor rights, nor the desire of company employees engaged in social compliance and social responsibility to ensure that their companies' products are made by workers who have respect and dignity on the job. But, for the most part, we do not believe that these companies have access to reliable information about working conditions in supplier factories. Their methods of monitoring factories are not adequate to ensure decent working conditions.

3. The Response in General: “We Monitor Our Suppliers”

There is a discernible theme in the companies' responses. It runs something like this: “We are committed to promoting good working conditions in our supplier factories. The allegations against our company in *Subsidizing Sweatshops* are unfounded as our own monitoring reports show that the factory in question is in compliance with local and international labor standards.”

The level of companies' denial of labor rights violations is striking. All companies that responded denied all violations at all factories investigated for the report. Two companies went further, stating that they had never observed any labor rights violations at any of their contract facilities.³

By comparison, many other apparel brands and retailers that have been forced to respond to allegations of sweatshop abuse over many years now publicly admit to serious and chronic human rights violations in their factory base, including physical and verbal abuse, forced overtime, and below minimum wages.⁴ Human rights and labor rights violations are the norm, not the exception, in a global apparel production system that separates the brand from the contractor and subjects factories to intense competitive price pressures that force managers to squeeze longer hours for less pay in worse conditions out of workers. Because uniform factories are subject to the same competitive price pressures and are located in the same areas as factories that produce for the rest of the apparel industry, it is unlikely that investigations that reveal no violations in uniform factories are very credible. Reports of no violations whatsoever in particular factories or even in the entire factory base for a company should be seen as an indication of inadequate monitoring, not of absence of violations.

The field of “corporate social responsibility monitoring” emerged in the early 1990s after high profile apparel brands were scrutinized and criticized in the press for producing consumer goods in factories with poor working conditions. Today, tens of thousands of working conditions audits are commissioned annually by hundreds of companies and retailers. Yet, studies and reports show that these audits have not made a significant impact on working conditions in the apparel industry, but have helped protect corporate reputations more than workers' wellbeing.⁵

In a nutshell, the problem with corporate monitoring is threefold. First, **corporate monitoring is structurally flawed**. Investigations that are conducted either by a company itself or by an organization that is controlled or financed by the companies or the factories that are monitored are marred by conflict of interest. A company and its employees may have the best of intentions, but if the auditors are paid by those they are supposed to audit, they have little incentive in finding faults or in proposing solutions to problems that their clients have created. As a result, corporate auditing methodology is

usually wanting. Audits are shallow and pre-announced affairs where factory managers have ample opportunity to prepare and present an image of compliance, and a small number of workers provide information under the watchful eyes of managers, hoping that they will not get into trouble for speaking to the auditors.

Second, **the messages regarding code compliance and the economic incentives to factories are contradictory.** Corporate buyers tell factories to comply with codes of conduct, but do not provide incentives for compliance. Code compliance costs money, but buyers usually are not prepared to pay more for good working conditions, instead expecting delivery of the cheapest possible products in the shortest possible time, creating an economic incentive against compliance. Studies show that factories commonly resolve the contradiction quite logically by cutting labor costs to produce a cheap product while covering up the resulting worker rights violations and feigning compliance with codes of conduct. Factory managers instruct workers to tell auditors that conditions are good and that wages and benefits accord with law. They warn workers that the factory may lose orders and workers may be out of a job unless they participate in this deception. They provide false records to factory monitors. This is precisely what we found in a number of factories investigated for *Subsidizing Sweatshops*. Companies, predictably, insist that their supplier factories are code compliant because that is what factory managers instruct workers to tell the auditors and what auditors tell the companies.⁶

Finally, corporate auditing often fails to reveal workers' own experiences and ideas for improving conditions because **workers do not play a significant role in the auditing process.** While workers are the best monitors of their own workplaces – after all, they are there all the time – it can take a concerted effort by auditors to gain the trust of workers who fear retaliation from management for exercising their freedom of speech and sharing work-related grievances. Corporate auditors charged with monitoring large numbers of factories in relatively short periods of time cannot make the investment of time and effort in a single factory necessary to understand workers' experiences and do not have the connections with local organizations that can help create relationships of trust with workers.

There is a better way of ensuring code compliance. It requires monitoring that is independent of the industry. It makes workers' own accounts of working conditions a priority. It examines root causes of problems, including companies' own sourcing practices. It emphasizes collaborative problem-solving in which workers have a meaningful role. And it creates incentives for code compliance in the form of higher prices, longer-term orders, and more stable and reliable business relationships. These are the types of solutions and initiatives that SweatFree Communities would like to discuss with the uniform companies in *Subsidizing Sweatshops*.

4. Specific Company Responses

a. Blauer Manufacturing Company

In a July 1 press release Blauer maintains that, "workers in this country and abroad that help produce apparel bearing the Blauer label should be treated humanely and fairly and should work under healthy and safe conditions."⁷ In private communication with SweatFree Communities Blauer stated that it ceased placing orders with the factory in question, Charming Garments, in early 2007 after factory officials denied Blauer inspectors access to the factory during multiple surprise inspection visits. While it appears reasonable to assume that at least some of the serious violations identified in our report were occurring at the factory at the time Blauer's product was manufactured there, the point of importance is that companies respond constructively when human rights and labor rights violations come to light. If company auditors were consistently denied access to monitor working conditions and Blauer, consequently, had no means of positively influencing working conditions at

Charming Garments, SweatFree Communities supports Blauer's decision to cease doing business with the factory. Therefore, we have removed Blauer from *Subsidizing Sweatshops*.⁸

We hope that Blauer will work with us and with states and local governments to reform the industry, ensuring that taxpayer dollars do not support sweatshop conditions. While company self-monitoring programs are not sufficient to guarantee good working conditions, Blauer's program is a positive sign that Blauer may be a constructive partner in the effort to eliminate sweatshop conditions from the uniform supply chain.

b. Bob Barker Company

In response to *Subsidizing Sweatshops*, Company President Robert Barker notes that Bob Barker does not "condone and [has] never been involved with any violation of labor law" (Baltimore Sun, "Group alleges labor abuse," July 3, 2008). The company issued a press release on July 1 highlighting its commitment to labor law and outlining methods of verification and enforcement of labor standards in supplier factories.⁹ However, SweatFree Communities is not aware of any response to the specific findings of sweatshop violations at the Arena Fashion Wear factory in Bangladesh, the supplier in question. We hope the company will investigate our findings and work with us and other partners to improve working conditions, rather than issuing a blanket denial based on an auditing protocol which, as our report indicates, may not be foolproof.

While we appreciate the fact that Bob Barker maintains a monitoring system to ensure labor law compliance, we believe that the system itself may be structurally flawed as explained in Section 3 above. According to Bob Barker's press release, the company uses suppliers certified by Worldwide Responsible Accredited Production (WRAP) and conducts on-site inspections and audits to verify compliance with labor standards. Created in 2000 by the American Apparel and Footwear Association (formerly known as the American Apparel Manufacturers Association), WRAP is a non-profit factory monitoring and certification organization that purports to be "independent from the industry."

Yet, a closer inspection of WRAP monitors' relationship to those they monitor raises questions about WRAP's independence and credibility. Factories that seek WRAP certification are responsible for hiring WRAP-certified monitoring groups to conduct the inspection of their own factories. Factory managers themselves make the arrangements for monitoring, know when the monitors will arrive, and thus have the opportunity to clean up the factory, hide problems, procure false records, and create an image of compliance for the monitors. Because the monitor is paid directly by the factory itself, it may feel pressured to satisfy its client (the factory) with a favorable review, not bothering to look too closely behind the façade of compliance. WRAP's board of directors, which is responsible for issuing certification, is dominated by industry representatives who do not have much incentive for questioning favorable reports on factories that supply their industry.¹⁰

Bob Barker also claims that its Custom-Trade Partnership Against Terrorism (C-TPAT) certification provided by the U.S. Customs Department constitutes evidence that the company is in compliance with "local and international labor laws." We invite Bob Barker to explain how a certification program that enlists members of the trade community in an effort to prevent terrorists and terrorist weapons from entering the United States is a reliable indicator of labor standards compliance. The U.S. Customs and Border Protection's 40-page C-TPAT Strategic Plan does not even mention the words "labor" or "worker."

c. Cintas Corporation

A spokeswoman for Cintas said in response to *Subsidizing Sweatshops* that all their vendors must adhere to a code of conduct that is more stringent than most local laws, and all of

them are audited annually (Baltimore Sun, "Group alleges labor abuse," July 3, 2008). In private correspondence to SweatFree Communities on July 9, and in a similar public response on July 17, Cintas refers to its Responsible Sourcing program, which requires "strict audits of major suppliers each year." As in the case of Blauer and Bob Barker, Cintas may be commended for acknowledging its responsibility to maintain good working conditions in contractor facilities, but SweatFree Communities believes that corporate monitoring is only an initial step towards an effective code compliance program.

Cintas also addresses the specific allegations of worker rights violations at the Alamode Factory in Honduras based on its September 2007 audit and "other evidence." In contradiction to the report, Cintas claims that all workers are enrolled in the government social security system as required by law, that there is no evidence of forced and unpaid overtime, illegally low wages, or pregnancy testing, and that there is adequate ventilation and cleanliness in the factory in question.

We question the logic of Cintas' denial of illegal wages. *Subsidizing Sweatshops* reports that workers who were interviewed in April 2008 say that they were paid the 2007 legal minimum wage but not the higher minimum wage which took effect in January, 2008. Cintas' records indicate wage compliance based on a September 2007 audit according to what the company tells us. But that audit did not attempt to gauge compliance based on the 2008 minimum wage levels and is no longer an accurate tool for determining wage compliance. We encourage Cintas to carefully consider any follow-up Worker Rights Consortium (WRC) report regarding wages and other compliance issues.

We also note that Cintas does not address one of the most important findings of the preliminary monitoring conducted by the WRC, namely, workers' fear of speaking about working conditions. According to the WRC, workers' level of fear was "among the highest the WRC has ever encountered at any factory in the region." Nor does Cintas' response address the evidence of false punch cards records or workers' testimony that protective gear are available and toilets cleaned only when corporate auditors visit, indicating that Cintas' information about this factory may not be entirely accurate. Cintas should consider the possibility that its own methods of auditing may not yield complete and accurate information, especially when workers are afraid of speaking to monitors.

We would also like to assure Cintas that the investigation of the Alamode factory was not tainted by any kind of pro-union bias as Cintas implies in its public response. Cintas claims that the interviews that were the basis for our report on Alamode were conducted on June 19, 2008, by someone who was then identified by "local employees" as a "union recruiter," and that *Subsidizing Sweatshops* was "paid for by a union." All three claims are false. The interviews for our report were not carried out on June 19 but, as the report clearly states, in early April. We understand that the individuals who visited the factory on June 19 were there as part of an audit being conducted by the Worker Rights Consortium (WRC); according to the WRC, the individuals carrying out the factory inspection were from the Independent Monitoring Team of Honduras, a well-respected local labor and human rights organization which, among other activities, conducts labor rights monitoring on behalf of major apparel corporations including The Gap, Adidas, and Reebok and hardly serves as a "union recruiter." And while our report acknowledges that UNITE HERE generously donated the printing of the report, and that we base the report on Eagle Industries in part on interviews conducted by UNITE HERE, no union paid for other more significant costs of production, such as research, writing, and design.

Finally, and most significantly, we want to reiterate to Cintas the same point that we have made to all other companies named in the report: it is not acceptable for a brand to cease doing business with Alamode because it was featured in our report. Cintas suggests in its private response to SweatFree Communities that one possible result of our report is that "local jobs" would be "threatened." Cintas has the power to ensure that local jobs are not threatened by maintaining business with Alamode while encouraging corrective action.

d. Eagle Industries

In a July 15 press release posted in response to *Subsidizing Sweatshops*, Eagle Industries states that the inclusion of Eagle in the report “was inappropriate and unfounded.” It claims that the report on its New Bedford, Massachusetts, company was based on reports on working conditions under previous ownership and says it has made significant improvements since it acquired the facility. While it appears to be true that Eagle has taken some steps to improve working conditions, including replacing lights and adding ergonomically improved chairs, workers still tell of many remaining serious problems in interviews conducted for *Subsidizing Sweatshops*.

According to workers, the more serious problems include the following issues, which Eagle did not address in its press release.¹¹

- Workers still earn wages below the poverty line. Eagle did increase wages when the Massachusetts minimum wage rose to \$8 per hour on January 1, 2008. Workers now start at \$8.50 per hour. But even workers with 15 years seniority earn but \$9.50 per hour. Earning poverty level wages, full-time workers are forced to rely on food stamps and public housing subsidies to make ends meet.
- The company’s healthcare plan costs \$80 per week for a single person and \$270 per week for a family, or as much as 80% of a worker’s wages. At that cost, most workers are forced to rely on state funded health care.
- The 401k plan offered by the company has no employer match and offers no real benefit to workers who earn poverty-level wages.
- There are no paid sick days, so some workers have to work even when they are sick in order to make ends meet.
- The plant is so hot that some workers have fainted from heat exhaustion. While the company recently has added fans to the workplace, some sections still do not have fans. According to one worker, workers still suffer from heat exhaustion and faint in the workplace, though not as many workers as before the fans were installed.
- Eagle also does not address the serious allegations that the company is violating workers’ associational rights. According to one worker, the company is threatening that it will close and move to Puerto Rico if workers support the union. Allegedly, managers tell new workers that they will be fired if they speak with union supporters.

e. Lion Apparel

On July 11, Lion Apparel issued a response to *Subsidizing Sweatshops* pertaining to the Alamode factory in Honduras, the same factory that supplies the Cintas Corporation (see Cintas’ response above).¹² Similar to Cintas, Lion Apparel claims that “no evidence of violations of any type has been observed by or reported to any Lion employee at this facility” and that “third party audit certifications regarding this factory” show “no material violations.” According to Lion, at Alamode’s request, a WRAP monitor inspected the plant on July 5, 2008, just five days after *Subsidizing Sweatshops* was released, which “substantiates that there are no violations.” However, as we have argued above (see Sections 3 and 4b), corporate self-auditing and WRAP audits are notoriously unreliable and marred by conflict of interest. For example, when Alamode factory managers made the arrangements for the WRAP audit, they knew when the monitors would arrive, and had

every opportunity to clean up the factory, hide problems, and create a scene that Lion describes as “excellent working conditions” that would be photographed as evidence of code compliance by the auditors.

To Lion’s credit, the company is not issuing blanket denials and has supported Worker Rights Consortium investigations. Lion indicates that it is prepared to take action to improve conditions pending the new investigations. “If we obtain any information indicating that corrective action is necessary, we will work with the factory management and ownership to ensure compliance with our Worldwide Code of Conduct and all applicable state, local, and federal laws,” Lion states in its July 11 response. According to Lion Apparel’s corporate marketing associate Hayley Fudge, “If we find any of these alleged violations [in *Subsidizing Sweatshops*] to be proven, we’ll take immediate action with the owner and the management of the factory to correct the problems as the report suggests” (Associated Press, “Group Chides Ohio for link to sweatshop factories,” July 2, 2008). We are encouraged by this response.

f. Fechheimer Brothers Company, Rocky Brands, and Williamson-Dickie Manufacturing Company

To our knowledge, none of these companies has provided a detailed response to *Subsidizing Sweatshops*. Instead, they have affirmed their commitment to labor law and code of conduct compliance in general; some have also directly denied the findings of the report.

Fechheimer’s Vice President, Fred Heldman, stated that the plants it uses in China follow Chinese labor laws and that the company sends qualified individuals to monitor (Daily Gazette, “Report: Bosses ordered workers to lie,” July 4, 2008). The company also told the State of Illinois that all uniforms provided under contract are made in its union shops in Kentucky and Maryland (Chicago Sun-Times, “Sweatshop cops?” July 1, 2008). We applaud Fechheimer for its commitment to fair labor in the United States and encourage the company to consider additional measures to also promote fair labor in its overseas contract facilities.

A spokesman for Rocky Brands responded: “Rocky Brands is committed to supporting human rights worldwide, and we expect the same from our business partners. As a condition of doing business, Rocky regularly audits all of our vendor facilities to ensure they are in compliance with our standards” (Baltimore Sun, “Group alleges labor abuse,” July 3, 2008). The company further stated: “If a facility declines to work with us to make the changes we require then we will take our business elsewhere. We do not tolerate violations of our code of conduct” (Brattleboro Reformer, “Group tells Vt.: No sweat,” July 7, 2008). We support Rocky Brand’s apparent principle to work with suppliers to improve conditions, but the company also should have heeded the City of Los Angeles’ call on Rocky Brands to address allegations of violations in its Chinese contract facilities. Unfortunately, the City was forced to remove Rocky Brands from its list of suppliers when the company failed to respond to the City’s concerns.

Officials with the Williamson-Dickie Manufacturing Company simply stated that the “company meets the labor standards in the countries where it operates, as well as its own standards” (Chicago Tribune, “Groups: State lax on sweatshops,” July 2, 2008). In fairness to Dickies, it is difficult for the company to respond to the specific allegations in the report as we have thus far withheld the names of the factories investigated for security reasons. Nevertheless, we encourage Dickies to take steps to ensure that it can reliably supply sweatfree products to governments. Like other companies, Dickies should make its supply chain transparent, commit to independent factory monitoring, and ensure that its sourcing practices facilitate factory code compliance.

5. Conclusion

As we stated in *Subsidizing Sweatshops*, the companies named in the report are not the only ones that provide uniforms and other apparel made in sweatshop conditions to government purchasers; the problem is industry-wide. The solution, therefore, is not as simple as rooting out the few rotten apples in the industry, but requires systematic reform. We hope that companies that are named in the report, as well as those that are not, will use the report as an opportunity to develop new initiatives to end public purchasing from sweatshops in partnership with governments, workers, advocates, and other stake-holders. In particular, companies should evaluate how their own purchasing practices influence the conditions in which their products are made, and reexamine the reliability and efficacy of their auditing protocols. We look for their commitment to full public disclosure of production facilities, monitoring conducted by organizations independent from the industry, and sourcing practices that help rather than hinder factories to comply with labor law and codes of conduct.

Most immediately, we reiterate and highlight the importance of companies committing to remediate violations rather than cutting and running from factories that violate workers' rights. Workers do not deserve losing their jobs because of lack of orders after having suffered abusive working conditions. Companies should commit to maintaining present levels of orders during any investigatory and remediation process, and should provide additional economic incentives for factories that work productively to improve conditions.

We look forward to further dialogue with companies to achieve our common goals of ending sweatshop conditions in the uniform industry.

Endnotes

- ¹ The report is available at <http://www.sweatfree.org/subsidizing>.
- ² Many company responses are available at <http://www.business-humanrights.org/Documents/SweatshopsJul2008>
- ³ According to Blauer Manufacturing Company: “At no time during inspection of any of our contractor locations has a Blauer employee or representative witnessed unsafe or unfair treatment of contractor labor or anything that could be described as sweatshop conditions” (Blauer Manufacturing Co., Inc. Response to SweatFree Communities “Subsidizing Sweatshops” Report, July 1, 2008). According to Bob Barker Company: “We do not condone, and have never been involved in, any violation of labor laws, directly or indirectly, to our knowledge.” (Apparel Industry Labor in the Spotlight: Bob Barker raises the bar for factory workers, July 1, 2008).
- ⁴ See, for example, Gap’s social responsibility report at <http://www.gapinc.com/public/SocialResponsibility/socialres.shtml>; Nike’s corporate responsibility report at <http://nikeresponsibility.com/#crreport/main>; and Wal-Mart’s report on ethical sourcing at <http://walmartstores.com/AboutUs/279.aspx>
- ⁵ See, for example, Clean Clothes Campaign, “Looking for a Quick Fix: How Weak Social Auditing is Keeping Workers in Sweatshops,” November 2005, http://www.cleanclothes.org/publications/quick_fix.htm; Frank, T.A., “Confessions of a Sweatshop Inspector,” *Washington Monthly*, April 2008; Roberts, D., P. Engardio, A. Bernstein, S. Holmes, and X. Ji, “Secrets, Lies, and Sweatshops,” *Business Week*, November 27, 2006; O’Rourke, Dara (2000), “[Monitoring the Monitors: A Critique of Pricewaterhouse Cooper’s Labor Monitoring](#),” white paper, released Sept. 28, 2000; and Barrientos, Stephanie and Sally Smith, “The ETI Code of Labour Practice: Do workers really benefit?” Institute of Development Studies, University of Sussex, 2006.
- ⁶ A *Business Week* cover story revealed in November 2006 that, “American importers have long answered criticism of conditions at their Chinese suppliers with rules and inspections. But many factories have just gotten better at concealing abuses.” Factory managers interviewed in the *Business Week* article are quick to point out that low product price is one of the core problems of code of conduct violations. One Chinese factory manager complains that providing for legally mandated overtime wage rates is the biggest challenge. “The price [Nike pays] never increases one penny,” he complains, “but compliance with labor codes definitely raises costs” (Roberts, D., P. Engardio, A. Bernstein, S. Holmes, and X. Ji, November, 2006).
- ⁷ Blauer Manufacturing Co., Inc. Response to SweatFree Communities “Subsidizing Sweatshops” Report, July 1, 2008.
- ⁸ In the original version of *Subsidizing Sweatshops*, we stated that Blauer uses Charming Garments to produce apparel based in part on an affidavit supplied by Blauer to the City of Milwaukee in December of 2003. The contract is currently ongoing. However, at the time of the report publication Blauer had not yet submitted an updated affidavit, telling the City that it had shifted production from Charming Garments to another supplier. The absence of an updated Blauer affidavit for the contract in question indicated that Blauer was still using Charming Garments, which prompted us to make that inference in *Subsidizing Sweatshops*.
- ⁹ Apparel Industry Labor in the Spotlight: Bob Barker raises the bar for factory workers, July 1, 2008.
- ¹⁰ For a critique of the WRAP system, see, for example, “Backgrounder: Labor and Corporate Responsibility – The Role of Monitoring Companies in Labor Rights Enforcement,” by Marsha Dickson, Initiative for Policy Dialogue at Columbia University, 2007, available at http://www2.gsb.columbia.edu/ipd/j_labor_corporatere-sponsibility.html; and “Are Apparel Manufacturers Getting a Bad WRAP?” from *Codes Memo*, Number 12, November 2002, by Maquila Solidarity Network, available at <http://www.maquilasolidarity.org/resources/codes/memo12.htm>.
- ¹¹ A recent interview with an Eagle worker conducted after the publication of *Subsidizing Sweatshops* in order to discuss the company response to the report is available upon request from SweatFree Communities.
- ¹² “Lion Apparel Response to Sweatfree Communities Report,” July 11, 2008.