

# SweatFreeCommunities

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## **Position Paper from SweatFree Communities: The Decent Working Conditions and Fair Competition Act**

### **I. Background**

Founded in 2003, SweatFree Communities supports and coordinates a national network of campaigns that promote humane working conditions in apparel and other labor-intensive global industries by organizing for sweatshop-free purchasing policies that end tax payments for products made by children and other exploited workers. Using institutional purchasing as a lever for worker justice, the sweatfree movement empowers ordinary people to create a just global economy through local action.

As a network of diverse, experienced, and innovative anti-sweatshop organizations, SweatFree Communities is qualified to play an active role in the development and adoption of federal anti-sweatshop legislation. The work of SweatFree Communities and its partners has resulted in sweatfree purchasing policies in over 170 public jurisdictions, including 37 city governments, 13 county governments, six state governments, and 117 public school districts. Our partner, United Students Against Sweatshops, is leading the sweatfree campaign on over 160 public and private university and college campuses. SweatFree Communities maintains an updated sweatfree procurement model policy based on best practices in localities throughout the country. United Students Against Sweatshops has developed sweatfree licensing standards that may also be helpful for federal anti-sweatshop initiatives.

### **II. Context**

SweatFree Communities applauds the efforts of Senator Dorgan and co-sponsors Senators Byrd, Rockefeller and Reid as well as Representative Brown and over 60 House co-sponsors to introduce legislation in Congress to aid workers internationally by banning trade in sweatshop goods. This legislation was recently reintroduced in the Senate by Senators Dorgan, Brown, and Graham.

By discussing measures to halt the import, export, sale, and procurement of sweatshop goods, Congress is taking a significant step towards a more humane global economy. Human rights abuses, poverty wages, and dangerous and unhealthy working conditions are the norm for tens of millions of workers in such industries as apparel, electronics, and medical supplies. Independent investigators have revealed the widespread existence of the following conditions:

- Abusive, unsafe, and dangerous working conditions.
- Poverty level wages, insufficient to pay for children's most basic needs of food, housing, clothing, healthcare, and education.
- Forced overtime with required work weeks of 60-80 hours per week or more.
- Unpaid wages, delayed payment of wages, or unpaid overtime.
- Discrimination against women workers and pregnant workers.
- No right to speak up for improved conditions, or to form unions and bargain collectively.
- Abusive child labor conditions.

The view that sweatshops are a systemic problem in the global apparel industry, long held by advocates for worker rights, is now gaining currency in both the public and private sector. The City of Pittsburgh, for example, recently proclaimed that exploitative conditions

# SweatFreeCommunities

in the apparel industry are “the norm and not the exception.” The City urges all organizations in the Pittsburgh community to eliminate the use and sale of sweatshop goods.

Some large companies themselves now publicly admit to serious and chronic human rights violations in most of their factory base. In 2005, for example, Nike admitted that up to 50% of its Asian factories restricted access to toilets and drinking water; up to 50% of factories deny workers even one day off every week; and in 25% of factories workers are paid below even inadequate legal minimum wages.

In this context significant improvements in working conditions globally require more than separate actions to address worker rights violations factory by factory. Rather the rules of commerce and trade must change to guarantee respect for local labor law and international human rights and labor rights. The rules must reward fairness and justice in the workplace, and penalize companies that exploit workers. Only by changing the rules that allow and encourage sweatshop conditions can we halt the international race to the bottom in labor standards and give workers power to improve working conditions. SweatFree Communities recognizes the great potential for using government procurement and humane purchasing practices to build a system of fair trade and create positive alternatives to global sweatshops in apparel and other labor-intensive industries.

Towards the end of a fair global economy, SweatFree Communities is promoting a State and Local Government Sweatfree Purchasing Consortium that will pool resources for independent investigations of factory conditions, coordinate pressure on sweatshop offenders, and expand market demand for goods that are made in humane conditions by workers who earn fair wages. As a step towards this Consortium, Maine Governor John Baldacci has invited fellow governors to join a collaborative effort to use the power of state government procurement as a catalyst for justice for sweatshop workers. Governor Baldacci's proposal for a Governors' Coalition for Sweatfree Procurement and Worker Rights calls for development of best practices and state procurement policies to end taxpayer support for sweatshop abusers; cost-effective and reliable independent monitoring of shared supplier factories; and consolidation of states' purchasing power to support sweatfree factories. New Jersey Governor Jon Corzine and Pennsylvania Governor Edward Rendell have recently joined this path-breaking national initiative.

SweatFree Communities also looks forward to working in partnership with Congress and the federal government in developing procurement practices and other policy for a fair global economy. The experience of cities and states in enforcing their own sweatfree procurement policies has yielded significant lessons over the last five years that should be available to federal policy makers in order to realize the promise of potential federal initiatives. Sweatfree campaigns and local policy makers can contribute significantly to the discussion on federal sweatfree procurement and other policy, including standards, scope, implementation, and enforcement mechanisms.

### **III. Analysis for Further Discussion**

The Decent Working Conditions and Fair Competition Act is a significant first step on the federal level to reward justice and decency in the global economy and hold companies accountable for violating human and labor rights. With the considerable legislative experience of our local sweatfree campaign partners, SweatFree Communities suggests that the following issues be further analyzed for legislative drafting improvements:

1. *Standards and Compliance:* The current bill is based on the International Labor Organization “core labor standards.” However, many public jurisdictions nationally have

# SweatFreeCommunities

already adopted stronger labor standards for sweatfree apparel purchasing. Federal legislation should incorporate the highest possible labor standards, and **should not preempt local and state laws if they set a higher standard for compliance**. One example is the non-poverty wage standard, incorporated in many city and state procurement standards, vs. the legal minimum wage, which in most countries is a poverty wage. Furthermore, **remediation procedures should be incorporated in federal legislation** to hold companies responsible for rectifying worker rights violations, and discouraging cutting and running from problems in their factory base.

2. *Coverage and Enforcement*: The bill proposes a total ban on the import, export, advertisement, transport, distribution, sale, and government procurement of any goods made with sweatshop labor. Most of our local and state legislative sweatfree initiatives have concentrated on government procurement and on apparel and textiles. New York law includes sports equipment. A few cities have enacted sweatfree ordinances that apply to all their purchases, but expand the scope of implementation incrementally beginning with apparel. Would an incremental approach be easier to enforce on the federal level as well, perhaps beginning with several items and then gradually expanding the list of goods? Would the Federal Trade Commission need additional resources for effective monitoring and enforcement?

3. *Eligible Parties for Legal Standing*: The current legislation proposes allowing competitors and investors to file civil actions. **Unions and employees of both manufacturers and subcontractors should also be allowed to file civil actions** since they would have the closest knowledge of infractions. Such legal authority could aid in their efforts to preserve jobs while improving the workplace. There should be provisions in the legislation for notice to employees by employers of their ability to initiate such civil actions comparable to notice requirements concerning minimum wage and Equal Employment Opportunity laws.

4. *Disclosure*: **Complete disclosure of the names and addresses of contractors and subcontractors as well as their wage rates should be included in federal legislation**. Most university, city, school district and state laws have provisions for such comprehensive disclosure, an indispensable tool for enforcement of sweatfree procurement and licensing policies, and an important measure for workers seeking to enhance their working conditions. Without exact information on locations of contractor production facilities, it is impossible to verify violations or compliance with the law.

5. *Fair pricing*: Many analysts now recognize that enforcement of strong labor standards through monitoring and investigations of factories is in itself insufficient to improve working conditions over a sustained period of time, if those factories do not operate in conditions and relationships that allow compliance with such labor standards. The contract and purchasing terms between buyer and producer help to define working conditions by establishing prices for products and requirements for production volume and turnaround time. When factories are paid rock-bottom prices for goods that they need to produce very quickly or risk losing future contracts, they can only survive by exploiting their workers. **Federal law should recognize that fair prices to factories and a just purchasing relationship are necessary for factory compliance with fair labor standards**. Specific and enforceable language on fair purchasing practices should be included in federal law.