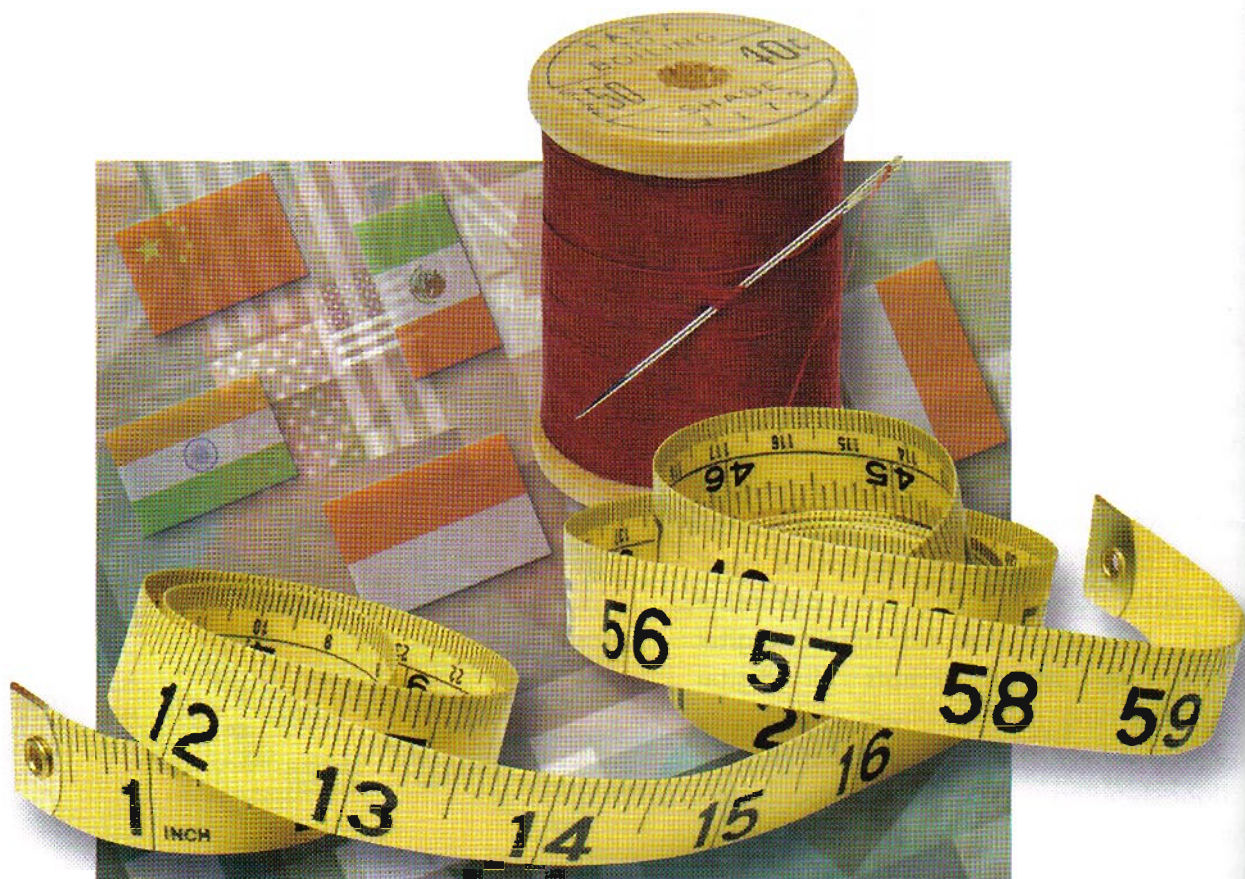


CODES OF CONDUCT

Bring Results

A TRUE STORY AND AN UPDATE ON HOW COLLEGE AND UNIVERSITY VIGILANCE HAS MADE OVERSEAS WORKERS' LIVES BETTER.



by Scott Nova and Bruce Barnard, CSP

When Colby College was debating the merits of implementing a manufacturers' code of conduct several years ago, it was not possible to know what impact, if any, these codes would have on factory worker conditions. There is a great distance—geographically, economically, and conceptually—between the cerebral political debates on college campuses like Colby, and how code provisions and factory disclosure requirements actually play out in

the daily lives of the people who sew clothes in factories in Shanghai, China; Jakarta, Indonesia; Bangalore, India; and Puebla, Mexico; and for whom the codes are meant to help.

ONE WORKER'S JOURNEY

Sukati (who, like many Indonesians, uses only one name) is a sewing machine operator in a factory in Jakarta, Indonesia. She makes backpacks

for major U.S. apparel companies. Many of these backpacks bear college and university logos and are sold in college stores and in other retail outlets across the United States. PT Dae Joo Leports, a company in Seoul, Korea, owns the factory. Sukati has been a leader among the employees of the factory, acting as a spokesperson in communicating workers concerns about substandard conditions.

In July of 2000, rushing to get to her place on her production line, Sukati collided with a large low-hanging sign used to record production figures. She collapsed and lost consciousness, but awoke

for any further treatment, despite the doctor's recommendation. Sukati and her family did not have the resources to pay for care themselves. With no alternative, Sukati had to forgo treatment and rely on over-the-counter medication to address the pain. After a while, the symptoms abated somewhat, though Sukati continued to suffer from blurred vision, mental confusion, facial disfigurement, and chronic headaches. The underlying condition remained untreated.

In March of this year, after three years without treatment, Sukati's worst symptoms returned, including severe headaches and

situation, JanSport's parent company, VF Corp., and Adidas both agreed to demand that the factory immediately pay for Sukati's treatment.

Thanks to pressure from these companies and the WRC, PT Dae Joo Leports finally agreed to pay for Sukati's care and she began to receive treatment.

Sukati has responded well. By late June she had recovered enough to leave the hospital and, subsequently, to return to light duty work at the factory. Sukati's once disfigured face has returned to almost complete symmetry. Her children, who thought she would never recover after

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a few minutes later. Eager not to lose a day's pay, Sukati reported to her line and began her work. However, over the next few hours, Sukati's face became disfigured and partially immobilized, and she developed a severe headache. In the days ahead, she began to experience mental confusion, blurred vision, and blackouts.

Sukati sought medical attention. Under Indonesian law, factories are required to provide full health benefits to all employees and their families. The factory must either pay for employees to join the government healthcare program (organized somewhat like Medicare) or else provide an alternate plan, with benefits superior to those offered by the government program. Factories are also required, under the same law, to pay for any care necessary as a result of a workplace injury like Sukati's. At the time of her accident, PT Dae Joo Leports was fulfilling none of these obligations, offering only minimal services at the factory clinic (for employees only, not their families) and the funds for a single doctor visit after a workplace accident, with no further care, regardless of the doctor's recommendation. With wages of less than 40 cents an hour, employees were not in a position to pay for their own care. This left most workers and their families with little or no access to adequate medical care.

Sukati was able to pay to see a physician in Jakarta for an initial examination, CT scan, and diagnosis—she had a subdural hemorrhage. Surgery or extensive non-surgical treatment was deemed essential.

The factory reimbursed Sukati for this doctor visit. However, they refused to pay

disorientation. Her condition deteriorated rapidly, and it became impossible for her to continue working. Sukati once again asked the factory to fulfill its obligation to pay for the medical care she needed, but the factory personnel manager again refused. The factory's own doctor advised that treatment was essential, but his view was also ignored.

At this time, the Worker Rights Consortium (WRC), an organization established by colleges and universities to aid in the enforcement of their labor rights codes of conduct, was conducting an investigation of alleged rights abuses at PT Dae Joo Leports. Based on extensive interviews with workers and managers, and review of company records, the WRC's investigative team had concluded that the factory was not fulfilling its legal obligation to provide medical care to workers and their families. One of the workers the WRC interviewed was Sukati.

Alarmed by her situation, the WRC decided to intervene. The organization contacted factory management and urged them to pay for Sukati's care, as the law required. The factory remained intransigent. Meanwhile, Sukati's condition deteriorated to the point where she could no longer care for herself and her family placed her in a hospital; however, they had no way to pay for treatment, and the hospital would not treat her without a guarantee of payment.

With the factory failing to act, the WRC contacted JanSport and Adidas—both collegiate licensees that contract with the factory. Apprised of the severity of the

watching her suffer for so long, cling to her with joy and disbelief. And, at the factory, Sukati has once again emerged as a leader in workers' efforts to achieve improvements in conditions, including health benefits.

HIGHER ED NEEDS TO MAXIMIZE ITS CLOUT

Sukati's case is only one among many in a factory where workers had for years been denied the health care to which they were legally entitled. What is most encouraging and important is that PT Dae Joo Leports, in response to the WRC's investigation and strong pressure from licensees, has moved to provide health benefits to all employees and their families. This is a crucial breakthrough that will make an enormous difference in workers' lives. It is one of several important changes taking place at PT Dae Joo Leports—including an end to arbitrary denial of legally mandated annual leave and exploitative use of contract labor, and greater respect for the rights of women workers—changes for which Adidas and VF/JanSport, and both workers and factory managers deserve great credit.

What Sukati's experience and the broader gains at the factory show us is that the vendor and licensing relationships of American colleges and universities are an enormously powerful tool for bridging the distance between factory and campus. The decision of universities to adopt codes of conduct, and the work that bookstore managers and licensing officials have done to implement those codes, are the central

reasons why workers at PT Dae Joo Leports will now be able to see a doctor when they need to, and the central reason why Sukati is back at work and helping her fellow workers achieve better conditions.

College and university codes of conduct (and the enforcement organizations these schools have helped to create) are translating collegiate clout into remarkable improvements in workplace conditions and respect for workers' basic rights. Examples range from the

breakthrough at the Kukdong/Mexmode factory in Mexico in 2001 to major gains at several Indonesian factories with problems quite similar to those at PT Dae Joo Leports. Others include the Dominican Republic, where early this year workers and managers signed the first labor contract to provide for wages above the legal minimum, as well as in Sri Lanka, where the Fair Labor Association (FLA) helped broker a precedent-setting settlement of a labor dispute in October.

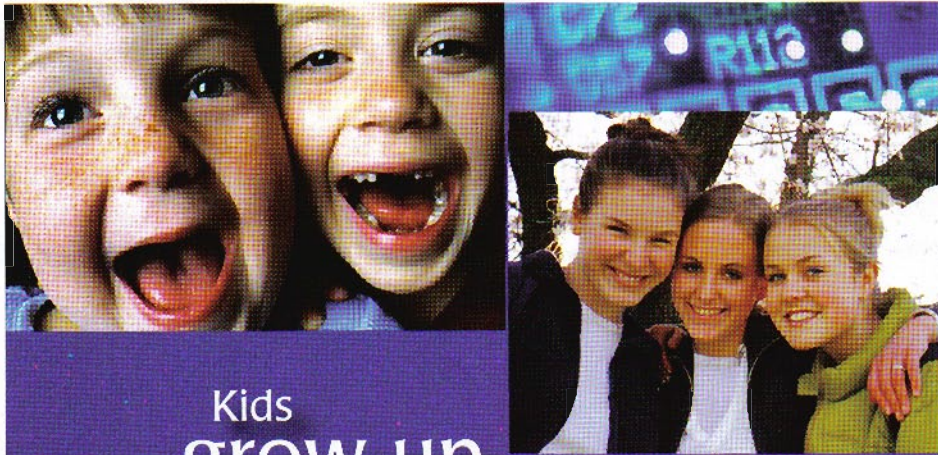
It is clear from talking to workers that these gains are of enormous importance in their lives. And it is equally clear that without the power of collegiate codes—not to mention the workers' courage and perseverance—these changes would have been impossible.

Of course these successes involve a limited number of factories in an industry where substandard conditions are widespread. Even at factories that have made major improvements, difficult issues remain to be tackled. What college and university codes have done, however, is help achieve extraordinary gains in individual factories and promote better practices by licensees and vendors throughout their supply chains.

Across the board, good working conditions in the apparel industry won't be possible until governments around the world make a commitment to enforcing their own labor laws, and have faith that these efforts will attract foreign buyers and investors, rather than drive them away. Until that point, private enforcement through codes is one of the few instruments available to achieve real improvement on the factory floor and help workers in at least some workplaces achieve basic respect for their rights. And there is no question that college and university codes of conduct, applied to licensing and vendor relationships, are proving to be among the most effective forms of private enforcement yet developed.

There are numerous challenges ahead for the college and university community in its code of conduct efforts:

- While many companies have responded constructively when outside monitors have identified violations at their supplier factories, others have rejected even the most clearly-documented findings, and resisted pressure to correct violations. Finding ways to broaden cooperation among licensees and vendors is critical.
- The WRC and the FLA continue to devise mechanisms to ensure that code of conduct enforcement speaks more directly to the needs and concerns of small and/or non-licensing schools, and maximizes the clout of these institutions. The FLA specifically has seats on the University Advisory Council Executive Committee designated for small or non-licensed schools.
- The volatility of brand supply chains poses immense challenges to code of



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conduct enforcement, as suppliers feel intense pressure to cut costs. It is not clear that licensees and vendors are ready to make a long-term commitment even to those factories that distinguish themselves by moving toward code compliance and demonstrating real respect for worker rights.

In the months and years ahead, colleges and universities, and the monitoring

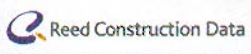
organizations that work on their behalf, will be grappling with these and a number of other tough and complex questions. As director of campus services for Colby College (a member of both the FLA and WRC), we believe the challenge for many schools will be how to engage these issues going forward. Colleges and universities, faced with the successes so far, will no longer be able to sit on the sideline. Vendors, who initially resisted efforts to force change,

now have conceded much good is being done, even if it's one worker at a time.

As we look toward the work ahead, colleges and universities—students, administrators, and faculty members, as well as bookstore managers and trademark and licensing officials who directly engage with vendors and licensees—can look back with justifiable pride on several years of hard and productive work. The effectiveness of code of conduct enforcement has hurdled expectations and demonstrated that the distance from the local campus to a free trade zone in Indonesia is not nearly as great as it seems. **CS**


Scott Nova is the executive director of the Worker Rights Consortium. Bruce Barnard, CSP, is director of campus services for Colby College, Waterville, ME.

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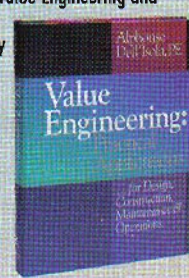
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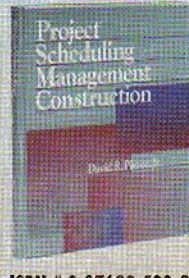
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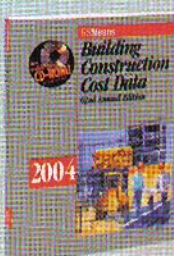


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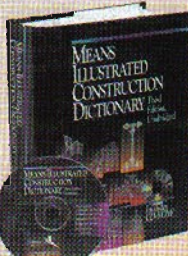
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College Store Worker Rights To-Do List:

- Affiliate your college with the Fair Labor Association and/or Worker Rights Consortium, both of which are committed to eliminating sweatshops. Both organizations offer low entry fees for schools with no licensing revenue (FLA \$100, and WRC \$1,000).
- Schools can require their logo vendors to belong to the FLA as a prerequisite for doing business with them (WRC doesn't accept vendor members).
- Maintain open lines of communication with vendors about factory locations and remediation efforts.
- Monitor your apparel shipments for country of origin, keeping aware of locations where problems exist. Ask questions of potential or new vendors. How do they make sourcing decisions? Do they have workplace codes of conduct that you can have copied?
- Create links from your college store web site to vendor web sites that spell out their code of conducts and factory locations.
- Regularly check out the FLA (www.fairlabor.org) and WRC (www.workersrights.org) web sites for current information.