



WORKER RIGHTS CONSORTIUM

To: WRC Affiliate Universities and Colleges
From: Scott Nova
Date: August 24, 2015
Re: Remediation of Wage Violations at Style Avenue (El Salvador)

This memorandum summarizes the remediation of wage violations at Style Avenue, a factory located in Ilopango, El Salvador. In March 2015, representatives of Style Avenue workers reported to the WRC that the factory had violated Salvadoran law by failing to pay its employees for a ten-day furlough in January and February 2015.

As the WRC has previously [reported](#), Style Avenue produces collegiate licensed apparel for College Kids and for Outerstuff (sold under the adidas by Outerstuff and College Vault by Outerstuff labels). This memo discusses the WRC's investigation and remediation of wage violations associated with the furlough at the factory in early 2015. These violations were brought to the WRC's attention on workers' behalf by the labor organization, Federacion Sindical Salvadorena (FESS) (Salvadoran Union Federation), whose affiliates include the Sindicato de la Industria Textil Salvadorena (SITS) (Union of the Salvadoran Textile Industry), one of several trade unions that represent employees at Style Avenue.

The FESS alleged that while production at the factory was suspended between January 28 and February 9, 2015, Style Avenue failed to pay its workers' wages, in violation of Salvadoran law. The WRC investigated this allegation by reviewing relevant documents and conducting in-depth interviews with Style Avenue workers. This investigation included a review of reports issued on March 18, 2015 by the Salvadoran Ministry of Labor that determined that, as a result of Style Avenue's failure to pay employees during the furlough, 305 of the factory's workers were owed, collectively, a total of \$11,835.87 in back wages.

The Ministry of Labor gave the company a deadline of March 25, 2015 to pay this compensation to its workers, but Style Avenue failed to comply with this directive. On April 13, the WRC contacted Style Avenue to ask its managers if the company intended to remedy the wage violation, but received no response.

The FESS then reported to the WRC that, following the company's failure to remedy the wage violation, the union had filed a claim on behalf of the factory's workers with the Salvadoran courts. The union indicated that, on May 12, 2015, it had met with Style Avenue's management, which indicated that it would not take action on the basis of the Labor Ministry's recommendation, but would await a decision by the Salvadoran courts.

The Salvadoran judicial system, however, is known for lengthy delays in rendering decisions in cases involving violation of workers' rights. Therefore, in light of the fact that the Ministry of Labor had already determined that the company had violated Salvadoran law and, thereby, university codes of conduct, the WRC asked the university licensees that do business with the factory to urge its management to resolve the matter in a more timely fashion.

To their credit, both Outerstuff and College Kids responded swiftly and pressed Style Avenue to compensate its workers without waiting for a decision from the Salvadoran courts. The FESS reported to the WRC that, on Friday, June 26, the company paid the full amount of \$11,835.87 to all 305 workers, as had been recommended by the Ministry of Labor in its March reports.

This case highlights the important role that licensees can play in communicating with supplier factories the need to comply with national law and university codes of conduct and to provide much-needed compensation to workers without requiring these employees to wait for judicial determinations that, due to dysfunction in local court systems, may otherwise take years to be issued. University codes of conduct were created, in part, in recognition of the inadequate enforcement of labor laws in many countries where collegiate apparel is produced, including as a result of deficiencies in those countries' existing systems of adjudication.

Under university codes, licensees are required to resolve violations once there is clear evidence of noncompliance – which, in this case, included a finding by the country's labor ministry – rather than allow factory owners to take advantage of the inadequacies of local legal systems in order to deny providing workers with wages they are clearly due. In this case, university codes played an important role in ensuring that workers received these much-needed funds in a timely fashion.