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New era in activism

By FRED O. WILLIAMS
News Business Reporter
9/3/01

Little Leaguers wore hats from New Era Cap during their World Series in Williamsport, Pa., last month, exposing the company's logo to a global television audience.

But back in the southern Erie County hamlet of Derby, that's not the only focus on the company as a bitter strike enters its seventh week.

A workers' rights group that's backed by 82 colleges - some that license their insignia to New Era - issued a scathing report on the capmaker last month. The rights group accused New Era of trying to oust the union, the Communications Workers of America, at its Derby plant while ignoring high injury rates.

"Derby workers are experiencing rates of MSDs (musculo-skeletal disorders) far above the already high industry average," said the report by the Workers Rights Consortium in Washington, D.C.

The company denies the accusations and didn't cooperate with the group's nine-person report team.

But the report - and stories about it in the New York Times and Chicago Tribune - put the 300-worker plant on the front lines of a new kind of labor this Labor Day, one where worker advocates try to counter globalism's pressure for ever-lower standards with the pressure of public opinion.

"Just because a factory is located in the U.S. doesn't absolve the people operating it from respecting rights of workers," said Scott Nova, executive director of the Workers Rights Consortium.

The anti-sweatshop movement of which Nova's group is a part has scored



BILL WIPPERT/Buffalo News
Striking New Era Cap workers, whose issues have drawn interest, walk the picket line last week outside the Derby factory.



Associated Press
Jason Kozlowski, right, and other striking workers taunt replacement workers taking a break outside New Era Cap.

some victories in the face of strong economic pressure for ever-lower costs. Rights advocates got Nike to adopt a code of conduct for suppliers after it was stung by exposure of child labor at overseas sneaker factories, although debate continues about how well the code is enforced. And earlier this year, the Workers Rights Consortium successfully targeted a Nike contractor in Mexico for labor reform.

The organization turned its attention on Derby because of complaints from seven workers there, not out of sympathy for the union, Nova said. The rights consortium is funded by member colleges and has no ties to organized labor.

But in Derby, as often happens on a real battlefield, it's still not easy to tell who holds the better position, or who is right.

Officials of the family-owned company insist they're fighting not to oust the union but to raise productivity. They say Derby is the weakest of their factories, which are among the last U.S. plants still producing baseball caps. And without improvements in labor costs, they say, the plant could cease to be viable.

"We have our final offer on the table . . . (but) we'll look at any proposal, as long as it seriously addressed productivity," said Peter Augustine, chief operating officer.

Globalism come home

The anti-sweatshop movement began in the mid-1990s, led by college students and faculty who worried that globalism was worsening conditions for garment workers.

Since then, many universities have adopted codes of conduct for suppliers. While the movement is campus-based, surveys have found that consumers generally are willing to pay more for garments made under "good" working conditions, according to a study by Robert Pollin and James Heintz of the University of Massachusetts-Amherst and Justine Burns at the University of Cape Town, South Africa.

Fears remain that the anti-sweatshop movement may expose workers at targeted plants to layoffs as their wages and working conditions improve, the economists said, leaving them vulnerable to competition from lower-paying plants.

However, labor costs are such a small part of product price that they're not a determining factor, according to the researchers.

But in Derby, New Era officials say that labor costs are at the heart of its dispute with the CWA.

According to Augustine, it takes labor costs of \$2.50 to make a cap at Derby, versus \$2 at its somewhat smaller plant in Buffalo. And in Demopolis, Ala., where New Era opened a factory in 1998, the labor cost is about \$1.50 per cap.

In addition, overseas makers charge as little as 50 cents a cap, Augustine said, although their products aren't comparable to New Era's fitted headgear, which is worn by Major League Baseball players and retails for \$20 or more.

Like most facts connected with the strike, the labor costs are disputed. Workers say productivity is harmed by rampant injuries at Derby and by management's

production slowdowns designed to punish the union.

CWA Local 14177, which represents production workers at Derby, has requested company documents to verify the production figures.

"They only negotiated to the point of a strike," said Jane Howald, president of Local 14177. "They've been trying to break us from Day One."

The walkout began when New Era raised production quotas after the union contract expired.

The Workers Rights Consortium has much to prove at New Era, which is only the second company it has taken aim at with its fact-finding approach. Formed in 1999, the group is striving to become recognized as an impartial investigator of working conditions. Its reports must be read and believed to bring pressure on apparel producers that make collegiate sweat shirts, T-shirts and baseball caps, Nova said.

Although the collegiate market is a small fraction of apparel sales, many plants globally have some stake in supplying it, Nova said. The goal is to make factories wary enough of a critical report that they adhere to the group's labor standards, including the freedom to form unions.

Companies "are like penguins jumping into the water; none of them wants to go first, but if they all go together, there's more comfort," Nova said.

Success at Nike

The group's first effort, at a Nike contractor in Puebla, Mexico, met with success earlier this year. A report highlighting sweatshop conditions got Nike to pressure its contractor, a company called Kukdong, to rehire workers it fired for staging a three-day strike.

"It happened because Nike . . . knew that colleges and universities and the general public were all watching," Nova said.

Some member colleges that license their insignia to New Era have called the company to question it about the report, Augustine said. But New Era has issued a letter rebutting the charges, he said, and has not lost any business over it.

The issues at Derby appear less clear-cut than in Puebla, where children 16 and younger put in long days.

For example, among the commission's strongest charges against the Derby-based company involve its safety record. Injury report logs required by the Occupational Safety and Health Administration show that the plant experienced musculo-skeletal disorders - strain injuries from repeated motion or heavy lifting - four times higher than the cap industry average.

Six percent of Derby workers experienced such injuries in 2000, down from 8.4 percent in 1999 and 9.1 percent in 1998, according to the report. The group calls the report preliminary because it doesn't contain company input.

Augustine said he couldn't comment on the figures because he didn't know how they were calculated. But the company has said it sees a relatively high rate of

lost workdays due to injury at Derby.

What the rights group's report doesn't address are lower rates of injuries at the company's other plants. Derby's 5 percent lost-time rate compares with 3.5 percent in Buffalo, where an independent union represents workers. The rate is zero in the nonunion Demopolis plant.

"That plant's had 1.3 million hours of operation without a lost workday," Augustine said.

The Demopolis plant logged one injury in 1999, five in 2000 and two in 2001, Augustine said, none serious enough to cause a lost workday.

Although New Era opened the Demopolis plant in 1998, it uses the same equipment to produce the same headgear, he said. And many of its workers had already worked for years at sewing jobs in the same building, he said, having been employed in the plant where Vanity Fair produced garments before leaving the area.

Glen Orser, an ergonomics consultant who has worked at New Era's Derby and Buffalo plants for the past year, said the differences in plant and equipment don't explain the difference in injury rates.

"The way work was performed was almost identical," he said.

If anything, the older Buffalo plant on Myrtel Avenue, with its wooden floors that vibrate constantly, should be the least safe of the plants.

Company forges on

Without objections from New Era's licensees, the outlook for the CWA and strikers appears grim. Using its other plants as well as 70 workers who have crossed the picket line at Derby, the company has managed to fill orders throughout the strike, Augustine said. Derby has reached 40 percent of its prestrike output with 20 percent of its prestrike work force, Augustine said.

Union officials say that's impossible, but New Era appears prepared to operate its Derby plant indefinitely without help from the CWA members.

While the company appears to feel little pressure to end the strike, neither do some of its workers.

Eileen Pyle figures her earnings would fall to \$6 an hour under the company's new quota scheme. As a packing worker, she picks threads and lint off caps before putting them in their boxes and checking the label.

The standard for her department was to pack 90 boxes of a dozen caps a day, but Pyle said she usually only made it to 60 or 70. She believes that working below quota saved her from the repetitive motion injuries that plague others.

"We're better off out here," she said of the picket line.

Strikers receive \$300 a week in strike pay from the union.

"If I want a \$6 an hour job I can find one somewhere . . . (and) I won't have to be injured."