

Minutes of the WRC Board Meeting:
May 18, 2009

Present at the meeting were Ben McKean, Jill Esbenshade, Katie Quan, LaMarr Billups, Eric Hoyt, Julia Watkins, Dida El Sourady, George Robertson, Thea Lee, Mike Powers, and Jim Wilkerson. Present via phone were Julie Martinez and Mel Tenen. Observers were Rod Palmquist. WRC staff in attendance were Scott Nova, Ben Hensler, Theresa Haas, Jeremy Blasi, Lani Gallagher, and David Deeg.

Jim asked for changes or additions to the agenda; there were none. Jim asked the Board to review the minutes from the last meeting. The minutes were unanimously approved by the Board. Dida, the treasurer, provided the Treasurer's report.

Executive Director's Report: Profit and loss statements are available in the binder. Scott discussed the new affiliates to the WRC since the last Board Meeting. He also said that while we have not yet received official notification, it is likely that the University of Tennessee – Knoxville will be affiliating. There was further discussion of membership and finance issues in Executive Session.

Ben Hensler went on to discuss some work the WRC has been doing in Cambodia, with regard to the inappropriate use of short-term contract. In Cambodia, some protections in the labor laws are contingent on regular employment status. In the way these contracts are used, they can prevent workers from ever attaining that status – which, for example, denies women workers access to maternity leave and makes it very easy to fire workers who are seeking to exercise their associational rights. The WRC's field investigator in Cambodia, has said that many factories are no longer hiring workers on a permanent basis – the entire workforce is kept as temporary. There has been a restriction in the law that if an employee was working at a given factory for two years, that worker was automatically converted to a permanent employee. However, the garment industry is backing a reform that would eliminate this restriction all together. Ben said that there would be a meeting next week at the Cambodian embassy regarding this issue. He said that the AFL-CIO has already written to the government on this issue, and a number of apparel brands are taking a stand on the issue as well. The WRC is also working with the Human Rights Clinic at Yale Law School to research the subject and will be reporting to affiliates. Ben said that the Cambodian unions believe the two year restriction should remain in place, but also that there should be a provision that no worker will have their short-term contract renewed more than once without being converted to permanent status.

Ben said that the WRC resubmitted its request for a Business Review Letter to the Department of Justice.

Ben then gave a brief review of the Russell case. He mentioned that the case was significant because of the severity of the violations and because they are the largest private sector employer in Honduras. He also noted that these are not contracted factories, but rather factories owned and operated by Russell. The case began when Russell fired 145 at Jerzees Choloma after they attempted to form a union at the factory. After the WRC

exposed these retaliatory firings, and under significant pressure from university licensors, Russell agreed to reinstate the workers and enter into collective bargaining with the union. Months later, Russell re-initiated its campaign to suppress the union and ultimately, the evidence shows, closed the factory at least in part to rid the company of the union's presence. He also discussed the two FLA investigations, including the problems with the ALGI audit. He also said that because anti-union animus was a part of the closure decision, university codes were violated, even if there were accompanying economic motivations. He also discussed Russell's counter-factual insistence that workers have no interest in unionization in Honduras and that protests over the closure are the product of unionists who have sour grapes about their unpopularity. He then went on to review misleading information that has been supplied to universities by Russell and the WRC's role in correcting the record. Board members then gave feedback on the Ben's presentation.

The meeting then broke for lunch.

Executive Session: This part of the meeting took place in executive session.

Scott discussed the proposed budget for fiscal year 2010 budget, which the Board approved, and review personnel issues.

Scott then began a discussion of the bookstore initiative. He explained that the factory for the project will be located in the Dominican Republic, in Villa Altagracia, the site of BJ&B, a factory that achieved major improvements in labor rights compliance after university intervention, but then closed in 2007. The companies participating in the project have committed to paying a living wage figure and to negotiate based on that figure with a union if workers form one. Knights Apparel has explicitly agreed to pay a price for the product that makes it possible for the factory to pay workers a living wage. The participating companies have also committed to transparency and a tri-partite bargaining structure. Scott said the process to open the facility is going more slowly than originally anticipated. There was discussion of how the product will be marketed, including WRC verification that the labor conditions are being met.

Jeremy Blasi then gave a presentation on the work the field staff has been doing on a number of country-level projects. He discussed the project the WRC is working on with the Cornell Labor Law Clinic regarding freedom of association issues in Honduras. It involves seven factory cases, including those involved in the Russell case. He discussed Star, a factory where union members were illegally fired and workers were beaten by riot police during a strike. The next case he discussed was Confecciones del Valle. This case also involved the firings of union members. The company fired the union committee members each time the union tried to establish itself at the factory. He discussed another case in which Labor Ministry inspectors were repeatedly denied entry into the factory. There was no meaningful government response in any of the factory cases. Jeremy discussed the dysfunctional labor law enforcement bureaucracy and court system in Honduras.

The meeting was then adjourned.