



**2019**  
**UNIVERSITY CAUCUS**  
**ANNUAL MEETING**

MAY 14, 2019



# Supply Chain Dynamics in the Collegiate Apparel Sector

W R C

WORKER RIGHTS  
CONSORTIUM



## Global Apparel Industry

20 million workers  
80% women



## Collegiate Apparel Sector

2% of the business  
10% of the factories

# Collegiate Apparel Production: Key Countries

(number of factories)



China:  
**1380**



Vietnam:  
**148**



Mexico:  
**78**



India:  
**70**



Pakistan:  
**58**



Honduras:  
**48**



Thailand:  
**44**



Indonesia:  
**42**



Bangladesh:  
**28**

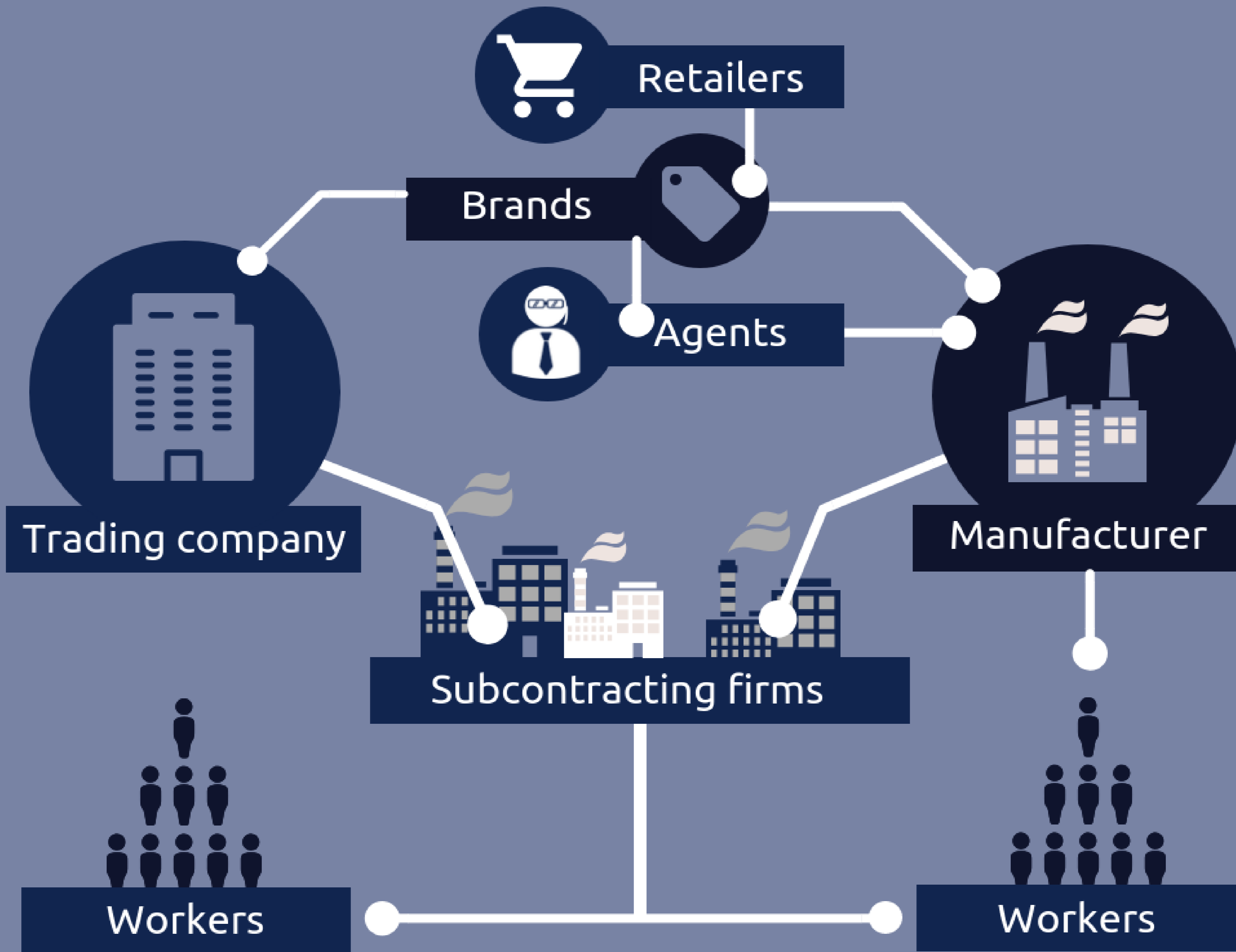
Setting the stage for  
university codes



A globalizing industry...



and a worker rights crisis

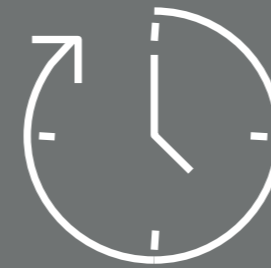


# Key Dynamics of Global Garment Production



## Outsourced Production

Licensees and apparel brands do not directly manufacture apparel.



## Short-Term Contracts

Factories receive short-term contracts for specific orders without any guarantee of long-term sourcing relationships.



## Multiple Customers

It is typical for multiple brands to produce at a single factory with each brand accounting for a small percentage of production.



## Buyer's Market

Excess supply means intense competition among suppliers.



## Downward Price Pressure

For factories, survival depends on offering lower prices than the competition.



**Enormous  
pressure to  
drive down  
costs**

Lack of law enforcement: political power of industry; governments believe foreign buyers value low prices more than labor rights regulation

Factories know they can use illegal means to control costs

Cost of cloth/energy/transport is fixed; labor can be squeezed

Factories skirt wage laws, oppose unions, cut corners on safety

**Result: poverty wages, poor working conditions,  
dangerous factories**



**In America**

BOB HERBERT

# Sweatshop U.

Kenia Rodriguez, a 19-year-old sweatshop worker from the Dominican Republic, will almost certainly be fired for speaking out. But she feels the matter is important enough to risk it.

Ms. Rodríguez works in a huge factory complex in a free-trade zone near Santo Domingo that turns out baseball caps with the names and logos of major American universities, including Harvard, Notre Dame, Georgetown, U.C.L.A. and the University of North Carolina.

The caps, which are extremely popular, sell for about \$20 each in the United States. The universities, through licensing agreements, make about \$1.50 per cap. Apparel companies, like Champion and Starter, that market the caps make a bundle from them. So do retailers. When all the big shots finally finish pocketing their shares, very little is left for the workers who actually make the caps.

According to a study to be released this week by a labor union in the U.S., only about 8 cents from each \$20 cap is allocated for workers' wages. Ms. Rodríguez said during an interview on Friday that she is paid about \$28 for a 44-hour week, which is the minimum wage in the Dominican Republic. Even with a dozen hours of overtime, she only makes about \$40, she said. When I asked if that was enough for her to live on, she laughed.

"Not even half," she said through an interpreter.

So the workers live in poverty, even though the factory complex, run by a Korean-owned firm called BJ&B, is one of the most successful suppliers of

of caps made at BJ&B. Their tour is being sponsored by the union. Their first stop will be Harvard on Tuesday.

There are approximately 2,000 employees in the BJ&B complex, which is in the town of Villa Altagracia. Ms. Rodríguez and Mr. Reyes said supervisors frequently yell at the workers, make degrading comments, hit them and touch the women and girls inappropriately.

"Sometimes you find people crying in the corners because they were treated so badly," said Mr. Reyes.

He and Ms. Rodríguez said workers are forced to work overtime, which is illegal in the Dominican Republic. And while most of the workers need the additional money, the forced overtime

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## From Santo Domingo to Harvard.

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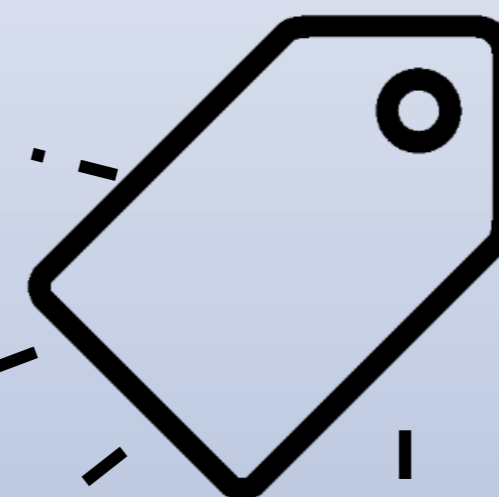
serves as a roadblock to those who want to go to college at night. This is a point they plan to stress in their meetings on college campuses here.

The union's report said BJ&B fires workers who are found to be involved in labor-organizing activities, and has attempted to fire pregnant workers. Ms. Rodríguez complained that women are forced to take pregnancy tests before being hired, a policy she described as an affront.

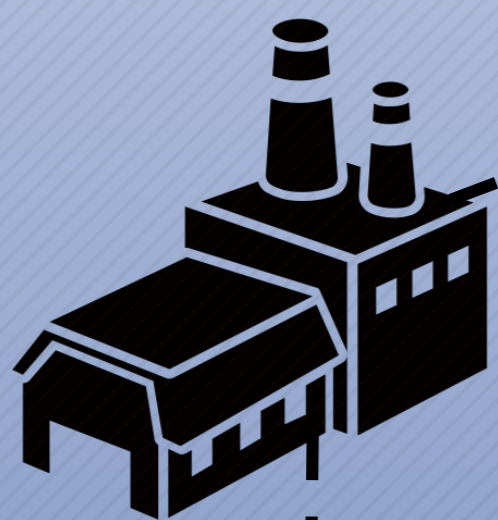


Universities

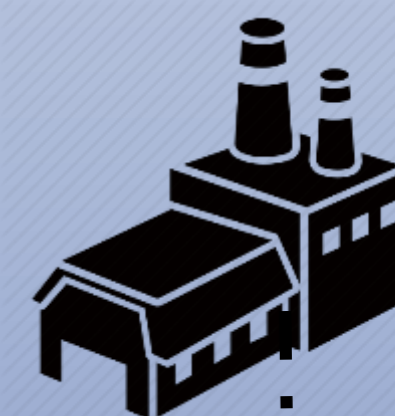
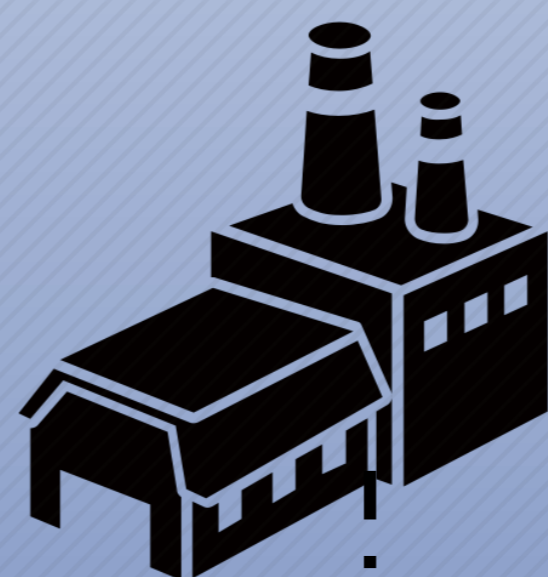
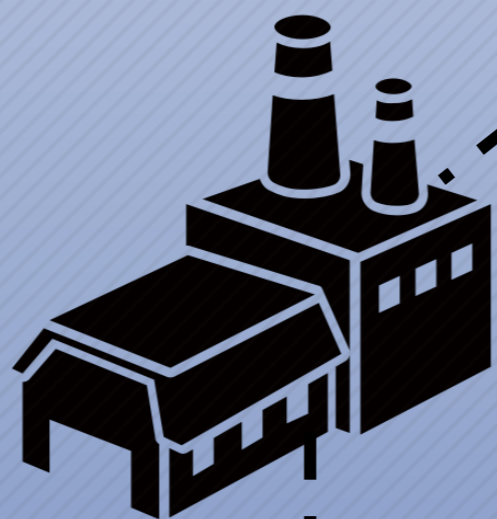
Binding Codes of Conduct



Brands



Factories



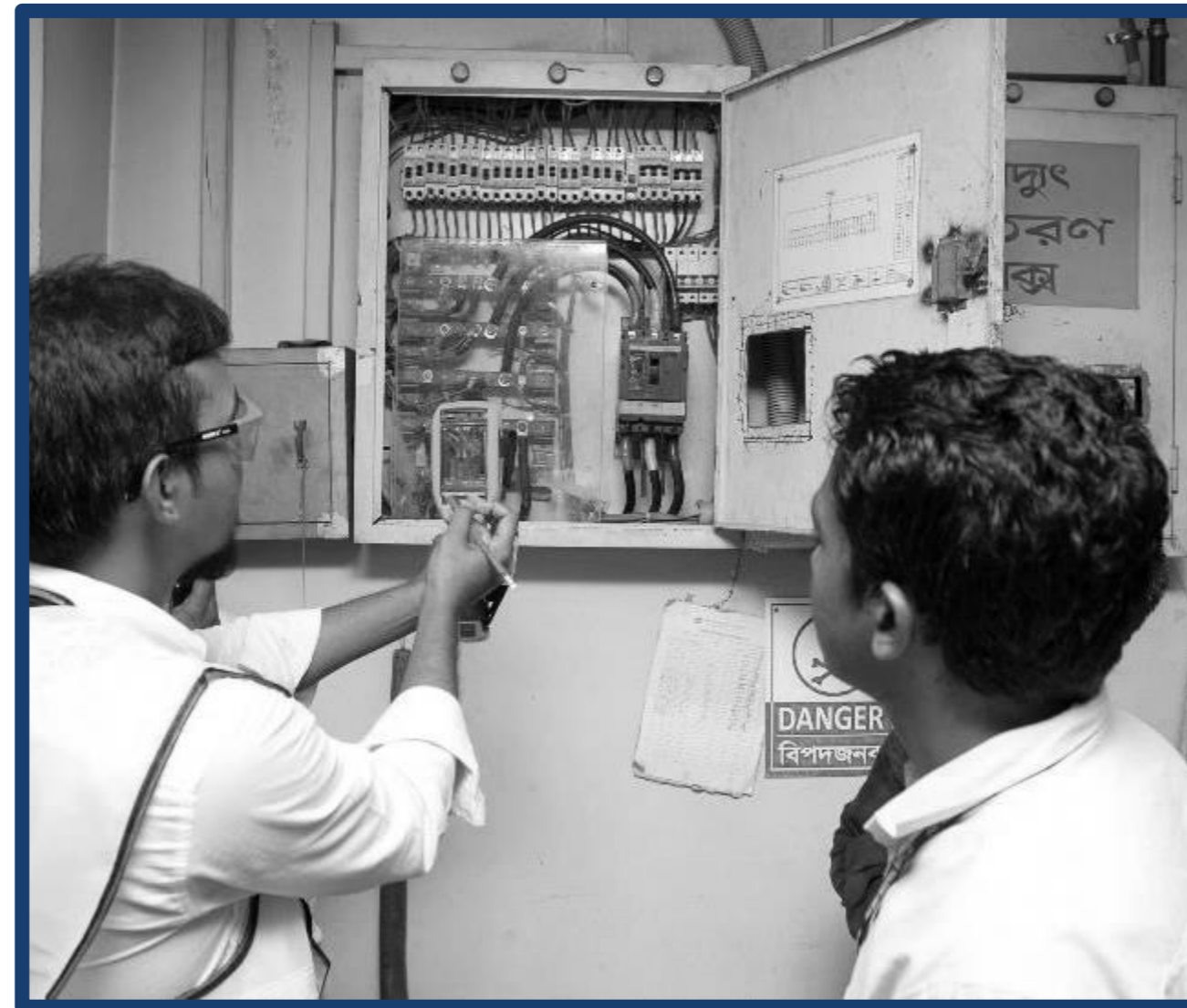
Workers



# Universities setting a new standard



Binding codes



Transparency



Independent,  
worker-centered  
monitoring

# National Report

The New York Times

## Duke to Adopt a Code to Prevent Apparel From Being Made in Sweatshops

By STEVEN GREENHOUSE

With the Duke basketball team riding high and consumers snapping up apparel bearing the university's name, Duke plans to announce a far-reaching code of conduct tomorrow to insure that products bearing its name are not made in sweatshops.

Duke students and anti-sweatshop groups applauded the code because it goes further than any other university code and will likely be copied by other colleges. Duke has one of the most popular names on sports gear and has 700 licensees that make apparel at hundreds of plants in the United States and in more than 10 other countries.

Duke's code bars licensees from using forced or child labor and requires them to maintain a safe workplace, pay at least the minimum wage and recognize the right to form unions. Then, in a move that makes it the first university to adopt a tough enforcement mechanism, Duke's code requires licensees to identify all factories making products with Duke's name and to allow unimpeded visits by independent monitors.

"We're doing it because it's the right thing to do," said Jim Wilkerson, Duke's director

of trademark licensing. "We cannot tolerate having the sweat and tears of abused and exploited workers mixed with the fabric of the products which bear our marks."

University officials said products bearing Duke's name included basketball shirts, T-shirts, sweatshirts, jackets, gym bags, bumper stickers and even software and hand-held electronic games. About \$20 million worth of goods carrying the Duke name are sold every year.

Under the code, if Duke's monitors uncover violations, the university reserves the right to drop any licensee that fails to comply, although the code gives licensees an opportunity to take corrective action.

In shaping its new policy, Duke built on codes adopted by the University of Notre Dame, Nike and the National Basketball Association and on guidelines adopted by President Clinton's Apparel Industry Partnership, a group of companies, unions and human rights organizations that is seeking to combat sweatshops.

Mr. Wilkerson said the university was likely to use professional firms, perhaps accounting firms, to inspect factories. The

code calls for the monitors to meet with workers so they can voice their concerns and to consult with nongovernment organizations, like human rights groups, that are trusted by workers and familiar with factory conditions.

"This is groundbreaking and very exciting," said Ginny Coughlin, director of the anti-sweatshop campaign for the nation's largest apparel union, the Union of Needletrades, Industrial and Textile Employees. "This code of conduct is going to mean real changes, real improvements in the lives of garment workers. It means that a major institution in our society, a university with all of its moral and political weight, is putting economic pressure on companies to produce apparel under decent conditions."

Rick Van Brimmer, assistant director of licensing at Ohio State University and president of the Association of Collegiate Licensing Administrators, which represents more than 160 colleges, applauded Duke's plan. "This code can serve as a model for the collegiate licensing industry," he said.

Mr. Wilkerson said he began thinking about developing the code last May after he

read news reports about conditions at some sweatshops. He said that a campus group, Students Against Sweatshops, began prodding the university in September to adopt such a code.

Tico Almeida, a leader of Students Against Sweatshops, said the most significant aspect of the code was its call for independent monitors to inspect factories. "This is the only way to be sure that the standards are being met," he said.

Vada Manager, a spokesman for Nike, which makes shirts, jackets and other gear with Duke's name, praised the code and said Duke had consulted with Nike before finalizing its policy. "Ending child labor and achieving safe working conditions are shared values between Nike and Duke," he said.

Industry officials said one problem area was that while the code bars licensees from using factories where workers are not free to form unions, licensees that make apparel with Duke's name often use factories in China and Indonesia, two countries that severely restrict unions.

A piece of light-colored paper with a jagged hole. The word "Transparency" is written in bold black text through the hole. The background behind the hole is a bright, overexposed white.

# Transparency

W R C

WORKER RIGHTS  
CONSORTIUM

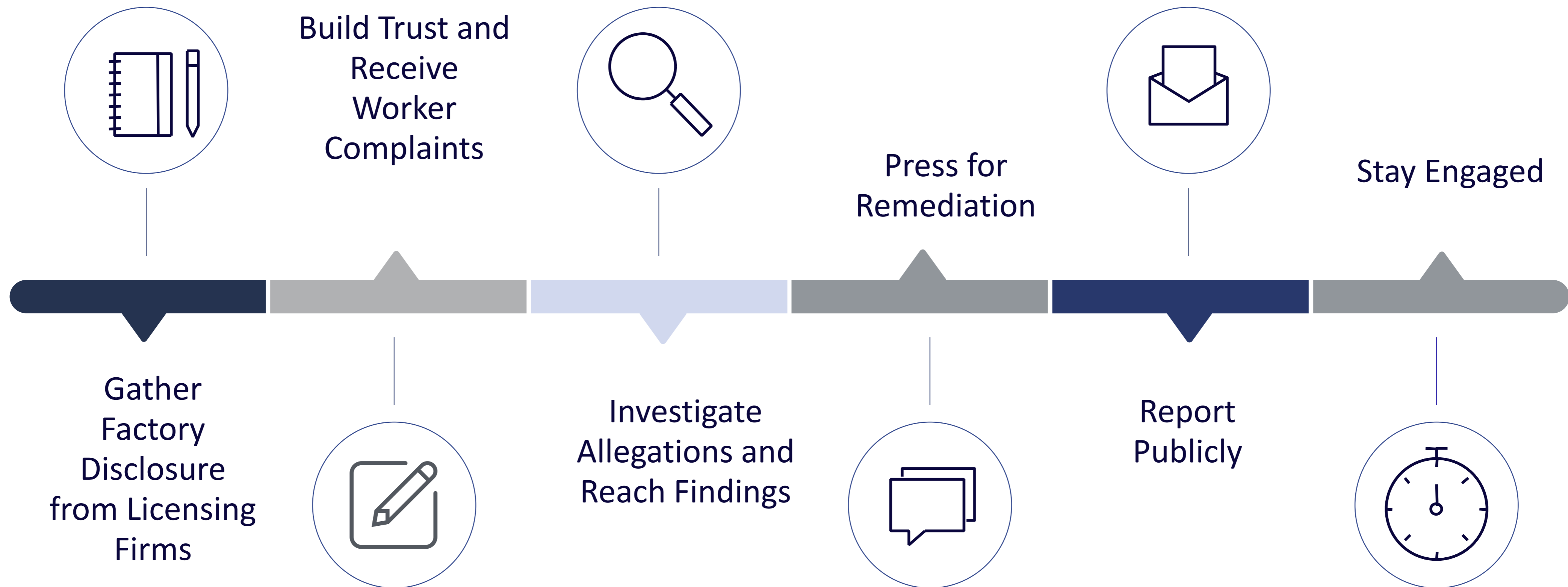
# Independent Monitoring

**W R C**

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**WORKER RIGHTS  
CONSORTIUM**

# How We Work



# Key Elements of University Codes of Conduct

- **Respect for national law**
- **ILO Core Labor Standards**
  - No child labor
  - No forced labor
  - Freedom of association and the right to collective bargaining
  - No discrimination
- **Basic areas of worker protection**
  - Wages and hours
  - Health and safety
  - Harassment and abuse
- **Implementing code elements in countries where compliance is impossible**



# How We Work

