

*Why do we fast, but you do not see? Why do we humble ourselves, but you do not notice?"*

*Look, you serve your own interest on your fast day, and oppress all your workers. ...Such fasting as you do today will not make your voice heard on high. ...*

*Is not this the fast that I choose: to loose the bonds of injustice, to undo the thongs of the yoke, to let the oppressed go free, and to break every yoke?*

-- Isaiah 58: 3, 4b, 6



## Workplace Justice

# WHAT TO DO ABOUT SWEATSHOPS

A sweatshop is a business, often a factory or production facility, where local laws governing the workplace are broken and employees are exploited by their employer. The employee abuse may be related to very low wages, unsafe working conditions, humiliating or degrading treatment, excessively long hours of work, or other factors.

Sweatshops are pervasive in the global economy. They exist in most, if not all, countries including the U.S., and are used by most, if not all, multinational firms. They harm workers' bodies, minds, and spirits. As people of faith, we are called to love our neighbors, especially those on the margins of society. We are called to end sweatshop abuse.

Globally, there are too few jobs. But the choice between no job and a sweatshop job is a false choice. What workers need and want are good jobs. Multinational corporations and their suppliers need to know that sweatshops are not permissible. Firms must shun and international norms must prohibit those practices that exploit workers.

The world has changed dramatically in the past 20 to 30 years. The global assembly line is a reality. International laws and treaties have been put in place to protect corporate investments, profits, and patents. But protections for workers (and the environment) are lagging far behind. One indication of this gap is the prevalence of sweatshops.

Consumers and concerned global citizens can end sweatshops. We can start by examining our individual choices to be sure they promote justice for workers. We can buy sweat-free apparel and fair-trade coffee and tea. If we have investments, we can support socially responsible firms. Because trade unions are an important force for worker justice, we need to support the right of workers, in this country and around the world, to form or join a union. And we must lobby Congress to modify existing treaties governing trade and investment so they uphold international labor standards.

Much has changed in the global economy, but much has stayed the same. Workers still need a living wage, safe working conditions, and dignity on the job. As consumers and global citizens, we have power to bring the needed changes. Another world is possible!

### **1. Buy sweat-free and fairly traded products**

Roughly two million apparel workers located in 150 nations make products for American retailers. Some 80% of these are working in sweatshops, under conditions that systematically violate international or local labor laws.<sup>1</sup> Just three cents of every dollar spent on apparel by consumers in the U.S. goes to pay the workers who make the clothes.<sup>2</sup> So even if workers' wages doubled, and if this cost increased was entirely passed along to consumers, the price of a \$10 item would rise by just 30 cents and a \$100 item would become \$103. This is a small price to pay to ensure a decent life for those who make the things we buy.

There is an alternative to apparel produced in sweatshops. Consumers can use their buying power to send an anti-sweatshop message. We can buy clothing, including sweat-free t-shirts and other items, from sweat-free vendors, often at prices similar to those of sweatshop-produced goods. A list of sweat-free vendors is posted at [www.ucc.org/justice/worker-justice/sweatshops.html](http://www.ucc.org/justice/worker-justice/sweatshops.html). Find sweat-free t-shirts at [www.pcusa.org/sweatfree](http://www.pcusa.org/sweatfree).

Another way to support living wages for workers is to buy fairly traded goods. Fair trade, in contrast to “free” trade, is a form of sustainable development helping farmers and other producers (such as crafts-men and -women) in the global south. Certifying organizations ensure that farmers or producers receive a fair price for their products. Fair trade organizations also help producers gain direct access to international markets, eliminating “middle men” who often take much of the profit. Consumers who purchase fair trade products like coffee, tea, or chocolate may pay slightly more, but the higher price provides a living wage to a small farmer. In addition, most products sold through fair trade networks are organic and/or grown with concern for the environment. The United Church of Christ Coffee Project ([www.ucc.org/justice/coffee-project](http://www.ucc.org/justice/coffee-project)) is a way for congregations to support small farming communities by serving fairly traded coffee, tea and cocoa.

## **2. Pressure multinational companies to use their power responsibly**

Large multinational corporations operating around the world could be a force for improving labor (and environmental) conditions. These large companies often contract for products produced by smaller, supplier firms that, in today’s global economy, are often located outside the U.S. For example, Nike and Adidas contract with firms in Indonesia for athletic shoes. Wal-Mart purchases 10% of the goods sold in its stores from firms in China.<sup>3</sup>

A large multinational firm sets the terms of its contract with a supplier firm and typically includes detailed specifications governing the materials and production processes to be used. But usually the contract is silent regarding labor and environmental practices. However, consumers concerned with workers and the environment are encouraging corporations to establish codes of conduct for their suppliers, specifying the standards to be met. *Independent* monitors then observe the suppliers to ensure their compliance. In this way, consumers are pressuring multinational firms to acknowledge their “supply chain responsibility” and require that their suppliers treat workers and the environment in just, humane, and sustainable ways.

These agreements take constant monitoring. A multinational firm may adopt a code of conduct that requires fair treatment of workers but it may not be enforced. Or the people who monitor compliance with the code may be inept or corrupt, reporting the suppliers to be in compliance when they are not. Wal-Mart and other firms have been found to pay their suppliers so little that they cannot afford to improve conditions for workers.<sup>4</sup> In this case, Wal-Mart must be pressured to increase its payments to the supplier.

One important organization that monitors and enforces firms’ codes of conduct is the Workers’ Rights Consortium (WRC, [www.workersrights.org](http://www.workersrights.org)), a non-profit organization created by college and university administrators and students, and labor rights experts. Its purpose is to assist in the enforcement of manufacturing codes of conduct adopted by colleges and universities. These codes are designed to ensure that factories producing clothing and other goods bearing college and university names respect the basic rights of workers. There are more than 100 colleges and universities affiliated with the WRC.

## **3. Socially responsible investing and shareholder activism**

Many faith bodies have significant savings and investments, for example in endowments and pension funds. These funds can be, and many people argue they should be, invested in ways that are consistent with our values. This is called socially responsible investing.

The Interfaith Center for Corporate Responsibility (ICCR, [www.iccr.org](http://www.iccr.org)), is a membership organization of some 275 faith-based institutional investors, including national denominations, religious communities, pension funds, and endowments, with a combined portfolio worth some \$110 billion. ICCR is a leader in the corporate social responsibility movement, pressing companies to be socially and environmentally responsible. Each year ICCR members sponsor over 100 shareholder resolutions on major social and environmental issues, calling on corporations to improve their practices. The UCC Pension Boards and United Church Foundation are members of ICCR.

For example, in 2006, ICCR members sponsored shareholder resolutions addressing a number of their concerns with Wal-Mart including: 1) excessive executive salaries, 2) the impact of uninsured employees and their children on states’ Medicaid programs, 3) discrimination, 4) product safety, and 5) “sustainability.” Sustainability refers to Wal-Mart’s practices (and the practices of its suppliers) that impact economic, social,

and environmental conditions in the locations where they operate, that is, whether the working conditions, wages, and environmental impacts promote healthy and “sustainable” communities. For more information, see the ICCR report “Investing for the Long Term: Faith-Based Investors Engagement with Wal-Mart, 1993-2006,” at [www.iccr.org/news/press\\_releases/pdf%20files/wmtwhitepaper4.6.04.pdf](http://www.iccr.org/news/press_releases/pdf%20files/wmtwhitepaper4.6.04.pdf)., and two articles from Social Funds.com: [www.socialfunds.com/news/article.cgi/1899.html](http://www.socialfunds.com/news/article.cgi/1899.html) and [www.socialfunds.com/news/article.cgi/article1844.html](http://www.socialfunds.com/news/article.cgi/article1844.html)

#### **4. Labor unions**

One of the most important ways in which workers around the world can prevent abuses and improve their working conditions is to form or join a labor union. The right to organize (that is, the right to form or join a union without retaliation by an employer), is a fundamental human right under the United Nations’ Universal Declaration of Human Rights. But it is not well protected in trade agreements or the laws of many countries. In many places, including the U.S., workers may be discouraged or blocked from forming unions, and leaders in the struggle to organize may be illegally fired. In some countries, union leaders are even killed.<sup>5</sup> If workers are to be protected and working conditions improve, then the right to form a union must be strengthened and protected.

#### **5. International labor standards**

The International Labor Organization’s 1998 Declaration on Fundamental Principles and Rights at Work established international labor standards that have been accepted by nearly every nation in the world. (See [www.ilo.org/dyn/declaris/DECLARATIONWEB.INDEXPAGE](http://www.ilo.org/dyn/declaris/DECLARATIONWEB.INDEXPAGE).) These rights include:

- Freedom of association and the right to collective bargaining (that is, workers have a right to form a union and bargain with their employer over wages and working conditions without fear of retaliation),
- the elimination of forced and compulsory labor,
- the abolition of child labor, and
- the elimination of discrimination in the workplace.

Note there is no mention of wages, work hours, or working conditions in this agreement. These standards vary greatly by country. But the expectation is that workers’ trade unions will bargain with employers to raise wages appropriately, and establish safe and equitable conditions of work.

But international organizations like the ILO lack the power to enforce these standards. International trade agreements such as the North American Free Trade Agreement (NAFTA) could rigorously enforce labor standards but, almost without exception, fail to do so. Any protections that are included are typically relegated to “side agreements” that lack the enforcement and oversight mechanisms used in the main body of the treaty. Future trade agreements must include strong labor standards with provisions for rigorous enforcement.

With labor standards in place, competition among firms to reduce prices would rest on improved production techniques (for example, worker training, improved use of technology, increased investments, and/or reductions in waste and environmental degradation) not on squeezing labor.

#### **6. New global governance systems and agreements**

To fully address the problem of sweatshops and the abuse of workers (and the environment) we need new global governance structures. Currently, the global economy is structured by rules established in trade agreements written primarily by governments and corporations in the global North. It is directed by the unelected managers of institutions like the World Bank, International Monetary Fund, and World Trade Organization. Workers around the world, small producers, and environmentalists are neglected by these institutions and seldom participate in the decision-making process. This undemocratic process fails to protect their interests.

There is another way. For example, the Alternatives Committee of the International Forum on Globalization ([www.ifg.org/alt\\_eng.pdf](http://www.ifg.org/alt_eng.pdf)) has proposed a set of principles on which a new global governance system could be based:

- Democratic processes – people, not corporations nor technocrats serving corporate interests, must make the rules that govern the global economy;
- Ecologic sustainability;
- The more local the decision making, the better;
- Our common heritage – seeds, forests, water, air, fisheries, culture, knowledge – must be honored and respected;
- Human rights must be recognized including education, food, health care, housing, security in face of unemployment, civil rights, political rights, and the right to organize;
- Everyone has a right to livelihood (a job, employment);
- Food security and food safety;
- Equity among countries (cancel unjust debts, establish fair international institutions);
- Diversity of all types – cultural, biological, social, and economic – is central; and the
- Precautionary Principle: if something might cause harm, then precautionary action should be taken to restrict or ban it, even if there is scientific uncertainty about the harm.

Also see *Alternatives for the Americas* at [www.art-us.org/docs/alternatives%20dec%202002.pdf](http://www.art-us.org/docs/alternatives%20dec%202002.pdf).

Under a new governance system, the abusive conditions that currently exist in sweatshops and other workplaces around the world (including the U.S.) would be banned, the prohibition would be enforced, and the penalties would be sufficient to deter the abusive behavior.

As people of faith and citizens of the world, we are called to eliminate sweatshops and provide just workplaces for all people who labor. We are also called to create global structures that honor all God's people and God's creation. This work is well begun and we who seek to live into a new, more just society, continue to do what we can to further this process. God is doing a new thing. Do you not perceive it? (Isa. 43:19)

## Additional Resources

Behind the Label

[www.behindthelabel.org](http://www.behindthelabel.org)

Campaign for Labor Rights

[www.campaignforlaborrights.org](http://www.campaignforlaborrights.org)

China Labor Watch

[www.chinalaborwatch.org/walmart.htm](http://www.chinalaborwatch.org/walmart.htm)

Clean Clothes Campaign

[www.cleanclothes.org](http://www.cleanclothes.org)

Coop America

[www.coopamerica.org/programs/sweatshops](http://www.coopamerica.org/programs/sweatshops)

Corpwatch

[www.corpwatch.org](http://www.corpwatch.org)

International Labor Rights Fund

[www.laborrights.org](http://www.laborrights.org)

National Labor Committee

[www.nlcnet.org](http://www.nlcnet.org)

NikeWatch (info on many makers of athletic apparel)

[www.oxfam.org.au/campaigns/nike](http://www.oxfam.org.au/campaigns/nike)

United Students Against Sweatshops

[www.studentsagainstsweatshops.org](http://www.studentsagainstsweatshops.org)

For additional information: Edith Rasell, Minister for Workplace Justice, Justice & Witness Ministries, UCC; Phone (toll free) 1-866-822-8224, ext 3709, or 216-736-3709; [raselle@ucc.org](mailto:raselle@ucc.org).

## Endnotes

<sup>1</sup> Behind the Label. "U.S. Retailers: Responsible for the Global Sweatshop Crisis"  
<http://www.behindthelabel.org/pdf/Retailindus.pdf>

<sup>2</sup> *Ibid.*

<sup>3</sup> Petrovic, Misha and Gary Hamilton, "Making Global Markets: Wal-Mart and Its Suppliers," in Lichtenstein, Nelson, ed, *Wal-Mart: The Face of Twenty-First Century Capitalism*, New York: The New Press, 2006, p. 140.

<sup>4</sup> Bonacich, Edna with Khaleelah Hardie, "Wal-Mart and the Logistics Revolution," in Lichtenstein, Nelson, ed, *Wal-Mart: The Face of Twenty-First Century Capitalism*, New York: The New Press, 2006, p. 177.

<sup>5</sup> For more information about the brutal suppression of labor leaders around the world, see *2006 Annual Survey of Violations of Trade Union Rights* by the International Confederation of Free Trade Unions at <http://www.icftu.org/survey2006.asp?language=EN>