Labor Standards and Human Rights Committee  
October 7, 2005 9:00 – 11:00 am  
ROOM: 2609 SSWB

Minutes

Attending:  Kristen Ablauf, Sarah Bookbinder, Kevin Ferrell, Mary Gallagher, Diana Parker, Rosa Peralta, Larry Root (chair), Katherine Terrell, Ada Verloren (staff to committee), Veronica Wilkerson-Johnson (conference call), Gary Krenz (Special Counsel to the President)

Absent:  Steven Ratner

1. Introduction
   Larry Root welcomed the members of the committee. Committee members received copies of the draft minutes of the May 9, 2005 meeting, as well as the draft report on the activities of the committee, 2003-2005, which Siobhan Harlow, the previous chair of the committee, will present to President Coleman.

2. Announcements
   President Coleman is available to meet with the committee Friday, November 11, 9:00 a.m.

3. Charge from President Coleman
   Special Counsel to the President Gary Krenz gave a signed copy of the charge to the committee. He explained that the President would like the committee to give particular attention to the second element, monitoring efforts. Specifically, the committee should consider the University’s participation in the Fair Labor Organization (FLA) and the Worker Rights Consortium (WRC), assess the effectiveness of these monitoring/compliance organizations in assisting the University to implement its code of conduct, and continue to explore other means to pursue this goal.

4. PT Victoria, Eddie Bauer and FLA
   The committee discussed the situation of Perdana Garments, a supplier to Eddie Bauer, which operated the PT Victoria factory in Indonesia. After workers at PT Victoria had been working extensive overtime, the factory was closed, leaving workers not only without jobs, but also without overtime pay, back wages and severance pay. The workers’ union filed a complaint with the Indonesian labor court, which ruled that Perdana Garments had to pay the workers more than 1 million US dollars. This judgment has not been enforced due to the fact that Perdana Garments shifted all its business to its other factories in Cambodia and Mynamar. The FLA and Eddie Bauer have been involved in seeking resolution of this situation, but neither PT Victoria nor its parent company, Perdana Garments, has addressed this situation.

   It was noted that Eddie Bauer is not a licensee to the University of Michigan. Although the case does not relate directly to collegiate apparel, it raises the issue whether the FLA is an effective monitoring organization.

   In discussing the case, several questions were raised, including the following:
   a. Does Eddie Bauer continue to use Perdana Garments?
   b. Does the FLA have a stance or policy for dealing with a licensee, or supplier to a licensee who has violated its code of conduct?
   c. Does the FLA have a policy or stance about licensees or their suppliers that "cut-and-run" (in this case, without notice and without paying wages)?

   Larry Root will contact the FLA and request its response to these questions.

5. New Business
   SOLE presented a United Students Against Sweatshops (USAS) proposal that collegiate apparel be produced in designated sweat-free supplier factories. Perceiving that the University’s code of conduct is insufficient to uphold the University’s stated commitment to worker rights, SOLE wants to ensure that the University’s apparel is made where workers have a voice on the job and can bargain for a living wage. To be designated, a factory must both demonstrate a commitment to freedom of association as shown by the presence of a legitimate, representative union or other representative body, and must pay a livable wage.

   The USAS proposal calls for implementation of the program to be phased-in over time, with the percentage of goods that licensees are required to source from designated supplier factories increasing each year. After the first year of implementation, licensees will be required to source 25% of their logo goods from designated factories; after three years the requirement will be 75%.

   Upon adoption of the program by licensor universities, WRC would provide licensees with a list of factories that possess the capacity to achieve designated supplier status but have not yet done so. Alternatively, licensees may choose factories from their existing supply chains that could be brought into full compliance with the standards of the program. According to the proposed plan, the WRC would be able to advise licensees on which of their existing suppliers may be likely to achieve compliance and will work with licensees to map out remediation plans to correct any deficiencies.

   A number of questions were raised during this preliminary discussion, including the following:
1. How feasible will it be to implement this program in the case of universities with hundreds of licensees?

2. Does the WRC contemplate instituting worldwide inspections and re-inspections to support this initiative?
   a. If so, what kind of personnel demands would be involved?
   b. Who would fund this effort?

Larry Root will contact the WRC and request its response to these issues/questions.

The committee discussed a number of additional issues raised by the proposal. For example, it was noted there might be opportunities to expand worker representation in countries in which it is illegal to form independent unions. It was also suggested that there might be ways to think about priorities, such as emphasizing collective bargaining rather than setting a specific wage standard.

The committee also discussed whether there may be legal issues involved if such an approach was interpreted as creating “monopolies” among supplier facilities. It was noted that previously there had been resistance from unions in the United States to the principle of certifying factories. There was some reflection on the potential scope of the proposal: would the approach be worldwide or focused on factories in a limited number of countries?

Committee members who are available will try to attend the SOLE meeting on Monday, October 24 at 8:00 p.m. in the Student Union (room to be determined).

SOLE members who attended the meeting as visitors announced that they have invited speakers who were involved in the 1930s Flint sit-down strike to address the University community on October 25, at 5 p.m. More specific information will be provided when they publicize the event.

6. Adjournment

   The meeting was adjourned at 10:45 a.m. The next committee meeting will be held 9:00-11:00 a.m. on Friday, November 11 at the Fleming Building.