MINUTES

October 22, 2009, 8:30-10:00am
Palmer Boardroom 1

Attendance: Kristen Ablauf, Brad Farnsworth, Sioban Harlow (chair), Allen Hicken, Peter Jacobson, Kristin King, Jennifer McLaughlin, Sam Vigersky, Megan Vogt, Nancy Vander Kuyl (staff to committee). Two observers.

1. Announcements
A Call for Papers for the University of Madison’s international policy conference on regulation and enforcement entitled “Improving Labor Standards in Global Supply Chains” was distributed.

2. September minutes approved. Next meeting dates:
Tues Nov 17 & Tues Dec 8 both 8:30-10am at Palmer Commons

3. Research and Educational Leadership
a. Update film screening: Who Killed Chea Vichea? CSEAS has offered to be a cosponsor. The screenings haven’t begun yet but CoLSHR committee will be contacted when screening dates begin being arranged (probably in the spring).
b. Update Sept 23 ethics symposium on “Sweatshop Labor and Codes of Conduct: from Form to Function” cosponsored by CoLSHR and the Center for Ethics in Public Life had a relatively small turnout but a productive dialogue occurred with new perspectives on the issues brought out by speakers, students and other attendees.
c. The October 14, 2009 Online Record Update featured info on the new curriculum page on the CoLSHR website.
d. Update Bangladesh internships – student speaking engagements will likely take place in the winter term.

4. Operational Leadership
The committee discussed the Collegiate Licensing Committee’s (CLC) proposal on Elevating Responsibility within the UM Licensing Program (aka ER6). The ER6 pilot program would build evaluation of code compliance directly into schools’ licensing programs and in their license agreements. Currently there are three large schools with participation decisions pending including UM. Other schools have expressed a need for more time to consider and to work through institutional decision making processes. Kristen reported that CLC has proposed initiating the program in a more incremental fashion. For schools ready to proceed now, CLC will implement the assessment tool only for use in licensing processes at a cost of $50,000. Questions posed by the committee in evaluating this decision include:

- How much should UM be spending in total on code compliance activities?
  - How much is it worth to protect the UM brand?
  - What is our business – to maximize profit or as a non-profit focused on human rights?
- Do we like the CLC program?
- Is this a substitute for or a complement to the FLA/WRC activities?
- How much do we currently pay CLC? (approximately 10% of royalty revenue)
- Where does the royalty go? (3% to general fund and the rest to the athletic budget)
- Will this improve efficiency (reduce use of internal resources) while maintaining leadership?
- Should UM take a leadership role?

If UM were to sign on now, within a year, all of its licensees would face this new program, UM would have the chance to directly shape the program’s development, and signing on would reduce the need for UM to directly review compliance of its own licensees, as is our only option currently with the FLA assessment tool. The committee raised questions about the current budget for UM’s royalties, whether there would be any lost revenue in the early year(s), if ER6 would replace the FLA’s assessment program, would workers at the supply level gain more protections, how would its effectiveness at the factory level be measured? Committee agreed that this program would be a welcome addition to the pool of advice to turn to when the committee is asked to review a company’s labor standards, that the triangulation effect with the FLA and WRC could be advantageous. Ablauf spoke to the autonomy of universities in making final decisions on licensing. Does UM want to spend more in this area?

ER6 could be the push that companies need to develop their monitoring systems while developing their agenda on corporate responsibility, and it could provide the impetus to get companies to complete their FLA screening. The chair spoke to President Coleman’s challenge to this committee to be a leader on this topic and suggested the committee assess how this program might provide that opportunity. The committee agreed that the CLC needs to send a written proposal and that there may be value in making the initial small investment to allow the process to move forward.
Motion by Peter Jacobsen seconded by Brian Talbot:

“The sense of the committee is that we participate at the level of 18-20K in the CLC ER6 process as outlined by Kristin Ablauf based on her conversation with Liz Kennedy subject to review of a formal proposal about the proposed Year 1 activity and its relationship to the larger project.”

The committee voted unanimously to approve the motion. The Chair will request a proposal from Liz Kennedy and communicate with the President’s office.