

Minutes of the WRC Board Meeting: September 24, 2010

Attending the meeting were Jim Wilkerson, Mike Powers, Jill Esbenshade, Marybeth Schmutz, Mary Yanik, Sarah Hirsch, Jennifer Le, Anna Brewer. Attending by phone were Dawn Crim, Eric Hoyt, Dida El-Sourady, Ben Mckean, Mark Barenberg, and Julie Martinez. Scott Nova and Theresa Haas from WRC staff attending the meeting and Ben Hensler participated by phone.

Jill Esbenshade, serving as acting board chair, opened the meeting and asked for nominations of new members. Ben Mckean nominated the 5 new USAS board members: Mary Yanik, Nancy Cruz, Jennifer Le, Anna Brewer, and Sarah Hirsch. The new USAS board members were unanimously approved. Mike Powers nominated Dawn Crim to serve as a University Caucus board member and she was unanimously approved. Mary Yanik was nominated to serve as the chair of the board for the next twelve months and was unanimously elected. Mike Powers was nominated to serve as the secretary and was unanimously elected. Julie Martinez was nominated to serve as the treasurer and was unanimously elected. The minutes of the previous meeting were approved.

Mark Barenberg from the Advisory Council announced his decision to step down from the board and noted how much he had enjoyed serving on the board. The board thanked him for his service and Mark indicated that he would continue to be involved in the WRC through the Advisory Council.

A change was made to the agenda so that the portion of the agenda reserved for the scheduling of the next board meeting was moved so that it would follow the portion of the agenda about the Nike severance cases. Jim Wilkerson gave the Treasurer's report and noted that all of the WRC's finances appeared to be in order.

Scott then began the Executive Director's report. He noted that there had been several staff transitions – Jeremy Blasi had left to attend law school at Georgetown and Sherry Joseph had accepted a position at an organization in Maryland. Scott discussed ongoing efforts to replace these two staff members.

Scott then gave an overview concerning an agreement that the WRC had signed with the Los Angeles city attorney to conduct monitoring at a garment factory in Los Angeles producing for Seventeen, Inc, an extension of the WRC's ongoing relationship with the City of LA. Scott noted that the WRC would hire a local consultant to assist with monitoring at the factory.

Scott then gave a brief summary of a case in the Dominican Republic, involving a textile manufacturing facility owned and operated by the Canadian t-shirt maker, Gildan. Scott noted that Gildan is not a university licensee but is a supplier of blank products to university licensees. He noted that the WRC was involved in another case concerning Gildan six years ago at a garment factory in Honduras and that both cases concerned violations of workers' freedom of association. Scott made the following points:

Ultimately, in the Honduras case, Gildan announced that they were taking steps to remediate the violations, but announced shortly thereafter they were closing the factory. At the Gildan factory in the Dominican, the company had systematically threatened and intimidated workers who were attempting to form a union, demanding that they resign from the union and cease their organizing activities. The union federation with which these workers were affiliated filed a complaint with the WRC, and the WRC conducted an inquiry which confirmed that freedom of association violations had occurred. The WRC contacted the company, which agreed to cease its harassment of union members at the factory. However, the WRC subsequently learned that a second union had been formed at the factory which was affiliated with a union federation that was well known for forming management-controlled unions. The WRC contacted Gildan about the nature of the second union and the factory's obligation not to recognize the other union unless it could demonstrate that it represented a majority of workers, as verified through an objective, independent review. However, without notifying its own workforce or outside stakeholders, Gildan recognized and signed a contract with this union. A local NGO, Fundacion Laboral Dominicana, conducted a post-facto review of the union's majority claim, at the behest of the WRC and the FLA and concluded that the second union did not have a majority at the factory and that many of the cards that had supposedly been signed by workers were in fact fraudulent. The WRC recommended that Gildan abrogate the contract, which Gildan refused to do. The legitimate union claims that they represent a majority of the factory's workforce and the WRC intends to conduct a verification process to confirm the union's majority. Board members asked several questions regarding the case, including next steps for universities.

Scott and Ben Hensler gave an update on recent events in Bangladesh, as follows: There have been widespread protests related to country's minimum wage levels. Worker representatives had been pushing for an increase from 11 cents an hour to 35 cents an hour. However, the government announced an increase to 20 cents an hour, which resulted in massive protests. In addition, there has been substantial government repression against a number of the country's most prominent labor rights advocates, including the Bangladesh Center for Worker Solidarity, a Bangladeshi NGO with which the WRC works closely and whose Executive Director had attended the previous WRC board meeting. In June, the Bangladesh government informed BCWS that the organization's non profit registration was being revoked. Shortly thereafter, criminal charges were filed against three BCWS leaders, and they were arrested in mid-August. Several organizations, as well as members of Congress, have assisted in pressing the Bangladesh government to drop the charges and release the individuals. All three individuals were released on September 10, but they will apparently still face trial on the charges against them.

Ben then provided an update regarding the wage situation in Cambodia: For the past week, there has been a nationwide strike regarding the legal minimum wage. Although the government had announced a small minimum wage increase (from 26 cents to 29 cents per hour), workers and worker representatives denounced the increase as insufficient to meet workers' basic needs. Ben noted that over the past several years, Cambodia has been cited by brands and the ILO as a positive example of labor rights progress.

However, over the last few years, despite considerable inflation, there has been very little wage growth in the apparel sector, leaving real wages lower than they were a decade ago and working conditions have deteriorated. Ben noted that the Cambodian garment industry has been under strong competition from other garment-producing countries with lower wages. Over the summer, after a series of tripartite meetings were held between the government, worker representatives, and employers, the minimum wage was raised from \$56 per month to \$61 per month, still among the lowest wages in the world and a tiny fraction of a living wage. Several unions requested additional discussions with manufacturers regarding wages and organized wide support from workers to support the demand for a higher wage. However, the garment manufacturers walked out of negotiations and the unions called a country wide strike, supported by somewhere between one third and two thirds of the roughly 300,000 apparel workers in the country. In response to the strike, arrest warrants were issued for several NGO and labor leaders. The government announced that they would agree to resume negotiations and the unions called off the strike. However, many union leaders have been fired and are unable to return to work.

Scott and Ben explained that these two countries are examples of the rising tensions produced by the failure of the industry to achieve any real progress on wages in many countries.

A update on the Russell agreement was then provided by Scott: The second disbursement of worker assistance funds was made to workers this summer and each worker received roughly \$360 in this disbursement. Russell has reported that they had hired approximately 730 workers at the Jerzees Nuevo Dia factory. The union had asked the company to further expand the factory's workforce and so an additional 80 jobs have been added. The WRC noted that it was positive to see that the company was willing to expand the company's workforce. However, there were relatively few former Jerzees de Honduras workers have been hired at other Russell facilities in the country, though some time remained for the company to meet this aspect of its commitments: Russell had agreed to offer reemployment to all former Jerzees de Honduras workers, making best efforts to do by the one year anniversary of the November 2009 agreement. In terms of the collective bargaining process, both sides went through a collective bargaining training training. The union submitted a list of proposals to the company on September 13. Scott noted that while, overall, the company's record on implementation of the accord had been positive, there was an additional area of concern: the two sides had not yet been able to agree on a 5th member of the oversight committee charged with resolving disputes and facilitating implementation of the accord.

The meeting was then adjourned.