



WORKER RIGHTS CONSORTIUM

WRC Board Meeting Official Minutes: June 25, 2001

In Attendance: Erin McGrath, Maria Roeper, Scott Nova, Allison Robbins, Daniel Long, Peter Romer-Friedman, Ginger Gentile, Suzanne Webb, Lauren Stephens-Davidowitz, David Moore, David Dyson, Rut Tufts, Mark Barenberg, Marcella David, Horace Mitchell, Jill Esbenshade, Chris Howell, Ron Schurin, Linda Chavez-Thompson.

Observers: Ron Blackwell, Katherine Blauvelt- Oberlin College, Leah Popowich- University of Pennsylvania, Doug Shaw- Georgetown University, Joanne McGreevy- New York University.

Meeting begins at 9:24am; called by Chair Mark Barenberg.

Proposed Agenda for Meeting:

I. Introductions and Treasurer's and Executive Director's Reports

- Introductions
- Approval of the minutes of the last meeting and the agenda for current meeting
- Treasurer's report
- Executive Director's report – including reports and discussion on administrative issues, financial issues, investigations and other program work

II. Budget and Administration

- Discussion of proposed budget for FY 2002
- Discussion of potential additional funding sources
- Discussion of proposed WRC personnel policies
- Organization of committee to evaluate Executive Director

III. Policy Issues

- Obstacles to factory access in WRC investigations and the role of affiliate schools in addressing this issue
- What, if any, is the WRC's role in helping local organizations build their capacity?
- Clarifying the WRC's perspective on the living wage issue
- Progress with collection of disclosure information

IV. Reports from Caucuses and Additional Discussion Topics

- Report from University Caucus
- Report from Advisory Council
- Proposal for advisory committee of legal experts
- The effect on the sweatshop issue of the change of Administration in Washington

V. Governing Board Membership

- Approval of new board members
- Election of new officers
- Scheduling of next meeting

I. Introductions and Treasurer's and Executive Director's Reports

Approval of minutes from previous meeting: Spelling of Marcella's name needs to be corrected.

Motion to approve minutes: by David Dyson, seconded by Chris Howell.

Passes unanimously.

Motion to amend agenda: In Section 4, add a report from USAS by David Moore.

Passes unanimously.

Treasurer's report- Marcella David

- Accounting system is in place so that we can be fiscally responsible in our use and tracking of money.
- Treasurer will be copied on monthly financial statements.
- Discussion of treasurer's duties- treasurer asks questions as she wishes; annual audit- treasurer simply gets report as the board member who would have oversight/responsibility.

Executive Director's Report- Scott Nova

Financial information:

- WRC collected \$188,000 in affiliate income in FY 2000-2001, don't anticipate having trouble collecting dues from schools that haven't yet paid, will end up with about \$210,000. Total FY 2000-2001 grants: \$144,000; expenditures in FY 2000-2001: just shy of \$200,000; projected total income for FY 2000-2001 is \$360,000, somewhat less than the previous estimate because 20th Century Heritage Fund grant will not be received until next year; total cash on hand: \$96,000.
- Net income in FY 2000-2001: \$158,000; \$150,000 carry-over in proposed budget for next year; estimate affiliation fees for FY 2001-2002 is \$250,000, grant income \$190,000.
- Using Quickbooks software, Paychex issues payroll and taxes with an external accountant for a quarterly check on the books; have not received answer on 501(c) 3 tax status; filed for in late March.

Database/website update:

- Online interactive database expected within a few weeks with revamped website; will include 5 searchable fields including current/historical search choice; new disclosure format: added product fields.
- We have most of the disclosure information; all class A schools except Notre Dame, most undisclosed schools are class c; total records in database are 51,673.

Staffing:

- Not yet hired a program director; decision by Executive Director to divide it into two jobs pending the board's approval.

Organizational development:

- 80 affiliates; some additional schools have agreed to affiliate who have not yet given us official notice; outreach has been done by staff to both schools and organizations such as CLC, NACS, etc.
- University of Oregon has left both WRC and FLA; in compliance with their interpretation of Oregon law) they cannot maintain or enforce a code of conduct dealing with labor standards.
- The policy statements from the previous board meetings will be posted now that the previous minutes have been reviewed.

Program:

- WRC has continued work on Kukdong and initiated projects/investigations in Derby, NY-New Era, Asia, and Latin America.
- Completed our 2nd report on Kukdong complaint, it includes a review of progress to date on remediation – both positive aspects as well as the limitations of remediation in some areas. The initial report and the 2nd report are a good model for what WRC reports look like – a preliminary report published immediately with recommendations, where warranted for remedial action, and a second more detailed report further down the road.

11:20- Recess.

Reconvene into Executive Session until 12:30.

11:45- Reconvene.

Executive Session.

12:30- Observers asked to return later for lunch.

Executive Session continues.

1:15- Recess for lunch.

2:10- Reconvene.

III. Policy Issues**Discussion of Role of Affiliates in Addressing Factory Access in WRC****Investigations:**

- Initially raised by New Era, who did not intend to cooperate with us, three affiliates called New Era and urged them to be more cooperative.
- It is premature to pass a policy because we can't predict how much of a problem this will be. At least on an informal level, it is useful to have schools call, as exhibited in the New Era case.
- Discussion of various levels of potential affiliate action.
- Universities must participate to lend credibility to a WRC investigation.
- Discussion of process for getting affiliates involved—informal (phone calls), or formal (written communication).

Discussion of Influence on Sustainability

- Rut voices concern that while getting schools to keep their business, or even increase it, at factories where an investigation has happened may be one way to have a positive effect on the situation but may not be a good business practice, especially given that the apparel industry goes through business cycles that have high and low points, which could be the cause of a lower level of business rather than retaliation by customers.

Effects of “Investigative” Terminology:

- Investigation has an association with “criminal” and “law enforcement” (also in Spanish), a possible variants could be “assessment” or “evaluation”.
- A problem with “assessment” is that the word doesn’t mean “in response to something” (i.e. a complaint) the way “investigation” does.
- Consensus that staff will research issue with board input, especially the context in which the change would take place and the extent to which the change would be applied.

Discussion of Role in helping other organizations (Capacity Building):

- Rut proposes to remove Section V(c) 3 and I (d) from investigative protocols to prevent capacity building from happening concurrently with investigations, to convey objectivity of the process.
- This change might prevent the training of investigators on interview methods, review of interview methods and strategies might be done at the time of an assessment; for example, the DOL and state investigators train their investigators during actual investigations.
- Language changed to reflect that no “solicitation for union or non-union membership” would take place concurrently with investigations.

No action is taken regarding Capacity Building language; board concurs that Mark Barenberg will redraft the language to reflect the agreed upon changes.

Discussion of Living Wage Policy:

- The WRC supports activity in further solidifying the definition of living wage.
- Motion to approve proposed living wage policy without suggested revisions

Motion to pass Living Wage policy:

Passes unanimously. Ron, Jill, and Chris abstain from motion.

WRC Living Wage Policy Statement

The WRC encourages but does not require affiliate colleges and universities to include living wage provisions in their codes of conduct. This is not because the WRC believes it is acceptable for workers to be paid less than a living wage. Rather, the WRC has adopted this policy because we believe that the issue of whether a college or university

should adopt a living wage provision should be resolved within each individual college or university community.

Nonetheless, the WRC considers wage standards to be a vitally important worker rights issue. Even a clean, safe, well-maintained factory can be a sweatshop if workers are required to work long hours for excessively low pay. All workers have a right to earn a living wage in return for full-time work. For this reason, the WRC model Code of Conduct contains a living wage provision and, in factory assessments where wages are identified as an important issue, the WRC will seek to determine whether or not all workers are receiving a living wage. Colleges and universities that do require their licensees to pay a living wage may then act on this information.

At the same time the WRC recognizes that there is a lot of work left to do before there will be a widely acceptable standard for quantifying a living wage on a country-by-country basis. The WRC supports the work of the Collegiate Living Wage Association and other efforts to develop a workable standard that can be widely accepted among colleges and universities. In the absence of an accepted standard, the WRC will provide the best available evaluation in each factory assessment where the living wage issue arises - and will note that any conclusions reached are tentative.

The WRC will work, on an ongoing basis, with all colleges and universities concerned about the living wage issue, and with relevant licensees, to find collective ways to address the problem and raise wages in factories that produce college logo goods.

Update on Disclosure:

- Rut Tufts talked to CLC and LRG about a uniform, systematic process for getting disclosure information (i.e. a university “carbon copies” to the WRC letters to CLC about sharing quarterly updates). LRG doesn’t need permission, but the format to disclose information in was given to them.
- Discussion about uses of online database—linking to reports, being able to find a “good” manufacturer to buy from.

IV. Reports from Caucuses and Additional Discussion Topics

Report from University Caucus:

- Chicago, IL: April 27th. Attended by 38 affiliates and a few interested schools.
- Four topics covered:
 - 1) WRC at Year 1,
 - 2) Internal University Caucus issues,
 - 3) Disclosure process,
 - 4) Investigative Protocols

Report from Advisory Council:

- Advisory Council has drafted operating procedures, nomination procedures, length of terms, resignation process, the Chairperson's role on the Advisory Council.
- Nikki Bas elected Chair- trying to coordinate Advisory Council to nominate new members from the Global South.

Report from USAS:

- Ginger Gentile and Suzanne Webb are replacing David Moore and Peter Romer-Friedman.
- Marakah Mancini is in Honduras on CARI program.
- The leadership in USAS is changing; three staff people will be hired in August.
- National USAS Conference August 2-5 will take place in Chicago.
- USAS position on a living wage is that there is no overwhelming battle about calculating it, or ability to pay it, what matters is the political will to do it with only positive effects and when universities will work with licensees to ensure that a living wage is paid.

Discussion on Proposal for Panel of Legal Experts:

- The WRC needs strongly reliable legal opinions about local labor law, international law, etc. Mark's proposal is to have a list of experts from around the world that can provide this information whether they serve on the investigative teams or not; could be expanded to include scientific experts for reliable opinions on safe and health issues, or social science methods.
- Clarification question: in your original proposal you say that: when the WRC assembles a delegation to do an investigation it would include two, three, or more members of the panel, with one panel member serving as team leader.
- Mark withdraws his proposal as written and would revise it to suggest the compilation of a list of good people to serve on investigative teams.
- Proposal that the list be a formal WRC group and put online.
- The WRC will develop a panel of experts willing to give advise/guidance; we can revise the purpose of this list as it gets clarified through the course of our work. People serving on a panel should formally be available for the WRC and should understand that they may be called upon in the future.

No vote necessary- non-proposal.

Discussion on the Effect of the Change in Administration in Washington on the Sweatshop Issue:

- Clinton Administration was very active on this issue. What do we think will happen with the current administration?
- A lot of their policies and interests are still not reviewed. The new administration may be interested in sweatshop issues in relation to private, corporate responsibility in trade.

- The WRC needs to watch the trends in the apparel industry; the placement of production has a lot to do with current trade agreements.

Election of New Board Members and New Officers:

New Board Members:

- Appreciation is expressed for outgoing board members: a thank you is extended to Peter and David for all the good work they've done.

Motion to approve proposed slate of board members:

Passes unanimously; Ginger and Suzanne are welcomed.

Nomination of Marakah Mancini for Chairperson of the Board:

Passes unanimously.

Nomination of David Dyson for Treasurer:

Passes unanimously.

Nomination of Marcella David for Secretary:

Passes unanimously.

Scheduling of the Next Board Meeting:

- 15th or the 22nd of September. The staff will first consult the absent board members.