

THE EXPONENT

Universities hope to keep textile industry in Asia

By Ben Steckler
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November 10, 2005: Purdue and seven other universities have asked a number of textile companies to remain in the areas hardest hit by the December 2004 Asian Tsunami.

The request, made in a letter, was sent to textile companies that license college trademarks to produce apparel.

As countries like Sri Lanka, Indonesia and Thailand attempt to recover from the devastation, there is concern that a rising cost of doing business in the region would drive textile companies out of the area.

The letter said, "The recovery and reconstruction efforts of the countries worst hit by the Dec. 26 tsunami depend in no small part on the revenues generated by apparel and textile exports. In each of these countries, and especially in Sri Lanka, apparel is a key economic sector ... They can ill afford the loss of jobs, income and government revenue that will result if apparel sourcing shifts and factories close."

Doug Sabel, director of procurement operations and the University contract group, signed the letter on behalf of Purdue.

He said the threat of apparel producers leaving the region was a combination of higher expenses due to the tsunami and the expiration of a United Nations treaty, called the Multi-Fiber Arrangement. The treaty expired in December 2004, the same month that the tsunami ravaged the area.

"(The Multi-Fiber Agreement) put quotas on how much you could import or export," Sabel said. "Without the MFA the worry was that China would start to suck up all this apparel business."

Sabel said China is perceived to have less emphasis on workers' rights than the countries that currently produce the apparel. If companies moved to China, there is a chance that workers could be exploited in the name of efficiency, he said.

It was because of this that the Workers' Rights Consortium, of which Purdue is a member, decided to write the letter.

"They pushed the idea and we eventually agreed with them that we shouldn't sit idly by and let this natural disaster ruin these economies," Sabel said.

It's unclear if the letter has affected the licensees since the group of colleges have no control over apparel makers, but Sabel said producers like Nike and Reebok have said they will keep production steady in those countries.

"I haven't heard much back about it, but I think it's worked," Sabel said. "I think we had some impact on a number of major licensees."