REPORT OF THE
PENN STATE ADVISORY COMMITTEE
ON APPAREL MANUFACTURING

The Advisory Committee on Apparel Manufacturing
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I. Executive Summary

In April 2000, Penn State President Graham B. Spanier named a 10-member committee, comprised of a chairperson, three students, three faculty, and three administrators, to examine the potential benefits of the University’s membership in several organizations that are involved with monitoring labor practices in the apparel industry. The Committee’s charge was to consider all available information on the Fair Labor Association (FLA), the Worker Rights Consortium (WRC), and the Global Alliance for Workers and Communities to determine the benefits of belonging to the organizations.

The Committee conducted seventeen separate meetings since its first one on April 25, 2000. The Committee met with representatives from Students for Accountability and Reform, Nike, the FLA, the WRC and the Global Alliance for Workers and Communities, as well as reviewed more than 150 documents. The Committee collected and reviewed relevant information available up to the time of this report, including the most current updates regarding the organizations.

The Committee found it important to consider key issues and overarching principles as they relate to the global manufacturing of collegiate merchandise. An organization focused on eliminating sweatshop labor will be most effective if it satisfies the following criteria that were established through the Committee’s deliberations.

- The Committee acknowledged the importance of **licensee/manufacturer involvement** in the development of a code of conduct, as well as monitoring activities. The committee agreed that corporate involvement is important, but not to the extent where the corporate involvement results in the corporations controlling the process and the outcomes.

- A **single code of conduct** that is aligned with the codes of other universities and international apparel manufacturers is necessary for effective implementation of monitoring. Multiple codes will be confusing and less effective for workers and will not serve the interests of monitoring groups or the University.

- While an initial objective is to have Penn State licensed merchandise under the purview of the code of conduct and the associated monitoring mechanisms, having **all merchandise** manufactured in non-sweatshop conditions should be the ultimate goal.

- A clearly defined concept of a “**living wage**,” though elusive and complex, will ultimately be essential to improve the welfare of factory workers and their
families. The definition, conceptual meaning, and practical application of a “living wage” for apparel manufacturing laborers should be the subject of continuing discussion and more study.

Factory monitors should be approved or certified by the sponsoring organization. To hold licensees genuinely accountable for factory conditions, it will be essential for monitoring efforts to provide accurate, timely and verifiable information, an immediate opportunity for remediation, and a strategy for the continuous improvement of working conditions.

The use of local non-governmental organizations (NGOs) in the monitoring and verification process seems appropriate, given that the particular NGO is properly trained and equipped to do so. NGOs used for monitoring activities or involved with governance and policy making should be free from conflicts of interest, as well as operate consistently with the stated monitoring objectives and methods.

Public disclosure of information is an important aspect of maintaining honesty and improving awareness in the area of apparel manufacturing. Along with factory locations, monitoring reports should be public, have broad and easy access, and be disclosed after allowing sufficient time for due process.

The University should make careful decisions regarding membership in any organization and, upon becoming affiliated, be prepared to establish a lasting relationship. In consideration of the University’s commitments and change process, the concept of joining a monitoring organization on a “provisional basis” was not acceptable. Further, the Committee recognized the issues associated with making “mid-stream” changes to codes of conduct and monitoring methods, and the administrative impact that would be imposed on the University as well as its licensees.

Recognizing the need for organizational accountability, specific milestones should be established, as well as other criteria, to permit assessment of performance against expectations. Although the University should be prepared to establish long-term relationships, any organization that the University deals with should be expected to demonstrate positive performance for the relationship to continue. The organization’s leadership and governing board members must consider opportunities for improvement and be able to respond to questions from member institutions as they seek advice.

Acknowledging that financial and human resources are limited, the University should follow the operating principle of cost effectiveness which emphasizes maximizing gains, while minimizing costs. Accordingly, funds and human
resources should only be utilized for initiatives that are properly focused and have clear prospects for achieving desired results.

While focusing on those organizations aimed at monitoring, complaint verification, and the general improvement of factory working conditions, the Committee witnessed changes in the organizations as they were evolving. Recognizing that this evolution will continue as each organization seeks to achieve its stated objectives, it is anticipated that the study of approaches to eliminate “sweatshop” labor will continue and expand. As a result, any perceived strengths or weaknesses must be considered in the time frame of this report and be re-evaluated on a periodic basis.

The Committee believes that the University should maintain its membership and association with the FLA. The FLA demonstrates the potential to satisfy the overarching principles established by the Committee. Certainly, licensees and manufacturers are involved in the FLA. The FLA addresses all apparel for its member companies, rather than only university licensed products. The FLA endorses public disclosure of factory locations and monitoring reports. The FLA and its representatives have demonstrated a willingness to address concerns and systematically implement improvements. Providing monitoring direction specific to women’s rights, as well as continuing to study the “living wage,” are two examples of the FLA’s responsiveness.

There are lingering concerns with the FLA in the areas of governance, university participation, women’s rights and the study of the “living wage.” The FLA has not actually begun its monitoring efforts and, until such time as it does, the University must insist that the FLA perform the monitoring it has proposed. Although the Committee agrees that it is worthwhile to continue working with the FLA, specific milestones should be established to permit assessment of performance against expectations, as well as to maintain an ongoing review by the University.

There was considerable discussion regarding membership, but the majority opinion of the Committee is that the University should not join the WRC at this time. Having been incorporated on October 5, 2000, the WRC just hired its full-time director at the end of November 2000. The WRC satisfies few of the criteria established by the Committee. WRC advocates are committed to the “living wage” as a required provision of any of its member codes of conduct, but the WRC cannot demonstrate how the provision will be implemented.
Despite reasonable agreement with points raised by the majority of Committee members, a number of Committee members support joining the WRC. The primary argument to join is that the WRC is intended to improve factory conditions, and although its methodology may be in question, as well as its potential success, it would nonetheless be appropriate for the University to support its efforts and to participate in making it a more effective organization. At least one Committee member proposed that the University join the WRC on a provisional basis, but this idea was dismissed by the Committee, largely as not demonstrating a sufficient, long-term commitment.

Changes in the WRC structure and processes are possible, but only after an extended period of time. While recommending that the University does not join the WRC at this time, the Committee members encourage the University to continue to follow the progress of the WRC as it develops its methodologies and practices and becomes more responsive to Penn State’s criteria.

The Committee members recommend that the University remain affiliated with the Global Alliance for Workers and Communities with the belief and understanding that its approach to consider workers’ lives holistically is positive. The Committee members agreed that although the Global Alliance for Workers and Communities would have little direct impact on monitoring efforts to ensure Labor Code of Conduct compliance, it is currently working in overseas factories and providing reports on its progress and has done so in a timely fashion.

The Committee members believe that the Global Alliance has a model for positive change and the ability to implement that model. While one committee member did express concern that Penn State, as a result of being a member of the Global Alliance, is affiliated with a number of companies and organizations that the committee member has serious concerns about, the Committee supports the efforts of the Global Alliance.

Through its meetings, the Committee has come to recognize that The Pennsylvania State University is committed to the elimination of so-called “sweatshop” labor conditions for the workers who manufacturer the University’s collegiate licensed apparel. In a letter, dated April 12, 2000 to Penn State’s Advisory Committee on Apparel Manufacturing, President Spanier wrote: “There is no university in America that is more heavily involved in protecting workers and promoting improvement in the lives of workers and their families abroad, or that has committed more of its financial resources to this effort.” Noting that more remains to be accomplished, President Spanier went on to say, “Nevertheless, there may continue to be opportunities to do a better job in this arena, and it is prudent in any event to monitor the progress of our investment in this effort ... and determine the value of various organizational efforts.”
The Advisory Committee on Apparel Manufacturing encourages the University to maintain this philosophy and to continue its efforts toward the elimination of “sweatshops.”