

## **Universities and Sweatshops** by Matthew S. Williams

### **The Current Situation**

The Cool Clothing Corporation (CCC), a major international brand name company, employs a number of subcontractors to manufacture its clothing, as is standard practice in the industry. One of these subcontractors is Quality Production Company (QPC), located in the Central American country of Tropicana, where there is an on-going labor dispute. CCC also has contracts with a number of colleges and universities to produce licensed goods for those schools--that is goods emblazoned with the schools' logo. These contracts are very lucrative for both CCC and the schools.

Working conditions at QPC are standard for the industry, which is to say, very poor. While QPC pays the prevailing wage for the industry, this is only half the legal minimum wage of Tropicana; critics further argue it is only one-quarter of a living wage for the country. (In other words, even the legal minimum wage is only half the living wage.) The typical work week at QPC is sixty hours (ten hours a day, six days a week). Workers there additionally complain of sexual harassment by management (the vast majority of workers are young women), forced overtime (occasionally as much as 140 hours a week--twenty-hour days, seven days a week), and unsafe and unhealthy working conditions (the air is polluted by chemicals and cotton dust, there is no clean drinking water, the bathrooms are filthy, etc.) Critics charge that these constitute sweatshop conditions. CCC's corporate code of conduct forbids it to do business with subcontractors that mistreat their workers, but critics again charge that this code of conduct is often ignored in practice. Workers at QPC are currently attempting to form a union local affiliated with the progressive Workers United (WU). The majority of workers--74%--have voted to join the union, but QPC has responded by threatening to fire the leaders of the organizing drive unless it stops immediately.

Workers United (WU) has asked for help from the government of Tropicana, but it has been largely unresponsive. This is unsurprising as the government wants to encourage foreign investment and so tends to support manufacturers, even when they are in clear violation of Tropicana labor law. Indeed, there is a long history of violent repression of labor activists, both by business and by the government itself. Given this, WU has also asked for help from a number of US groups, including Students Opposing Sweatshops (SOS) and the College Council for Social Responsibility (CCSR).

SOS is a student activist group which has long been critical of CCC and other such corporations. The CCSR is an independent monitoring organization that investigates conditions in subcontracting factories that produce licensed apparel for the colleges and universities which are members of it, including a number of major schools. Most of the schools which joined the CCSR have done so reluctantly, after being pushed to do so by SOS, sometimes following sit-ins. They had adopted a common code of conduct, requiring companies that produce apparel for them to not do business with sweatshop subcontractors. CCC produces apparel for a number of the schools that are members of the CCSR. In response to the complaints by QU, the CCSR's investigative arm sent teams to Tropicana and found that conditions at QPC are in violation of its code of conduct--that is, they are sweatshop conditions. They have further indicated that conditions also violate CCC's own internal code of conduct. Now the school administrations that make up the CCSR must make a collective decision about what actions they should take in regard to CCC's violation of both the CCSR's and its own code of conduct.

It should be noted that the CCSR's code of conduct is much tougher than CCC's internal code of conduct. Both codes of conduct ban sexual harassment and forced overtime and require safe and healthy working conditions. CCC's code of conduct, however, only requires the payment of the legal minimum wage, while the CCSR requires a living wage. CCC's code of conduct makes no place for labor unions, while CCSR's requires that manufacturers recognize and bargain in good faith with unions supported by a majority of their workers.

[NOTE: None of the groups mentioned in the scenario above are real. They are all, however, based to varying degrees on real world groups. CCC, QPC, WU and Tropica are all "generic" representatives of their type. SOS and CCSR are based on United Students Against Sweatshops (USAS) and the Worker Rights Consortium (WRC) respectively; neither organization, especially the WRC, operates quite as depicted in the game though. In reality, each member school of the WRC would make its decision individually, not collectively with other schools. It was necessary to alter this to make the game easily playable.]

## **Teams**

**Cool Clothing Corporation (CCC):** A major international brand name corporation, that markets several very popular lines of clothes. Among other things, it markets licensed apparel for a number of colleges and universities. Actual production of the clothes is subcontracted out to independent manufacturing companies.

**Workers United (WU):** A progressive union in the country of Tropica trying to form a union at a factory owned by one of CCC's subcontractors, Quality Production Company (QPC). QPC has consistently refused to recognize the union or make any concessions to them.

**Students Opposing Sweatshops (SOS):** A student activist group that works to end sweatshops by providing support to workers organizing in those sweatshops. They were instrumental in forming the CCSR and convincing--often through sit-ins--many colleges and universities to join it.

**School administrators of the College Council for Social Responsibility (CCSR):** The CCSR is an independent monitoring organization, which colleges and universities join. When CCSR receives a complaint about sweatshop conditions, it investigates, then makes recommendations. The administrators of the schools who are members of the CCSR ultimately decide what to do in response to such violations. While these schools have all formally committed to upholding CCSR's code of conduct, they also find their contracts with companies like CCC to produce licensed apparel quite lucrative. The CCSR takes money from neither corporations nor unions and has built up a reputation for accuracy that even the companies it criticizes acknowledge.

## **Team Portfolios**

You will receive a portfolio about your team with the following information:

*Background information:* This includes both general information about the team but also information relevant for the scenario. What you share with others is up to you.

*Success indicators:* These will go up or down depending on what actions you and the other teams take during the game. Your goal is to raise the success indicators for your team.

*Action options:* These specify the major decisions that a team needs to make and provide a broad range of possible options. Remember, that these include a wide range of possible actions--all the actions are not necessarily a good idea. Players are also encouraged to come up with their own ideas, though you should check in with the coordinator to ensure that they are something that would be possible in the real world.

## **Game Phases**

### *Strategic Planning* (twenty minutes)

During the strategic planning phase, you should discuss with your teammates (or, if on a one person team, free-write) responses to the following questions:

1. Given your success indicators, what would you consider a best-case outcome for this scenario? What would be a worst-case outcome?
2. Which are the other teams in the game that you would need to influence to achieve your best-case outcomes? Rank the teams indicated in terms of their importance to the outcome.
3. What other teams are potential allies or coalition partners--that is, those whose best-case outcomes are likely to be similar to yours?
4. Reviewing the action options in your portfolio, which ones look most promising for achieving your best-case scenarios? Are there other action options that you might want to consider even though they are not listed?

### *Negotiation Phase* (forty minutes)

During this phase, you should meet with other teams. If you have more than one person on your team, it is probably a good idea to split up, so you can talk to multiple other teams at once. You should meet with potential allies to see if you can decide upon a common set of goals and come up with a common strategy to reach them. A common strategy does not mean you all have to do the same thing. You may want to agree on a division of labor, where different teams do different things, each specializing in what they are best at. You should also meet with potential opponents to see if you can persuade them to take actions in line with your own goals. To do this, you should use your action options as carrots and sticks. You may, for instance, threaten to do something unpleasant to another team if they do not do as you wish; on the other hand, you can also offer them concessions if they take certain actions.

### *Action Phase* (fifteen minutes)

During this phase, the teams will meet by themselves and decide on their actions. If you are on a one person team, you may want to free-write to help you reach your decision. Because some teams need to know what others are doing ahead of time, some teams will need to announce their decisions before others. In particular, CCC will need to announce its decisions first, after five minutes. The school administrators of CCSR will need to announce their decisions second, after

ten minutes. Then the remaining teams can make their decisions.

## Cool Clothing Corporation

The Cool Clothing Corporation is major US apparel corporation. Like most such corporations, it does not actually own any of the factories that produce its clothes. Instead, it subcontracts out the production to independent manufacturing companies, principally in the Global South (third world). Again, like most such corporations, CCC focuses its resources instead on marketing its products, consequently considering its brand image one of its most valuable assets.

CCC has lucrative contracts to produce licensed apparel for a number of colleges and universities. CCC considers these contracts valuable not only for the sales, but also because of the opportunities to market to college students that they create. Many of the schools CCC has contracts with are members of the College Council for Social Responsibility (CCSR).

The CCSR has recently issued a report arguing that conditions at one of CCC's subcontractors, Quality Production Company (QPC), violate both CCC's code of conduct for its subcontractors and the CCSR's own much tougher code of conduct. CCC's code of conduct bans sexual harassment of the workforce by managers and forced overtime, and requires decent health and safety conditions and payment of the legal minimum wage. CCC has nothing in its code of conduct about a living wage (it rejects the entire concept as unmeasurable) and respect for unions (which it sees as unnecessary).

### Success Indicators:

**Profit Maximization:** The CCC seeks to maximize the profits it makes from any venture in order to remain competitive with other major apparel companies.

**Price of Stock:** The CCC seeks to maximize the price of its stock, in order to maintain investor confidence. Without this, it will not have new revenue to invest in new projects.

**Corporate Image:** The CCC seeks to retain a positive, "cool" image among consumers, since it is this image that leads consumers to buy its products.

### Action Options:

#### Conditions of production:

- Require only that QPC keep prices low and quality high
- Require that QPC fire all union leaders as trouble makers
- Require QPC to enforce a ban on the sexual harassment of workers
- Require QPC to meet basic health and safety regulations
- Require QPC to require only a forty-hour work-week for its employees
- Require QPC to pay Tropica's legal minimum wage
- Require QPC to pay a living wage to its workers
- Require QPC to recognize the Workers United union and to engage in collective bargaining with it
- Other conditions:

#### Other actions:

- Alter CCC's code of conduct
  - Add a requirement for a living wage
  - Add a requirement to respect labor unions
  - Other
- Launch a PR campaign, touting CCC's own code of conduct as a solution to the sweatshop problem
  - Launch a PR campaign attacking SOS
  - Launch a PR campaign attacking CCSR
  - Sue SOS for libel
  - Sue CCSR for libel
  - Cut off all relations with schools that are members of the CCSR
  - Help QPC hire security guards to attack the union members
  - Ask the government of Tropicana to arrest the leaders of Workers United on terrorism charges
  - Hire death squads to assassinate the leaders of Workers United
  - Avoid the whole mess by canceling the contract with QPC and using another subcontractor not caught up in a labor dispute
  - Other:

## Workers United

Workers United is a labor union in Tropicana that has been focusing on organizing workers in the apparel industry, seeking to empower workers, improve working conditions and to raise their pay. Unlike some other unions, Workers United is progressive and has tried to remain independent of both companies and the government. Organizing the workers at Quality Production Company (QPC) is one of its current major goals. A majority of workers at QPC-- 74%--have already voted to recognize WU as their representative. The union is demanding that QPC recognize and engage in collective bargaining with it; pay the workers a living wage (four times their current wage, which is the prevailing one in the industry--and only half the legal minimum wage), improve health and safety conditions, enforce a ban on its managers sexually harassing the predominantly female workforce, and a forty-hour work-week with no forced overtime.

Labor organizing in Tropicana is not exactly a picnic. There is a long history of business and government sponsored violence against independent unions. The level of violence has gone down in recent years, but police attacks against protesters are not unusual and there are still occasional death squad attacks on progressive activist leaders.

### Success indicators:

**Worker Empowerment:** This measures the degree to which workers are able to exercise power in the workplace and society as a whole in order to influence decisions that affect their lives.

**Worker Quality of Life:** This measures the quality of workers' lives, not just in terms of basic health, but also things such as time off to spend with friends and family, and an environment free of intimidation and fear.

**Membership Size and Support:** This measures how large Workers United's membership is, and how active and enthusiastic they are about the organization.

### Action options:

- Organize a strike at QPC
- Sit-in: Occupy the QPC factory
- Seize control of the QPC factory and begin operating it under worker control
- Arson: burn the QPC factory to the ground
- Send a petition to CCC asking them to pressure QPC to respect workers' rights
- Send a petition to the colleges who are members of the CCSR asking them to pressure CCC to respect workers' rights
- Send WU members on tour in the US to raise consciousness about and support for workers' struggles in Tropicana
- Other

## Students Opposing Sweatshops

Students Opposing Sweatshops (SOS) is a national student organization that supports workers' rights, both in other countries like Tropicana and on their own campuses. They are also concerned about the lack of power students have at colleges and universities, calling for a democratization of college life, allowing students more input in decision-making. SOS was instrumental in pressuring the colleges and universities who are members of the CCSR to join, often engaging in sit-ins and similar tactics to pressure their administrations to join. SOS was also instrumental in writing up CCSR's code of conduct, which bans sexual harassment, requires good health and safety conditions, payment of a living wage, a forty-hour work-week without forced overtime, a ban on company- or government-controlled unions, and recognition of independent unions voted for by the majority of workers. SOS is a long time critic of CCC and its poor labor practices.

### Success Indicators:

**Worker Empowerment and Justice:** This measures the degree to which SOS succeeds in improving the conditions of workers and in empowering them to fight for their own rights.

**Student Empowerment:** This measures the degree to which students are able to exercise power on their own college and university campuses.

**Membership Size and Support:** This measures how large SOS's membership is, and how active and enthusiastic they are about the organization.

### Action Options:

#### With regard to CCC:

- Send a petition to CCC asking it to abide by its own code of conduct
- Send a petition to CCC asking it to abide by the CCSR's code of conduct
- Leaflet outside CCC's stores
- Call a consumer boycott of CCC
- Engage in "culture jamming"--guerilla art actions, such as altering billboards, that attack CCC's public image
- Physically attack and destroy CCC's brand-name stores--smash in the windows, burn the clothing, etc.
- Other

#### With regard to the CCSR member schools:

- Send a petition to the schools that are members of the CCSR to suspend CCC's contracts with them. Once CCC abides by the CCSR's code of conduct, the suspension could end and schools could continue to do business with CCC.
- Send a petition to the schools that are members of the CCSR to cancel CCC's contracts with them. Even if CCC mended its ways, schools would not do business with CCC, but use another company.
- Organize rallies on campus

Organize rallies outside high-profile fund-raisers and athletic events of CCSR member schools

Organize coordinated sit-ins at the administrative offices all CCSR member schools that have contracts with CCC

Arson: Burn down the athletics departments of all CCSR member schools that have contracts with CCC

Other

Other:

Organize a speaking tour of WU members in the United States

Other

## School Administrators of CCSR

The CCSR is an independent monitoring organization. It takes money from neither unions nor businesses. Instead, it does independent inspections of factories where there are complaints of sweatshop practices. It has, in the five years since its founding, built up a reputation as being accurate, so that even corporations generally accept its reports as true. At the same time, the CCSR is a clear supporter of labor rights, including freedom of association and collective bargaining. The CCSR's investigate arm has issued a report saying that conditions at the QPC are such that it qualifies as a sweatshop; the report also notes that the workers voted by a clear majority to join the Workers United union, but that QPC has refused to recognize it.

The ball is now in the court of the colleges and universities who are members of the CCSR. While a handful of school administrations were supporters of the CCSR from the beginning, most school administrations only joined reluctantly after being pressured--sometimes through sit-ins--to do so by SOS. CCC is clearly in violation of the CCSR's code of conduct, which bans sexual harassment, requires good health and safety conditions, payment of a living wage, a forty-hour work-week without forced over time, a ban on company- or government-controlled unions, and recognition of independent unions voted for by the majority of workers. This means that the schools should apply some sort of sanctions to CCC until it reverses course.

On the other hand, the contracts the schools have with CCC to produce licensed apparel for them is a major source of revenue for the schools.

### Success Indicators:

Resource Flow: This measures both how much money is coming into the schools and how much money they are spending. The schools' goal is to maximize their revenues, while minimizing their costs, spending only what is necessary to create a state of the art learning environment.

Campus Order: This measures the degree to which campus life remains orderly and classes, athletic events, and regular administrative tasks can be carried out without disruption.

School Reputation: This measures the school's popular reputation, particularly important in terms of drawing students to attend and in selling apparel with the school's logo on it. It also affects the amount of donations the school receives.

### Action Options:

#### With regard to CCC:

- Issue a warning to CCC
- Suspend contracts with CCC until such time as CCC rectifies the labor rights situation. Once CCC abides by the CCSR's code of conduct, the suspension could end and schools could continue to do business with CCC.
- Cancel all contracts with CCC and switch to another company permanently. Even if CCC mended its ways, schools would not do business with CCC.
- Leaflet outside CCC's stores
- Call a consumer boycott of CCC
- Engage in "culture jamming"--guerilla art actions, such as altering billboards, that attack

CCC's public image

- Physically attack and destroy CCC's brand-name stores
- Other

With regard to SOS:

Upon the following actions at school:

- Leafleting
- Protest rallies
- Sit-ins
- Arson

Take the following action towards participating students

- Issue a reprimand
- Send a letter notifying parents of students' disruptive, non-academic behavior
- Suspend the students
- Expel the students
- Have the police arrest the students and prosecute them in court
- Hire hit-men to assassinate the student leaders
- Other