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8 Colleges Sign On to Antisweatshop Proposal, With Caveats Over Possible Antitrust Violations

[By AUDREY WILLIAMS JUNE](#)

The success of the latest phase of the college antisweatshop movement hinges, in part, on whether college officials can be assured that supporting it will not get their institutions into legal trouble.

At least eight institutions have publicly endorsed the principles behind a proposal that calls for colleges to require that apparel bearing their logos be made only at factories that pay employees a living wage and that have legitimate unions. But those colleges have stopped short of backing the proposal to the letter.

At issue is whether doing business with certain factories, while freezing out others that do not comply with the new rules, is a violation of antitrust laws.

United Students Against Sweatshops, a national network of student labor activists that introduced the proposal last fall, is lobbying college administrators to back what is called the "designated-supplier program." All eight institutions that have signed on -- Duke, Georgetown, Indiana, and Santa Clara Universities; Smith College; and the Universities of Connecticut, Maine at Farmington, and Wisconsin at Madison -- are members of the Worker Rights Consortium, an independent monitoring organization that would oversee the program.

At the same time, though, conversations continue about the plan's potential conflicts and exactly how it would work.

"We believe strongly that this is a program with significant merit that reaches our overall goal to eliminate sweatshop labor," said Julie Bell-Elkins, associate dean of students at Connecticut and head of its antisweatshop efforts. "But if we're going to proceed, ... we want to make sure that it's just and it's legal."

Intense Discussions

Under the designated-supplier program, companies licensed to produce college apparel must use factories where workers are treated fairly. The companies would pay more than the industry norm for the goods that they bought from those factories, so that the factories could then pay workers a living wage. Students say sweatshop conditions would begin to disappear if, in return for respecting workers' rights, a designated group of factories received a steady stream of college-apparel business and fair prices for their work.

The Worker Rights Consortium, which comprises 152 member institutions and works closely with activist groups like United Students Against Sweatshops, would determine which factories the licensees could use. The companies would have to get at least 25 percent of their goods from those designated factories in the year the program went into effect. That proportion would go up to 50 percent the next year, and to 75 percent the third year. After that, according to the proposal,

institutions could decide whether to push licensees to have all college apparel produced at such factories.

Scott J. Nova, executive director of the Worker Rights Consortium, said he was not surprised by the intensity of the discussions the proposal had sparked among people at institutions committed to protecting the rights of workers in the global garment industry. "It's a very bold proposal. It has lots of facets," he said. "But I'm cautiously optimistic that, in the end, the university community will embrace this."

To help smooth the way, the consortium hired a lawyer to review whether the proposal created legitimate antitrust issues for colleges. A 20-page report stemming from the review says the designated-supplier program does not "run a significant risk" of violating the law, because colleges do not compete with one another in licensing their logos, or with the licensees and factories that may be excluded from the market.

What's more, "colleges do not stand to profit economically" by supporting the program, wrote the lawyer, Donald I. Baker, a former assistant attorney general in the Justice Department's antitrust division and a partner at Baker & Miller, a law firm in Washington.

Even so, antitrust claims could come from factory owners who believed that they should have been included among designated suppliers, Mr. Baker wrote. Or claims could be made by licensees whose contracts were terminated for a failure to abide by the terms of the program. The consortium's process of selecting designated suppliers and how it enforces the rules must be as fair and transparent as possible in order to minimize the number of such complaints, the lawyer wrote.

Lack of Critical Mass

The legal review "provided some comfort, but I don't think I can say that it resolved our concerns about exposure," said LaMarr Billups, special assistant to the chancellor at Wisconsin. "We would probably not be subject to an antitrust claim, but our licensees might be."

Officials on Wisconsin's flagship campus announced plans in December to begin an 18-month version of the designated-supplier program this fall ([The Chronicle](#), January 13). The Madison officials have since found out, however, that many of the companies that make its products have already signed contracts with factories for 2007, which means that it would be impossible to require them to use certain factories so soon, Mr. Billups said.

Wisconsin's program would differ from the student labor group's in that factories would need only allow unions, rather than have them in place. And the university is not asking licensees to pay the factories more so workers could earn a living wage. Student labor activists at Madison are upset that the university, which earns \$1.6-million annually from licensing fees, will not adopt the proposal in its entirety and move quickly to set up the program.

"I think students are frustrated with the pace, and as a result, they want to keep up some pressure on the university," said Mr. Billups, referring to a recent protest on the campus, at which members of the Student Labor Action Coalition marched into the chancellor's office demanding the institution's full support of the program. "They really feel like if we don't adopt the designated-supplier program wholeheartedly, no one else will," he said.

Such frustration is likely to build in coming months. Officials at Georgetown University, among other institutions, have yet to discuss the program with their licensees and suppliers. "We understand there are many details that need to be worked out in negotiation with the other

stakeholders that are involved," said Douglas B. Shaw, director of policy planning at Georgetown. "Getting universities involved would only be one step."

Still, most colleges agree that the designated-supplier program will not work unless several of the colleges, particularly those with large licensing programs, agree on its details and then together call on major apparel companies, like Nike, Adidas, and Reebok, to agree to the rules.

Alan Marks, director of corporate media relations for Nike, said in a written statement that company officials were discussing the proposal with several colleges and universities. Nike continues to "focus on driving ongoing improvement," he said, in the working conditions of the people who make its footwear and apparel, including college-licensed products.

<http://chronicle.com/daily/2006/03/2006030804n.htm>