Crisis at ‘Cotton Craft’ Factory

The Cotton Craft Garment factory in Amman, Jordan produces the Hanes label for Wal-Mart and the Athletech label for Kmart. As of Sept. 30, 2007 the National Labor Committee reported that the factory’s 110 Bangladeshi workers and 13 Sri Lankan workers are being held by Cotton Craft management without food, water and electricity. Several workers are seriously ill.

The punitive action is the result of the workers striking at the start of Ramadan, Sept. 15th, to protest years of abuse.

Long History of Violations

The workers’ nightmare began nearly three years ago, when they were recruited and promised good wages — more than $250 a month with overtime, one day off a week, free housing, free healthcare and food of high quality. The workers had to pay $1,500 or more — a great deal of money for their poor families — to purchase their contracts. Once in Jordan their torture began immediately.

For breakfast workers were given one piece of pita bread with lentils. Lunch consisted of rice and a small portion of meat or fish. Dinner was rice with eggplant curry and sometimes lentils.

Despite being forced to work 16 to 18 hours a day, the guest workers were not paid a single cent for the first three months of work. After a year, the workers were shifted to the Ferial Factory in the Janica Free Zone area where they worked for 2 1/2 months. From there, the workers were again transferred to the Dawiyima Factory. After one year, the owner, a Pakistani businessman, opened a new garment factory, Cotton Craft, and transferred all 123 Bangladeshi and Sri Lankan workers there. Throughout the entire period, the workers’ passports were confiscated and they did not receive their necessary residency permits.

Thus they could not venture outside the free trade zone without fear of being stopped and imprisoned or deported by police for failure to have their valid documents. After a few months, and after years of abuse, the owner was forced to surrender his factory to the Jordanian Ministry of Labor.

On June 6, 2007 the factory’s new management had pledged to the Jordanian Ministry of Labor to strictly adhere to all Jordanian Labor Laws. He agreed to pay every worker 2 3/4 months back wages along with social security payments, approximately 460 JD ($648.80), of which only 150 JD ($211.57) had been paid.

However, in July 2007, the Cotton Craft factory again stopped paying the six hours of daily compulsory overtime. When the workers asked for their proper overtime pay, management responded by beating two of the workers and firing them.

In August, 2007, the situation grew worse. Less than 70 percent of the workers received any pay at all, some receiving just their base wage of 110 JD per month ($155.15), and others even less, being paid only 80-90 JD ($112.84-$126.94). Workers had

Sweatshop. Source unknown.
Working Condition Falsification

The Chinese Ningbo Beifa Group prospered as a top supplier of pens, mechanical pencils, and highlighters to Wal-Mart Stores and other major retailers. But in late 2005 they learned that auditors from Wal-Mart would again inspect labor conditions at the factory. On three occasions Wal-Mart found Beifa paying its 3,000 workers less than China’s minimum wage and violating overtime rules. With a fourth offense Wal-Mart, under its own labor rules, would end the relationship.

So an employee with Shanghai Corporate Responsibility Management & Consulting Co. solved Beifa’s problem for a $5,000 fee. Consultants showed how to create fake, but authentic-looking, records and urged Beifa to remove any workers with grievances on the day of the audit. The consultant coached Beifa managers on what questions they could expect from Wal-Mart’s inspectors. The Beifa factory passed the audit in 2006 even though the company had not changed any of its practices.

An investigation by BusinessWeek magazine revealed that numerous Chinese factories keep double sets of books to fool auditors. They often distribute scripts for employees to recite if they are questioned. In addition, a new type of business has emerged — one in which consultants specifically help factories evade audits through tutoring.

The largest single source of American imports, China’s factories in 2006 shipped goods to the U.S. worth $280 billion. “American companies continually demand lower prices from their Chinese suppliers, allowing American consumers to enjoy inexpensive clothes, sneakers, and electronics. But factory managers in China complain in interviews that U.S. price pressure creates a powerful incentive to cheat on labor standards that American companies promote as a badge of responsible capitalism. These standards generally incorporate the official minimum wage, which is set by local or provincial governments and ranges from $45 to $101 a month. American companies also typically say they adhere to the government-mandated workweek of 40 to 44 hours, beyond which higher overtime pay is required. These figures can be misleading, however, as the Beijing government has had only limited success in pushing local authorities to enforce Chinese labor laws. That’s another reason abuses persist and factory oversight frequently fails.”

Some American companies now concede that the cheating is far more pervasive than they had imagined. “We’ve come to realize that, while monitoring is crucial to measuring the performance of our suppliers, it doesn’t per se lead to sustainable improvements,” said Hannah Jones, Nike Inc.’s vice-president for corporate responsibility to BusinessWeek. “We still have the same core problems.”

The problems in China aren’t limited to garment factories. Widespread violations of Chinese labor laws also surfaced in factories supplying everything from furniture and household appliances to electronics and computers. Hewlett-Packard, Dell and other companies that rely heavily on contractors in China to supply notebook PCs, digital cameras, and handheld devices have formed an industry alliance to combat these abuses.

A compliance manager for a major multinational company who oversaw many factory audits said the percentage of Chinese suppliers caught submitting false payroll records rose from 46% to 75% in the past four years. This manager estimated that 20% of Chinese suppliers comply with wage rules, while only 5% obey hour limitations. (Excerpted from http://www.businessweek.com/magazine/content/06_48/b4011001.htm)

Current Worker Demands

• That workers be paid back wages and benefits legally due them, including their overtime pay.
• That food, water, electricity and medical care be provided immediately to the workers, some of whom are very ill.
• That the constant threat of beatings and imprisonment be ended immediately.
• That workers passports be returned and residency permits provided.
• That workers be given freedom to relocate to another factory, where their legal rights would be respected.

(http://www.nlcnet.org/reports.php?id=462)
Jordanian Garment Factories: Abuses Widespread

The National Labor Committee reported in March 2007 about violations in eleven factories operating in Jordan. The reported allegations included the following:

The Group Talent Factory, located in Al Tajamouat Industrial City, which produces the label, ‘Lady Foot Locker.’

- No residency permits: For the last two years, 262 workers have been denied their necessary residency permits. Because of the worker protest, management filed trumped up charges against 10 workers who feared they would be forcibly deported for asking for their legal rights.

The Needle Craft Factory, located in Al Dulayl Industrial City, has 1,600 workers, almost all women: 800 from Bangladesh, 400 from Sri Lanka and 400 from Jordan.

- Forced overtime without pay;
- Routine seven-day work weeks;
- Sick days punished with deduction of two days’ wages;
- No residency permits.

The Silver Planet Factory, located in Al Tajamouat Industrial City, produces Wal-Mart’s ‘Faded Glory’ label. There are 1,200 workers at the Silver Planet factory—600 Bangladeshi workers, 400 Sri Lankans, 50 Indians and 150 Jordanians.

- Workers’ passports confiscated;
- Workers paid below the legal minimum wage;
- Workers shortchanged on overtime pay;
- Workers asking for their legal rights are deported. (http://www.nlcn.org/article.php?id=241)

One hundred and fifteen Bangladeshi workers purchased contracts to work at the Al Shahaed Garment factory in Irbid, Jordan by each paying $1-3,000.

Upon their arrival at the airport, management immediately confiscated their passports. The workers were not provided with residency permits, without which they could not go out without fear of being detained by the police for lack of proper papers.

Once in the Al Shahaed factory, the workers found themselves forced to work shifts of 15, 38, 48 and even 72 hours straight, often going two or three days without sleep. They worked seven days a week. Workers who fell asleep at their sewing machines would be slapped and punched. Instead of being paid the $250 a month that the ad promised, the workers earned two cents an hour, or $2.31 for a 98-hour workweek. Workers who asked for their legal wages could be imprisoned up to three days without food. Workers who criticized the food the company provided were beaten with sticks and belts. Twenty-eight workers had to share one small 12-by-12-foot dorm room, which had access to running water only every third day. These workers sewed clothing for Wal-Mart.

When, in desperation, the workers demanded their legal wages, they were forcibly deported and returned to Bangladesh without their back wages. Many of these workers are now hiding in Dhaka City and peddling bicycle rickshaws to survive. They cannot return to their home villages because they have no possible way to pay off the mounting debt they incurred to go to Jordan in the first place.

The U.S.-Jordan Free Trade Agreement went into effect in December, 2001. Apparel exports from Jordan to the U.S. soared by 2,300 percent, growing from $52.1 million in 2000 to $1.2 billion in 2006.

Jordan has 88 labor inspectors to oversee 98,000 business operations. To date Jordan has not prosecuted any factory owner for violations of worker rights. The government also has not pressed sufficiently to guarantee that workers collect back wages, once a factory has been charged with violations. (http://www.nlcn.org/article.php?id=281)
Starbucks Celebrates Fair Trade Month

Starbucks Coffee Company™ joined in the celebration of the fourth annual Fair Trade Month sponsored by TransFair USA. As one of the largest purchasers of Fair Trade Certified™ coffee in the world, Starbucks wanted to help build awareness of TransFair USA’s work.

As part of Starbucks ongoing commitment to sustainably source coffee and to engaging with coffee farming communities, Starbucks will be featuring 100% Fair Trade Certified™ Café Estima Blend™ as the “Coffee of the Week” in participating Company-operated and licensed stores in the United States and Canada for three weeks in October. The Café Estima Blend™, a blend of Latin American and African coffees, has a smooth texture and a complex flavor profile.

“We are extremely pleased to promote Fair Trade Certified™ coffees,” said Dub Hay, Starbucks senior vice president, Coffee and Global Procurement. “We share many common goals with TransFair USA, including our mutual commitment to helping ensure coffee farmers are treated fairly, and to providing a platform for them to invest for their future.”

Paul Rice, the founding President & CEO of TransFair USA, stated, “Starbucks commitment to fair trade shows that one can give consumers a great product while still paying farmers a fair wage and taking care of the environment. Featuring Fair Trade Certified™ coffee during October, helps Starbucks customers make a tremendous difference in the lives of thousands of family farmers.”

In fiscal 2006, Starbucks purchased 18 million pounds of Fair Trade Certified™ coffee, a 50 percent increase over the 11.5 million pounds purchased in fiscal 2005. This represented 14 percent of global Fair Trade Certified™ coffee imports and about 30 percent of Fair Trade Certified™ coffee imported into the U.S.

Starbucks is increasing the use and visibility of Fair Trade Certified™ coffee throughout their business by:

- Working actively with TransFair USA to promote Fair Trade Certified™ coffee;
- Highlighting our 100% Fair Trade Certified™ Café Estima Blend™, as “Coffee of the Week” periodically throughout the year;
- Selling whole bean and ground 100% Fair Trade Certified™ Café Estima Blend™ coffee by the bag;
- Making additional Fair Trade Certified™ coffee options available at college and university campus stores;
- Selling Fair Trade Certified™ coffee under the Kirkland Signature brand in Costco stores in the U.S. and Canada;
- Utilizing it in a variety of coffee blends. These blends, however, cannot be marketed or sold as Fair Trade Certified™ because Fair Trade beans do not comprise 100 percent of the product. (http://www.csrwire.com/PressRelease.php?id=9810)

About TransFair USA:

TransFair USA is the only independent, third-party certifier of Fair Trade Certified™ products in the U.S. TransFair USA audits and certifies transactions between U.S. companies offering Fair Trade Certified products and their international suppliers to guarantee that the farmers and workers producing Fair Trade Certified goods were paid fair prices and wages. TransFair USA certifies coffee, tea, herbs, vanilla, cocoa, chocolate, rice, sugar, bananas and flowers. (http://www.csrwire.com/PressRelease.php?id=9810)
Katelho, a Sister of the Holy Names of Jesus and Mary from Lesotho, uses a local radio station to educate people about human trafficking.

“Human trafficking is a horrific crime against the basic dignity and rights of the human person and all efforts must be expended to end it. In the end, we must work together—church, state, and community—to eliminate the root causes and markets that permit traffickers to flourish; to make whole the survivors of this crime; and to ensure that one day soon trafficking in human persons vanishes from the face of the earth.”

More Needs to Be Done to Eliminate Sweatshops

In 1938 President Roosevelt signed the Fair Labor Standards Act (FLSA). This law sets a minimum wage, requires overtime pay after 40 hours a week, and prohibits child labor and industrial homework. It brought protection and relief to tens of thousands of people working in factories. Today FLSA is not always enforced and violations continue. Sweatshops remain a familiar fixture in the garment industry. The U.S. Department of Labor (DOL) estimates that 50% of 22,000 registered garment contractors pay less than minimum wage, two-thirds do not pay overtime and one-third operate with serious health and safety violations. Workers who try to organize and protest poor working conditions are often fired. (http://heartsandminds.org/articles/sweat.htm)

Consumers must do more to demand that the products they buy have not been made under sweatshop conditions.

**What You Can Do**

1. **Demand sweatshop-free products where you shop**
   When you shop for clothing, shoes, or household items, fill out a customer comment card and ask the company to work with their suppliers to make sure that workers are paid a living wage and treated fairly. Or visit the company’s web site and send a message online.

2. **Buy union-made**
   When buying new clothing, look for the union label, or make your purchases from the socially responsible businesses listed in the National Green Pages™.

3. **Buy Fair Trade**
   Fair Trade is an economic system that ensures healthy working conditions, self-determination, and fair wages for workers. Look for the Fair Trade Certified™ label on coffee, tea, chocolate/cocoa, bananas, mangoes, pineapples and other fresh fruit.
   If your supermarket or local health food store doesn’t stock Fair Trade products, ask them to do so and explain why. At restaurants, suggest the addition of Fair Trade Certified™ coffee, tea and sugar to the menu.

4. **Ask questions**
   If you are unsure about whether or not a company is working to transform the factories that make their products into places where people are paid a living wage and treated fairly, then ASK.
   • Does your store guarantee that the workers who made this product were paid a living wage, enough to support their families?
   • Does your store have a code of conduct that protects human rights and forbids child labor and unsafe conditions in all the factories that make the products you sell? How do you enforce these rules?
   • Are your factories monitored by independent, third-party sources?
   If the company does not have good answers for these questions, it is not doing enough to stop sweatshops.

5. **Mobilize in your workplace, school, or community**
   Work with your coworkers to ensure that the company uniforms are sweat-free. Work with members of your faith community or educational institution to develop a sweatshop-free purchasing policy.
   Call 1-800-58-GREEN to order a free copy of Co-op America’s Guide to Ending Sweatshops to help you with your efforts.

6. **Use shareholder clout**
   If you own stock in individual companies, check the proxy ballots that you get in the mail and vote in support of any shareholder resolutions that require the company to improve its labor policies.
   Also, if you put money into mutual funds, some of these investors refuse to invest in companies that demonstrate indifference to workers’ welfare, while others engage in the practice of shareholder action to get companies in which they invest to improve their labor practices. Over the past few years, mutual funds such as Calvert and Domini Social Investments have been working to get companies such as Dillard’s and Wal-Mart to adopt policies that ensure their products aren’t being made under sweatshop conditions.
   To find a mutual fund that screens out companies with bad labor practices or engages in shareholder advocacy, consult the financial planning section of Co-op America’s National Green Pages™ or order a copy of Co-op America’s Guide to Shareholder Action.

7. **Educate Others**
   Let others know what they can do to put an end to sweatshops.
   (http://www.coopamerica.org/programs/sweatshops/whattoknow.cfm)
Encourage Shareholders to Petition

The US Securities and Exchange Commission has proposed new rules that would restrict the right of shareholders to petition corporations at their annual meetings, thereby shutting down public discussion around controversial issues. Non-governmental organizations (NGOs) have used this technique to put pressure on large companies to improve their human rights practices.

In 2004, Oxfam joined the Coalition of Immokalee Workers in convincing Yum! Brands, the parent company of Taco Bell, Pizza Hut, and others, to increase the amount they pay to their tomato farmers. The success of that campaign was because Oxfam worked with the company’s shareholders—a critical voice in any large company. More than 40 percent of the shareholders in Yum! Brands, representing a $3 billion stake in the company, believed that fair wages should be part of the company’s business model.

Encourage shareholder friends to write to the Security and Exchange Commission to protest this change in rules and to pressure their companies to promote just labor practices.

Wisconsin Moves Toward Anti-Human Trafficking Legislation

A bipartisan group of WI senators and representatives announced their intent to introduce new legislation. Patrice Colletti SDS, involved in lobbying for this law said, “It is a good start, although it is not yet a perfect law. We will continue to work with our legislators so Wisconsin does the just thing for the vulnerable people of its state.”

Hands That Heal: International Curriculum to Train Caregivers of Trafficking Survivors

The curriculum is the result of a collaboration among more than 40 academicians and field practitioners from diverse backgrounds and organizations that address the needs of trafficked individuals. To obtain a copy, contact FAAST at:

625 Slaters Lane
Alexandria, VA 22314
faast@worldhope.net

(888) 466-4567


Suggested Donations:

$75 Complete Hands That Heal Package (includes printed versions of the Academic Edition and the Community-based Edition, and a CD-ROM. Each CD-ROM contains both Editions plus additional chapters)

$45 Academic Ed., plus CD-ROM

$30 Community-based Ed., plus CD-ROM

Please makes checks out to: FAAST, c/o World Hope International (the fiscal agent of FAAST).

Informative Web Sites:

(Each contains information related to human trafficking)

National Labor Committee
Testimony on Sweatshops
http://www.nlcnetwork.org/article.php?id=203

Sweatshop Bills in the U.S. Congress
http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:s367is.txt.pdf

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h199j2is.txt.pdf

Starbucks
http://www.starbucks.com

FairTradeCertified
http://www.FairTradeCertified.org

Just Coffee
http://www.justcoffee.org

U.S. Security and Exchange Commission
http://www.sec.gov/

National Green Pages™
($11. at 1-800-58-GREEN)
http://www.coopamerica.org/programs/sweatshops/resources.cfm

Stop Trafficking!
is dedicated exclusively to fostering an exchange of information among religious congregations, their friends and collaborating organizations, working to eliminate all forms of trafficking of human beings.

Use the following web address to access back issues of Stop Trafficking!

To contribute information, or make requests to be on the mailing list, please use this e-mail address: jeansls2000@yahoo.com

Editing and Layout: Jean Schafer, SDS

Train the Trainer Seminar

On November 14, 2007 the San Jose CA Police Department’s Human Trafficking Task Force will present a day-long ‘Train the Trainer’ Seminar, funded by a grant from the U.S. Dept. of Justice, and supported in part by the South Bay Coalition to End Human Trafficking.

For information contact:
Sgt. John Vanek, San Jose Police Department Vice Unit, Human Trafficking Task Force Program Manager, 408-277-4322

Hands That Heal: International Curriculum to Train Caregivers of Trafficking Survivors

The curriculum is the result of a collaboration among more than 40 academicians and field practitioners from diverse backgrounds and organizations that address the needs of trafficked individuals. To obtain a copy, contact FAAST at:

625 Slaters Lane
Alexandria, VA 22314
faast@worldhope.net

(888) 466-4567


Suggested Donations:

$75 Complete Hands That Heal Package (includes printed versions of the Academic Edition and the Community-based Edition, and a CD-ROM. Each CD-ROM contains both Editions plus additional chapters)

$45 Academic Ed., plus CD-ROM

$30 Community-based Ed., plus CD-ROM

Please makes checks out to: FAAST, c/o World Hope International (the fiscal agent of FAAST).