



WAL-MART'S GLOBAL LABOR VIOLATIONS

From China to Bangladesh to the Dominican Republic, Wal-Mart's record of labor violations is abysmally high. And their audits of factories, due to tricks factory owners pull to conceal real working conditions, are neither successful in stemming the problem, nor address its root: the economic pressure Wal-Mart puts on suppliers to slash prices to the bone, resulting in low wages, excessive overtime and physical abuse and thwarting workers' attempt to unionize. A recent story in the Guardian UK documented many of these abuses in Bangladeshi supplier factories, while a Human Rights Watch letter points out Wal-Mart's neglect of the labor rights of its domestic U.S. workforce even as media attention focuses abroad.



Above: Factory workers in Shenzhen, China, assemble stereos for Wal-Mart. [Photo courtesy of the Washington Post.]

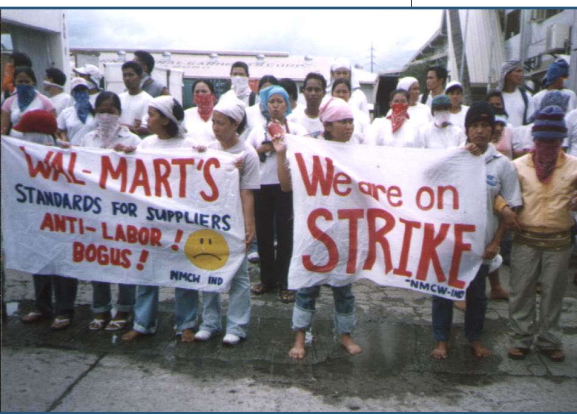
IN CHINA

Factory Inspectors “Coach” Employees to Lie About Working Conditions. A June, 2007 report by Students and Scholars Against Corporate Misbehavior (SACOM) investigating Wal-Mart's auditing procedures of five Chinese toy factories in exporting cities Shenzhen and Zhuhai found that the factories were going to great lengths to conceal labor abuses, in order to continue their ruthless cost-cutting measures. The report noted that “managers conducted ‘training sessions’ with workers on how to answer questions from Wal-Mart's auditors in preparation for pre-announced inspections. At these trainings, managers warned workers, ‘If you answer auditors’ questions incorrectly, we get to lose orders and you get to lose your job.’” [Students and Scholars Against Corporate

Misbehavior, June 2007]

“Scripting” Responses Given to Auditors. “At the Kam Long toy factory in Zhuhai, managers resorted to fraudulent tactics by preparing a set of scripts for frequently asked questions, forced workers to commit a standardized answer key to memory in dealing with an upcoming Wal-Mart audit. On the day of the audit, all the workers without labor contracts, workers without social insurance, and novice workers were required to take a day off to avoid detection”. [Students and Scholars Against Corporate Misbehavior, June 2007]

Workers Threatened and Bribed to “Correctly” Answer Auditors’ Questions. “The management at Kam Long also uses threats and bribes to compel workers to answer auditors’ questions in accordance with a 4-part question and answer sheet (SACOM translated the document from Chinese to English below; see Appendix II for the text). The “standard key” shows how far cheating on CSR audits has gone. Management gives each production line the paper and takes it back after workers have committed it to memory. It is part of the tool in coaching the workers to ensure the factory passes the audit. We learned that the information on the working conditions regarding wages, overtime compensation, working hours, rest days, occupational health and safety training, codes of conduct, and grievance management system, is untrue.” [Students and Scholars Against Corporate Misbehavior, June 2007]



Above: Employees at Chong Won, a Wal-Mart supplier factory in the Philippines, strikes for better working conditions. [Photo courtesy of Workers' Rights Consortium]

Wal-Mart Fails to Implement Code and Cannot Protect Workers. "Wal-Mart's Code is not effectively implemented in the 5 supplier factories and its ability to protect the workers is drastically compromised by the loop-holes built into the existing monitoring model. The fact is that only a certain proportion of the supplier factories are audited every year, and the vast majority if not all of these audited factories receive prior notification before the actual date of the audit. Since the management of the factories can have time to prepare fake reports and evidence, and to coach workers not to tell the truth, this monitoring model is obviously not a viable way to assure factory compliance with the legal, human and worker rights standards" [Students and Scholars Against Corporate Misbehavior, June 2007]

IN THE PHILIPPINES

Filipino Workers Protesting Wal-Mart. Workers at the Chong Won factory in the Philippines went on strike last year to protest management's refusal to sit down with their union and negotiate. They were later sacked for striking. The workers, who produced clothing for Wal-Mart, had numerous complaints against the supplier factory including low wages, long hours, and intimidation by management. [Financial Times, 4/16/06]

IN EGYPT

Shutting Down The Factory Without Fair Compensation. In April 2007, the workers of Mansoura-España garment factory went on strike after they were informed that the owners were selling the factory. The workers' wages are not sufficient to cover their basic needs as they make only \$30-\$40 a month. Their dire situation been exacerbated by the fact that the company has not paid their last 17 bonuses since 1999. [Daily Star Egypt, 5/20/07]

Wal-Mart Was A Mansoura-España Client. Mansoura-España courted product orders from Wal-Mart from 2003 to 2006. The orders were given to Misr Garments Company and Giza Spinning and Weaving Company who then subcontracted out to Mansoura-España. Wal-Mart has audited the company before and is aware of its labor violations. [Arabawy, 6/19/07]

IN BANGLADESH

Always Low Prices, Always Low Wages. The Guardian interviewed eight workers from seven factories in Bangladesh and all but one of them claimed to work 12-hour days and sometimes through the night to finish an order. They were paid 8 cents an hour and this was not enough to support their families. They were also denied freedom of association and many of their co-workers had been fired for attempting to organize a union. [The Guardian, 7/16/07]

Same Story, Different Year. In December 2006, War On Want released a report titled "Fashion Victims" that documented similar issues in garment factories in Bangladesh. The report also noted that Asda made a public commitment to pay a living wage to suppliers but clearly, has failed to do so. [War On Want, 12/8/06]

Exploiting Child Labor. In 2006, the National Labor Committee uncovered a fac-



Above: Dust in the air at TOS Dominicana in the Dominican Republic has caused health problems for many workers. [Photo courtesy of United Students Against Sweatshops]

tory in Bangladesh where an estimated 200 to 300 children were discovered sewing pants for Wal-Mart. They were routinely beaten, forced to work overtime, cheated out of their wages, given phony time cards and told to lie about their age. [National Labor Committee, 2006]

IN THE DOMINICAN REPUBLIC

WRC Uncovers Problems In Central America. The Workers Rights Consortium recently released a report about the TOS Dominicana textile factory in the Dominican Republic which is owned and operated by Hanesbrands Inc. The factory supplies heavily to Wal-Mart. According to WRC, labor violations abound at the factory, including employing

coercive measures to have workers sign new employment contracts, forced and unpaid overtime, verbal harassment and abuse, and use of various illegal means to disrupt workers' attempts to unionize. [Workers Rights Consortium, June 2007]

CRITICISM FROM LABOR RIGHTS GROUPS

Rejecting Wal-Mart's Role In The Global Social Compliance Programme. Recently, Clean Clothes Campaign was invited to be a stakeholder for the GSCP. CCC declined the invitation stating that Wal-Mart's involvement was antithetical to the mission of the GSCP especially as the retailer had a history of violating the human and labor rights of workers, particularly regarding freedom of association. [Clean Clothes Campaign, 6/8/07]

GSCP Fails To Protect Rights of U.S. Wal-Mart Workers. The GSCP is described as "shared and global approach for the improvement of working conditions in the global supply chain". As a letter by Carol Pier of Human Rights Watch points out, however, while Wal-Mart is a participant in the program, its measures do not apply to the retailer's over 1.3 million U.S. workers. In its report *Discounting Rights: Wal-Mart's Violation of US Workers' Right to Freedom of Association*, Pier and other researchers documented the aggressive anti-union tactics Wal-Mart employs against its domestic workforce. [Human Rights Watch, 7/17/07]

ADDITIONAL RESOURCES

Wal-Mart Watch International: <http://walmartwatch.com/international>

Chong Won Workers Strike: http://walmartwatch.com/pages/global_labor_orgs_demand_justice_for_chong_won_factory_workers/

Workers Rights Consortium report: http://www.workersrights.org/Freports/Chong_Won_Report_2-21-07.pdf

Mansura-España Garment Factory: <http://www.arabist.net/arabawy>

The Guardian: <http://business.guardian.co.uk/story/0,,2127243,00.html>

Students and Scholars Against Corporate Misbehavior (SACOM): www.sacom.hk

Human Rights Watch letter to Claudine Musitelli, Manager of the Global Social Compliance Program: <http://hrw.org/english/docs/2007/07/17/global16410.htm>