

Wal-Mart's Global Labor Violations

The Guardian UK recently published a story documenting the labor violations committed by Bangladeshi factories which supply to Asda and two other British big box retailers. The workers accuse management of paying low wages, demanding excessive overtime, and inflicting physical abuse.

Unfortunately, this is not the first time such accusations have emerged against Asda or Wal-Mart. Over the past few years, the retailer has accumulated a bevy of sweatshops to produce cheap goods at the cost of exploited labor. From Bangladesh to Dominican Republic to the Philippines, Wal-Mart's record of labor violations is abysmally high.

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]

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]



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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 title “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 factory 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 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 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]

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]



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CRITICISM FROM CLEAN CLOTHES CAMPAIGN

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]

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



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