

Stop Trafficking !

Anti-Human Trafficking Newsletter



Awareness

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Co-Sponsored by:

- Sisters of the Divine Savior
- Capacitar International, Inc.
- Sisters of Mercy International Justice Network

1 This issue highlights how consumer behavior and corporate decisions that improve the 'bottom line' fuel human trafficking globally and hurt workers locally.

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Sweatshop Labor In China

In-depth investigations by watch groups of 16 factories in China (producing car stereos, bikes, shoes, sneakers, clothing, TVs, hats and bags for some of the largest U.S. companies) clearly demonstrate that Wal-Mart, Nike, Huffy, etc. and their Chinese contractors continue to systematically violate the most fundamental human and worker rights, while paying below subsistence wages. US companies, such as Wal-Mart -- the largest retailer in the world and the largest importer of goods into the US, together with its 1,000 contractors in factories hidden across China -- operate with impunity, often in open collaboration with repressive and corrupt local government authorities.

Kathie Lee handbags (priced under \$10) are made for Wal-Mart at the *Qin Shi factory in Sanxiang Town, Zhongshan City, Guangdong Province, China*. The Qin Shi factory has 1,000 workers (90% of them young men 16 to 23 years of age) held under conditions of indentured servitude. The workers are housed 16 people to each small, crammed dorm room. The workers are charged US\$67.47 for dorm and living expenses. All new employees are illegally charged a deposit of US\$9.64 for a three-year work contract. Further deductions from the workers' wages are made for their temporary residency and work permits.

Workers are forced to work 12-14

hours/day, seven days/week (115.5 hours) with only one day off a month. But they are paid for only 14 hours/day (98 hours/week). When a worker uses the bathroom, the company confiscates his/her factory I.D. and monitors the time spent. If away from a workstation for more than eight minutes the worker is severely fined.

The highest take-home pay the researchers found in the Qin Shi factory

was 10 cents/hour. Some earned 36 cents/month, just 8/100th of a cent an hour! At the Qin Shi factory the average wage was 3 cents/hour; the highest was 10 cents/hour, with 46% of the workers earning nothing at all and, in fact, owing money to the factory. This where, by Chinese standards in the area of the Qin Shi factory, a lower middle-class family of three would

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Wal-Mart Growth (as of Nov. 2005)

Wal-Mart Stores, Inc. is the world's #1 retailer, with more than 5,700 stores, including some 1,350 discount stores, nearly 2,000 combination discount and grocery stores (Wal-Mart Supercenters in the US and ASDA in the UK), and 550 warehouse stores (SAM'S CLUB).

Nearly 75% of its stores are in the US, but Wal-Mart is expanding internationally. It is the #1 retailer in Canada and Mexico.

It owns 42% of Japanese supermarket chain SEIYU. Wal-Mart also has operations in Asia, Europe, and South America.

Founder Sam Walton's heirs own about 40% of Wal-Mart.

2005 Sales:	+285,222,000,000
1 Yr. Sales Growth:	+11.30%
2005 Net Income:	+10,267,000,000
2005 Employees:	1,700,000

Colonizing the world through relentless expansion, Wal-Mart opens a new megastore every two business days and has expanded on average into one new country every year. A truly global company, Wal-Mart has redefined the shopping experience for the American consumer.

(<http://www.pbs.org/itvs/storewars/film.html>)

If Wal-Mart were a country "it would be China's fifth-largest export market, ahead of Germany and Great Britain."

(www.organicconsumers.org/politics/walmart32905.cfm)



Awareness

Did you know?

- China accounts for 60% of all the shoes imported to the U.S. (retail value: over \$16.9 billion).
- China accounts for 95% of all the stuffed toys imported to the U.S. (retail value: over \$3 billion).
- China accounts for 57% of all the telephones imported to the U.S. (retail value: over \$2.4 billion).
- China accounts for 27% of all the wooden furniture imported into the U.S. (retail value: \$1.3 billion).

(Source: <http://www.nlcnet.org/campaigns/archive/chinareport/introduction.shtml> The web site also features videos and other reports.)

China

cont. pg. 1

need US\$350./month for rent, food and utilities.

All overtime work in the factory is mandatory; yet the workers receive no overtime premium, earning always the same standard 'piece rate'. The 98-hour workweek at Qin Shi exceeds the legal limit on total overtime by 200 percent. (China's labor law states that overtime cannot exceed 36 hours/month, or 9 hours/week over the regular 40-hour, 5-day workweek).

The workers are allowed out of the factory for just 1.5 hours/day. Yet many fear leaving the factory at all because, before entering the Qin Shi factory, management confiscates the identification documents of each worker. When someone goes outside, the company also takes away their factory I.D. tag, leaving them with no identification. If one were stopped by the local security police that person could be detained and deported back to his/her rural province as an illegal migrant. Many of the workers did not even have enough money to pay for bus fare to leave the factory to look for other work.

When some workers protested their working conditions, eight hundred workers were fired.

Sweatshop Zones

Free Trade Zones (FTZs) are areas of a country where a sovereign state gives up its sovereignty for commercial exploitation. These are areas of low tax, non-existent environmental and social regulation. Trade unions are usually banned. If tax havens provide loopholes in which capital hides, FTZs provide territory in which capital invests. For multi-national corporations, FTZs are areas of land that can be easily united into one big global operation with minimum external interference.

The best known of the FTZs are the *maquilladoras* on the Mexico-US border. Goods are sent from the US to be assembled by cheap Mexican labor, then re-exported back to the US. The workforce is mainly young, single Mexican girls earning less than \$1 a day. The workforce turnover is 180% per year. The area is characterized by poor working, living and health conditions. The area is heavily contaminated with toxic waste, such as highly toxic PCBs (See article on MasterLock).

Export Processing Zones are similar to FTZs. Materials and component parts are brought in tax-free, to be manufactured, assembled, and then re-exported tax-free. Non-unionized, poorly-paid workers carry out the work in poor working conditions. (<http://www.heureka.clara.net/gaia/globalo2.htm>)

Sweatshop Labor

According to the *International Labor Rights Fund (ILRF)*, Wal-Mart workers from around the world came together to sue Wal-Mart in a California Superior Court on September 13, 2005, citing a wide range of labor abuses. Plaintiffs in the case included men and women from California, Bangladesh, China, Indonesia, Nicaragua, and Swaziland, who recounted numerous violations of international labor standards under the responsibility of Wal-Mart.

The ILRF claims that Wal-Mart "failed to meet its contractual duty to ensure that its suppliers pay basic wages due; forced [workers] to work excessive hours seven days a week with no time off for holidays; obstructed [workers'] attempts to form a union; and, made false and misleading statements to the American public about the company's labor and human rights practices."

According to the ILRF, Wal-Mart presents foreign suppliers with a Supplier Standards Agreement that makes compliance with Wal-Mart's corporate code of conduct a prerequisite for any supplier-purchaser relationship. The code of conduct inclusion is intended to serve as a built-in protection for workers at foreign factories. Workers have the right to enforce these standards if employers fail to do so, and the ILRF states that the governments of countries represented in this case lack the necessary legal infrastructure to adequately redress grievances related to labor abuses. Source: International Labor Rights Fund (www.laborrights.org)



Awareness

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This year we plan to create more than 100,000 new jobs in the US. It takes a lot of talent to fuel that growth, which in turn offers advancement opportunity for associates who want to run some of our 58 in-store departments or move into management.

The truth about jobs:

In the first decade after Wal-Mart arrived in Iowa, the state lost 555 grocery stores, 298 hardware stores, 293 building supply stores, 161 variety stores, 158 women's apparel stores, 153 shoe stores, 116 drugstores, and 111 men's and boys' apparel stores. Kenneth Stone, Iowa State University, *Impact of Wal-Mart Stores and Other Mass Merchandisers in Iowa, 1983-1993*, Economic Development Review, Spring 1995

Our average wage for full-time hourly store associates – such as cashiers, stockers, and sales associates – is almost twice the federal minimal wage.

The truth about salary:

Wal-Mart sales clerks made an average of \$8.23 an hour—or \$13,861 a year—in 2001. That's nearly \$800 below the federal poverty line for a family of three. Anthony Bianco and Wendy Zellner, "Is Wal-Mart Too Powerful?" *BusinessWeek*, October 6, 2003

Wal-Mart benefits – available to full- and part-time associates – include healthcare insurance with no lifetime maximum. Associate premiums begin at less than \$40 per month for an individual and less than \$155 per month for a family, no matter how large.

The truth about insurance:

Part-time Wal-Mart workers are not eligible for family medical coverage and become eligible for individual coverage after two years with the company, said Dan Fogleman, Wal-Mart spokesperson. John Heys and Paul Wilson, Wal-Mart tops state CHIP list: Retailer stands out in program for uninsured kids, *Charleston (W. Va.) Gazette*, December 26, 2004

We promote from within. Seventy-six percent of our store management team started at Wal-Mart in hourly positions.

The truth about promotion:

Wal-Mart is a defendant in a historic class action lawsuit alleging that the company discriminates against women in promotions, jobs assignments, training, and pay throughout the U.S. Judge certifies Wal-Mart class action lawsuit: Plaintiffs' attorneys: 1.6 million women charge discrimination, *The Associated Press*, June 22, 2004

Other benefits include a profit-sharing/401(k) plan, merchandise discounts, company-paid life insurance, vacation pay and pay differential for those in active military service. More than half of our associates own company stock through our associate purchase plan.

The truth about benefits:

According to the Brennan Center, Costco's workers make an average of \$15.97 per hour, a full 38 percent more than the \$11.52 per hour average paid by Sam's Club. Costco also pays thousands more for workers' health and retirement and includes more of its employees in its health care, 401(k), and profit-sharing plans. Employee turnover is considerably lower: 6 percent for Costco, 21 percent for Sam's Club. Paul Lightfoot, *Adequate Minimum Wage Helps Businesses, Workers, Economy*, *The Journal News (N.Y.)*, June 16, 2004



Seventy percent of Wal-Mart's hourly associates in the US work full-time. That's well above the 20 – 40 percent typically found in the retail industry.

The truth about hours:

Wal-Mart's low wages mean full-time work doesn't necessarily make employees wealthier. In fact, all else being equal, U.S. counties where new Wal-Mart stores were built between 1987 and 1998 experienced higher poverty rates than other U.S. counties. Stephan J. Goetz and Hema Swaminathan, "Wal-Mart and County-Wide Poverty," *Pennsylvania State University*, October 18, 2004

What Wal-Mart Says

(Source: Wal-Mart Fact Checker www.purpleocean.org/walmart)

Our workforce is unique in its size and diversity - full-time career professionals, to students working their way through college, from senior citizens seeking a break from retirement to people with disabilities.

Given those facts it is a surprise that more than half the associates we surveyed said the benefits' package, including healthcare, was a very important factor in their decision to accept a position at Wal-Mart.

Thank you for being open to all the facts about Wal-Mart. You can learn more at a Web site we are launching today – Sincerely,

*Lee Scott, President and CEO
Wal-Mart Stores, Inc.*

The truth about diversity:

A 2003 federal investigation into the employment of illegal immigrants to clean Wal-Marts around the country resulted in 250 arrests at 60 stores spread across 21 states—and caused the federal government to inform Wal-Mart that they face an investigation into whether Wal-Mart executives knew their cleaning contractors were using illegal employees. Judge rules for illegal immigrant janitors, *Associated Press*, January 3, 2005 *Illegal Immigrant Workers Sue Wal-Mart*, *Associated Press*, November 9, 2003 (Source: Wal-Mart Fact Checker www.purpleocean.org/walmart)



4 Testimony Before Congress

The information that follows was taken from "Wal-Mart: The Anatomy of a Bad Neighbor - Workers, Business and Society Suffer When a Wal-Mart Comes to Town" A Report given in the US House of Representatives by Anthony D. Weiner, US Rep. 9th CD New York, Brooklyn-Queens December 2004. Each statement proffered is backed up with references to an original source, though not shown here. (Sources: <http://www.house.gov/weiner/report37.htm>) and the TV program PBS Frontline: <http://www.pbs.org/wgbh/pages/frontline/shows/walmart/>).

A. Wal-Mart Violates Workers' Rights

1. Employee Wages Are Illegally Low:

- Nationally, the average supermarket employee made \$10.35 per hour in 2003, while sales clerks at Wal-Mart made only \$8.23 per hour – 20% less than the average. With an average workweek of 32 hours, most Wal-Mart workers take home less than \$1,000 per month after taxes.
- Wal-Mart has frequently resorted to illegal tactics to withhold wages (<http://walmartwatch.com/>):
 - o In Colorado in 2001, 69,000 Wal-Mart workers received over \$50 million in unpaid wages to settle a class action lawsuit alleging off-the-clock work.
 - o In Oregon in 2002, a jury ruled in favor of 400 employees in 27 Wal-Mart stores who sued for unpaid, off-the-clock overtime. The suit claimed managers deleted hours from time records and told employees to work even after they clocked out.
 - o According to the United Food and Commercial Workers, "Wal-Mart faces 38 state and federal lawsuits filed by hourly workers in 30 states, accusing the company of systematically forcing them to work long hours off the clock."
 - o A July 2000 internal audit of 128 Wal-Mart stores found 127 were 'not in compliance' with company policies concerning workers' breaks. The audit found workers nationwide did

not take breaks 76,472 times in a one-week period."

2. Wal-Mart Blocks Unionizing Coast to Coast:

- Since 1995, the U.S. Government has filed 60 complaints against Wal-Mart at the National Labor Relations Board. Wal-Mart's labor law violations range from illegally firing workers attempting to organize a union to unlawful surveillance and threats towards workers and intimidation of employees who speak out.
- On October 10, 2002, the Maine Department of Labor ordered Wal-Mart to pay the largest fine in state history for violating child labor laws. Wal-Mart had committed 1,436 child labor law infractions at 20 Wal-Mart stores in the state.
- According to the United Food and Commercial Workers, "When meat cutters at a Jacksonville, TX Wal-Mart voted for UFCW Local 540 representation in February 2000, the company refused to recognize the union – and suddenly changed the job functions of the meat cutters with a change to case-ready meat."
- Wal-Mart has issued a "Manager's Toolbox to Remaining Union Free." It provides managers with lists of indicators that workers might be organizing, including "frequent meetings at associates' homes" and "associates, who are never seen together, start talking or associating with each other." The "Toolbox" gives managers a hotline to call so that company

specialists can respond and stop attempts to unionize.

3. Unaffordable Health Care with Shifting Costs to Workers:

- Due to high premiums and deductibles, more than two-thirds of Wal-Mart workers do not participate in the company health plan.
- The cost of comprehensive family coverage is about \$192 every two weeks – 36% of the average Wal-Mart employee's monthly pre-tax earnings.
- Nearly 700,000 Wal-Mart workers are forced to get health insurance coverage from the government or through spouses' plans.
- Since 1993, Wal-Mart has increased the premium cost for workers by over 200%, while medical care inflation has only gone up by 50% during the same period – a 300% higher rate of increase.
- In 2002, Wal-Mart increased the waiting period for enrollment eligibility in its health care plan from 90 days to 6 months for full time employees. Part-time employees must wait 2 years before they can participate, and they cannot buy coverage for spouses or children. At the same time, the national average waiting period for health care coverage at large firms was 1.3 months.
- The company spent \$500,000 to help defeat a California ballot measure requiring larger employers



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to pay for health care coverage for workers. But California lawmakers have said they will hold hearings to investigate allegations that Wal-Mart burdens the state with an unfair portion of the retailer's employee health-care costs. [<http://www.corp-watch.org/article.php?id=11788>]

B. Wal-Mart Violates Human Rights

Wal-Mart aggressively pursues cheap overseas labor in a quest to drive down production costs. Specifically, Wal-Mart overwhelmingly relies on Chinese manufacturers that are notorious for their sweatshop conditions. Wal-Mart has 6,000 global suppliers, 80 percent in China.

Frontline visited the Port of Long Beach in California. It is a port where ships annually bring in about \$36 billion worth of machinery, toys, clothing, foot wear – all consumer products made in China. The US exports more than \$3 billion worth of raw materials to China: cotton, animal hides, scrap metal, and waste paper. It likens the US to a “third-world country” supplying the industrial giant, China. The US reported a \$120 billion trade deficit with China last year. As that deficit grows, it defies Washington's promise of massive American-made exports to China. (PBS *Frontline* transcript)

1. “From its AK headquarters the company has established a network of 10,000 suppliers and constantly pressures them to lower their prices. At the same time, Wal-Mart buyers continually search the globe for still-cheaper sources of supply. The competition pits vendor against ven-

dor, country against country.”

2. To achieve maximum cost savings, Wal-Mart overwhelmingly depends on labor from Chinese manufacturers that are notorious for sweatshop conditions and slave labor. Because China has no independent labor unions or basic labor protections, Wal-Mart's demands for productivity result in a lower standard of living for Chinese workers.
3. A Chinese labor official who asked to remain anonymous for fear of punishment said, “*Wal-Mart pressures the factory to cut its price, and the factory responds with longer hours or lower pay. And the workers have no options.*” The factories in China operate under a veil of secrecy, behind locked metal gates, with no factory names posted and no visitors allowed.
4. Wal-Mart does not effectively inspect its Chinese plants for labor violations. Factories are often given advance notice of inspections, and, according to one Chinese labor organizer, the factories “*often prepare by cleaning up, creating fake time sheets and briefing workers on what to say.*” Wal-Mart does not regularly inspect smaller factories or subcontractors.
5. Wal-Mart was removed from *KLD & Co.'s Domini 400 Social Index* – an index of social responsibility used by financial companies to make investments – because of “*sweatshop conditions*” at its overseas vendors’

factories. KLD said Wal-Mart hadn't done enough to ensure that its vendors meet “*adequate labor and human rights standards,*” and cited charges that the company's use of a Chinese handbag manufacturer that subjected workers to 90-hour weeks, exceptionally low wages, and prison-like conditions.

C. Wal-Mart Violates Community Rights

Wal-Mart projects an image of wholesome, small town America. Yet, Wal-Mart's strategy of saturating markets with its stores has been proven to be a destructive force on local retailers. Because Wal-Mart goes to such great lengths to lower production costs – especially through abusive labor conditions – it is almost impossible for more responsible merchants to compete. Consequently, a Wal-Mart's opening means the mass closing of local hardware stores, clothing retailers and supermarkets.

1. Wal-Mart uses a “Saturation Strategy.”

- In a 1993, Iowa State University issued a study concluding that Wal-Mart had a detrimental impact on local commerce. The study found a 3 percent spike in total retail sales in communities immediately after a Wal-Mart opened. But over the course of the next several years, retailers' sales of men's and boys' apparel dropped 44 percent on average; hardware sales fell by 31 percent; and lawn and garden sales fell by 26 percent.

Congress *cont. pg. 8*



(www.pbs.org/itvs/storewars/story.html)



Awareness

Further Sweatshop/ Labor Abuses

- On March 22, 2004 workers at King Yong, a large Taiwanese-owned garment export factory in Nicaragua that produces clothing for Wal-Mart and Kohl's, organized a legal union. Shortly after, the facility started firing scores of workers, including several of the newly-elected union leaders. King Yong continues to defy repeated demands by the government of Nicaragua to immediately reinstate the over 400 workers fired, end excessive mandatory overtime, pay the legal overtime wage, and to correct numerous health and safety violations including inadequate lighting, excessive noise, poor ventilation and failure to conduct health and safety trainings.
- Lee Kil-Soo, owner of the Daewoosa factory in American Samoa, was convicted in February 2003 of human trafficking for illegally confining workers in 'involuntary servitude,' holding their passports, and threatening deportation in retaliation for any acts of non-compliance. A US Department of Labor (DOL) investigation reported that workers at Daewoosa were often beaten, deprived of food, and forced to work without pay. Clothing produced by the Daewoosa factory was sold with the 'Made in the USA' label, because American Samoa is a US territory. Before Mr. Lee's arrest and the closing of the factory, Daewoosa supplied clothing to J.C. Penney, Kohl's, Sears, Target, and Wal-Mart. According to the Manchester Guardian Weekly, only J.C. Penney has paid back wages to the Daewoosa workers.
- One employee of a Chinese supplier described the difficulties of surviving on \$75 per month. She could rarely afford to buy meat, and her family largely subsisted on vegetables. Over four years, she had not received a single salary increase.
- According to the National Labor Committee, a leading anti-sweatshop organization, clothing sewn in China is usually done by young women (17 to 25 year old; at 25 they are fired as 'too old'). They are forced to work seven days/week, often past midnight for 12-28 cents/hour, with no benefits. The women are housed in crowded, dirty dormitories, 15 to a room, and fed thin rice gruel. The workers are kept under 24-hour-a-day surveillance and can be fired for even discussing factory conditions. (<http://www.nlcnet.org/campaigns/archive/chinareport/>)
- Workers at the Beximco Factory in Bangladesh, which makes shirts and pants sold in Wal-Mart stores, work 12-hour days, seven days/week and are paid wages ranging from 9-20 cents/hour.
- On October 23, 2003, 250 illegal workers were arrested outside of 61 Wal-Mart stores in 21 states. Immigration officers also took boxes of documents from Wal-Mart's headquarters in Bentonville, AK in an effort to determine whether or not Wal-Mart should be charged with knowingly employing contractors who used illegal workers. Nine of the employees arrested during the raids have filed a lawsuit claiming Wal-Mart was aware they were illegal immigrants and violated federal racketeering laws by conspiring with cleaning contractors to pay them low wages. (<http://www.responsibleshopper.org/>)
- Wal-Mart 'Made in America' blouses were actually made in Asia with child labor.
- In China, workers sewing garments have worked 112 hours a week. They are often forbidden to drink water or go to the toilet. Foremen carry electric shock batons.
- In Guatemala, when Flor de Maria Salgado, a union organizer, arranged for women manufacturing clothes for Wal-Mart and other major retailers to talk to an investigative reporter, she was badly beaten and raped, and told 'This is what you get for messing about with foreigners.' (www.heureka.clara.net/gaia/globalo2.htm)
- The governments of Mexico and the Czech Republic have already filed briefs on the employees' behalf, alleging that Wal-Mart employees in their countries are being mistreated. (The Agribusiness Examiner March 29, 2005, Issue #400 Monitoring Corporate Agribusiness www.organicconsumers.org/politics/walmart32905.cfm)
- In September 2004 residents of Teotihuacan, near Mexico City, protested over the construction of a warehouse-style Bodega Aurrera, a unit of Wal-Mart, on the edge of archaeological ruins. The construction site is less than a mile from the gated tourist park housing the main ruins and is visible from the top of the Pyramid of the Sun, a structure that has stood on the site for more than 2,000 years. Opponents are taking legal action to stop construction. Source: www.responsibleshopper.org/basic.cfm?cusip=931142



Awareness



Employees Watched Company Move South of the Border

Randall Larrimore, former CEO of MasterBrand Industries, the parent company of Master Lock, said as manufacturing costs in the US rose over the years, Master Lock was able to pass them along.

But at some point in the 1990s, Asian manufacturers started producing locks for much less. *“When the difference was \$1, retailers like Wal-Mart preferred to have the brand-name padlock or faucet or hammer,”* Larrimore said. *“But as the spread became greater -- when our padlock was \$9, and the import was \$6 -- then they offered the consumer a real discount by carrying two lines. Ultimately, they only carried one line.”*

In January 1997, Master Lock announced that after 75 years making locks in Milwaukee, it would begin im-

porting more products from Asia. Not too long after, Master Lock opened a factory of its own in Nogales, Mexico. Today, it makes just 10% to 15% of its locks in Milwaukee--its 300 employees there mostly make parts that are sent to Nogales, where there are now 800 factory workers.

The Milwaukee employees of Master Lock, who shopped at Wal-Mart to save money, helped shift their own jobs right to Nogales -- not consciously, not directly, but inevitably. *“Do we as consumers appreciate what we’re doing?”* Larrimore asked. *“I don’t think so. But even if we do, I think we say, ‘Here’s a Master Lock for \$9; here’s another lock for \$6--let the other guy pay \$9.’”*

(www.fastcompany.com/magazine/77/walmart.html)

“In everything we do we’re driven by a common mission: to improve the quality of life for everyday people around the world.”

Quote on the Wal-Mart web-site (www.walmartstores.com)

In Wisconsin, the largest number of uninsured people applying for state assistance with medical bills are Wal-mart employees.

Wal-Mart has lulled shoppers into ignoring the difference between the price of something and the cost. Its unending focus on ‘price’ underscores something that Americans are only starting to realize about globalization — Ever-cheaper prices have consequences.

(www.fastcompany.com/magazine/77/walmart.html)

“We want clean air, clear water, good living conditions, the best health care in the world — yet we aren’t willing to pay for anything manufactured under those restrictions.”

Steve Dobbins, President of Carolina Mills



Advocacy

Marianist Social Justice Collaborative

Their *Sweatshop Labor Issue Team* continues to push Wal-Mart to sign the *Pledge* to assure that Bangladesh garment workers actually receive the maternity leave pay (currently 4 months pay) that the government requires when pregnant workers leave to have their babies. *Sweatshop Team* members, Bro. Steve O'Neil and Al Prendergast, met with Lee Scott, the CEO of Wal-Mart, and part of his senior management team in New York on February 11, 2005. The meeting was organized by the *Interfaith Center on Corporate Responsibility (ICCR)*. The Team presented the *Pledge* to Mr.

Scott, who was attentive and interested in their comments, but seemed not to know how to implement a solution. The Marianists will continue the dialogue with Wal-Mart.

University of Dayton Human Rights students met with Wal-Mart CEO, Lee Scott, on March 30, 2005 and raised the *Pledge* issue again. Through repeated phone calls between the Team and senior Wal-Mart management, Wal-Mart seems for the first time to seriously consider signing this *Pledge*. You may follow the progress of this effort on the MSJC web-site.

(www.msjc.net/Sweatshop)

A Marianist intern and graduate student in international relations at *St. Mary's University in San Antonio* works in Bangladesh to help Marianists write the strategy for the *Worker-Owned Factory*. The intern will visit a few factories that make garments for Wal-Mart. Another intern and University of Dayton graduate assists at the Marianist NGO to the UN, doing research on current conditions of child labor in the global economy, as well as researching with whom the *Marianist Justice Collaborative Team* could collaborate at the UN to enhance influence on Sweatshop Labor globally.

Congress *cont. pg.5*

lawn and garden sales fell by 26 percent. A 1994 Congressional Research Service report attributed this decline to Wal-Mart's use of a "saturation" strategy of opening many stores in a small area to stifle competition.

2. Wal-Mart eliminates Consumer Choice.

- According to Retail Forward, a global management consulting and research firm, for every Wal-Mart Supercenter that will open, two local supermarkets will close.

3. Wal-Mart hurts Local Business – Case Studies:

- A 2003 study commissioned by the Los Angeles City Council found that, "[The threat of Wal-Mart's incursion into the southern California grocery

market] is already triggering a dynamic in which the grocery stores are negotiating with workers for lowered compensation, in an attempt to re-level the 'playing field.'"

- A 2001 study of Wal-Mart openings in MS by MS State Univ. found that "Wal-Mart Supercenters in MS captured most of their food sales from existing food stores in the host county. Consequently, host county food stores experienced average annual declines in sales from 10.1 percent after the first year to over 19 percent after five years."

Toll-Free Hotline:
(Trafficking Information
and Referral)
1.888.3737.888



Action

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Anti-Wal-Mart Education

From November 13th – 19th 400+ organizations around the country — from small business owners and women’s rights groups to environmentalists and labor unions — are coming together to stand up to Wal-Mart. They will host 7000 viewings of the film, **“Wal-Mart: The High Cost of Low Prices.”**

The film covers basic criticisms against Wal-Mart’s impact on: small businesses, workers, unions, health care, and the environment. It does so in a uniquely engaging way, by talking directly to “mom-and-pop” shops put out of business and a number of current and former Wal-Mart managers and workers. In so doing, director Robert Greenwald effectively personalizes the struggle against the world’s largest corporation.

The scenes with former Wal-Mart managers are intriguing. You watch one-time bosses painfully discuss how they, and people they knew, carried out aggressive and illegal anti-union campaigns, erased overtime from store computers, boasted about the destruction of area downtowns and encouraged their employees to seek out public safety net programs. Though some of these critiques have been leveled before, never have they been brought to life by so many who actually worked for the company. (<http://walmartwatch.com/>)

Salon’s review states: “What makes the movie so powerful is the totality of the portrait, both in its details and its sweep. Most of these people are ordinary Americans from the working class or lower-middle class, believers in flag and country and God and capitalism, not left-wing activists or academics with some theoretical critique. Most of them believed in Wal-Mart too and were genuinely horrified to learn that its low prices depended on enforced poverty, whether their own or somebody else’s.” (“Beyond the Multiplex,” Salon.com, November 3rd, 2005. <http://www.salon.com/ent/movies/review/2005/11/03/btm/>)

Entertainment Weekly gave the film an “A-” rating. (Entertainment Weekly, November 4th 2005, http://www.ew.com/ew/article/review/movie/0,6115,1125297_1_0_,00.html)



(www.moveon.org)

Store Wars

Written, produced and directed by Micha Peled, the film follows the one-year conflict that polarized Ashland, VA (pop. 7200) when Wal-Mart decided to build a megastore on the edge of town. The ensuing debate pitted neighbor against neighbor.

It is a film about the right of a community to determine its own future: Which values are most important? Who gets to decide?

When Director Peled was asked what he hoped to achieve by the film, he replied, *“I think of it as a parable for our times, when multinational corporations with their huge PR machines are virtually unstoppable. They are unstoppable unless communities bother to educate themselves about the true long-term implications of allowing these big-box stores in their towns, and unless town councils act democratically to include all residents in the decision-making process.”*

I hope this film can become a valuable tool for small town officials to make better decisions about big-box stores.” (<http://www.pbs.org/itvs/storewars/story.html>)

STORE WARS, shown in the SF International film festival on April 25, 2005, went national on PBS in June. (<http://www.corpwatch.org/article.php?id=460> and <http://www.pbs.org/itvs/storewars/film.html>)

“Is Wal-Mart Good for America?”

This PBS program is available in DVD and VHS format through Shop-PBS (www.pbs.org/wgbh/pages/frontline/shows/walmart/).

Educational videotapes in DVD and VHS format are also available for purchase by schools, libraries, and other educational institutions through Shop PBS for Teachers. To place an order call: 877-PBS-SHOP; fax: 866-274-9043; or mail to: PBS Video, PO Box 609, Melbourne, FL 32902-0609. Include item title, order number and credit card information. For mail-in orders include a check, money order, or credit card information .



Action

Advice from the 'Center of Concern'

"With all the reports of sweatshop abuse, environmental degradation and corporate takeover of economic activity, it is easy to give in to despair. We need food, clothing, durable goods and a variety of services - but how can we buy these without compounding the above-mentioned problems? Are there ways that our consumption and investment decisions might empower movements for social change and economic democracy?"

The **Center of Concern's Alternative Mall** is a resource through which to answer these questions. Designed as a starting point for the conscious consumer, the **Mall** offers brief reflections on the options for responsible purchasing, and links to the web sites of specialized groups. The **Mall** has three sections:

- What range of goods and services are available from "fair trade" and other alternative suppliers?
- When alternative products are not an option, how to be sure our "mainstream" purchases and investments favor the most socially and environmentally responsible companies?
- What other organizations offer resources on alternative shopping?" (<http://www.coc.org/focus/private/alternativemall.html>)

One option found in the **Mall** is the **Responsible Shopper**, a site from which to find the facts behind the products we buy everyday. One may investigate hundreds of companies on a range of issues, including: sweatshops, pollution, ethics, discrimination and more.

Responsible Shopper Specifics re. Wal-Mart:

- Profile indicates serious problems and/or patterns of significant negative social behaviors.
- Profile includes significant negative environmental issues that consumers may have concerns about. Specifically, one finds documented information regarding Wal-Mart's involvement in: deforestation; toxic emissions at construction sites; sweatshop labor; unfair competition; inadequate worker benefits; child labor; corporate influence on state and federal government; erosion of local culture; racial/sexual discrimination; human rights violations; legal disputes. (<http://www.responsibleshopper.org/>)

Write to Wal-Mart:

Letters to Lee Scott will keep the message alive. A sample letter is available on the Marianist web site. (www.msjc.net/Sweatshop).

Key People:

- Chairman S. Robson (Rob) Walton
 - President, CEO, and Director H. Lee Scott Jr.
 - EVP and CFO Thomas M. (Tom) Schoewe
- Wal-Mart Stores, Inc.
702 SW 8th St.
Bentonville, AR 72716
Phone: 479-273-4000
Fax: 479-273-4053

Informative Web Sites: (Each contains information related to human trafficking)

Wal-Mart Watch
walmartwatch.com/

China Labor Watch
www.chinalaborwatch.org/

Fact-Checker
factchecker.purpleocean.org/

Corporation Watch
www.corpwatch.org

Report to Congress
<http://www.house.gov/weiner/report37.htm>

Truth Out
www.truthout.org/labor.shtml

Organic Consumers
www.organicconsumers.org

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!**
<http://homepage.mac.com/srjeanschaferds/stoptraffic/index.html>

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