



# UPDATE

June 11, 2004

.....

## **FLA CENTRAL AMERICA PROJECT UNDERWAY Regional Ombudsman Begins Term**

On June 1, 2004, Dr. Ricardo Changala Quaglia began his term as regional ombudsman for the Fair Labor Association (FLA)-Workers Rights Consortium (WRC) joint effort, which seeks to establish factory- and national-level dispute resolution mechanisms in El Salvador, Guatemala, and Honduras. This collaborative work builds upon the organizations' shared experiences at the BJ&B factory in the Dominican Republic, where the presence of an ombudsman positively impacted the outcome of remediation efforts there.

Dr. Changala brings a wealth of labor relations and advocacy experience to his new position as ombudsman. Most recently, he worked with the United Nations Verification Mission in Guatemala (MINUGUA), where as Technical Coordinator of Labor he oversaw a project addressing union rights in the war-torn country.

To start his tenure as regional ombudsman for the project, Dr. Changala traveled to the annual ILO conference in Geneva in order to consult with

regional stakeholders and gain support for the project. He then returned to Guatemala, where he will be based for the term of the project, which is expected to last one to two years.

The FLA's collaborative work with Dr. Changala as regional ombudsman is part of the FLA's larger Central America Project, which is funded through matching funds from the US State Department. The project seeks to: 1) counter the practice of blacklisting in FLA participating company (PC) supply chains and reduce the number of employees disciplined or fired because of union affiliation in El Salvador, Guatemala, and Honduras; and 2) improve the fairness, balance, and transparency of dispute resolution efforts in Central American factories where FLA PCs produce.

To this end, the FLA will work with local stakeholders to establish "Codes of Good Practice," which are based on international standards and company policies, and will outline specific hiring, firing, disciplinary, and grievance procedures. The Codes will be the basis of a comprehensive worker-manager training and capacity-building program, which will be rolled-out in targeted export processing zones in El Salvador, Guatemala, and Honduras.

For more information about the Central America Project, please contact Genevieve Taft ([gtaft@fairlabor.org](mailto:gtaft@fairlabor.org)).

### **FLA UNIVERSITY ADVISORY COUNCIL TO MEET JUNE 18TH**

The annual University Advisory Council meeting will be held on the campus of American University in Washington, DC on Friday, June 18. The meeting's agenda will address key issues, such as wage disclosure, monitoring, and new initiatives. The new UAC Chairs will also be elected at the meeting.

University representatives who have not yet registered should please contact Shevon Rockett ([srockett@fairlabor.org](mailto:srockett@fairlabor.org)) as soon as possible, so that necessary arrangements can be made for your participation in this year's meeting.

## **FLA ACCREDITS REEBOK FOOTWEAR'S LABOR COMPLIANCE PROGRAM IN AN HISTORIC BOARD DECISION**

At its April 2004 meeting, the FLA Board voted to accredit Reebok footwear's labor compliance program, finding that the program had achieved substantial compliance with FLA requirements during its two-year initial implementation period. It was the first time that a compliance program achieved this designation.

In reaching this conclusion, the FLA conducted extensive reviews of independent factory monitoring and verification reports of supplier factories during the two years of Reebok footwear's involvement in the FLA. It also audited the monitoring protocols, training programs, and auditing systems used for Reebok's footwear program.

As a result of attaining this status, Reebok's footwear program has the right to communicate that it is an *FLA Accredited Compliance Program*. Over time, the FLA aims to heighten public recognition of its compliance program accreditation as a tool for gauging a brand's good faith efforts to improve workplace conditions throughout its supply chains.

Participating companies are given the choice to seek accreditation after either a two- or three-year initial implementation period. Reebok footwear chose a two-year period, while all other companies, as well as Reebok apparel, opted for a three-year period. Six more compliance programs will be considered for accreditation in 2005.

As long as a company acts in good faith to fulfill its Charter obligations, FLA accreditation is valid for a period of two-years. During that period, the FLA continues to evaluate company performance against the FLA monitoring protocols. Please access the press release at [www.fairlabor.org/all/news/docs/PRelease\\_FLA\\_accredits\\_Reebok\\_footwear\\_program\\_4.29.04.pdf](http://www.fairlabor.org/all/news/docs/PRelease_FLA_accredits_Reebok_footwear_program_4.29.04.pdf) or contact Anne Lally ([annelally@fairlabor.org](mailto:annelally@fairlabor.org)) for more information.

## **FLA BOARD ADDRESSES QUESTIONS OF ASSOCIATION'S GROWTH AND STRATEGY**

On April 27, 2004, the FLA Board of Directors met in Washington, DC for its quarterly meeting, where various items relating to the continued development of the Association were addressed. Most notably, the Board designated Reebok's footwear compliance program as an *FLA Accredited Compliance Program* (see preceding story for details).

Notable also was the Board's approval of FLA-Europe, a subsidiary of the FLA, which will be located in Geneva, Switzerland, where FLA President Auret van Heerden is currently based. Establishing FLA-Europe provides exciting new opportunities for the FLA to coordinate more closely with the ILO as well as European organizations working in this field.

The Board also considered a study undertaken by the FLA in India, which analyzed the potential for the FLA to expand monitoring to the agricultural sector. The application submitted by Syngenta would open cotton plantations in India to FLA independent monitoring. The Board opted to continue to investigate the FLA's potential to make a meaningful impact in this sector, and will make a final decision on Syngenta's participation in the FLA at its July meeting.

The Board meeting also approved Top of the World's application to upgrade from a Category C Licensee to become an FLA Participating Company (Category A Licensee), and the application of John H. Harland Company to become a Category B Licensee. The organization's strategic plan was also discussed, and will be considered further at the next FLA Board meeting, which will be held on July 27, 2004 in Seattle, WA.



**FAIR LABOR**  
ASSOCIATION™

**MONITORING COMMITTEE  
MEETING HIGHLIGHTS**

The FLA Monitoring Committee met on April 28, 2004 and focused on three main issues:

- The FLA's new guidance on Freedom of Association (FOA) and the experiences of FLA participants who have worked to improve the implementation of freedom of association in factories around the world
- The FLA's new monitoring instrument and guidance document, which was piloted in six facilities in Asia, and will be implemented in FLA Year Three monitoring visits
- Ongoing work relating to FLA independent external monitoring and factory tracking charts, with special attention paid to freedom of association in China

The committee will meet again on July 28, 2004 in Seattle, WA. For more information about the Monitoring Program, please contact Margaret Hawley ([margarethawley@fairlabor.org](mailto:margarethawley@fairlabor.org)).

.....  
**NEW DEVELOPMENTS IN THE  
MSI COOPERATION PROJECT**

The Steering Group of the Multi-stakeholder Initiative (MSI) Cooperation Project, which will run a pilot project in Turkey to identify opportunities for cooperation between leading multi-stakeholder groups, met in London on May 11. In addition to interviewing candidates for project manager, the steering group outlined key aspects of the project's implementation.

Most notably, the group identified common priorities for the project, which include freedom of association, wages and hours, stakeholder engagement, buying practices, complaint mechanisms, worker interviews, and transparency. These priorities will be solidified in consultation with local stakeholders in Turkey later this year. The group also considered a draft common code and selection criteria for factories that will participate in the project, and began to develop the next draft of the common code as well as terms of reference for engagement with companies participating in the project.

The group is expected to announce the project's new manager in coming weeks. The steering

group will meet again in Washington, DC this August.

Please contact Anne Lally at [annelally@fairlabor.org](mailto:annelally@fairlabor.org) for more information about the FLA's involvement in this initiative.

.....  
**THE SCOOP FROM APRIL  
UAC EXECUTIVE COMMITTEE MEETING**

The Executive Committee of the University Advisory Committee (UAC) met on April 29, 2004 and discussed an array of FLA and university activities. One major agenda item related to the "wage disclosure" issue, which has arisen on various campuses as student groups call on licensees to disclose the wages paid to workers at factories producing university-logged goods. Further discussions about a potential project to address such issues will follow at the upcoming University Advisory Council meeting, which will be held on June 18, 2004.

Other discussions focused on how the FLA can improve its work with licensees, and featured reports from the FLA President, Executive Director, and Outreach Coordinator, as well as other UAC business. Please contact Kathy Stevens, [kstevens@fairlabor.org](mailto:kstevens@fairlabor.org), for more information about the UAC Executive Committee or other university-related questions.

.....  
**FLA BROWN BAG LUNCH SERIES CONTINUES**

In an effort to stay connected with their colleagues in the field, the FLA invites practitioners from around the world to participate in informal brown bag lunches whenever they are in town. This past month's guests included: **Ricardo Changala**, the new FLA ombudsman for the Central American Project; **Homero Fuentes and Dennis Smith** from COVERCO, one of FLA's accredited monitoring groups in Guatemala; **Shen Tongxian**, Vice Chairwoman of the Jiangsu Provincial Association for Labor Dispute Settlement in China, and participant in the US State Department's International Visitors Program; and **Joe Falcone**, director of the recently formed Health Solutions International, LLC, which focuses on health and safety training and remediation in Bangladesh and China.

### THIRD PARTY COMPLAINTS UPDATE

The FLA third party complaint process offers third parties the opportunity to report serious noncompliance issues taking place in applicable facilities to the FLA. As reported in the previous UPDATE, the FLA has developed guidelines to ensure the integrity of the third party complaint process, while providing adequate information to complainants and other involved parties about FLA follow-up to complaints.

Because public statements and speculation can interfere with progress in third party complaints, the FLA limits its reporting on complaints until investigations are completed. Nevertheless, the FLA provides basic information about the status of ongoing third party complaints in the UPDATE in the spirit of transparency and accountability.

- *Two complaints filed 4/2004 re. 2 facilities in Guatemala:* These complaints are at step one of the third party complaints process, which means that they were received by the FLA and are being reviewed by the Executive Director to determine whether the complaints fit the criteria necessary to activate the FLA third party complaint process.
- *Two complaints filed 4/2004 re. 2 facilities in Indonesia where Nike produces:* These complaints are at step two of the process, meaning that the FLA has forwarded the two complaints to Nike. In accordance with the third party complaints process, the company will have the opportunity to assess the complaint and remediate or respond to the issues raised, and is required to report back to the FLA within 45 days.
- *Complaint filed 12/2003 re. facility in Honduras where Gildan produces:* This complaint is at step four, meaning that the FLA has conducted an independent assessment of the facility and found a significant likelihood of noncompliance, as alleged in the original complaint. In accordance with the FLA Charter, Gildan will work with the FLA to develop an appropriate remediation plan and implement it to the satisfaction of the FLA. Findings from the assessment and remediation will be reported publicly in coming weeks.

- *Complaint filed 5/2003 re. facility in El Salvador where Lands End produces:* As reported in the previous UPDATE, the tracking chart from FLA monitoring visits and ensuing remediation and verification are available on the FLA website. Remediation is ongoing, and updates will be made to the tracking charts periodically.

The FLA has received and remediated various third party complaints that are not reported here. For more information about third party complaints, please contact Rut Tufts at [tufts@fairlabor.org](mailto:tufts@fairlabor.org).



### FLA IN MOTION Recent Trips and Staff Presentations

During the week of May 10, FLA President **Auret van Heerden** traveled to **Hong Kong** to meet with participants in the FLA pilot projects taking place in China. On May 26, he participated in a meeting with sportswear companies, unions, NGOs, and the International Olympic Committee (IOC). The meeting was held at the ILO in Geneva and was attended by the World Federation of Sporting Goods Industry, Oxfam International, Clean Clothes Campaign, ICFTU and the ITGLWF. The meeting focused on the **Play Fair at the Olympics campaign**, and aimed to identify ways in which the sporting goods industry and the IOC could improve the industry's labor practices. In past months, Auret has facilitated various exchanges between FLA participating companies and the campaign groups with a view to fostering the improvement of workplace conditions internationally.

On May 20, FLA Executive Director **Rut Tufts** represented the FLA at the Kenan Institute's first working group meeting focusing on China. In ensuing meetings, the group will address issues including capacity-building, worker empowerment, and the rule of law.

**FLA IN MOTION, Continued...**

In May, **Richa Mittal** moved to **Delhi, India**, where she will coordinate FLA activities in South Asia. As reported in the previous UPDATE, this move is part of a broader FLA strategy that will involve FLA field representation in South Asia, East Asia, Southeast Asia, and the Americas.

FLA University Liaison **Kathy Stevens** represented the FLA at meetings at the **Licensing Resource Group (LRG)** in Holland, Michigan on May 19-20, which focused on the group's approach to licensing and new initiatives. She will attend similar meetings at the offices of the **Collegiate Licensing Company (CLC)** later this month.

On May 13-15, Outreach Coordinator **Anne Lally** represented the FLA at the **International Center for Corporate Accountability (ICCA)** meeting in New York, along with Michael Posner, Executive Director of Human Rights First, who spoke on a panel about monitoring in the apparel industry. On May 20, Anne attended a meeting on responsible production in the information technology sector, sponsored by the **Catholic Agency for Overseas Development (CAFOD)** in London. She also met with various FLA partners while in London.



**FAIR LABOR**  
ASSOCIATION™

**FLA WELCOMES ROOPA NAIR TO THE STAFF**

**Roopa Nair** joined the FLA staff on June 1 as Licensee Program Coordinator. In this position, she will work with licensees to enhance their compliance with FLA requirements and administer monitoring of licensee compliance programs and applicable facilities. Roopa comes to the FLA from Nike, where she worked in their Corporate Compliance program, covering India, Sri Lanka, and Pakistan. She holds a doctorate in social and economic geography from the University of Cambridge in the UK, and did her masters and undergraduate work at McGill University in Canada. The FLA staff warmly welcomes her to the team.



**FLA BIDS FAREWELL TO  
JOHN SALEM SHUBASH**

In May 2004, Special Projects Officer **John Salem Shubash** left the FLA to work in the field of international security. Over the course of Salem's time with the FLA, he contributed to planning for numerous special projects, including the FLA's Central America Project, Strategic Monitoring / Sustainable Compliance, and the Hours of Work in China project. His work extended to many other areas as well, ranging from public reporting to office administration. As such, he was a valued member of the FLA team. We will miss him, and wish him all of the best as he takes on new challenges.



Please visit our website [www.fairlabor.org](http://www.fairlabor.org) to learn more about the FLA and our recent activities.

