The Fair Labor Association: Fair For Who?

The rapid development of communication and transportation technology in the latter half of the twentieth century has ushered in a new era of globalization. As a result of these technological innovations, the college apparel market is increasingly international in nature. Apparel sporting the Boise State University (BSU) logo is often produced very far away from the places where it is purchased. The vast physical distance between Boise and the factories where BSU apparel is manufactured serves to shield students and administrators from questions concerning conditions of production. The end result is an “out of sight, out of mind” approach to issues of economic exploitation and unfair working conditions. Complicating the issue is BSU’s cooperation with the Fair Labor Association, an organization that is supposed to make sure college apparel is produced in worker-friendly conditions. Unfortunately, the FLA is an ineffective organization that does not prioritize the well-being of the workers it is supposed to protect. A transparent and ethical college apparel supply-chain requires going above and beyond the narrow mandates and weak enforcement apparatuses of the Fair Labor Association.

The Fair Labor Association (FLA) was initiated by the Clinton administration in 1996. It was a loose collection of corporations, labor unions and nongovernmental organizations (NGOs) charged with the task of ending sweatshop labor. Unfortunately, the FLA “reached an impasse as labor pushed for a living wage, monitoring that would be independent of corporate influence, and mechanisms that would push...states to ensure enforcement of labor rights. The impasse ended when corporations pursued a deal with moderate NGOs that excluded labor” (Anner 6). In other words, the FLA offered little
more than lip-service when it came to actual reform. Originally intended to protect workers, membership in the FLA has become the standard alibi for corporations seeking to exploit them.

There are several problems with the current FLA model. The FLA offers a regulatory framework—it is not, in itself, a regulating body. While the FLA sets standards and asks manufacturers to comply, it does not enforce those standards. Instead, the FLA has to “outsource the action work of inspection, verification and certification to…for-profit quality control and consulting firms” (American Federation of Labor 31). The FLA approves selected “Independent External Monitors” (IEMs) in a sub-contracting process that serves as a buffer zone between the FLA and the manufacturers being monitored. According the American Federation of Labor, the “last two decades of ‘privatized regulation’ of global supply chains has eerie parallels with the financial self-regulation that failed so spectacularly in 2007 and plunged the world into deep and lasting recession” (1).

This practice of sub-contracting out the actual inspection process begs the question: if the FLA is removed from the actual auditing process, who is monitoring the monitors? With little effort to ensure transparency, obvious conflicts of interest do arise. IEM’s have a strong financial incentive to ignore labor abuses, since “all of these auditors are paid by the manufacturer being audited” (American Federation of Labor 31). The manufacturer pays fees, at regular intervals, to the FLA IEM—a subsidiary company of the FLA. The FLA takes its cut, then gives the rest to the auditing agency. The revenue stream is indirect, but nobody is fooled. The FLA is “not a corporate controlled organization…but corporate influence in the FLA has remained strong” (Anner 8). In the
context of this relationship, manufacturers become customers. As long as the FLA’s existence is financially contingent on the success of the companies it is supposed to be monitoring, it can not claim to be truly independent.

Corporate influence in the FLA has prevented it from addressing anything other than surface-level problems. The FLA corrects abuses that are so egregious they can’t be ignored without serious PR repercussions, but actual structural reform rarely occurs. Initiatives that would have a negative impact on corporate profit margins tend to get swept under the rug. The FLA is perfectly willing to address high-profile issues like child labor, which tend to receive large amounts of media attention. The FLA’s record is much less impressive when it comes to issues like “improvements in workers’ wages…disrespectful treatment by supervisors or…the right to organize” (Nova). In other words, the current monitoring framework prioritizes profit and good PR over the needs and rights of the workers. If there is no financial incentive to initiate a reform, the reform simply doesn’t happen.

The executive council of the FLA is comprised of representatives from textile companies, universities and non-profit NGO’s. Labor groups are conspicuously absent from the list of stakeholders who currently set the FLA’s agenda. In fact, the FLA offers convenient political cover for companies like Adidas, who are able to ignore the demands of unions and other workers rights groups by hiding behind an endless parade of ‘advisory reports’ and unenforceable audits. When union officials at the Hermosa Factory in El Salvador complained in 2005 that Adidas was cheating 260 workers out of $825,000 in wages, severance pay and benefits, the FLA initiated an investigation and published a report. The report confirmed the validity of the workers complaints, then
recommended asking Adidas to encourage the government of El Salvador to start enforcing labor laws. It concluded that the best way to address the complaints of the workers was to “encourage FLA companies to be more vigilant with regard to the financial ability of contract factories to pay severance and other benefits” (Fair Labor Association 6).

This “encouragement” was not enough to prevent Adidas from doing the same thing in Indonesia six years later, when it shut down the unionized PT Kizone factory and denied 2,800 people approximately $1.8 million in severance pay (Nova and Shapiro). Union officials from Kizone and Hermosa argued that the FLA was partly responsible for failing to hold Adidas accountable the first time around. According to a 2012 letter by union officials, compliance with the FLA is meaningless, since “the Fair Labor Association…has failed again and again to stand up for workers whose rights are violated, including in the Hermosa case” (Supriadi 1). Unwilling to tarnish its lucrative relationship with Adidas and other textile companies, the FLA continues to put the rights and needs of workers on the backburner. The FLA “has always demonstrated that it is an instrument controlled by Adidas its other affiliated brands” (Supriadi 1-2).

In 2012, the FLA audited factories owned by Foxconn, a primary manufacturer of Apple products. The report, which was very favorable, drastically conflicted with other reports issued by independent watchdog groups like Chinese Labor Watch and Students and Scholars Against Corporate Misbehavior (SACOM). Abuses cataloged by SACOM and Chinese Labor Watch (and ignored by the FLA) include low wages, unpaid overtime, inadequate health and safety standards, inhuman management practices and crackdown on strikes (New iPhone, Old Abuses 2). The FLA report did not address these problems,
and was subsequently unable to explain the labor riots that forced a Foxconn facility to shut down later that year. Financially invested in preserving its profitable new relationship with Apple, the FLA rubber-stamped Apple’s Foxconn factories instead of conducting a thorough investigation.

Originally well-intentioned, the FLA has squandered every opportunity it’s been given to prove that it is dedicated to protecting worker’s rights. Time and time again, the FLA has proven itself ineffective when it comes to enforcing labor reform and protecting workers from abuse. There is certainly something to be said for the FLA, in that it attempts to set a standard and outlines goals that the textile industry can attempt to work towards. While this is certainly necessary, it is not sufficient. Regulations absent any kind of enforcement are little more than voluntary guidelines that can be brushed aside the moment it becomes convenient. For Boise State University to demonstrate that it is committed to ethical, transparent college apparel supply-changes, it must move beyond the existing regulatory framework of the FLA.

Fortunately, there are other, independent alternatives. The Workers Rights Consortium (WRC) is one such alternative. According to their website, over 182 colleges and universities have signed onto the WRC as of September 30th, 2014, including Emory, Columbia, Duke, Cornell and Georgetown. The WRC is distinct from the FLA in that it “does not allow the corporations that are being monitored to participate in its governance structures or financing. Nor does it maintain any kind of positive certification system. Instead, it provides a worker-driven process for complaints about noncompliance that includes research and workplace assessments and remediation plans” (American Federation of Labor 13). The WRC is free from the conflicts of interest that plague the
FLA—its financial independence allows it to honor its commitment to the rights of workers. Joining the WRC would signal BSU’s commitment to labor-friendly college apparel and would help curb abusive working conditions in textile factories overseas.

Participation in the WRC will allow BSU students, alumni, faculty, administrators and fans to wear the BSU logo with a clear conscience. BSU must decide: is it willing to take a stand against unfair working conditions? Or is it willing—at an institutional level—to remain ethically complicit in the exploitation of the very people who make it possible for us to express our Bronco Pride in the first place? Ignorance of the current situation is no excuse for an institution that prides itself on its commitment to the pursuit of higher learning. If BSU is to accurately and honestly claim that it is dedicated to education, it must be willing to educate itself about the commodities that it buys and sells on a daily basis.

Works Cited


