

# WHAT DOES SWEATFREE REALLY MEAN?

**The Problem:** The University of Michigan has a Code of Conduct, but it is not successfully enforced. As a result, university apparel is still being made in sweatshops. Here workers are not paid a living wage and are subject to unacceptable working conditions.

**Our Solution:** The Designated Suppliers Program (DSP)

**The University's Response:** To acknowledge the failure of code of conduct enforcement, but not support the adoption of the DSP, nor propose a comprehensive alternative.

## What is the DSP?

Brands that are licensed to make university apparel would be required to produce these garments in factories that meet the following criteria:

- The factories must demonstrate full respect for the worker rights standards in university codes of conduct.
- The factories' employees must be represented by a legitimate, representative labor union or other representative employee body.
- The factories, once they are receiving prices sufficient to make this feasible, must demonstrate that their employees are paid a living wage.
- The factories must produce primarily or exclusively for the university market, or for other buyers committed to equivalent standards (including payment of a living wage).

The requirement on licensees to source from factories that meet these standards will be phased-in over time; in the first year 25% of products must come from designated factories, with this number rising to 75% after three years as more factories are brought into this system.

## And the WRC, who are they?

The **Worker Rights Consortium** is the governing body that investigates factories to approve that they meet all qualifications to be a designated supplier. It is a nonprofit organization composed of students, NGOs, and more than 100 colleges and universities.

## What if there are problems with the DSP? Is it set in stone?

NO! The DSP is a living document that is constantly being reviewed and reworked at **working group** meetings. The working group is made up of the **WRC**, six students, and universities that have signed on to the DSP. A university can not vote on changes to the DSP until they sign on.

There have already been changes to the DSP to address the concerns of universities that signed on last year. Many of these changes have addressed the concerns that the **Labor Standards and Human Rights Committee** (President Coleman's committee in charge of reviewing the DSP) voiced. However, until Michigan signs on to the DSP we will have no voice or vote within the **working group** meetings to directly shape the DSP.

## Will it cost a lot?

No, labor is such a small section of the cost of apparel that even doubling the wage paid to workers will only increase the price of a sweatshirt by about \$.25 and in many cases it would be more costly for a store to change the prices than to absorb the \$.25 increase in cost.