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THE CONNECTICUT LAW TRIBUNE

### Sweatshop Database Gets Green Light

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2006-07-31 14:41:32

Antitrust Obstacles

In the late 1970s when Wiggin & Dana partner R. Scott Greathead was an associate at New York's Lord, Day & Lord, the popularity of *pro bono* work in international human rights prompted him to co-found the Lawyers Committee for Human Rights. That organization, thanks to foundation funding, endures today as Human Rights First.

While Greathead's primary job these days is corporate litigation, he's stayed deeply involved in international human rights work. Last month, he and two Wiggin & Dana partners took a big step in the fight against sweatshop working conditions, winning Justice Department approval for the Fair Factories Clearinghouse (FFC). The clearinghouse's aim is to assist apparel, footwear and other manufacturers to stay apprised of workplace abuses at factories around the globe.

The mid-1990s, said Greathead, saw a shift from governments to multinational corporations as the targets for human rights reform. "It started in this country in a visible way with the discovery that some major companies were making their products in sweatshops in Asia and Latin America."

The Lawyer's Committee for Human Rights got involved in helping targets, like Nike, Reebok and Liz Claiborne, monitor workplace conditions.

"A medium-sized company like Liz Claiborne may have 400 factories they use in a year all over the world. The next year, 300 of those will be different factories. The cost of sending an audit team to look at overtime, health and safety standards, child labor, discrimination against pregnant women, can be very expensive," Greathead said, explaining the need for the FFC database.

Targeted companies often didn't know how to defend themselves. For example, when college student activists in 1999 demanded lists of the factories where Nike's athletic shoes are made, the company initially stonewalled, claiming it was a proprietary business secret.

By 2004, in a major policy reversal, the Beaverton, Ore.-based company published a list of all its production centers around the world, including critical analyses of outside consultants who evaluated the working conditions of 569 clothing and footwear factories. Archrival Reebok International, in England, developed a software program to track the conditions in its factories, to encourage improvements in wage, hour and child labor practices.

In the apparel industry, where it's common to have three or four competitive brands produced in one factory, individual audits were duplicative and inefficient, Greathead said. Individual companies struggled to invent methods for evaluating fair workplace standards in scores of foreign economies.

"The Gap, for example, has two to three thousand companies working for it around the world. It has about 90 employees working full-time monitoring working conditions; it's very, very expensive," Greathead said.

Other companies hired teams from large accounting firms, also at tremendous expense. This prompted Greathead to form World Monitors Inc., a New York consulting company affiliated with Wiggin & Dana. In 2003, Greathead's boutique firm, Howe & Addington, merged with New Haven-based Wiggin & Dana. The next year, World Monitors joined with Reebok, Federated Department Stores, the Hudson Bay Co. and others to launch the Fair Factories Clearinghouse.

However, whenever competitors in an industry converge to share information, antitrust issues loom.

To clear that obstacle, Greathead and Wiggin & Dana partners Robert M. Langer, in Hartford, and Suzanne E. Wachsstock, in Stamford, sought a formal business review letter last May from the U.S. Department of Justice's antitrust division. Working *pro bono*, Langer and Wachsstock helped draft the detailed request. It promises that individual factories will not have access to competitors' wage and hour information, except in aggregate form.

Greathead said that, as the anti-sweatshop campaign grew, "almost every U.S. apparel company adopted a code of conduct--thousands of companies in the U.S. So when they hire a factory in Puebla, Mexico, that factory will have to agree to abide by the code of conduct. The vast majority of companies don't have the resources to determine whether the factory is complying," but now there is a practical and economical alternative, he said.

Langer said "my partners and I consider it an honor to do this *pro bono*. I haven't had this much fun in years. This has the potential to improve working conditions for people all over the world."

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