



December 3, 2007

To: Members of the CPUC
From: Shirley M. Tilghman *Shirley*
Subject: Recommendations from the Resources Committee

I regret that I was not able to attend the November meeting of the CPUC when Professor Nolan McCarty reported on behalf of the Resources Committee, but I have had an opportunity to read the written report that Professor McCarty submitted earlier this fall on behalf of the committee and to talk with him at some length about the committee's recommendations. I greatly appreciate the significant amount of time that the committee devoted to its consideration of whether and how Princeton should expand the anti-sweatshop program that it initially adopted following extensive CPUC discussion in 1998-1999. Since 2000 the University has looked to the Resources Committee for advice on the policies and practices it should follow in requiring its licensees to adhere to an appropriate code of conduct—governing both working conditions and the treatment of workers—in the production of merchandise that bears Princeton's name.

Fair Labor Association (FLA)

The Resources Committee strongly endorsed the University's continuing participation and active leadership in the Fair Labor Association, an organization whose governing board provides for equal representation from universities, companies, and NGOs. (The FLA board is currently chaired by Carol Bellamy, a former head of both UNICEF and the Peace Corps.) Since 1999, Princeton has required all of its licensees (about 120) to comply with the FLA Code of Conduct and meet the FLA requirements associated with their licensee category; it has also required them to disclose publicly the factory locations where licensed products are manufactured. While the committee noted areas where the FLA could improve, it found that over the past eight years the organization has strengthened and expanded its programs (last year it sent independent FLA-accredited external monitors into 147 factories around the world) and it especially commended two recent initiatives: an Enhanced Licensee Program in which Princeton will be one of the initial participants and an enhanced monitoring and remediation program (known as FLA 3.0) that is focused on achieving long-term sustainable compliance with the FLA code.

I agree with the committee's recommendation that Princeton should sustain its current policies and practices and continue to play a leadership role in the FLA.

Workers' Rights Consortium (WRC)

The Resources Committee was unanimous in its recommendation that the University should engage with the Workers' Rights Consortium, an organization whose governing board includes academic experts, university administrators, labor representatives, and student members of United Students Against Sweatshops (USAS). The committee was divided, however, on whether this increased engagement should include joining the organization immediately.

The committee concluded that membership in both the FLA and the WRC "has the potential to strengthen the University's role in supporting international labor standards in factories where merchandise bearing Princeton's name is manufactured and would clearly demonstrate Princeton's commitment to fair labor practices." The committee identified potential complementarities between the two groups and suggested that Princeton's membership in both organizations could encourage greater cooperation between them. At the same time, the committee expressed concern about recent disruptive tactics by USAS (which occupies a third of the seats on the WRC board) and the ongoing hostility of USAS toward the FLA, noting that this hostility "has the potential to undermine the compatibility and complementarity that the Resources Committee would like to encourage." The committee also expressed serious reservations about an initiative (the Designated Suppliers Program) that USAS has proposed become the signature program of the WRC. The committee's reservations include concerns about the effectiveness and appropriateness of the DSP (which has been awaiting review by the U.S. Department of Justice for almost a year) and concerns that a singular focus on this one program could undermine the overall capacity and effectiveness of the WRC.

I agree that there are potential complementarities between the FLA and the WRC that are not currently being realized and that Princeton may be able to play a constructive role in encouraging greater cooperation between the two groups. I also agree that if this can be achieved, it would not only strengthen the anti-sweatshop programs of many universities, including Princeton, but would enhance the effectiveness of both organizations. The global challenges that must be overcome in seeking to ensure humane and fair treatment of workers are too great for organizations like the FLA and the WRC, with similar goals and overlapping memberships, not to be working together. For these reasons I am prepared to accept the committee's recommendation that the University engage with the WRC. In my view, if we are going to engage it should be as a member of the organization. Thus, over the next few weeks, Princeton will submit its application for membership in the WRC.

At the same time, I take seriously and share the committee's concerns regarding both the hostility of USAS toward the FLA and the proposed DSP. For a number of reasons, including the ones articulated by President Hennessy of Stanford in his statement that the Resources Committee appended to its report, I have serious reservations about the DSP, both as a matter of policy and as a matter of practice. Moreover, it is my understanding that pursuit of this program

has already diverted the energies and resources of the WRC from other projects, resulting, for example, in a very small number of factory inspections by the WRC over the past few years.

The Resources Committee recommended that if Princeton does join the WRC, there should be “close monitoring and periodic review to assess whether the expectations of cooperation, compatibility and complementarity are met.” This is wise counsel, and we will follow it in determining whether our membership in the WRC does allow us to play the constructive and meaningful role in that organization that the Resources Committee properly encourages us to play.

cc: Professor Nolan McCarty
Members of the CPUC Resources Committee