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Wal-Mart Sweatshops Litigation Demands

Date of publication: September 13, 2005

On September 13, 2005, workers at Wal-Mart suppliers in China, Bangladesh, Indonesia, Swaziland, and Nicaragua filed a class action lawsuit in Los Angeles on behalf of themselves and others similarly situated seeking to end Wal-Mart's reign over a sweatshop gulag that condemns workers around the world to provide forced and uncompensated labor. These workers can barely survive on what wages they do receive, while Wal-Mart grew to become the world's largest retailer and continues to post record profits. The following are the Plaintiffs' specific demands they seek to achieve with their lawsuit:

- Enforce the Wal-Mart Code of Conduct. Wal-Mart, like many large multinationals, has an extensive "Code of Conduct" (2005 version attached hereto). The code promises to the public that Wal-Mart will ensure that workers at all its suppliers be provided with a wide range of basic rights, including compliance with local laws on minimum wage, maximum hours and overtime provisions. The evidence is overwhelming that workers at Wal-Mart suppliers, including the Plaintiffs, are routinely forced to work overtime, they are forced to work off-the-clock, they are not paid the minimum wage based on even local law, and they are denied benefits required by local law. A major objective of the lawsuit is to require Wal-Mart to actually make good on its promise and work with representatives for the Plaintiffs to develop a system that will ensure the implementation of the Wal-Mart Code of Conduct. Necessary action includes comprehensive communication to all of the Wal-Mart suppliers that the game is over and Wal-Mart is now serious about enforcing its Code of Conduct. Also, workers must be made aware of their rights under the code. Further, labor rights advocates must be given access to Wal-Mart suppliers to verify the actual conditions facing workers, and to participate in setting up true independent monitoring that is not on Wal-Mart's payroll.
- Provide a Dispute Resolution System. Wal-Mart, like many multinationals, chooses to outsource production of its goods from countries like China and Bangladesh, where labor is cheap, and made cheaper by the fact that even the local labor laws are not enforced. If workers do not have access to courts to enforce their rights, then the rights become mere aspirations. Wal-Mart and other companies take advantage of this situation, and assert their inability to reform the laws and practices of entire countries. But Wal-Mart has assured the public that they will make sure that the workers at its suppliers will get the benefits of local laws. The only way to do this in the absence of a functioning legal system is to introduce a complaint-driven enforcement mechanism that allows workers to complain to some independent body about their failure to receive the benefits promised by Wal-Mart's Code of Conduct. This entity must have the power to require Wal-Mart to provide immediate remediation. Representatives of the Plaintiffs will insist upon participation in this process to ensure that it provides a workable mechanism to deliver to workers the benefits of the code, but likewise protects them from retaliation.
- Reform the Pricing Process. Wal-Mart is notorious for pressuring its suppliers

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to provide prices that could not possibly allow an ethical supplier to comply with basic labor laws on issues like minimum wages and maximum hours. The result of this “low costs at any cost” approach is that the workers ultimately are forced to pay the price. Wal-Mart’s sourcing practices exacerbate worker exploitation as the suppliers know that Wal-Mart will simply “cut and run” if they fail to provide goods at the prices demanded. Wal-Mart must reform its pricing practices to require and ensure that the prices provided to suppliers would still allow workers to receive the benefits of Wal-Mart’s Code of Conduct, as well as all applicable laws and regulations. Plaintiffs’ representatives will demand that Wal-Mart systematically raise payments to suppliers to enable them to pay workers a decent wage, and provide them with additional benefits as guaranteed by law.

- Provide Restitution to the Wal-Mart Sweatshop Workers. Wal-Mart knows, or should have known, that its suppliers are not providing the most basic rights to their workers, including paying at least minimum wages and refraining from forced and uncompensated overtime. Hundreds of thousands of sweatshop workers around the world have subsidized Wal-Mart’s enormous profits with their uncompensated labor. Wal-Mart must compensate these workers for their back wages and benefits that were unlawfully denied to them.
- Commit to Sourcing From Union Shops and Worker Co-Ops Worldwide. WalMart and other global corporations have undermined democracy in the workplace around the world through strategies of union-busting, and simply cutting and running from factories or farms where workers stand up for their rights. We demand that WalMart make a public commitment to increasing from year to year the percent of its product that is sourced worldwide from factories and farms with democratic unions in place, or that are democratically-organized cooperatives.

