July 29, 2000

Please find below a letter addressed to the presidents of American universities and colleges with regard to the issues raised by the Anti-Sweatshop campaign on American campuses and the decisions that have been taken. In this letter, we urge that the Anti-Sweatshop issues be subjected to more critical analysis and debated and discussed more widely than has been the case to date.

The authors of the letter are economists who are members of the Academic Consortium on International Trade (ACIT). ACIT is a group of academic economists and lawyers who are specialized in international trade policy and international economic law. ACIT's purpose is to prepare and circulate policy statements, letters, and papers dealing with issues of current importance to policy officials, members of the academic community, and other groups and the public. These are posted on the ACIT web site, www.spp.umich.edu/rsie/acit/. The members of the ACIT Steering Committee are listed below, together with signatories of this letter from a number of American academic institutions.

Dear Sir/Madam:

We, the undersigned, are concerned about the process by which decisions are being taken by some academic institutions in the ongoing Anti-Sweatshop campaign to establish Codes of Conduct to be applied to American firms manufacturing apparel with university/college logos in poor countries and about the choice among agencies appointed to monitor the activities of these firms.

We believe that the decisions on these matters by universities and colleges should be made only after careful research, discussion, and debate in a manner appropriate to informed decision-making. However, we often encounter news reports of sit-ins by groups of students in the offices of university/college administrators, after which decisions are often made without seeking the views of scholars in the social sciences, law, and humanities who have long discussed and researched the issues involved or of a broader campus constituency of fellow students and the entire community of faculty members. Furthermore, little attention has been given to whether the views of the Anti-Sweatshop campaign are representative of the views of the governments, non-government organizations (NGOs), and workers in the poor countries that are directly involved in the manufacture and in the export of apparel and related goods.

We recognize the good intentions of the Worker Rights Consortium (WRC) and the Fair Labor Association (FLA), which are the two main anti-sweatshop groups competing for membership commitments by universities and colleges. Both of these groups, however, seem to ignore the well-established fact that multinational corporations (MNCs) commonly pay their workers more on average in comparison to the prevailing market wage for similar workers employed elsewhere in the economy. In cases where subcontracting is involved, workers are generally paid no less than the prevailing market wage. We are concerned therefore that if MNCs are persuaded to pay even more to their apparel workers in response to what the ongoing studies by the anti-sweatshop organizations may conclude are appropriate wage levels, the net result would be shifts in employment that will worsen the collective welfare of the very workers in poor countries who are supposed to be helped. Further information on this and other issues involved in the anti-sweatshop campaign is posted on the ACIT web site.

We are also concerned that the monitoring mechanisms established by both the Worker Rights Consortium and Fair Labor Association may prove uneven and ineffective. Other certifying and monitoring organizations should also be considered, such as the Council on Economic Priorities Accreditation Agency (CEPAA), an international non-government organization with considerable experience in administering a Social Accountability Standard (SA8000). Under SA8000, member companies are required to comply with national and other applicable laws and to respect the principles of worker rights embodied in the pertinent Conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights, and the United Nations Convention on the Rights of the Child.

In view of the complexity of the broad economic and related issues that the subject of "Social Responsibility" raises, we stress the need for universities and colleges to properly research, debate, discuss, and take decisions on this matter in a manner more appropriate to the fact that they, of all institutions in society, must promote informed decision-making.

ACIT Steering Committee

Robert E. Baldwin, University of Wisconsin
Jagdish Bhagwati, Columbia University and Member of SA8000 Advisory Board
Alan V. Deardorff, University of Michigan
Arvind Panagariya, University of Maryland
T.N. Srinivasan, Yale University
Robert M. Stern, University of Michigan

List of Signatories