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Nominated for the Public Eye Award 2005  
in the category:

**LABOUR RIGHTS**

Nomination by Clean Clothes Campaign

## Wal-Mart Stores, Inc.

Headquarters:	Bentonville (Arkansas/USA). Wal-Mart has more than 3,200 stores in the USA and over 1,100 stores abroad. In 2003, the economy magazine "Fortune" awarded Wal-Mart as "Most Admired Company in America".
Net profit:	January 2003 until January 2004: US\$256 billion
Branch of trade:	retailing (largest retailer globally)
Owned by:	heirs of the company founder Sam Walton own a considerable part of the shares
No. of employees:	more than 1.3 million worldwide (largest private employer)
CEO:	Lee Scott (president and CEO), Samuel Robson Walton (chairman)
Member to the WEF:	NO (in January 2004)

### Outline

*So far, Wal-Mart has been refusing to assume any kind of responsibility for the in part terrible working conditions in its clothes supply factories outside the US. In Lesotho, Kenya and Thailand, the corporate group ignored claims for an improvement of the working conditions raised by NGOs. In comparison to other companies, Wal-Mart's policy concerning the working conditions lags behind considerably.*

### General Information on the Case

First of all, there is the case of the 21 Wal-Mart clothes supply factories in Lesotho (South Africa). A normal working day in Lesotho lasts 10 hours. Added to that is compulsory overtime of up to 4 hours daily, which amounts to 14 hours daily. In some factories, the workers are forced to do double shifts. Most of the workers get a meagre monthly wage of US\$54. Moreover, the workers expressed complaints that the factories are chillingly cold in winter and stiflingly hot in summer, since there is no sufficient insulation, heating or air conditioning. In one factory, there are no more than 3 bathrooms for 900 workers. Repeatedly, there have been verbal, physical and sexual harassments. The managers of the factories refuse to enter into negotiations with the trade unions. Second, there is another case of clothes supply factories in Kenya. Three of them - Kentex, Baraka und JAR - produce for Wal-Mart too. In January 2003, workers expressed complaints towards the authorities on the deplorable working conditions (wages below the subsistence level, pressure on the trade unions, long working hours etc.) and they went on strike for one day. Afterwards, they negotiated with the employers. In a press release, the employers granted the trade unions access to their factories so that they could recruit workers. In addition, they agreed to enter into further negotiations on better working conditions. All of a sudden five factories, amongst them Kentex, Baraka and later JAR, were closed down and the workers were dismissed. The factory managers

The deadline for the submission of the nominations was 31 October 2004. Later developments were considered in the summaries as far as known. 1

later employed other workers. They made it crystal clear to them that they would not accept any individual complaints and no trade unions.

Another case concerns the clothes manufacture Par Garment situated near Bangkok. It used to produce for Wal-Mart. The factory was closed down because the owner was in arrears with his credit repayments. He now produces in other factories, far away from Bangkok. He left his former employees jobless and without any compensation.

### **Characteristics of irresponsible corporate behaviour**

Serious concerns are: excessive compulsory overtime, wages below the subsistence level, pressure on trade unions, no collective contracts of employment, verbal and physical abuse and sexual harassment by supervisors, poor sanitary facilities and insufficient infrastructure in general.

### **Consequences**

In Lesotho, the monthly wage does not even cover half of the life-supporting expenses of a family of four. In Kenya, numerous former employees of the clothes factories are still unemployed. The 149 workers of the clothes factory in Thailand have become unemployed all of a sudden, without any compensation.

### **Current status and demands**

The Lesotho Clothing and Allied Workers Union (LECAWU) demands that Wal-Mart requires all its suppliers in Lesotho to comply with the Lesotho Labour Code and the Conventions of the International Labour Organisation (ILO). Wal-Mart should not retreat from Lesotho but remain there and solve the problems with the suppliers by arrangement with LECAWU. Wal-Mart has not reacted so far to the demands of the Clean Clothes Campaign (CCC).

In Kenya, the clothes manufactures were requested to refrain from dismissing its workers merely based on the fact that they organise themselves and express their concerns. Moreover, the companies should check on the implementation of their Codes of Conduct. Different companies, Target and Sears, in particular, responded to the requests, but Wal-Mart has not.

In Thailand, former Par Garment workers demand compensation for the loss of their jobs. The international brand companies should put pressure on the factory owner in this regard. Companies like GAP and Gymboree reacted, Wal-Mart has not.

### **Link to the details of the nomination: [www.evb.ch/nominations.htm](http://www.evb.ch/nominations.htm)**

Further information and links:

- [www.cleanclothes.org](http://www.cleanclothes.org)
- [www.oxfam.org.uk/what\\_we\\_do/issues/trade/downloads/trading\\_rights.pdf](http://www.oxfam.org.uk/what_we_do/issues/trade/downloads/trading_rights.pdf)
- [www.walmartwatch.com](http://www.walmartwatch.com)