# Table of Contents

**A Catholic View of Work**  
Prayer & Reflection (Page 2)  
Catholic Social Teaching and Work (Pages 3-5) *Includes Questions*  
International Law on Workers’ Rights (Pages 6-7) *Includes Questions*

**Educational Information**  
Fact Sheet #1: Transnational Corporations (Pages 8 - 9) *Includes Questions*  
Fact Sheet #2: Who Benefits? (Pages 10 - 11) *Includes Questions*  
Fact Sheet #3: Sweatshop Abuses (Pages 12 - 13) *Includes Questions*  
Fact Sheet: The Fair Trade Movement (Page 14)  
The Faces Behind the Product: The Coffee Industry (Pages 15-16)  
The Faces Behind the Product: The Banana Industry (Pages 17 - 20)  
The Faces Behind the Product: Nike (Pages 21 - 22)
Prayer and Reflection

OPENING PRAYER
All the broken hearts shall rejoice;
All those who are heavy laden,
Whose eyes are tired at their work table,
Shall be lifted up to meet with justice.
The worn out souls and bodies shall be healed;
Their hungry families shall be fed;
The imprisoned shall be free;
All earthly children shall regain joy
In the reign of the just and loving One,
Coming for you, coming for me,
Coming for all our brothers and sisters,
In this world, in this new time.
From South Korea.

REFLECTION
Workers are called to pursue justice. In the Catholic tradition, work is not a burden, not just how we make a living. Work is a way of supporting our family, realizing our dignity, promoting the common good and participating in God’s creation. This means often doing the ordinary well, making the most of our talents and opportunities, treating others fairly and with dignity, and working with integrity and creativity. Believers should be encouraged to choose their work based on how they can best use the gifts God has given them.


Work remains a good thing, not only because it is useful and enjoyable, but also because it expresses and increases the worker’s dignity. Through work we not only transform the world, we are transformed ourselves, becoming “more a human being.”

*Laborem Exercens, (On Human Work)*, Pope John Paul II

CLOSING PRAYER
Lord, we thank You for the work of human hands, for the toil that feeds us, for the labor that contributes to the ongoing creation of our world.

Lord, we thank You for builders and artists who make our world more beautiful for us and who contribute to a better quality of life for all.

Lord, we thank You for all those whose work in the healing professions—nurses, doctors, paramedics, healers and all hospital staff who serve in a healing ministry all over the world.

Lord, we thank You for those who teach and work with children, building the future.

Lord, we pray for all workers in all countries that they may be treated with the dignity and justice they are entitled as Your children.

Lord, we pray for all the unemployed people in all countries—for the youth who may never find work and for those workers whose jobs have been eliminated or moved to gain more profit.

Lord, we pray for all women workers, especially those who are discriminated against or exploited at work and who also carry the burden of work in their homes.

Lord, we pray for children and youth who must work for long hours in inhumane conditions to help buy bread for their families.

Lord, have mercy on all workers in our global community.
Reflection
Catholic Social Teaching on the Dignity of the Worker

The Catholic tradition teaches that work is more than just “making a living.” Work is an essential part of human dignity. By working, human beings imitate their Creator, and in fact become co-creators with God. The following pages provide excerpts from Catholic Social Teaching and the Scriptures which highlight this theme as well as examples of international laws which support human dignity.

PART I: THE DIGNITY OF THE WORKER

It is through work that humans can develop and become, as Pope John Paul II declares, God’s “co-creators” of a more just world.

Created in God’s image, we were given the mandate to transform the earth. By their work people share in God’s creating activity . . . Awareness that our work is a sharing in God’s work ought to permeate even the most ordinary daily activities.

By our labor we are unfolding the Creator’s work and contributing to the realization of God’s plan on earth. The Christian message does not stop us from building the world or make us neglect our fellow human beings. On the contrary, it binds us more firmly to do just that.

Laborem Exercens, #25, Pope John Paul II.

For when people work, they not only alter things and society, they develop themselves as well. They learn much, they cultivate their resources, they go outside of themselves and beyond themselves. Rightly understood, this kind of growth is of greater value than any external riches which can be garnered. People are more precious for what they are than for what they have.

Gaudium et Spes, #35, Vatican Council II.

Work is a duty, because our Creator demanded it and because it maintains and develops our humanity. We must work out of regard for others, especially our own families, but also because of the society we belong to and in fact because of the whole of humanity.

Laborem Exercens, #16, Pope John Paul II.

Questions
1. What is the Catholic perspective on work?
2. How does work promote human dignity? How does work help us to develop our talents and our spirit?

PART II: WORKERS FIRST, PROFITS SECOND

In the “real world,” work often does not dignify the worker. In many cases workers are not paid fair wages for their labor or receive any kind of benefits. Sometimes workers’ heath and safety are compromised on the job, and they are forced to work very long hours. Sometimes people are forced into working against their will, or very young children are forced to work when they should be learning and playing.

The Church teaches that all of this is a violation of the dignity of the worker. Work should always dignify the human person, and economic forces should be structured to protect workers’ rights.

Among the most important duties of employers, the principal one is to give every worker what is justly due him or her. Assuredly, to establish a rule of pay in accord with justice, many factors must be taken into account. But, in general, the rich and employers must remember that no laws, either human or divine, permit them for their own profit to oppress the needy and the wretched or to seek gain from another’s want.

Rerum Novarum, #20, Pope Leo XIII.
Reflection (continued)

Catholic Social Teaching on the Dignity of the Worker

A *just wage* is the legitimate fruit of work. To refuse or withhold it can be a grave injustice. In determining fair pay both the needs and the contributions of each person must be taken into account. “Remuneration for work should guarantee the person the opportunity to provide a dignified livelihood for herself or himself and her or his family on the material, social, cultural, and spiritual level, taking into account the role and the productivity of each, the state of the business, and the common good.” Agreement between the parties is not sufficient to justify morally the amount to be received in wages. *Catechism of the Catholic Church*, #2434.

Consequently, if the organization and structure of economic life be such that the human dignity of workers is compromised, or their sense of responsibility is weakened, or their freedom of action is removed, then we judge such an economic order to be unjust, even though it produces a vast amount of goods, whose distribution conforms to the norms of justice and equity. *Mater et Magistra*, #83, Pope John XXIII.

Questions

1. What makes a wage “just” or “unjust” according to the above selections?

2. What contributes to making an economic order “just” or “unjust?”

3. “Agreement between the parties is not sufficient to justify morally the amount to be received in wages.” What does this quotation, taken from the *Catechism of the Catholic Church*, #2434, mean? Men and women can find themselves in desperate situations in which they agree to work for very little money or in substandard working conditions in order to merely survive. What is a just way to resolve this problem? Who is responsible to solve it?

**PART III: CATHOLIC SOCIAL TEACHING AND THE RIGHT TO UNIONIZE**

One way workers protect their rights is through unions. This word comes from the word “unity.” Workers know that alone they cannot change oppressive systems; however, by working together, they can establish a fair economic system. The Church supports the right of workers to unite and organize to work for justice.

All people have the right to economic initiative, to productive work, to just wages and benefits, to decent working conditions, as well as to organize and join unions or other associations. *A Catholic Framework for Economic Life*, U.S. Catholic Bishops, 1996.

The important role of union organizations must be admitted: their object is the representation of the various categories of workers, their lawful collaboration in the economic advance of society and the development of the sense of their responsibility for the realization for the common good. *Octogesima Adveniens*, Pope Paul VI, 1971.

Among the basic rights of the human person must be counted the right of freely founding labor unions. These unions should be truly able to represent the workers and to contribute to the proper arrangement of economic life. Another such right is that of taking part freely in the activity of these unions without risk of reprisal. *Gaudium et Spes*, Second Vatican Council, 1965.

Questions

What is the Church’s stance on workers’ right to associate, or to form unions? Why do they support this?
PART IV: SCRIPTURE AND THE DIGNITY OF WORKERS

Both the Hebrew Scriptures and the New Testament reflect God’s commitment to poor and vulnerable workers who may be at the mercy of unjust employers. The Scriptures admonish employers to treat workers with dignity and to pay them just wages.

He who shuts his ear to the cry of the poor will himself also call and not be heard.

Proverbs 21:13

You shall not defraud a poor and needy hired servant, whether he or she be of your own country or one of the aliens who live in your communities. You shall pay her or him each day’s wages before sundown on the day itself, since he is poor and looks forward to them. Otherwise he or she will cry to the LORD against you, and you will be held guilty.

Deuteronomy 24:14-15

Hear this, you who trample upon the needy and destroy the poor of the land! “When will the new moon be over,” you ask, “that we may sell our grain, and the sabbath, that we may display the wheat? We will diminish the ephah, add to the shekel, and fix our scales for cheating! We will buy the lowly man for silver, and the poor man for a pair of sandals; even the refuse of the wheat we will sell!” The LORD has sworn by the pride of Jacob: Never will I forget a thing they have done!

Amos 8:4-7

Woe to him who builds his house on wrong, his terraces on injustice; who works his neighbor without pay, and gives him no wages.

Jeremiah 22:13

Questions

What is Scripture’s message to those who take advantage of workers?

Do you see any of the problems mentioned in Scriptures in contemporary society?

Come now, you rich, weep and wail over your impending miseries. Your wealth has rotted away, your clothes have become moth-eaten, your gold and silver have corroded, and that corrosion will be a testimony against you; it will devour your flesh like a fire. You have stored up treasure for the last days. Behold, the wages you withheld from the workers who harvested your fields are crying aloud, and the cries of the harvesters have reached the ears of the Lord of hosts.

James 5: 1 – 4
Fundamental International Labor Organization (ILO) Conventions

The International Labor Organization is a specialized agency of the United Nations which seeks the promotion of social justice and internationally recognized human and labor rights. It was founded in 1919 and currently has 173 member states.

The ILO has passed eight conventions which its governing body recognizes as fundamental to the rights of human beings at work. These rights include:

*Freedom of association
  Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
  Right to Organize and Collective Bargaining Convention, 1949 (No. 98)

*The abolition of forced labor
  Forced Labor Convention, 1930 (No. 29)
  Abolition of Forced Labor Convention, 1957 (No. 105)

*Equality
  Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
  Equal Remuneration Convention, 1951 (No. 100)

*The elimination of child labor
  Minimum Age Convention, 1973 (No. 138)
  Worst Forms of Child Labor Convention, 1999 (No. 182)

Ratification of the Fundamental ILO Conventions

Not all eight conventions have been adopted by all the member states of the ILO.

In May of 1995, the ILO launched a campaign for the ratification of these Conventions. Since then the ILO has registered over 70 ratifications and confirmations of previous obligations concerning the fundamental Conventions. In addition, many countries are currently involved in formal ratification procedures or are in the process of considering the appropriateness of the Conventions for their countries.

Implications

The United States has only ratified two of the six conventions – 105 (Abolition of Forced Labor Convention) and 182 (Worst Forms of Child Labor Convention). Why do you think this is so? Take some time to research this question.

Furthermore, Singapore and Malaysia have denounced Convention 105, which forbids forced labor. Think about why a country would denounce this Convention, then look to see if any anything you own was made in either of these countries. What are the conditions like for the laborers in these countries?

For the full list of who has ratified the Conventions, see http://ilolex.ilo.ch:1567/english/docs/declworld.htm. For other information about the ILO, see http://www.ilo.org.
Fact Sheet (continued)

Workers Rights in International Documents

Universal Declaration of Human Rights
The Universal Declaration of Human Rights was adopted and proclaimed by the United Nations General Assembly on December 10, 1948. It is a powerful document outlining fundamental rights shared by all of humanity. The following articles relate to workers’ rights:

Article 23.
(1) Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment.
(2) Everyone, without any discrimination, has the right to equal pay for equal work.
(3) Everyone who works has the right to just and favorable remuneration ensuring for himself or herself and his or her family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
(4) Everyone has the right to form and to join trade unions for the protection of her or his interests.

Article 24.
Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

Article 25.
(1) Everyone has the right to a standard of living adequate for the health and well-being of himself or herself and of his or her family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his or her control.

Questions: CST and International Documents about Workers’ Rights

1. What fundamental rights of workers are emphasized by both international documents and Catholic Social Teaching? What do the documents and CST have in common?

2. According to CST, the dignity of people, not profit, should be the primary focus of the economy. Do you think the world economy is primarily concerned with the dignity of people?

3. When we work and create, we are like God who is the Creator of all. How has work you have done imitated the work of God? What kinds of jobs, careers, and other kinds of work imitate the creativity of God?

4. Imagine a world where work was safe, just, and meaningful for everyone. How would it be different from the world today? Imagine and describe a world where the economy follows the international documents of the ILO and UN and embodies the values of CST and the Scriptures. What role would you like to play?
Fact Sheet  
Transnational Corporations

Read the fact sheet and answer the questions that follow.

Introduction
The goal of any business is to make a profit (unless, of course, it is a non-profit business). While businesses have a fair right to profit, transnational corporations (TNCs) are so caught up in making money that they do not equally respect the right of the people who work for them.

In their quest to make the highest profits, transnational corporations have been relocated to wherever it is least expensive to make their goods. Usually, the United States is not that place. Because of their long struggle for rights, workers in the United States have earned protections in the workplace. There are laws requiring safe working environments and laws requiring a minimum wage. Other laws protect people against discrimination and child labor, and still others allow people to organize (unionize) to bargain with their employers.

This is not the case in many other countries. In many developing countries corporations can pay workers as little as a few cents an hour for their labor. They don’t have to give people time off for vacation, pay them overtime, give them health benefits, or even let them use the restroom, except at certain times. They don’t have to obey environmental standards.

The Race to the Bottom
Many people call the search for the least expensive place to make goods the “Race to the Bottom.” In other words, corporations search for low wages, little or no benefits, little or no human and worker rights protections, no health, safety, or environmental regulations, no taxes and no unions. These corporations may be extremely powerful and wealthy; for example, Wal-Mart’s annual sales of $137.6 billion are larger than the GDP of 155 countries in the world. There are few laws in place that govern these transnational corporations.

In The Mall
Two pairs of Britannia jeans hang side by side in the department store. They are exactly alike. They both cost $17.99. They only difference is that one pair was made in the U.S., while the other was made in Nicaragua.

This is how the system operates: In the apparel industry a worker gets paid for how many pieces he or she sews in an hour. In the U.S., workers are given 15 minutes to sew a pair of jeans. At an average wage of $8.31 an hour, this means that there is $2.08 of labor in each pair of jeans, or 11.5% of the retail price.

When corporations relocate the work off-shore, they explain that all they do is “translate” the piece rate into the local currency. In other words, if you sewed 100 pieces an hour in the U.S. to earn $8.31, in Nicaragua you will now sew 100 pieces an hour to make the minimum wage of 23 cents an hour. But the corporations are not completely inhuman. They say on 23-cent-an-hour wages the workers are malnourished. And the 12-hour shifts in 100 degree temperatures leave the workers exhausted. So they take 33 percent off the piece rate—giving workers in Nicaragua 20 minutes to sew each pair of jeans. Even in the 20 minutes, and using the fully loaded wage of 43 cents an hour—which few companies pay—there is still only 14 cents of labor in each pair of $17.99 jeans made in Nicaragua. The transnational that owns the Britannia label saves a huge amount of money by manufacturing this label of jeans in Nicaragua instead of the United States.

Fact Sheet (continued)

Transnational Corporations

Use Your Math Skills
1. Remember that this example company charges $17.99 for a pair of jeans. If the company must pay $2.08 of labor in the U.S. for each, how much is left for other expenses and profit? How much is left if the company makes its jeans in Nicaragua?

2. How much does this company save per pair of jeans by taking its factory “off-shore?”

3. Say that in Nicaragua, the workers sew 14,000 pairs of jeans each day. How much does the company save per day? Per week? Per year?

Link to CST
1. Catholic Social Teaching says that workers have the right to earn their living with dignity. How do the actions of transnational corporations violate this principle?

2. What other principles of CST are violated by this system?
It is cheaper to make goods in countries without regulations. Corporations save huge amounts of money by relocating. So—who benefits? Are things cheaper for consumers once they get to America?

No. The American consumer does not benefit from the relocation of factories. When a product is made in the U.S., the traditional mark-up is 100% as the it passes from the manufacturer to the retail store. However, if the product passes from an off-shore manufacturer, corporations mark up the price 500 to 1000%. Even if the corporation only pays a worker 14 cents to make a pair of jeans, you will still pay $17.99 for them in the store. The price of goods remains the same. The huge savings become profit for the corporation, not savings for the consumer.

And of course, American workers lose out. In the last year, 475,000 well-paid, largely unionized, manufacturing jobs were lost to off-shore factories. 475,000 people out of work in the U.S., and many people are working in sweatshops in other countries. They system is not just for either.


CEOs
Most of the revenue gained from decreased labor costs go to supporting corporate profit margins, huge CEO salaries, and giant endorsement contracts for athletes and others who promote a corporation’s products.

Take Nike for example. CEO Phil Knight of Nike is worth $5.8 billion dollars, while Nike factory workers in Indonesia make $1.25 per day. Nike spokespeople receive huge payments—like athletes Tiger Woods ($100 million), Michael Jordan, and Mia Hamm ($1 million). Consider these figures:

- CEOs of firms that announced layoffs of 1,000 or more workers in 2001 earned about 80% more, on average, than executives at 365 top firms surveyed by Business Week.

- Top job-cutters received an increase in salary and bonus of nearly 20% in 2000, compared to average raises in that year for U.S. wage workers of about 3% and for salaried employees of 4%.

- If the minimum wage had grown at the same rate as CEO pay since 1990, 571%, it would now be $25.50 an hour, rather than $5.15 an hour.


According to the New York Times, the average CEO of a major corporation received a record-breaking $20 million in 2000, including nearly 50 percent more stock options and 22 percent more in salary and bonus.


Union Busting
In the 1950s, wealth was more equally distributed in the U.S. than it is now. CEOs had less and workers had more. This was due in part to a stronger presence of unions who bargained for workers’ rights. According to Economic Apartheid in America, an Economic Primer by United for a Fair Economy, in the 1950s 34% of workers were union members whereas union membership had dropped to 13.9% in 1999.

The benefits of union membership are clear. Wages for union members are on average 34% higher than for non-union members. Furthermore, joining a union raises wages by 40% for women, 44% for African American, and 53% for Latino workers.
Fact Sheet (continued)

Transnational Corporations

WHO BENEFITS?

50 million people in America would like to join a union but are afraid to do so. Businesses have invested considerable resources into creating and sustaining this fear. Consider these statistics:

• Eighty percent of companies hire a consultant to stop employees from forming a union. They spend an estimated $300 million a year on such consultants, not including litigation and legal expenses used to fight or delay a unionization effort.

• Almost all corporations try to convince their employees not to form unions. Ninety-one percent of companies require employees to attend antiunion information meetings; 77 percent distribute antiunion leaflets; and 58 percent show antiunion videos.

• Thirty percent of all corporations fire workers who actively support unions. This means that an estimated 10,000 workers a year are fired for wanting to join a union.

• Fifty percent of companies threaten to close the office or plant when people try to unionize.


Questions

1. If neither American nor foreign workers are benefiting from the relocations of factories, who is?

2. Is the American consumer benefit from the more cheaply produced goods?

3. What steps do companies take to “bust” unions? Why do you think they do this?

4. CEOs have extravagant incomes and lifestyles which are respected and envied by Americans. How do the values of Catholic Social Teaching critique this kind of extravagance? Reflect further on the conflict between “the American dream” (which emphasizes wealth) and the principles of CST.

5. “Over-consumption” affects not only CEOs, but average Americans due in part to marketing techniques and other actions of transnational corporations. How do American consumers lose out under the current system? What perspective do the values of CST (dignity of workers, dignity of the human person, etc.) bring to the materialistic lifestyle of this society?

6. What does the Church teach about the right of workers to unionize? What are the international laws regarding this issue? How do transnational corporations violate both the principles of CST and international laws?
Fact Sheet

Sweatshop Abuses

Read the fact sheet and answer the questions that follow.

It is clear that the average American does not benefit from the existence of sweatshops. Furthermore, as Catholics and people of conscience, we must be concerned with the injustices suffered by people who work in sweatshops around the world.

Consider these facts about sweatshops around the world:

• In El Salvador, there are some 70,000 young people working in 225 maquila factories, which sew garments for export to the U.S. There is not one single union with a contract. Workers are:
  • Fired if they are pregnant,
  • Forced to work 12-16 hour shifts, six and seven days a week,
  • Verbally abused and pressured to work faster to reach daily quotas,
  • Sexually harassed,
  • Monitored and limited to just two bathroom breaks a day,
  • Denied access to healthcare,
  • Paid starvation wages,
  • Immediately fired and blacklisted if the company suspects they are interested in organizing to defend their basic rights.

• In the U.S. territory of Saipan, migrant workers from China sew clothing 12 to 14 hours a day, earning $3.00 an hour, for Wal-Mart. If the women fall in love, become pregnant, fail to reach their high daily production quota, complain about the harsh working or living conditions or become involved in political activities or organizing, they will be immediately fired and deported back to China. Although these working conditions are in clear violation of United States laws, because Saipan is a U.S. territory, clothing made there proudly bears the label “Made in the U.S.A.”

• Women in El Salvador are paid just 3 cents for every $14.99 Yale University T-shirt they sew. The women are fired if they become pregnant, refuse to work overtime or are even suspected of trying to organize.

• Young workers in China, behind 15-foot-high walls topped with barbed-wire, assemble Keds sneakers applying toxic glues with their bare hands. Their only tool is a toothbrush. At the end of the day, they must leave the factory in single file, as if they were children.

• 21,000 workers in Northern China assemble Nike sneakers for 23 cents an hour, working 10 to 15 hour shifts.

• In China, young women sit staring into microscopes for 10 hours a day soldering expensive Alpine car stereos for 35 cents an hour. An electronic scoreboard posts their daily production quota and tracks their progress minute by minute. If the workers are even seen discussing factory conditions they can be fired.

• Workers in Mexico are paid 65 cents an hour to assemble computer parts for IBM. To get a job in the IBM factories the workers are forced to go through a half dozen private employment agencies, who are then technically their employers. This technique makes it impossible for the workers to organize.

• Alcoa workers in Mexico—“called associates” by the company—are paid 50 cents an hour to assemble wire harnessing for the Big Three auto companies. Many of the workers are forced to live in one-room, dirt floor, cardboard huts, without running water.

• Women who work the night shift for GE in Mexico from 4:15 p.m. to 6:00 a.m. six days a week, earn just $49.22. They assemble light bulbs and fixtures for export to the U.S.

• In Bangladesh, young women are forced to work from 7:30 a.m. to 8:00 p.m., seven days a week, sewing clothing for Wal-Mart, earning just 9 to 20 cents an hour. By law, in the export processing zone the workers have no right to organize.
Fact Sheet (continued)

Sweatshop Abuses

• In Burma—under one of the most vicious military dictatorships in the world—clothing is sewn for London Fog, Karl Kani, Bradlees, Sports Authority (including official New York Yankees jerseys) and others by workers paid 4 cents an hour. They earn $8 for the entire month. If the workers dare to question or challenge factory conditions, they will be arrested and tortured.

• GAP clothing is being sewn in Eastern Russia in South Korean-owned factories employing temporary migrant workers from China who are paid 11 cents an hour for forced 12-hour shifts.

• Teletubbies are made in China by young women forced to work 16 hours a day, from 7:00 a.m. to 1:00 a.m., seven days a week. They are allowed four hours of sleep a night and receive a half day off each month. They are paid 13 cents an hour, earning $14.42 for the entire 112 hour work week.

• In December 1998, Phillips Van Heusen shut down the only unionized apparel factory in Guatemala and sourced out the work to sweatshops paying 37 cents an hour for forced 12-to 14-hour shifts. At the same time, PVH CEO Bruce Klatsky gave himself a $700,000 holiday bonus while having the company pay $71,000 for his children’s college tuition.

• Women in Haiti are paid starvation wages at 28 cents an hour sewing Disney garments.

Questions

1. What are conditions like for workers in sweatshops?

2. Why should Americans be concerned about this? Why should Catholics be concerned? How do we support the actions of transnational corporations?

Link to CST

1. Fact Sheet #2 discussed extravagant CEO salaries. How do these salaries compare to the conditions in sweatshops? How does this unequal distribution of wealth violate the principles of Catholic Social Teaching?

2. The Church sees the entire human race as one family. How do current trends in the economic system violate the notion that we are all united in this way? How can humans better respect each other as family members should?

Fact Sheet
Fair Trade

The world system of trade is currently set up to the advantage of large transnational corporations. Laborers in the Global South, artisans, and poor people worldwide are suffering from the current system of trade. While extensive change of the world system of trade must come about through reform of the World Trade Organization, fair trade is helping some workers.

According to Transfair USA, “Fair trade is an innovative concept that connects producers and consumers in more equitable, more meaningful and more sustainable ways. It happens through the development of consumer interest and the creation/cultivation of socially responsible importers.”

The Fair Trade Federation (FTF) is the largest association of fair trade organizations. It has seven basic principles:

- Fair wages for producers
- Cooperative workplaces
- Consumer Education
- Environmental Sustainability
- Financial and Technical Support for producers
- Respect for cultural identity
- Public Accountability

Buying from the producers of the FTF guarantees that you are not buying from a worker who has been exploited by a transnational corporation or the unjust trading system. The producer made his or her product under fair and safe conditions.

Fair Trade means:

- A fairer price for the worker
- Direct trading between the producer and the importer; no middlemen.
- Producers can organize in free trade unions;
- Payment in advance;
- No forced labor;
- Decent labor and environmental standards;
- Support for sustainable development;
- A long-term relationship of partnership and cooperation between producers and buyers.

The Products
Fairtrade products include coffee, tea, bananas, and much more. See our Case Study on coffee to find out where you can buy Fairtrade coffee (it’s available at Starbucks, among other easy-to-reach places). To purchase Fairtrade gifts, housewares, jewelry, clothing, and decor, visit Global Exchange’s on-line store at: http://store.globalexchange.org/index.html.

Look for the Fair Trade Labels

Go to http://www.transfairusa.org to see Transfair’s label.
Fairtrade Lables are instantly recognizable marks which guarantee that the product was in safe and decent conditions, and that the producer in the Global South was paid a fair wage. Look for these labels on your coffee, tea, bananas, and other purchases.

Visit these Web sites for more information:

Fair Trade Federation: http://www.fairtradefederation.com
Transfair USA: http://www.transfairusa.org
Trocaire’s Campaign: http://www.trocaire.org/campaigns/trade/fairtrade/
Global Exchange’s Fair Trade Campaign: http://www.globalexchange.org/stores
The average coffee farmer earns less than $3.00 a day. That’s less than what most Americans spend each day to drink coffee.

Andrés Pérez Espinosa—coffee farmer
“None of the children have shoes on their feet. We had a good coffee price before the devaluation of the peso in 1995, after that it was terrible,” says Andrés. “We only got 2.7 pesos a pound (27 cents per pound). We don’t have enough food for the children. They don’t eat good food, they don’t have nice clothes. If I get only two or three pesos for a pound of coffee and children’s shoes cost 100 or 150 pesos ($10 - $15), then I can’t afford them.” The problem Andrés describes is also the result of cheap, poor quality coffee from Vietnam flooding the market. As a result, coffee prices have plummeted from $200 to just $54.

“The price of coffee has gone down and the price of everything else has gone up. You see, we get very little for what we sell, but meanwhile the prices of things that come in from the city are very expensive—like oil, soap, sugar, salt, clothes. The dresses that the women wear cost 800 pesos, and that’s just the cost of the material. A sewing machine is as much as 1500 pesos ($150). You just can’t afford them.” Agricultural crops such as coffee and maize have all gone down in price, and so farmers have less money to spend. Meanwhile many other products they need to buy have increased in price.

Andrés explains: “So it is not an equal system. It is heavy work to cultivate coffee, all those long days in the field. It is unjust that we do not get more reward for our long hard days of work.” He sighs. “If we got all the money that you pay for coffee in your country, then we could get shoes for all the children and a truck, and a nice house.”

Andrés calculates and then continues: “I produce between 230-680 pounds of coffee. That means 3000-9000 pesos ($300-$900). Recently my wife got sick and I had to pay 4000 pesos to the doctors—that was the whole coffee harvest gone in one or two days.”

Source: CAFOD
The Coffee Industry

• Coffee is the world’s second most valuable market commodity after petroleum, and U.S. consumers drink one fifth of the beans traded in the global market.

• Four multinational companies buy more than 70% of the world’s entire coffee exports and make millions of dollars annually.

• Virtually all coffee is produced in the Global South by some 20 million coffee growers, farmers and workers.

• Coffee prices are extremely volatile; however, few coffee farmers can afford the credit and storage facilities that would be required to keep the coffee to sell when prices are good, so they have no choice but to sell to the large multinationals at whatever price is offered. They often receive prices for their coffee that are less than the costs of production, forcing them into a cycle of poverty and debt.

• Coffee makers are often forced to sell to middlemen who pay them half the market price, generally between $.30-.50 per pound. Family farmers usually bring in a cash income of $500-$1000 per year for their coffee.

• Current trade rules ban any effort by governments to support small farmers, as this is considered to be a “protectionist” measure.

Global Exchange

Suggestions for Action

Catholic Social Teaching calls us to change the unjust structures of the world that place great wealth in the hands of a few, and keep the rest of the earth’s people in situations of poverty. To learn more about these structures, refer to the Education for Justice Unit on Globalization.

Although it is necessary to go to the root of the problem (the structural issues mentioned above) to make a change in the lives of all coffee growers, there are some choices you can make today to temporarily ease the burden of some of the workers:

Fair Trade Certified Coffee

• Fair Trade coffee cooperatives receive a minimum of $1.26 per pound for their coffee, and received an additional $.15 per pound premium it is also certified organic.

• Farmers receiving Fair Trade price for their coffee can afford adequate health care for their families and can keep their kids in school longer, instead of working in the fields.

• Fair Trade coffee is usually grown on small, family-run farms. These farmers typically grow their coffee in the shade of a taller canopy, which provides habitat for wildlife. These farmers also tend to avoid use of pesticides. About 85% of Fair Trade Certified coffee is either passive or certified organic.

• Revenues from Fair Trade cooperatives are often used for community projects, such as building schools and health care clinics.
The Faces Behind the Product: Bananas

“We were walking through the plantation when a light shower of rain – or so I thought – began to fall. My local friend pulled me under the shelter of a tree, but my skin had already started to sting and my arms came out in a red rash. The pesticide spray-plane had just flown overhead, as it did several times a day.”

Irish Catholic development organization worker visiting a Chiquita plantation in Honduras.

Life for banana plantation workers

Plantation workers are often migrants, meaning they move from farm to farm and country to country. They have no official documents and do not benefit from any medical or social services.

Migrant workers live in overcrowded accommodations where drugs, violence, alcoholism, prostitution and depression are common.

Workers earn as a little as $1 a day. Although a minimum wage exists in all producer countries, it is insufficient to meet basic needs.

Workers are fired if they will not work overtime—meaning they often toil in fields for 12-13 hours per day.

There is little or no job security for workers, whose contracts usually last about 3 months. They have no rights to sick pay or holidays and are easily replaced.

Workers are harassed and even fired for attempting to form their own unions. The companies try to avoid worker-led unions by instituting their own associations called solidarismo. These associations appease workers with things like sporting and social events, but weaken the workers’ ability to speak for themselves and bargain for better wages and working conditions.

Sexual harassment of female workers is routine.

Workers often apply pesticides directly on the plants by hand, or wear tanks of pesticides on their backs.

Workers receive little or no education about their rights or about the effects these pesticides may have on their health and safety.

Pesticide poisoning in banana regions is three times higher than in other regions of banana-producing counties.

(National University of Heredia, Costa Rica)

The chemicals used on banana plants include at least four that are classified by the World Health Organization as extremely hazardous (the strongest classification).

Dole, Del Monte, and Chiquita, as well as chemical companies Dow, Shell and Occidental have been facing lawsuits from 24,000 Latin American workers over the harmful effects of the highly toxic chemical nematicide Nemagon (DBCP). These effects include birth defects, damage to the liver and kidneys, and sterility in male workers.

Source: Banana Link, http://www.bananalink.org/uk/impact/impact.htm
The Banana Industry
Bananas are the fourth most important staple crop in the world, critical for food security in many tropical countries. World banana production amounts to some 55 million tons per year concentrated in Africa, Asia, the Caribbean and Latin America. For at least 15 Latin American and Caribbean producer countries, bananas are a crucial source of export income. Several million people depend on the banana trade for their livelihood.

The industry is dominated by five multinational corporations, three of which are not based in producer countries:
- Chiquita—based in the U.S.
- Dole—based in the U.S.
- Del Monte—based in Chili, headquarters in the U.S.
- Noboa—based in Ecuador
- Fyffes—based in Ireland

Only about 10% of the final price of a banana stays in producer countries. The rest goes to the company—and comes back to the country of that company, usually the United States (Chiquita and Dole account for over half of the bananas traded internationally).

The people out in fields picking bananas see only a tiny fraction of the profits—only 1% of the final price of the banana goes to plantation workers.

Who benefits? The multinational corporation.
Who loses? The plantation worker.

Suggestions for Action
Research the Banana Industry at the WTO
Bananas have been subject to controversial trade disputes in the World Trade Organization that have pitted Europe against the United States and some Latin American countries. Find out more about the Trade Dispute between the EU and the U.S.—go to http://www.bananalink.org.uk and click on EU/U.S. Trade War.

Join a Campaign for Plantation Workers’ Rights
Find more information at:
- Trocaire: http://www.trocaire.org/campaigns/trade/fairtrade/bananas.htm
- Banana Link: http://www.bananalink.org.uk/campaigns/campaigns.htm
The Faces Behind the Product: Bananas (continued)

OUR FRUIT, THEIR LABOR AND GLOBAL REALITY

By Dana Frank, University of California Santa Cruz

In the United States and elsewhere, the globalization debate still rages. Is it an exciting path to widespread prosperity? Or a dressed-up version of the old economic system that enriches some while leaving others behind?

One answer can be found on the banana plantations of Ecuador. For the past several years, the world’s largest banana companies have become increasingly enamored of that country’s low-wage, nonunion workforce. Ecuador now provides 28 percent of the world’s bananas, according to U.N. figures.

Suddenly, however, there’s trouble in paradise. Wildcat strikes have hit several plantations; Noboa, an Ecuadorian company that is the nation’s largest banana producer, sent an armed force of several hundred men to confront the striking workers; Human Rights Watch released a report alleging widespread abuses in the industry, including the use of child labor.

If globalization is to benefit all, why are the big banana companies so comfortable with the use of child labor, with violations of workers’ rights and with substandard wages? A closer look at Ecuador — and more broadly at the Latin American banana export industry — provides a disturbing window on the bottom line of the global economy.

Before dismissing the subject as too distant to be important to Americans, consider this: Last year, 25 percent of the bananas we ate came from Ecuador, according to U.S. and U.N. figures. In Ecuador itself, the banana rules: It’s second only to oil in generating export earnings and the industry employs an estimated 383,000 Ecuadorans.

Five companies, some with long-familiar names, dominate the Latin American banana industry. Noboa (whose bananas are labeled “Bonita” here in the United States) has become the world’s fourth-largest exporter, joining Del Monte, Dole, Chiquita and Fyffes (the European giant) as the kings of bananas. For years, the transnationals have competed intensely with each other for the U.S. and European markets.

Since 1998, a drop in demand has led to overproduction — and lower prices. Dole, Del Monte and Chiquita saw their stock prices fall, eliciting shareholder pressure to cut costs. As a result, banana production has become extremely mobile, as transnationals seek cheaper labor.

Abandoning their classic commitment to direct ownership of plantations, the corporations have turned more and more to contracting out production, especially in Ecuador. Increasingly, the exporters don’t own the land or the company on a given plantation, but tightly control the technology, production quotas and transportation — as well as the little label on the banana peel. Typically, the workers are hired by a subcontractor on an entirely temporary basis. Many workers, as a result, are never officially recorded as employees of a corporation — and thus are locked out of state-mandated health, pension and other benefits.

The subcontractors, meanwhile, absorb most of the risk — as well as the challenge of managing the workforce. The result is not unlike the subcontracting system in the garment industry, in which many transnationals famously evade responsibility for workplace conditions.

In sharp contrast to Latin American apparel workers, however, many banana workers have powerful unions representing them. I became involved in the world of banana exporting two years ago when activists with the U.S. Labor Education in the Americas Project (US/LEAP) asked me to help advise the Coalition of Latin American Banana Unions. I learned, to my surprise, that there are more than 40,000 unionized banana workers in the Latin American export sector, 18,000 in Colombia alone. With union contracts, banana workers have often been able to achieve an eight-hour workday, health and safety protections, adequate housing and a decent wage.
The Faces Behind the Product: Bananas (continued)

OUR FRUIT, THEIR LABOR AND GLOBAL REALITY (cont.)

No wonder the big banana producers have been transferring production to Ecuador, which has been almost completely nonunion since the banana labor movement was largely crushed there in the 1970s. Dole now gets 31 percent of its bananas from Ecuador, Del Monte 13 percent, and Chiquita 7 percent, according to industry figures.

Bob Kistinger, president of Chiquita’s international division, complained in August 2000 that Ecuador’s rock-bottom wages were making it difficult for his company to compete elsewhere. Explaining the layoff of 650 workers in Honduras, Kistinger said in the Financial Times of London: “The costs in Ecuador are so much lower. There are no unions, no labour standards and pay is as low as two dollars a day.” According to a 2000 study by US/LEAP, a banana worker’s average monthly wage was $500 in Panama, $200 to $300 in Colombia, $150 to $200 in Honduras — and $56 in Ecuador.

The transnationals are quick to play this card in contract negotiations with the banana unions. Last October, when Del Monte threatened to leave Guatemala for cheaper climes, banana workers gave up 30 percent of their wages, 70 percent of their health benefits and two-thirds of the funds for their children’s school.

But that’s not the end of the story. On Feb. 25, 1,400 workers at seven Noboa plantations in Ecuador walked out, demanding decent wages, health care and legally mandated benefits. Quickly learning they needed legal recognition, they went back to work the next day. On May 6, with legal status established, 1,000 workers struck again, and they’re still out. Now, banana workers on other plantations (including one under contract to Dole) are talking strike.

Noboa’s response? At 2 a.m. on May 16, between 250 and 400 armed men descended on the striking plantations. Local police, U.S. and Danish trade union observers, the strikers and others gave the following account: The armed men, many wearing hoods, pulled workers out of their homes, beat them and shot several, one of whom lost his leg as a result.

All this took place against the backdrop of the Human Rights Watch report, released April 25 and entitled “Tainted Harvest: Child Labor and Obstacles to Organizing on Ecuador’s Banana Plantations.” The New York-based group found children as young as 10 or 11 often working 12-hour days and handling dangerous fungicides, while getting paid an average of $3.50 a day.

The report also asserted that the industry was ignoring basic labor rights, the Ecuadoran Labor Code wasn’t being enforced and employers could easily fire workers for union activity. Most importantly, the system of temporary employment had allowed banana employers to evade paying millions in government-required benefits.

Despite this international attention, Gustavo Noboa’s government has been scarily slow to respond. The labor minister insists he can’t control Noboa, but he’s made no effort to enforce the meager protections already on the nation’s books. Meanwhile, Alvaro Noboa, the head of the banana exporting company (no relation to Gustavo), has made clear his intention to run for the presidency.

The Ecuadoran banana story challenges easy narratives of globalization. Too often Latin American workers show up in these analyses as victims. Yes, the banana workers are vulnerable. But they’re also capable of concerted action to assert their legal right to organize and improve their situation. The bottom can bite back.

More broadly, the banana companies’ love affair with Ecuador refutes the romantic notion that globalization is somehow lifting all impoverished boats. We eaters of Ecuadoran bananas need to peel back the rhetoric and examine closely what we’re being sold.

Cicih: Former worker at a Nike factory in Indonesia

“It was very hot, because the machines were so close together. We had to work with glues in those hot conditions. It was very dangerous to our health. We had no gloves and were only given very thin masks. My job was to dip a rubber sole into a chemical, then slap on a cushioned sole. We were expected to produce 2,500 of these soles an hour. If we did not meet our quota, we had to work overtime until we finished. The pace of the work was very fast. We were always being pushed to meet production demands.

“We worked from 7:00 a.m. until 6:00 p.m. If they wanted us to work overtime, they would tell us to continue until 9:00 p.m. We worked a 14 hour day as often as three times a week. By 1992, I was making $1.45 a day. On this salary I had to pay $.50 a day for rent and $.75 for food. If I missed the factory bus, I would have to use the remaining $.20 for transportation. If you made a mistake on only one pair of shoes, you would be fined $.50.”
The Faces Behind the Product: Nike (continued)

The Sports Apparel Industry: Nike

What do Nike employees earn?

Indonesian Factory Worker: $1.25 per day
Spokesperson Tiger Woods: $55,555 per day
CEO Phil Knight: $5,800,000,000 net worth

Nike, the market leader in the sportswear industry, led the push into low wage countries with poor human rights records.

Labor abuses in Nike factories have already been extensively and reliably documented over a 10-year period.

As the company with the largest profit margins, Nike could more easily afford to ensure decent pay and conditions in its suppliers’ factories.

http://www.nikewages.org

Suggestions for Action

Right now, Nike factory workers are not calling for a boycott of Nike products. Here are some other ideas for working in solidarity with the laborers:

When (if) you buy a Nike product, write a letter to the corporation explaining that you disagree with their treatment of workers in Indonesia. Rip the label off the product, and tell the corporation you have done so in protest of their policies.

Tell U.S. colleges, universities, or your parish’s school to stop collaborating with companies like Nike and/or promoting their products.

For more information, see http://www.nikewages.org.