



Resolutions To Action

LCWR Global Concerns Committee

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Wal-Mart Our Concerns and Response

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EXPERIENCE

Wal-Mart operates more than 4,400 discount stores throughout the United States. The company reported sales of \$256 billion and employed 1.4 million people in fiscal 2003. The mega-corporation is the largest employer in the world. If it were an independent nation, it would be China's eighth-largest trading partner. In its efforts to become the world's largest retailer, the company has encountered many criticisms for its human rights violations, racial and gender discrimination, and its disregard for workers, among many other issues.

SOCIAL ANALYSIS

Human Rights Violations

In a National Labor Committee report, Wal-Mart was cited for abuses, which included low wages and benefits, imposing long mandatory-overtime shifts, and

arbitrary firing of workers who even dare to discuss factory conditions. NLC interviewed workers in China's Guangdong Province who toil in factories making popular action figures, dolls, and other toys sold at Wal-Mart.

In "Toys of Misery," NLC states that workers work 13-16 hours a day and receive 13 cents an hour wage (minimum is 31 cents and that is below poverty level). Workers typically live in crowded squatter shacks or company dorms, and pay \$1.95 a week for rent and \$5.50 a week for poor quality food. There are no health benefits but workers are fired if they are too ill to work. There is no health and safety enforcement. Factory conditions are deplorable. Workers have constant headaches and nausea from paint-dust hanging in the air; the indoor temperature tops 100 degrees. There is no protective clothing; and there's no training on the health hazards of handling the plastics, glue, paint thinners, and other solvents. When confronted with these facts,

corporate executives would not acknowledge the existence of the problems although suppliers (65,000 companies) are expected to cut their production costs deeper and deeper in order to get cheaper wholesale prices. (<http://www.alternet.org/story.html?StoryID=12962>)

Domestic Labor Issues

The average Wal-Mart employee falls under the poverty income level. Fulltime employment is only 28 hours a week resulting in a gross income of less than \$11,000 a year.

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Healthcare benefits are available only if workers have been employed for two years; but with such prohibitive premiums that few can afford it — only 38% of employees are covered.

Workers' compensation laws, child-labor laws (1,400 violations in Maine alone), and surveillance of employees have all been cited as abusive labor practices. The company has had repeated convictions, fines, and the ire of judges from coast to coast. The Equal Employment Opportunity Commission has had to file more suits against Wal-Mart for cases of disability discrimination than any other corporation.

In January 2004, the Associated Press reported that a Wal-Mart internal audit had warned executives that employee records at 128 stores showed extensive violations of child-labor laws. The audit shows one week's time-clock records for about 25,000 employees. The audit found 1,371 instances in which minors worked too late at night, worked during school hours, or worked too many hours in a day. They found 60,767 apparent instances of workers not taking breaks, and 15,705 apparent instances of employees working through meal times. (Source: *Associated Press*, Jan. 13, 2004)

REFLECTION

Throughout the past century, the Catholic church has been a strong advocate of the rights of workers to receive a just wage and to organize in protective unions. What follows are excerpts from various documents proclaiming those rights.

- "In the first place, the worker must be paid a wage sufficient

to support him and his family." (The Fortieth Year, #7, 1931)

- "...degrading working conditions where people are treated as mere tools for profit rather than free and responsible persons: all these and the like are criminal: they poison civilization; and they debase the perpetrators more than the victims and militate against the honor of the creator." (The Church in the Modern World, #27)
- "We consider it our duty to reaffirm that the remuneration of work is not something that can be left to the laws of the marketplace; nor should it be a decision left to the will of the more powerful. It must be determined in accordance with justice and equity; which means that workers must be paid a wage which allows them to live a truly human life and to fulfill their family obligations in a worthy manner." (Mother and Teacher 71)
- "...The freedom to join trade unions and the effective action of unions...are meant to deliver work from the mere condition of 'a commodity' and to guarantee its dignity. "...The right of association is a natural right of the human being... Indeed, the formation of unions cannot...be prohibited by the state because the state is bound to protect natural rights..." (Pope John Paul II Centesimus Annus, 1992)

ACTION

- Sign the petition to Congress sponsored by the Campaign for the Abolition of Sweatshops and Child Labor (<http://www.abolishsweatshops.org/petition.asp>)
- Boycott Wal-Mart

- If Wal-Mart is in your congregation's investment portfolio, support shareholder resolutions which challenge the company and consider co-filing a resolution next year

Resources

- AFSCME #35 – Minneapolis (http://www.afscmelocal34.org/toys_of_misery.htm)
- "Boycott Wal-Mart," Jim Hightower -- Independent on Line (<http://www.indyweek.com/durham/2002-05-08/news.html>)
- "Toys of Misery" (<http://www.nlcnet.org/campaigns/he-yi/>)
- "The Popes and Wal-Mart on Labor Unions," Richard P. McBrien (<http://www.the-tidings.com/2002/1213/essays.htm>)
- <http://www.1worldcommunication.org/Walmart.htm#letter>
- Responsible Shopper: Company Profiles (<http://www.responsibleshopper.org/>)
- ICCR (Interfaith Center on Corporate Responsibility) Resolutions 2004 (<http://www.iccr.org>)
 - Workers Rights (Sustainability)
 - Equal Employment Opportunity
 - Impact on Genetically Modified Organisms
- "Catholic Teachings on the Rights of Workers," (<http://www.nicwj.org/pages/materials.ctrwtxt.html>)
- "Everyday Low Wages: The Hidden Price We All Pay for Wal-Mart: Wal-Mart's Labor Record," February 16, 2004 (<http://edworkforce.house.gov/democrats/Walmartreport.pdf>)