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## **SOCIAL CONCERNS COMMITTEE**

### **MINUTES**

**THURSDAY, MARCH 2, 2000**

**3:00 - 4:30**

**229 NOLTE**

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes represent the view of, nor are they binding on the Senate or Assembly, the Administration, or the Board of Regents.]

**PRESENT:** George French (chair), Mallika Arudi, Mike Davey, Selma de Ridder, John Jensen, Margaret Kuchenreuther, Wesley Matson, Jean Niemiec, Julie Sweitzer, Amelious Whyte.

**REGRETS:** Luis Ramos-Garcia, Angelita Reyes, Mary Steinke, Jennifer Young. **ABSENT:** John Beatty, Robert Brown, Catherine Forseide-Hussain, Joel Nelson.

**GUESTS:** Drew Hempel, Nancy Hoyt, Mark Rotenberg.

### **1. PROXY VOTING**

Kelly Kleppe, from Asset Management, started by distributing a revised list of the University's stockholdings as of February 2000, which listed the current stockholdings and actual meeting dates for each company. The committee then proceeded down the list and voted on each resolution. The following resolutions were voted for:

- Review social criteria in financial ventures
- Encourage financial stability in LDC's
- Establish employee matching gift program
- Establish stockholder matching gift program
- Commit to/report on board diversity
- Develop debt cancellation policy for poor countries
- Adopt drug price restraint policy
- Report on community hazards
- Report on global climate change
- Cancel plans to drill in Arctic National Refuge
- Report on Foreign offset agreements
- Implement MacBride Principles
- Phase out sales of old growth wood
- Endorse Ceres principles

The following resolutions were voted against: end political donations and affirm political non-partisanship.

Q: Why do some resolutions appear for companies each year, even after they receive the necessary percentage of votes?

A: Some resolutions are included each year so that companies take notice of them. A resolution only needs 3% of the votes to pass the first year, but this number increases to 10% by the third year. Once enough momentum has been built-up behind a resolution the company is more likely to take some action.

It was decided that the committee would divide up the May resolutions today. Members would then research their resolutions, by reading information sent to them, looking on the web, or contacting Kelly, and come back to the committee with an informed vote at the April meeting. The resolutions were then divided up:

Mallika Arudi - Disclose political contributions in newspapers, develop human rights criteria for China operations

John Beatty - Disclose prior government service

Mike Davey - Report on corporate tax benefits and subsidies

George French: Report on EEO, take steps to prevent predatory lending

John Jensen: Freeze executive pay during downsizing, stop sales/ensure safety of gene-engineered goods

Jean Niemiec - Link executive pay to social climate

## **2. SWEATSHOP LABOR**

George French stated that the Sweatshop Task Force, chaired by Mark Rotenberg, would be meeting at 10 a.m. on Friday, March 3, and as a member of that group would be attending. Social Concerns Committee members Amelious Whyte and Robin Brown are also members of the task force. George French also indicated that it is anticipated that the Task Force will send a recommendation to the President and the Board of Regents. The three options at the present time appear to be positioning the University to affiliate itself with either the FLA or the WRC, or do nothing at all.

These three options were discussed at the recently held Sweatshop Forum and information on the FLA and WRC were available. He then read the mission statements on both groups, as well as e-mail messages that the committee has been receiving about happenings at other universities across the country.

George French then suggested that it was appropriate for the Social Concerns Committee to submit a formal recommendation to the Sweatshop Task Force since the Task Force was meeting the very next day.

Mark Rotenberg then said that the Task Force will have a report to the President by the end of March. He also clarified that no other Big 10 schools have formally joined the WRC, but instead have provisionally joined depending on the final form of the organization. Many institutions will probably send representatives to the WRC founding meeting in April, which would probably be prudent for the University as well. In closing he thanked the committee for the effort that they have put into this issue and said that the Task Force would take their recommendation into account.

Drew Hempel said that Duluth joined the FLA and then withdrew because of the FLA's poor code of conduct. With the WRC the University can create its own code of conduct, higher than that of the FLA. The WRC was formed from the network of people who disclosed the sweatshops originally.

Committee members then made the following comments:

- Since the committee does not trust the FLA to self-police its own sweatshops and the WRC is too new to be able to fully support, what prohibits the University from joining both organizations?
- University representatives should be sent to the WRC founding conference in April
- Companies only operate to make a profits so the University cannot trust them to spend money upgrading their sweatshops and paying higher wages
- If the University joins the WRC, even conditionally, it can be involved in the formation of the organization rather than signing on to an already formed one, such as the FLA
- Audits are only released to companies so there is no way to make sure that improvements are being made
- University should respect a companies' autonomy and not tell them what wages and other conditions should be
- Sweatshop companies could also have involvement in the WRC formation
- University should not join conditionally; instead wait and see
- Other institutions will look at what the University does
- This is a global economy with company actions reaching all areas of the world so the University needs to make sure that it acts ethically
- University has more at stake than profits, it has its reputation to protect
- University needs to establish its own standards and then see which organization matches those standards
- AFSCME is against the FLA
- WRC requires that each institution develop its own code of conduct, but gives fairly comprehensive guidelines which includes the UN declaration of human rights, of which the FLA is against

- IRRC will be managing funds for the WRC
- At what point does the committee decide to fully join the WRC?

Nancy Hoyt said that the cost for membership is 1% of royalties which amounts to approximately \$4000 for the University.

Q: If the University joins the FLA, will it have a say in its governance or just defer all decisions?

A: The FLA has a committee for all of its university members. They can bring their opinions to the table, but they have no real impact in the governance or decision process.

The motion was then made for the University to conditionally join the WRC and send at least one representative to the WRC founding meeting on April 7.

The motion was seconded, a vote was taken, and the motion was approved.

### **3. OTHER BUSINESS**

George French stated that when the alcohol resolution was discussed at the February Senate meeting, a question was asked as to how the committee could force student organizations to prohibit using student service fees for purchasing alcohol and stated that this should be brought to the student service fees committee.

Amelious Whyte stated that the intent was always to have the student service fees committee adopt this provision of the policy.

With no further business Professor French thanked all members for attending and adjourned the meeting at 4:57 p.m.

Rebecca Hippert  
University Senate