

maquila network update

Sept.-Nov. 1998 Vol. 3 No.3

Coalition awaits announcement on Task Force

On June 23, petitions signed by 30,000 Canadians and over 200 national, provincial and local organizations calling for a federal task force on sweatshop abuses were presented to Canada's Minister of Foreign Affairs, Lloyd Axworthy.



Anna Nitoslawska and Joe Gunn (right) present petitions to Lloyd Axworthy

Anna Nitoslawska of the Canadian Labour Congress (CLC) and Joe Gunn of the Canadian Conference of Catholic Bishops presented the petitions on behalf of a broad coalition of labour, religious, women's, overseas development and community groups from across Canada.

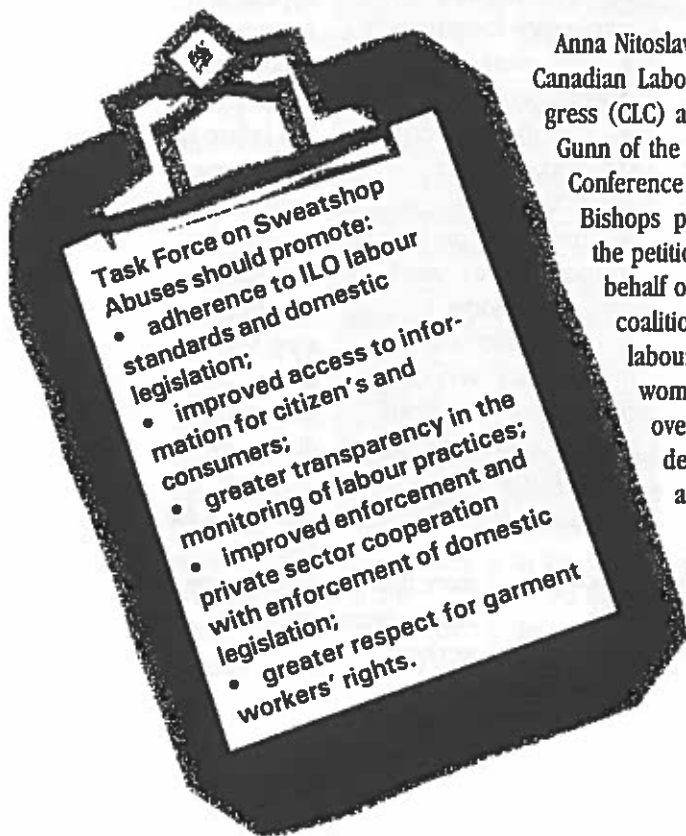
The formal presentation came after months of government lobbying. A break in the log-jam came on June 4 when Winnipeg's CHOICES Coalition made public its plans to demonstrate in support of the call for a task force during an awards ceremony honouring Minister Axworthy for his years of community service in his Winnipeg riding.

The demonstration was called off when Axworthy agreed to meet with the Labour Behind the Label Coalition to receive the petitions and discuss its

proposal for a task force.

In a media release issued earlier that day, CHOICES had announced that Nike CEO Phil Knight (or someone who

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Campaigners gear up for third NIKE protest

As no sweats campaigners gear up for the third anti-Nike mobilization on Saturday, October 17, Nike executives are scrambling to cope with the fall-out from the Asian financial crisis, a decline in demand for its overpriced running shoes, falling stock prices, and continuing criticisms of sweatshop practices.

The footwear and apparel giant is on the defensive, and Nike campaigners are hoping to win important gains on core demands.

At a May 12 press conference, Nike CEO Phil Knight announced new concessions the company is prepared to make on labour practices. They include a minimum age of 18 for shoe production workers and 16 for light manufacturing workers, a pledge that air quality in Nike factories would meet US Occupational Safety and Health Administration (OSHA) standards, and that the company will "include NGO participation" in its monitoring process.

Reviews of Nike's announcement have been mixed. Although the ban on under-eighteen workers received the most media attention, the great majority of Nike workers are of legal age, and child labour was never the major issue for Nike workers or their advocates. More significant, however, is Nike's commitment to improve air quality.

On the crucial question of

independent monitoring of factory conditions, Nike has taken a small step forward in agreeing in principle to NGO participation, but the terms of participation are still unclear.

Since the May 12 press conference, a team of six US labour rights advocates and health and safety experts, with the support of the International Labor Rights Fund (ILRF) and Global Exchange, are developing a proposal to Nike for a labour rights verification system which would involve NGO monitoring. As well, a Global Exchange Board member will present a "living wage" motion, contrasting CEO compensation with Nike production workers' salaries, to the company's annual shareholder

meeting in mid-September.

As debates around monitoring continue, Nike workers in Indonesia are suffering the consequences of the collapse of the Asian "economic miracle." Since the financial crisis, Indonesian workers have seen the value of the minimum wage drop from \$2.46 US a day to 55 cents. Yet, Nike has offered a "raise" of only 15 percent to Indonesian minimum wage earners, and refuses to even consider paying a living wage by local standards.

According to Jeff Ballinger of Press for Change, when

representatives of Nike, Reebok and ten other major US apparel and footwear producers met in Jakarta just before the fall of former president Suharto, the companies refused to meet with a union delegation to discuss the desperate situation of the country's

more than 2 million apparel and footwear production workers.

maquila network update

is published quarterly in English and Spanish by the Maquila Solidarity Network (MSN). The MSN includes over 400 organizations and individuals across Canada. The MSN promotes solidarity between Canadian labour, women's and social movement groups and Mexican, Central American and Asian counterparts organizing to raise standards and improve conditions in maquiladora and export processing zones. The MSN acts as the secretariat for the Labour Behind the Label Coalition and is active in Stop Sweatshops campaigning

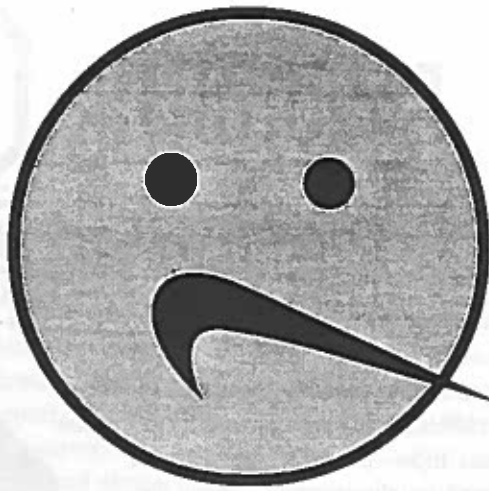
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Nike workers deserve:

- a living wage that doesn't require excessive overtime
- fair working conditions
- the right to organize and bargain collectively
- truly independent monitoring of working conditions
- redress of claims brought by workers fired for protesting wages and working conditions



As a result of Nike's own financial crisis, caused by a decline in the purchasing power of middle class Asian youth and the drop in sales in North America of overpriced runners, the company has cut back production. In Indonesia alone, the number of Nike sportshoe production workers has been reduced from 120,000 to 76,000.

Meanwhile, Cich Sukaesih and 18 other Indonesian former Nike workers, who were unjustly fired in 1993 for going on strike because they were being cheated out of the minimum wage, have been offered their jobs back and payment of six months back wages. However, Nike has done nothing to pressure its former contractor to reinstate the workers with the full five years back pay owing.

Nor is Nike's association with sweatshop practices confined to poorer countries. On June 29, the Textile, Clothing and Footwear Union of Australia (TCFUA) filed charges against Nike, Adidas and eleven other apparel companies for failing to ensure that Australian homeworkers producing for the companies were being paid what they were legally entitled. Some homeworkers sewing for some of the companies were reportedly making as little as \$2.00 per

hour.

While Nike is tight-fisted with its production workers, it continues to spend lavishly on advertising, promotion and new retail outlets. Five teams playing in this year's World Cup were recipients of Nike sponsorships including the Netherlands, South Korea, Nigeria, the US, Italy and Brazil. Nike's contract with the Brazilian team is worth \$200 million over 10 years.

In Canada, Nike promotes youth product identification with the Nike swoosh through sponsorships of athletic teams, including the Canadian National Rowing Team, the Nike Canada Challenge Cup (girls soccer), the Canadian Hockey Association, and many programs on campuses and in communities.

On August 1, Nike staged the grand opening of a new store in Toronto's upscale Yorkville district. According to a Nike media release, "Nike Toronto is built on the concept that behind every shoe, garment and piece of equipment is a story inspired by the needs of an athlete."

No mention was made of the needs of the young women workers toiling

behind every shoe, garment and piece of equipment, or of the 400 Nike Baurer skate workers in Cambridge, Ontario who are out of a job as Nike shifts Baurer skate production to Asia.

As local anti-sweatshop activists make plans for the October 17 mobilization, some Alberta groups are already in gear. On June 21, Citizen's Concerned about Nike staged an anti-sweatshop protest

outside the West Edmonton Mall during the Nike-sponsored Annual Canadian Tire Canada Hoops basketball competition. On August 22, a coalition of labour and community groups in Calgary held an information picket and leafleting of a local Sport Chek store.

For more information on the October 17 Nike Mobilization, contact the MSN.

news & notes



Adidas Being Urged to Pay Decent Wages!

German-based Adidas AG, the second largest sporting goods manufacturer in the world, is under pressure from Clean Clothes campaigners in Europe. They are calling on the sports shoe giant to live up to its code of conduct, approved in July 1998, and to implement a system of independent monitoring. Over the last months, campaigners have documented labour rights violations at Adidas contract factories in China and Bulgaria where workers have been forced to work up to fifteen hours a day and paid less than the legal minimum wage. Adidas is also currently facing a lawsuit for using prison labour in China in the production of soccer balls.

MAKE YOUR CAMP SWEAT-FREE

This fall, students at many U.S. and several Canadian universities and colleges will be launching anti-sweatshop campaigns on their campuses.

Some students will be asking their administrations to pass a code of conduct which will require clothing corporations the university deals with to live up to basic human rights and labour standards. The campaigns are an effective way of influencing the labour practices of clothing companies because they rely on the large student market and bulk sales that universities and colleges represent, and the prestige and P.R. of being associated with well-known schools.

It's not hard to get an anti-sweatshop campaign started at your school. It just takes a little hard work. But it's worth it, because these campaigns are effective—Duke, Notre Dame, Brown, and even Harvard have all negotiated codes of conduct in the last year as a result of student pressure.

There are two main types of relationships between schools and clothing companies. Some companies supply schools with apparel—employee uniforms, athletic supplies—and others

are licensed by the school to produce clothing featuring the school's logo—baseball caps, sweatshirts, shorts, etc. Some of the companies are well-known, like Nike or Champion, and some are lesser-known. But all are vulnerable to a student campaign.

In the United States, organizers have been focusing primarily on licensing agreements, which is a US\$3 billion industry. The goal of student campaigners is to get schools to adopt codes of conduct which require any apparel company doing business with the school to abide by standards prohibiting child labour, gender and racial discrimination, excessive hours of work, and protecting the rights of their employees to receive a decent living wage, organize a union, and have a safe and healthy workplace.

In order to be effective, these codes of conduct need to include provisions for disclosure of where and under what conditions garments are made, and a provision for effective enforcement of the code. The codes adopted so far at Duke and Brown Universities, for example, require the companies to provide information on their

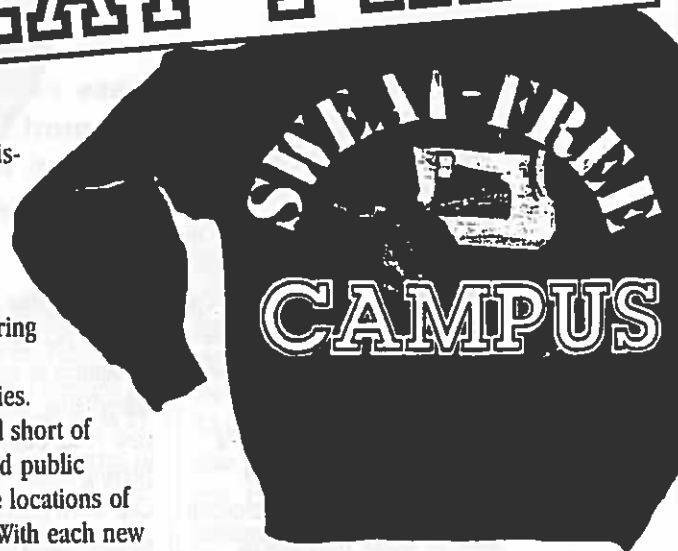
suppliers to the university administration and permit the university to conduct independent monitoring of conditions at suppliers' factories. However they fall short of requiring full and public disclosure of the locations of those factories. With each new code adopted by universities, we hope to see stronger provisions for disclosure and requirement of a living wage.

Getting started

Campus campaigns usually have two main phases: research and education followed by organizing and action. What follows is a summary of the elements of successful campus campaigns.

Research

The first step is finding out who is selling clothes to your school or using their logo. You also need to know who's responsible for making decisions about what clothes are purchased and where the school's name appears, and how you can influence those decisions. Existing student groups might be able to help you navigate the bureaucracy of your school and find the key decision-makers.



Getting organized

Armed with that kind of information, you can begin to generate interest among existing student groups, community organizations, unions and faculty. Although you may want to work within an existing organization, you might also consider putting together a campus coalition something like Students Against Sweatshops to unite a larger number of groups around the issue. Much of this depends on your local conditions. Don't forget that off-campus organizations may

The Maquila Solidarity Network has a package available which outlines in detail how to research your school's contracts and where your clothes come from. It provides examples of how to carry out a campaign to pressure your administration to pass a strong code. You can order it from us by sending \$5 to the MSN address.

be very willing to help you organize a campaign, since this issue affects all sorts of workers. Definitely don't forget to contact existing employee unions, especially if the issue is the staff uniforms that they have to wear!

When you do organize a campaign, get in touch with the MSN in Canada or the United Students Against Sweatshops in the US, who can hook you up with other people organizing on the issue and offer assistance with negotiating an effective code of conduct.

Education

Educational events are usually the best way to launch a campaign. Many students and faculty will have never given a second thought to how their clothing is made. Showing a film, inviting a speaker, writing for the university press, putting up posters, handing out leaflets, all of these are potential ways of getting the word out.

Action

Once you've researched the school's licensing/supply contracts and have raised awareness of the campus-sweatshop links, you should approach the administration to begin negotiating for a code. Responses to these meetings have varied widely. At Duke University, the administration was very receptive to the idea and began negotiations on the

content of the code right away.

If there is little response from the administration, you can start demonstrating the level of support on campus. Try petitions, surveys, street theatre, letters and phone calls, rallies and pickets, banners, anything to get across to the decision-makers that there is widespread support for the idea on campus, and that the issue is just going to get bigger until they address it. Creative actions get a lot of attention. For example, one group of students drew attention to a campaign against Guess Jeans using street theatre in which a loud conversation across a crowded cafeteria about Guess sweatshops ended with one of the students dropping their pants. Students at Duke University report that their best organizing tool was a simple colouring book on sweatshops distributed free around campus.

Student campaigns for codes of conduct are a key element in pressuring companies to ensure fair wages and working conditions for their production workers. Get in touch with the MSN and join the campaign for a sweat-free campus.

Web sites:

United Students Against Sweatshops

<http://home.sprintmail.com/~jeffnkari/USAS/>

Maquila Solidarity Network:

<http://www.web.net/~msn>

Students structure campaign for codes

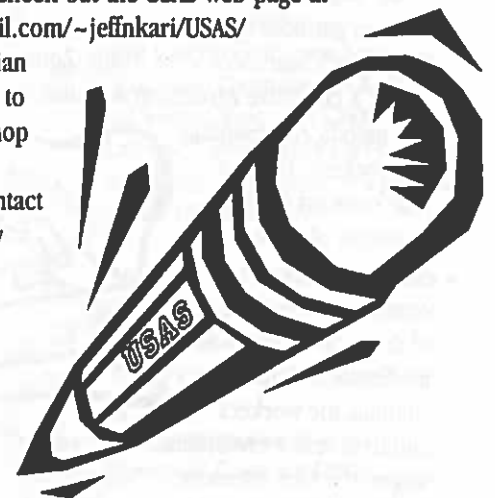
Inspired by successful campaigns to adopt corporate codes of conduct at several US universities, students from 30 universities across the United States met in New York from July 10-12 to coordinate student efforts to stop sweatshops. The conference, sponsored by UNITE! launched a national coalition of student organizers—United Students Against Sweatshops (USAS)—who are pushing their schools not to purchase nor license their name to clothing manufactured under poor labour conditions.

Using the code of conduct passed at Duke University last spring as a base, participants discussed how to improve and broaden the codes to ensure that workers rights are seriously addressed. Talks centred on three main issues: the right to a living wage for factory workers; forcing companies to disclose the names and addresses of the factories which manufacture their products; and independent monitoring.

The highlight of the conference was a meeting with Bruce Siegal of the Collegiate Licensing Company, an agency which acts as a go-between for 160 schools, licensing school logos to apparel manufacturers. The CLC is working on its own code of conduct, with no involvement from students. USAS organizers took on Siegal, demanding space for students on the CLC's task force and arguing that any code the CLC adopts must include provisions for a living wage, full disclosure and independent monitoring. Siegal was receptive to the latter, but hedged on the first two. Students warned him, however, that if the CLC adopts a weak code, they'll face even more pressure in the future.

USAS is working on its own model code to push for adoption by university purchasing and licensing departments. Students who are interested in organizing similar campaigns at their schools should check out the USAS web page at <http://home.sprintmail.com/~jeffnkari/USAS/>

Students at Canadian universities who want to organize anti-sweatshop campaigns on their campuses should contact the Maquila Solidarity Network.



news & notes

Border Groups Show Solidarity

On June 28-30, a delegation from three Mexican border groups travelled to Nuevo Laredo, Mexico to show solidarity with fired workers at the Vision Automotriz del Norte autoparts factory. Representatives of the Border Workers Committee, the Young Workers Pastoral group and the Custom Trim Workers Committee of Valle Hermoso demonstrated in front of the Conciliation and Arbitration Board offices, demanding the immediate reinstatement of, or payment of severance pay to, the 17 workers who were fired on March 16 for gathering signatures for an independent union. According to the Coalition for Justice in the Maquiladoras, the owners of the factory, which makes dashboards, consoles and accessories for GM, Chrysler and Ford, is removing factory equipment so that company can avoid paying severance pay owed to the illegally dismissed workers.

Chentex

On August 19 management at the Chentex garment maquila factory in Nicaragua's Mercedes Free Trade Zone signed a collective agreement with the two unions representing the workers. The two-year contract includes provision of a medical clinic at the factory, a contribution in the event of the birth or death in the family, school supplies for workers' children, and a credit fund. The issue of wages remains unresolved. Chentex employs 1,800 workers and is part of the



Chi Shing consortium which employs almost half the workers in the zone. Chentex produces for a number of US labels, including Bugle Boy, Faded Glory (Wal-Mart), Route 66 (Kmart), Arizona jeans, and Gloria Vanderbilt. In March, after the workers gained recognition of their union, the owners of the Taiwanese-owned company announced they would close their operations in Nicaragua and move them to Mexico. However, that announcement now appears to have been a bargaining tactic. For a detailed summary of the collective agreement [in Spanish] see the Movimiento de Mujeres Maria Elena Cuadra web page: <http://apc.nicarao.org.ni/~familias>.

Megatex

On August 27, management at the Megatex garment factory in Port-au-Prince, Haiti, which produces clothes for Disney and other US labels, agreed to meet with representatives of the workers union to enter into negotiations. Representatives of Batay Ouvriy, a Haitian worker rights organization, credits international pressure for this important change in management practice. The meeting comes after a series of suspensions and firings of workers suspected of union sympathies and of speaking candidly during the visit of a US monitoring team. On July 21, after the monitoring team visited the factory and interviewed workers in the presence of management personnel, two workers were suspended without explanation. The Disney/Haiti



Justice Campaign is requesting faxes be sent to the factory owner and Disney CEO Michael Eisner. Contact MSN or visit our web-site for details.

Canadian Investment in Maquilas

A report released in June by the US International Trade Commission, entitled "Canadian Involvement in Mexico's Maquiladora Industry" reveals that the number of Canadian firms investing in maquilas has increased from nine to twenty-nine since NAFTA came into effect on January 1, 1994. Most of the investment is in the autoparts sector, with

electronic and apparel tied for second. Over 50 percent of Canadian maquila investment is in the interior of Mexico rather than in the traditional border region. The attraction for apparel manufacturers is "the elimination [under NAFTA] of US quotas and duties on

apparel and textile products sewn in Mexico making use of US formed and cut fabric." (see *Industry, Trade and Technology Review*, June 1998)

St. John's Takes No Sweat Stand

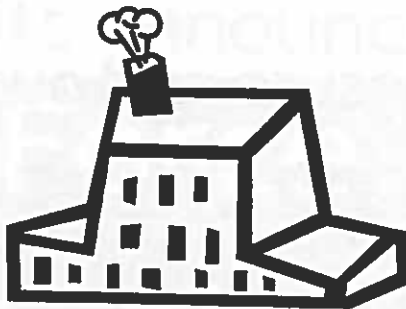
On May 25, the City Council of St. John's, Newfoundland, at the urging of the local labour council, adopted a motion declaring that all clothes for sale in their community "should be manufactured in accordance with established international codes of conduct... as embodied in the United Nations and

International Labour Organization conventions." The motion is based on a 1997 resolution approved by the City of Bangor, Maine, and similar to a motion being proposed in Victoria, British Columbia. Meanwhile, Dave Luther, the Mayor of Corner Brook, Newfoundland, is "delighted" with the news that Toronto-based clothing manufacturer, Arther Lee of Solidwear Enterprises, is planning to locate some of his garment production in Corner Brook and Port aux Basques, with "satellite centres" in smaller communities in between. Lee's company produces apparel on contract for Nike, Reebok and Timberland, as well as for his own label. Since satellite centres sound suspiciously like contract shops and/or homework, Newfoundland anti-sweatshop activists will be watching closely to make sure the new garment manufacturing is in accordance with ILO conventions, and provincial labour legislation.

Philippines EPZ Workers Losing to Peso Devaluation

Some 1,000 workers at Lotus Footwear Inc., a Korean shoe-manufacturing firm in the Bataan Export Processing Zone (BEP) in the Philippines, went on strike Monday August 24 to protest massive layoffs. They were joined by more than 1,500 workers from five other factories of the firm. According to Adelaida Sapico, leader of the employees association, management began reducing working days and laying off employees in November. The work force has already been cut by half. Just before the strike, 400 workers were ordered to go on forced leave, while the remaining 700

were required to work on a rotation basis. Since 1997, when the peso devaluation began, at least 15,000 workers in the BEP have been laid-off.



NAO Ruling Supports Han Young Workers

On May 12, workers at the Han Young factory in Tijuana, Mexico walked off the job, demanding that management enter into negotiations for a real collective agreement.

On August 11, the US National Administrative Office (NAO), which oversees adherence to the NAFTA labour side agreement, recommended ministerial consultations on the Mexican government's failure to enforce its own health and safety legislation at Han Young. Earlier this year workers won affiliation with the Authentic Labour Front (FAT), and became one of the few independent unions in Mexico's maquilas. However, in April, Han Young workers ended their affiliation with the FAT, and joined a new local union, the October 6 Union, led by two lawyers who have been working with them over the past year. The factory produces chassis for tractor trailers exclusively for Hyundai.

In Korea, the Korean Confederation of Trade Unions (KCTU) are considering calling an international boycott of Hyundai to protest the company's plans to dismiss thousands of Korean workers.

Cross Border Blues: A Call for Justice for Maquiladora Workers in Tehuacan by the National Interfaith Committee for Worker Justice, July 1998, 12 pages. Fact finding mission report on Guess Jeans production.

nicwj@igc.org

"Reform, Resistance and Rebellion Among Mexican Workers" by Dan La Botz, Borderlines, Sept 1998. lrcl@zianet.com

"Maquilas and Independent Monitoring in El Salvador" by Mark Anner. Independent Monitoring Group of El Salvador, 1998, 35 pages. Contact: MSN.

"Are your clothes clean?" and "How to' guide for a Clean Clothes Campaign, Bangor Clean Clothes Campaign, a project of Peace through Interamerican Community Action, 1998. pica1@hamtel.tds.net.

Child Labour: Costly at Any Price by Ginette Dube. A secondary student curriculum resource. CoDevelopment Canada, 1998, 110 pages. \$15 plus postage. codev@web.net.

"Review of Codes of Conduct and Labels Relevant for a proposed Canadian Task Force on Sweatshop and Child Labour," Steelworkers Humanity Fund, July 1998, 84 pages. Call 416-487-1571.

UNITE's Canadian office has a Stop Sweatshops! page on their web site: <http://www.unite-svti.org>.

Problems accessing resources? Contact MSN.

closely resembled him) would be attending the ceremony to present Axworthy with an award for his months of silence on the issue of labour and human rights abuses in the garment industry.

Despite assurances from Axworthy's office that an announcement would be forthcoming by the end of June, as of September 1, the Coalition has not yet received a formal response.

Meanwhile, support for a task force continues to grow. On June 29, the Retail Council of Canada indicated that it would soon be endorsing the call for a task force.

The Council's decision comes after four major Canadian retailers -- the Hudson Bay, Sears Canada, Dylex and Mark's Work Wearhouse -- had responded to the threat of shareholder action led by the British Columbia

Federation of Labour by agreeing to support a task force.

The Toronto-based Labour Behind the Label Coalition, which initiated the campaign for a task force, is calling for a multi-stakeholder forum that addresses abuses of garment workers in Canada as well as in other countries, and to link codes of conduct and monitoring mechanisms with government policy and enforcement mechanisms.

Corporate disclosure and our right to know

Whether or not the federal government agrees to convene a task force on sweatshop abuses in the near future, public campaigns to challenge sweatshop abuses continue.

Without access to information about where our clothes are made and under what conditions consumers cannot make informed choices based on ethical standards.

To date, apparel companies have consistently refused requests to voluntarily disclose the names and addresses of the contractors and subcontractors who make their products.

In 1996, the Labour Behind the Label

Coalition distributed a questionnaire to 40 major Canadian apparel retailers, requesting information on their sourcing practises, codes of conduct and monitoring mechanisms. Only three retailers responded, and none of those was willing to share information on the contractors that make their products.

Also in 1996, the Homeworkers Association requested information on contractors the Woolworth Corporation was using in Metro Toronto. Woolworth was unwilling to oblige.

An exception to the rule is a voluntary "Homeworkers Code of Practice," initiated in 1996 by the Textile, Clothing and

Footwear Union of Australia (TCFUA), that requires apparel retailers and manufacturers to provide the union with the names and addresses of their suppliers and subcontractors so that the union can monitor compliance with the code.

Although the Australian code is designed to protect the rights of Australian homeworkers, TCFUA's Annie Delaney hopes that in the future the code might address off-shore sweatshop practices.

Government Action Needed

If Canadian retailers and manufacturers refuse to voluntarily disclose information on their (sub)-contractors or to provide it to respected independent

"... [T]he average consumer does not have access to the information required to permit him or her to make an informed decision. In the absence of meaningful information, the consumer can not police the marketplace."

*Stephen Beatty, past director, Canadian Apparel Federation
October 3, 1996*

monitors, the federal government could require that this information be made available through a public body.

The role of the existing CA number, which appears on Canadian apparel, could be expanded to include information on the names and addresses of the factories and sewing workshops where the clothing item was made.

Demanding Our Right to Know

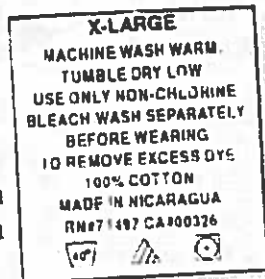
The rights to know where our clothes are made and under what conditions must be a major focus for task force negotiations and -- we hope -- for fall/winter grass-roots "Stop Sweatshop" campaigns. This theme is the central focus for the National

Labour Committee's "Holiday Season of Conscience" campaign in the U.S. The issue of the public's right to know is even more important in Canada, where corporate disclosure requirements are weaker than those in the U.S.

Contact the MSN for an information on fall/winter Stop Sweatshop campaigns.

[There is a] need for a label or distinguishing mark on all goods made under fair-wage conditions in order that the public may stand behind the efforts of fair manufacturers and organized labour to maintain wage levels.

Report of Miss Winifred Hutchinson to Royal Commission on Price Spreads and Mass Buying, February 1935.



The CA number could provide consumers with valuable information about who makes our clothes and under what conditions.

