

maquila network update

June 2004, Vol. 9 No.2

Why NAFTA's labour
side agreement
doesn't work
for workers

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Olympics Campaign takes off running

The "Play Fair at the Olympics" campaign is off and running. On April 17, campaign supporters brought their call for a sweat-free Olympics to the annual congress of the Canadian Olympic Committee (COC) in Montreal.

As delegates to the COC congress filed into the Hotel Ritz Carlton, they were met by approximately 50 anti-sweatshop activists who carried flags, banners and placards, distributed leaflets, and chanted "Ethique aux Olympiques." The Play Fair at the Olympics campaigners urged the COC to endorse campaign proposals to the International Olympic Committee (IOC) that would ensure that Olympic-branded sportswear products are made under humane working conditions.

The day before the COC congress, Canadian Olympian Bruce Kidd expressed his support for the campaign in an opinion piece in *The Globe and Mail*, noting that his colleagues



Local garment worker receives a gold medal at the Vancouver "Play Fair at the Olympics" campaign launch

attending the COC congress could demonstrate leadership on the issue by calling on the IOC to protect the rights of workers producing Olympic clothing and equipment.

"Just as you will not see the Olympic movement signing sponsorship deals with tobacco firms, similarly, no deals should be made with companies who are ready to

ignore and abuse the rights of workers," said Kidd.

In an interview with Radio Canada, COC President

Michael Chambers claimed that the COC does not have jurisdiction over the production of garments worn by athletes, and that this is the responsibility of the IOC and the sports federations. However, Chambers went on to say he was open to considering the campaign's proposals.

To date, the National Olympic Committees in Austria, Belgium and the Netherlands have expressed their support for the campaign demands and have offered to raise the issue at the IOC. On April 22, the European Parliament adopted a resolution in support of the Olympics campaign, calling on the sportswear industry to develop an industry-wide approach to promoting compliance with International Labour Organization (ILO) standards.

In Canada, the Play Fair at the Olympics campaign was launched on March 4, with press conferences and public actions staged in Vancouver,

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Canada's west coast going No Sweat

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 Ethical Trading Action Group and is active in Stop Sweatshops campaigning.

Editorial Staff

Bob Jeffcott
Tullia Marcolongo
Georgia Marman
Kevin Thomas
Ian Thomson
Lynda Yanz

Translation
Anibal Viton

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Maquila Solidarity Network
606 Shaw Street
Toronto, ON, M6G 3L6 Canada
Phone: 416-532-8584
Fax: 416-532-7688
E-mail: info@maquilasolidarity.org
web: www.maquilasolidarity.org

On April 6, the Vancouver City Council unanimously approved a motion to adopt a "Sustainable and Ethical Procurement policy" by the end of 2004. With that decision, Vancouver became the third major Canadian city and twelfth Canadian municipal government to pass a resolution to adopt a No Sweat purchasing policy to ensure that all City uniforms and other apparel products are made under humane working conditions. Similar proposals are now under consideration at the Vancouver Parks Board and the Vancouver School Board.

One month later, the University of British Columbia (UBC) Bookstore announced on May 10 that it would be adopting a code of conduct for its suppliers, modelled closely upon the Fair Labor Association code. The No Sweat policy is the result of negotiations involving Oxfam, MSN and the UBC bookstore manager. At present, the policy does not apply to all UBC apparel products, but only to the Bookstore and UBC-crested products sold at the bookstore.

These important victories are the initial results of a two-year campaign that has been growing in British Columbia's Lower Mainland. The campaign has been spearheaded by the BC Ethical

Purchasing Group, which includes Oxfam Canada, the Canadian Labour Congress, the Vancouver and District Labour Council, the New Westminster and District Labour Council, student groups from local colleges and universities, and MSN.

In an effort to coordinate No Sweat policy development at the various institutions, students and administrators at Simon Fraser University hosted a conference

SweatFree Communities Conference

On May 14-16, No Sweat activists engaged in local campaigns to win ethical purchasing policies in cities, states and school boards across the United States gathered in Albany, New York for the first SweatFree Communities national conference. MSN was invited to speak about the Canadian experience in campaigning for and winning No Sweat policies. For more information about the SweatFree Communities network, visit: www.sweatfree.org



on ethical purchasing on May 7 and 8. Officials from several cities, universities and school boards met with No Sweat activists to discuss ethical purchasing and address some key concerns regarding policy implementation. Representatives from the University of Toronto and McMaster University, which are in the process of implementing No Sweat policies, also shared their experiences. For the past two years, Simon Fraser students have been campaigning for the adoption of an SFU No Sweat purchasing policy.

As host to the Olympic Games in 2010, Vancouver has also been a focus for the "Play Fair at the Olympics" campaign. After the City of Vancouver has adopted its own ethical procurement policy, labour rights activists hope city officials will turn their attention to developing a similar policy for the 2010 Olympics.

Haitian union activists win reinstatement

On April 13, workers at the AM Industries garment factory in the Codevi Free Trade Zone in Ouanaminthe, Haiti scored a major victory when factory management agreed to reinstate 34 unjustly fired union activists and negotiate with the workers' union, SOKOWA.

The factory is owned by Grupo M, an important apparel manufacturer based in the Dominican Republic. Levi Strauss is Grupo M's biggest customer.

According to the Haitian worker support group Batay Ouvriye, the victory was the result of worker mobilization and pressure from local Haitian organizations, and international solidarity involving labour and anti-sweatshop groups in Haiti, the Dominican Republic, the US, the UK, Europe and Canada.

In response to thousands of letters from around the world, Levi's put considerable pressure on its supplier to

address the violations. The Worker Rights Consortium (WRC) played a crucial role in documenting worker rights violations at the factory and working with Levi's to push Grupo M to take corrective action.

Grupo M was the recipient of a US\$20 million dollar loan from the International

Finance Corporation (IFC) of the World Bank to finance a new industrial park in the Codevi Free Trade Zone, with the condition that it respect its employees' right to freedom of association and collective bargaining.

At an April 13 meeting involving SOKOWA; Batay Ouvriye; factory management; Haitian government, industry and union officials; the IFC; the WRC; and Levi's, Grupo M

agreed to do the following:

- reinstate all 34 workers fired on March 2;
- provide back pay to the workers, based on

minimum wages for the 6-week period the workers were denied entry to the factory;

- reimburse union member Ariel Jerome for his medical expenses for injuries suffered when he was beaten during worker protests;
- eliminate the

presence of armed guards within the factory;

- recognize the workers' right to organize and make a statement to all factory employees in support of freedom of association; and
- enter into negotiations with the union to discuss the workers' demands.

Unfortunately, factory management wasted little time before attempting to back-pedal on its commitments. After the fired workers returned to work on April 14, they had to spend up to three weeks in a training facility before being reintegrated into the factory. In addition, the workers were given "provisional" work badges and had to agree to participate in a "reorientation" program. As a result, workers' seniority and status as permanent employees once again hung in the balance.

According to Batay Ouvriye, while management has made good on some of its commitments, including reinstating the workers, making a public announcement to all the factory employees on the company's support for freedom of association, and meeting

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*Batay Ouvriye leader
Yannick Etienne*



**SOKOWA workers
walk back to work**

07/03/2004 02:40:08



NAFTA ten years later

Why the labour side agreement doesn't work

On May 28 in Toronto, former maquila worker Martin Zacatzi Tequextle testified at a Public Meeting held by the National Administrative Office (NAO) of the Canadian government. He told the meeting how his former employer, the Los Angeles-based Tarrant Apparel Group, had harassed and fired him and other Tarrant workers for supporting an independent union, and how Mexican government officials violated their own rules in denying his union legal recognition.

Martin had little hope that the Canadian NAO would help him get his job back or the full severance pay he was owed, but he did see the public meeting as an opportunity to tell his story and bring to international attention the failure of the Mexican government to protect workers' rights.

The meeting was held in response to a joint complaint, submitted by the Puebla Worker Assistance Centre (CAT), MSN, and the US-based United Students Against Sweatshops (USAS), under the North American Agreement on Labour Cooperation (NAALC), better known as the NAFTA labour side agreement.

MSN Coordinator Lynda Yanz also testified at the public meeting about the systematic violations of workers' rights in garment maquila factories in the state of Puebla, and the failure to date of the NAALC process to hold the Mexican government

accountable for not enforcing its own labour laws.

What is the NAALC?

When the NAALC was negotiated by the Canadian, Mexican and US governments in 1993, it was seen by many as an attempt by newly elected US president Clinton to justify signing the North American Free Trade

Agreement (NAFTA), which he had campaigned against for its lack of enforceable labour standards.

Prime Minister Jean Chretien had also campaigned against NAFTA, promising to renegotiate the agreement if his party were elected.

Significantly, the NAALC does not require the governments of the three signatory countries to raise standards or meet existing minimum international labour standards. The only issue addressed in the agreement is whether a country has persistently failed to enforce its own labour laws.

The MSN/CAT/USAS complaint is only the second case that has been accepted by the Canadian NAO in the ten-year history of the NAALC. The only other complaint investigated by the Canadian NAO was concerning the enforcement of laws on freedom of association and health and safety at the ITAPSA maquila factory in Ciudad de los Reyes in the State of Mexico.

That complaint was submitted in April 1998 by the Canadian office of the United Steelwork-



Above left
Puebla maquiladora workers talk to Cincinnati high school students

Above right
Testifying at the US NAO hearings

Right
Demonstration at Wet Seal store, San Francisco



k for workers

ers of America (USWA) together with 11 other unions and 31 concerned organizations in the three countries, and resulted in Canada requesting Ministerial Consultations with Mexico.

In January 2003, the Canadian government announced Ministerial Consultations had been concluded, and Canada was satisfied that the freedom of association issues were satisfactorily addressed by Mexico's proposed labour law reforms, which are opposed by Mexico's democratic unions.

Although the NAALC process includes a number of stages, to date, none of the 28 complaints to the US, Canadian or Mexican NAOs has resulted in serious action beyond the Ministerial Consultation stage.

According to Linda Delp of the UCLA Center for Labor Research and Education, "unless the governments make a serious effort to resolve the problems in the current [Puebla] case, the side agreement will fade into oblivion as a failed experiment to protect workers' rights in a global economy."

NAALC maquila cases

1994

Honeywell and General Electric; Mexico; US NAO

Allegations: Workers deprived of their right to be represented by unions of their choice.

Recommendations: NAO concludes there was insufficient evidence to establish that Mexican government failed to enforce laws, and does not recommend Ministerial Consultation. Acknowledges "strong concerns" and recommends three countries develop "joint cooperation programs" to address freedom of association issue.

1994

Sony; Mexico; US NAO

Allegations: Denial of freedom of association and the right to organize.

Recommendations: Ministerial Consultations on union registrations.

1997

Gender Discrimination; Mexican maquilas; US NAO

Allegations: Compulsory pregnancy testing and denial of employment to pregnant women by US subsidiaries in Mexico.

Recommendations: Ministerial Consultations.

Agreements: Education program for workers, conference on gender discrimination.

1997

Han Young; Mexico; US NAO

Allegations: Denial of right to be represented by union of workers' choice; failure to enforce health and safety regulations.

Recommendations: Ministerial Consultations on freedom of association and health and safety issues.

Agreements: Mexican government agrees to hold public seminar in Tijuana on freedom of association. (Members of the independent union are physically assaulted while attending the seminar.)

1997

ITAPSA; Mexico; Canadian and US NAOs

Allegations: Mexican government failed to respond to harassment, intimidation, physical assaults and illegal firings of independent union supporters; health and safety issues.

Recommendations: Ministerial Consultations.

Agreements: Mexico agrees to promote that workers be provided information on collective agreements, and to promote the use of eligible voters lists and secret ballot votes in union representation elections. (Mexico fails to act.)

2002

Auto Trim / Custom Trim; Mexico; US NAO

Allegations: Exposure to toxic chemicals and other hazards, lack of compensation for victims, and lack of government enforcement.

Recommendations: Ministerial Consultations.

Agreements: Government-to-government working group established, rather than independent committee of experts, as provided for in the NAALC.

2003

Puebla; Mexico; Canadian and US NAOs

Allegations: Denial of right to be represented by union of workers' choice; health and safety issues; failure to provide legal minimum wage and overtime pay.

Recommendations: Pending.

NAALC SCORE CARD

Number of Submissions Received	
US	17
Mexico	7
Canada	4
Total	28

Number of Cases Heard	
US	9
Mexico	7
Canada	2
Total	18

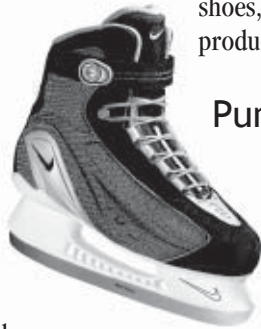
Outcomes	
Ministerial Consultation ...	12
Beyond Consultation	0
Improved Conditions	0

Issues in Hearings re Mexico	
Freedom of Association	15
Health and Safety	7
Gender Discrimination	1
Child Labour	1

news & notes

Nike skating on thin ice

On April 14, four Canadian and US labour organizations called on the United Nations to review Nike's affiliation with the UN Global Compact. In a letter to UN Secretary-General Kofi Annan, the presidents of the Canadian Labour Congress; the United Steelworkers of America; the Industrial, Wood and Allied Workers of Canada; and the Glass, Molders, Pottery, Plastics & Allied Workers International Union charged that Nike has systematically violated the Compact's Principle Three that businesses should uphold the right of workers to freedom of association and the effective recognition of the right to bargain collectively. The letter points to Nike's recent decision to virtually shut down production at its unionized Nike-Bauer hockey equipment factories in Canada. When Nike purchased Bauer in 1995, the company employed 1,100 unionized workers at three factories in Ontario and Quebec. Nike has announced plans to shut down two of the factories and drastically downsize the third.



companies have been relocating production to China and Vietnam where production costs are lower. Both countries offer cheaper labour and prohibit independent union organizing. The article notes that in 2002 PT Dosan Indonesia, a producer of Nike sports shoes, and PT Indolin Garment stopped production activities.

Pung Kook skips town

The Korean apparel manufacturer Pung Kook has closed its maquila factory in Baja California Sur, Mexico without paying its workers what they were legally owed. Representatives of the company failed to appear at a hearing of the Local

Conciliation and Arbitration Board on a petition from the workers' independent union, SINTTIM.



Independent union banner at Pung Kook

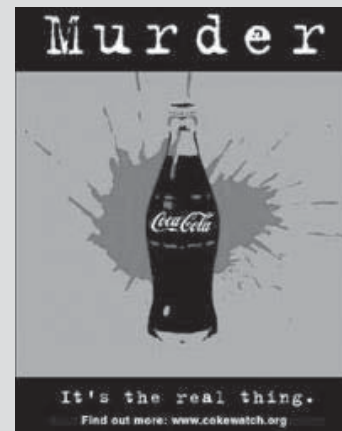
Instead, they fled the country. Pung Kook was the subject of a lengthy campaign in support of the workers' right to be represented by the independent union and for the reinstatement of their unjustly fired union president.

Factories Leaving Indonesia?

The *Jakarta Post* reports that increases in Indonesian machinery exports might mean that foreign investors are leaving the country and taking their machinery with them. The April 13 article notes that there is no sign of increased machinery manufacturing in Indonesia, and that a number of foreign

Coca Cola union leader's family murdered

On April 20, armed men entered the home of Gabriel Remolina and Fanny Robles in Bucaramanga, Colombia, and fired indiscriminately at the family, killing Remolina and Robles and wounding three of their children. One of the three children, Robinson Remolina, died later that day. Remolina and Robles were the brother- and sister-in-law of Coca Cola union leader Efrain Guerrero. This is not the first time SINALTRAINAL union members' families have been targeted for violence. The union is fighting the illegal closure of production lines at Coca Cola's FEMSA bottling factories, which resulted in a number of workers being fired. Not long before the murders, the union had met with representatives of Coca Cola bottlers to express their concern about security issues. "We demand an end to the aggression



against SINALTRAINAL members and our families, and that the authorities investigate and apprehend those responsible, including the intellectual authors of the crimes," says SINALTRAINAL president Luis Javier Correa Suarez.

Bush campaign gear made in Burma

Despite the fact that his government has banned importation of goods made in Burma, officially known as Myanmar, George W Bush's official campaign website has been selling campaign merchandise bearing "Made in Myanmar" labels. According to a March 18 article in the US publication *Newsday*, the Bush campaign website included a Made-in-Burma fleece pullover, embroidered with the Bush-Cheney '04 logo. The importer of the product claims it was included in one of the last legal shipments brought in from Burma before September 1, when the import ban went into effect. Bush campaign officials did not return calls from the *Newsday* reporter.



WRC reaches Lands' End

The Worker Rights Consortium (WRC) and the Fair Labor Association (FLA) have reached agreement with the US apparel merchandiser Lands' End to address worker rights violations at its Primo supply factory in El Salvador. Lands' End has agreed to provide assistance to the Just Garments factory in El Salvador, a new enterprise that offers employment to blacklisted workers, and has committed to negotiate a collective agreement with its employees. Lands' End has also agreed to take steps to

safeguard against anti-union discrimination in the hiring process at the Primo factory, to inform new Primo employees of their rights, to provide training to management personnel in its Central American supply factories on their obligations regarding freedom of association, and to release a public statement pledging not to tolerate blacklisting in its Salvadoran supply factories.

FLA accredits Reebok

The Fair Labor Association (FLA) has accredited Reebok's program to implement its code of conduct in its footwear supply factories.

According to FLA President Aurret van Heerden, an FLA review of Reebok's code compliance program indicates the company comprehensively monitored its footwear facilities and exceeds FLA requirements. "Reebok footwear has been a leader in providing opportunities to workers in China to participate in forms of worker representation," notes van Heerden. Next year, the FLA will assess Reebok's compliance program for apparel products, as well the programs of other FLA Participating Companies. Under the FLA system, accreditation does not necessarily indicate that all company products are sweat-free.

Play Fair at the Olympics: Respect Workers' Rights in the Sportswear Industry. Oxfam, Clean Clothes Campaign, and Global Unions, 2004, 78 pp. www.fairolympics.org

Stop Sweatshop Abuses website. Canadian Labour Congress, in English and French. <http://sweatshop.clc-ctc.ca>

Turning the Garment Industry Inside Out: Purchasing Practices and Workers' Lives. Oxfam Hong Kong, April 2004, 32 pp. www.oxfam.org.hk

"NAFTA's 10 Years: Portrait of a Failure," Border/Line Health and Safety, Newsletter of the Maquiladora Health & Safety Support Network, April 2004. Includes list of NAFTA anniversary reports. <http://mhssn.igc.org/news.htm#naf>

Made in Eastern Europe: the New Fashion Colonies. Bettina Musiolek and others, 2004, www.cleanclothes.org/publications/04-01-made-in-eastern-europe.htm

Gildan Production in El Salvador. National Labor Committee, April 2004, 11 pp. www.nlcnet.org

'Olympian effort' by garment workers

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Toronto, Montreal and St John's. In Vancouver, representatives of Oxfam, UNITE and MSN awarded a gold medal to local garment worker and UNITE member Christina Ling for the Olympian effort garment workers put in every day for little reward. In Toronto, Oxfam and MSN volunteers raised an "Olympics clothesline" outside the Eaton Centre. The Canadian campaign is co-sponsored by Oxfam Canada, Oxfam Quebec, the Quebec Coalition Against Sweatshops, the Canadian Labour Congress and MSN.

On that same day, the international campaign coordinators - Oxfam International, Global Unions and the European Clean Clothes Campaign - released a new report documenting labour rights violations in sportswear factories producing for major European and US brands around the world.

In addition to events in Canada, campaign actions and press conferences have also been staged in Australia, Austria, Bangladesh, Belgium, France, Germany, Hong Kong, India, Indonesia, Ireland, Morocco, the Netherlands, Pakistan, the Philippines, Spain, Sweden, Thailand, the UK, and Greece, the site of this year's Olympics. To date, more than 125,000 signatures have been collected on postcards and petitions supporting Fair Play for workers making Olympic sportswear.

In response to requests for meetings from the international campaign coordinators, Puma, Adidas, Nike, Reebok, Asics, Mizuno and the World Federation of the Sporting Goods Industry have shown some willingness to discuss industry-wide solutions to the problem. To date, Kappa, Umbro, Lotto and FILA have not responded to the requests.

The Canadian coalition is also calling on Roots Canada, a major supplier of Olympic uniforms, to adopt a code of conduct based on International Labour Organization (ILO) standards and an



"Play Fair at the Olympics" campaigners rally outside COC congress, Montreal, April 17

effective and transparent factory monitoring program.

In January, Roots announced it was closing its Toronto garment factory, and would have its Olympic-branded products made in subcontract factories

in Canada. Roots refused to disclose the names or addresses of the subcontract facilities, making it impossible to verify whether conditions in those factories were in compliance with ILO standards and provincial employment standards legislation.

In response to the campaign, Roots has released its code of conduct to the public, but the provisions of the code are

much weaker than ILO minimum standards, and very little information is available on the process or findings of Roots' monitoring program. To date, Roots has not agreed to meet with the Canadian campaign coordinators.

Haitian workers reinstated

—continued from page 3—

with union delegates to discuss outstanding issues, the employer continues to resist working with the union to improve conditions.

According to a recent update from Levi's, on May 4 a team of observers — agreed to by all parties — was established to monitor the reinstatement process and to ensure that the terms of the agreement are fulfilled.

Given the political crisis in Haiti, the settlement is a major achievement. In early March, shortly after President Aristide had been forced to leave the country, MSN received word from Batay Ouvriye of serious labour rights violations at the Grupo M factory, including the firing of the 34 union activists on March 2. That report indicated that members of the Dominican military had directly intervened in the conflict, pointing their weapons at the fired

workers and confiscating their work badges. Several workers were reportedly roughed up.

On March 3, all the workers at the factory staged a work stoppage to protest the firings. Soon after, armed members of the Haitian rebel army arrived in the factory and forced everyone back to work. Protestors were threatened, physically assaulted and some were handcuffed. According to Batay Ouvriye, there is good reason to believe that the assault was premeditated, as some of the rebels later admitted being contacted the previous evening by factory management who had charged that workers were going to cause problems the next day.

At that time, Grupo M reportedly claimed that the 34 workers were laid off because of a reduction in orders from Levi Strauss, but Batay Ouvriye received assurances from Levi's that there has been no reduction in orders, despite the political situation.