

Maquila solidarity update



Blanca Velazquez, centre,
at a press conference

Vol. 16 No. 2 • Sept. 2011

inside

Indonesia: Groundbreaking
agreement on union
rights results from Play
Fair initiative

3

Mexico: Shining a light
on protection contracts:
a Levi's factory sets a
precedent

4

El Salvador: Despite
training, worker rights
abuses still occurring at
Ocean Sky factory

6

Honduras: a hard-won
agreement solidifies
gains for Russell Athletic
workers

7

Mexican industry spokesperson puts labour rights defenders at risk

IN A JULY 22 ARTICLE IN THE MEXICAN ELECTRONIC BULLETIN *periodicodigital*, Luis Espinosa, the president of the manufacturers' association (CANACINTRA) in the state of Puebla, accused the Worker Assistance Centre (CAT) and its director Blanca Velazquez of being "a danger to Puebla" working to "destabilize companies."

He went on to refer to the CAT's role in Johnson Controls case, warning that Velazquez was "infiltrating other facto-

ries" to "cause more problems." With the CAT's advice and support, workers at a Johnson Controls factory in Puebla

recently rid themselves of an employer-controlled protection union and affiliated with an independent union, los Mineros.

These provocative public statements made on behalf of the state's manufacturers came at a moment when the CAT is re-establishing its pub-

● see 'Climate of terror...', p.8

As we were finishing the copy on this newsletter, we received an urgent message alerting us to the arrest of our friend Daniel Maraisane, General Secretary of the Lesotho Congress of Democratic Unions (LECODU), and five other union leaders during a strike for decent wages. There were also disturbing reports of police shooting one striker and seriously injuring a number of others. Daniel and other leaders were later released.



Daniel Maraisane

THE FACT THAT LESOTHO has been promoting itself in recent years as a country that is taking the high road to global competitiveness by providing decent work to the women and men who labour in its garment export industry made these reports all the more disturbing.

Unfortunately, Lesotho is not the only country where union leaders and worker rights advocates are being targeted by employers, governments and, in some cases, pro-company unions, for the crime of defending workers' rights. In August alone, MSN also received reports of a human rights defender in Malaysia being sued for libel for raising concerns about abuses against migrant workers, and proposed legislation in Cambodia that would allow the government to shut down NGOs that criticize the government or government officials.

In this issue of the *Update*, we profile the cases of Blanca Velazquez other members of the Worker Assistance Centre (CAT) in Puebla, Mexico and the Dominican Labour

Foundation (FLD) in the Dominican Republic.

Readers of the *Update* will remember reports of previous assaults, robberies and death threats made against Velazquez and the CAT team, which forced them to temporarily suspend operations.

Now, just as they were about to resume their work, the head of a major industry association in Puebla put their safety in jeopardy once again by publicly accusing them of subversive activities aimed at destabilizing the maquilas.

And what were those subversive activities? Giving advice and support to workers attempting to form democratic unions.

In the same article, we also profile recent attempts to intimidate and divide the staff of the FLD, including law suits, threatening phone calls, the robbery of one of their computers and e-mail messages from the robbers designed to divide and destroy the group.

In this case, the FLD was

not advocating on behalf of a particular group of workers, it was acting as an unbiased monitor to determine whether a union represented a majority of workers at a factory owned by a Canadian company.

In each of these cases, defenders of workers' rights – whether they be union leaders, worker advocates or factory monitors – are being treated as criminals, and their legitimate activities are being labelled as subversive and destabilizing.

Because of this growing trend to target and criminalize human labour rights defenders, MSN and our counterparts in other countries are being forced to direct more of our time and resource to defending the defenders of workers' rights.

In an era when sweatshop abuses are widely recognized as an endemic problem in global consumer products industries, we cannot allow companies, governments and company unions to target and criminalize the messenger. ■

**Lynda Yanz,
for the MSN team**

The *Maquila Solidarity Update* is published in English and Spanish by the Maquila Solidarity Network (MSN). MSN is a labour and women's rights advocacy organization working to improve conditions in maquiladora factories and export processing zones worldwide.

Editorial Staff:
Fernando Cabrera
Ana Enriquez
Bob Jeffcott
Kevin Thomas
Lynda Yanz
Translation: Aníbal Vitón

Maquila Solidarity Network
606 Shaw Street
Toronto, ON, M6G 3L6 Canada
Phone: 416-532-8584
Fax: 416-532-7688
Special thanks to OPSEU for printing the *Update* at no cost.

www.maquilasolidarity.org

Indonesian protocol strengthens sportswear workers' union rights

PHOTOS: LEFT, DAISY GARDNER; RIGHT, ASHLING SEELEY



AFTER TWO YEARS OF NEGOTIATIONS, A precedent-setting agreement was signed in June by Indonesian textile, clothing and footwear unions, owners of some of the country's largest supplier factories, and the major sportswear brands that source from them, including adidas, Nike and Puma.

The Freedom of Association Protocol binds the major suppliers to implement a series of reforms in their factories, including:

- giving workers freedom to form unions on company premises without employer interference;
- releasing union representatives from work duties to carry out union activities;
- negotiating a collective bargaining agreement within six months of the formation of a union;
- refraining from any form of intimidation against union delegates involved in collective bargaining;
- allowing unions to distribute and post information and providing facilities for them to operate in the workplace; and
- creation of a dispute settle-

ment mechanism to resolve disagreements over implementation of the agreement.

Sumarto (Parto), Coordinator of Education and Propaganda for the Congress of Indonesian Trade Union Alliances (KASBI), which worked on the Protocol, calls it a small, but significant achievement, noting there are still many problems in the workplace.

"I hope the Protocol can be a model for the implementation of freedom of association in all factories. Unfortunately, it only involves the main suppliers, leaving out smaller (tier 1 and 2) suppliers which employ more workers," he explains.

"More than just the unions are needed to monitor its implementation," says Parto. "Consumers of sportswear products can give their sup-

port by putting pressure on the brands to respect and implement the Protocol."

The agreement is the result of joint efforts by the Indonesian unions and the international Play Fair Alliance, which was represented at the signing by Oxfam Australia, the International Textile, Garment

and Leather Workers' Federation (ITGLWF) and the Clean Clothes Campaign.

Groups involved in the Play Fair Alliance, including MSN, have been calling on sportswear companies and Olympic Games organizers to take a series of concrete, measurable actions to overcome systemic problems blocking progress on workplace issues plaguing the industry.

Prior to the Beijing Olympics in 2008, the campaign released the *Clearing the Hurdles* report, which identified four key hurdles facing sportswear workers: a lack of respect for freedom of association and the right to bargain

collectively; insecurity of employment caused by industry restructuring; abuse of short-term labour contracting and other forms of precarious employment; and poverty wages that prevent workers from providing a decent standard of living for themselves and their families.

The report, which was prepared by MSN for the Play Fair Alliance, set the stage for a series of meetings between the Alliance and sportswear companies to discuss the report's proposals to overcome these four hurdles. The major sportswear brands agreed to try implementing some of the proposals at a national level, starting in Indonesia.

In November 2009, meetings were held in Jakarta between various Indonesian unions, the main international sportswear brands, and representatives from the Play Fair Alliance. At these meetings, Indonesian unions proposed the negotiation of protocols to reduce the use of short-term contract work, achieve living wages and promote freedom of association.

Having achieved the first protocol agreement on freedom of association, the unions anticipate negotiation of further agreements starting with the issue of short-term contracts and precarious work. ■



TOP: Some of the women who were part of the protocol process (L to R): Yanti (GSBI- Federation of Independent Trade Unions), Resta (LBH - Jakarta Legal Aid Institute), Mimmy Kowal (Oxfam Australia), Tiwi (LBH), Lilis (SPN - Serikat Pekerja Nasional) and Ashling Seely (ITGLWF).

BELOW: adidas and Nike representatives signing the protocol

A step forward for freedom of association in Mexico

On Friday, March 4, of this year, as workers were leaving a Levi's supplier factory at the end of their shift in Aguascalientes, Mexico, they were handed copies of their collective bargaining agreement.

Workers gaining access to their collective agreement is hardly newsworthy in most countries of the world, but in Mexico it was precedent-setting.

"Having the contract distributed and in workers' hands was an important first step," says Sara Montes of Colectivo Raiz, a labour and women's rights group MSN has worked closely with on this and other cases in Aguascalientes. "Next, and just as important, is that workers truly understand and can use the information in the contract. That's where training comes in."

According to the International Campaign Against Protection Contracts, 90 percent of all collective agreements in Mexico are "employer protection contracts" – secret agreements signed between employers and corrupt unions or lawyers without the knowledge and/or consent of the workers covered by the agreements.

"We call them employer protection contracts because they protect the employer rather than the workers," says Gabino Jimenez, the campaign coordinator.

In Mexico's perverse labour relations system such agreements, which are routinely recognized by the labour authorities as legally-binding contracts, are used by employers to prevent workers from organizing authentic unions in order to negotiate improvements in their wages and working conditions.

Protection contracts are often signed before any work-

er is hired. Their provisions usually include only what workers are already entitled to by law. In some cases they undercut those legal entitlements. In many cases, workers are not even aware there is a union at their workplace.

The distribution of the collective bargaining agreement at the Levi's supplier factory in Aguascalientes was one positive outcome of almost

two years of discussions and meetings between MSN, Colectivo Raiz, and Levi's.

In March 2009, MSN and Colectivo Raiz contacted Levi's with reports of worker rights violations at two factories making its products. The allegations included the fact that workers were not consulted before changes were made in their working hours and pay, which cut their incomes significantly. At least one worker was fired for refusing to sign a document without first receiving an explanation of what it was for.

In interviews with Colectivo Raiz and follow-up interviews with MSN, workers reported that while they were aware there was a union at the factory, most didn't know the name of the union, the names of its leaders or how to contact them.

None of the workers interviewed were aware of there ever having been a union meeting or an assembly to elect their union leaders.



PHOTO: ALIDA ESCARÉÑO

"Having the contract distributed and in workers' hands was an important first step. Next, and just as important, is that workers truly understand and can use the information in the contract."

SARA MONTES, COLECTIVO RAIZ

None of them knew anything about their collective bargaining agreement. They said they didn't feel represented or consulted.

At the time of the interviews, the workers had just gone through a temporary closure of their factory, what is called a *paro tecnico* in Mexico. Apparently, the protection union and management had signed an agreement that the workers would only be paid for the days they worked. In Mexico, workers are entitled to their regular salary during a *paro tecnico*.

Although the workers were verbally informed of the *paro tecnico* prior to it going into effect, they were not consulted before the agreement was negotiated, nor were they given a copy of the agreement after it was signed.

Following a third-party investigation commissioned by Levi's which confirmed many of the MSN and Colectivo Raiz findings, Levi's agreed to take action on a number of issues. However, Levi's continued to insist that the agreements signed between the protection union and management were legal documents, and could therefore not be challenged by the company.

The investigation also found that workers were being subjected to health and safety hazards and were

What can brands do to support freedom of association in Mexico?

- **Require that suppliers provide all workers with copies of their individual employment contract, their collective bargaining agreement and any other agreement on the terms and conditions of their employment.**
- **Ensure that workers receive prior notice of the negotiation or renegotiation of any such agreements.**
- **Ensure that workers are informed of the name of their union, the name(s) of their union representatives, and how to contact them.**
- **Ensure that workers are informed that the employer respects their right to be represented by the union of their free choice, and that no worker shall be punished or discriminated against for exercising that right.**
- **Where there is no union, ensure that the employer refrains from negotiating a collective bargaining agreement without the knowledge and consent of the affected workers.**



MSN's *Freedom of Association in Mexico Tool Kit* is designed to prod and assist brands in taking a more systematic and proactive approach to ensuring freedom of association is respected in their Mexico supply chains. Available at: www.maquilasolidarity.org/node/969

not receiving their full legal overtime pay. Levi's took steps to correct at least some of these problems, but contested the findings on overtime pay, arguing that management and the union had agreed to a compressed workweek, so that workers would not have to work on Saturdays.

To its credit, Levi's did convince its supplier to share the collective bargaining agreement with the workers. It also agreed to sponsor labour rights training for management personnel and workers.

MSN and Colectivo Raiz are continuing to press Levi's to ensure that working condi-

tions improve, and that the workers receive their full legal entitlements, prior notice of any negotiations on the terms and conditions of employment, and copies of all such agreements.

"We still need to make sure that workers are fully informed about any agreements between the protection union and the employer," says Montes.

Beyond this particular case, MSN is calling on all apparel brands sourcing from Mexico to begin to tackle the problem of protection contracts and other common violations of freedom of association in that country.

A first step is to require that all their Mexican suppliers make available to their workers copies of the collective bargaining agreements and all other agreements on the terms and conditions of their employment.

MSN is an active member of the International Campaign Against Protection Contracts, a coalition of Mexican, Canadian and US trade union organizations, Global Unions, and labour rights NGOs that is campaigning for the elimination of employer protection contracts and respect for workers' right to organize and bargain collectively throughout Mexico. ■

"For better or worse, it's in the factories where international brands are present that we've been able to make some advances. Employers have had to learn about labour rights and make changes in their practices, and workers have gained more access to information and have, in some cases, been able to exercise their rights, despite the presence of protection unions, which continue to represent a major obstacle." – SARA MONTES, COLECTIVO RAIZ



ABOVE: Montserrat Arévalo, Mujeres Transformando

Some progress at Ocean Sky, but abusive treatment continues

DESPITE TWO INVESTIGATIONS AND SOME RESULTING corrective action, some worker rights violations continue to take place at an Ocean Sky garment factory in El Salvador.

According to worker reports received by the Salvadoran women's group Mujeres Transformando (MT), even after receiving anti-harassment training aimed at improving their treatment of workers, some supervisors were continuing to verbally abuse and pressure workers to work overtime. "A few supervisors have been disciplined for their abuses," acknowledges MT's Montserrat Arévalo, "but abusive treatment linked to pressure to meet order deadlines persists."

Ocean Sky is a multinational apparel manufacturer based in Singapore. The El Salvador factory produces for

a number of major US brands, including Reebok (owned by adidas), Puma, Old Navy (Gap), New Balance, Columbia Apparel, and Talbots. Perry Ellis walked away from the factory when the problems arose instead of confronting them them.

Abuses exposed

The factory's sweatshop conditions were the subject of a public report by MT and the US-based Institute for Global Labor and Human Rights, which was released in January of this year.

According to the report, Ocean Sky workers have had to endure poverty wages that

cover one quarter of a family's basic needs, illegal compulsory overtime, contaminated drinking water, pressure to meet excessive production targets, and humiliating treatment by supervisors.

Because both Ocean Sky and many of the brands sourcing from the factory are members of the Fair Labor Association (FLA), the FLA treated the report as formal complaint and commissioned the Guatemala-based independent monitoring organization, COVERCO, to investigate. However, the workers have been disappointed by the limited role played by the FLA thus far.

Abuses confirmed

COVERCO verified that most of the alleged abuses were in fact taking place. Its findings included:

- management pressure on workers to work overtime;
- verbal abuse by at least five supervisors;
- health and safety problems including excessively high temperatures in the workplace and a non-functioning health and safety committee;
- non-payment of the legal seventh day benefit for arbitrary reasons; and
- coaching of workers to avoid saying anything negative about the company during worker interviews.

Although COVERCO found that all workers were receiving the legal minimum wage, it calculated that the base salary covered only 23% of the basic needs for an average Salvadoran family.

A separate study commissioned by the FLA found

unacceptable levels of fecal coliforms in most of the sources of drinking water.

Addressing abuses

In response to the reports, management agreed to a corrective action plan that included disciplining supervisors that coerce employees to work overtime, prohibiting verbal harassment, and providing annual training for supervisors on the company's anti-harassment policy.

The company also committed to eliminate the arbitrary denial of the seventh day benefit and to address the health and safety issues identified. The FLA did not require any action on wages.

A second investigation carried out by COVERCO in June in response to a letter from MT to brands and the FLA found some continuing violations. According to Arévalo, the investigation re-confirmed chronic problems with overtime and that many of the same supervisors continue to harass workers.

While excessive overtime has not been an issue over the past couple of weeks it is unclear whether this reflects a change in practice or is a result of a drop in production.

"On the positive side, management is now more willing to meet with us to discuss problems at the factory," says Arévalo. "We're cautiously optimistic, but larger issues remain, such as the low prices and other purchasing practices of the brands that result in poverty wages and excessive overtime," she adds. ■

Honduran union signs first collective agreement with Russell Athletic

AFTER ALMOST A YEAR OF INTENSE NEGOTIATIONS, THE SITRAJERZEESND UNION, which represents workers at the Jerzees Nuevo Dia (JND) factory in Honduras, has signed an historic collective bargaining agreement (CBA) with sportswear manufacturer Russell Athletic. Under the CBA, signed on May 24, JND workers will receive an immediate 19.5% wage increase, followed by an additional 7% increase in January 2012.

The CBA also provides for other benefits including free transportation and lunches for factory workers, an investment in new machinery, which the union thinks is essential for the factory's long-term success, and the rehiring of an additional 250 workers who lost their jobs when Russell closed its Jerzees de Honduras (JDH) factory in January 2009. With these additional hirings Russell will have offered jobs to all the approximately 1,200 ex-JDH workers.

"For every organizer and every union the reason for a unionization is the collective bargaining agreement," says Evangelina Aguerta, coordinator of maquila organizing for the Central General de Trabajadores (CGT) in San Pedro Sula to which SitraJerzeesND is affiliated. "This agreement strengthens the union, strengthens labour-management relations, and gives the workers the satisfaction of seeing their great efforts and their hopes realized."

Scott Nova of the Worker's Rights Consortium (WRC) calls the contract the most significant collective bargaining agreement in the history of the apparel industry in Honduras. "The agreement will have major, concrete benefits for workers and their families to a degree unprecedented in the apparel industry in the country and the region," says Nova. He notes that the agreement also establishes a firm foothold for the right to organize and bargain collectively in a part of the world where export manufacturing workers have found it virtually

reports by the WRC and the Fair Labour Association (FLA) found anti-union animus was a significant factor in the company's decision to close the factory.

Intense international pressure from student groups, such as United Students Against Sweatshops (USAS), and NGOs including MSN, lead to Russell losing or being threatened with cancellation of lucrative licensing agreements with over 100 U.S. and Canadian universities. The company's membership in the Fair Labor Association was also put under review.

As a result Russell went to the negotiating table and in November of 2009 reached an agreement with the workers' union to open a new facility in the area, re-hire and provide substantial economic assistance to the former JDH workers, institute a joint union-management training program on freedom of association, and commit to a position of neutrality with respect to unionization at all of Fruit of the Loom's Honduran facilities (Russell

Athletic is owned by Fruit of the Loom).

USAS, WRC, MSN and other groups who campaigned against Russell now commend the company for changing its practices and negotiating in good faith with the workers. USAS has called on schools to "re-establish their Russell contracts in light of this ground-breaking agreement, and for students and consumers to prefer college apparel from union plants such as Jerzees Nuevo Dia...."



PHOTOS: TOP: ELSA ARISMENDI; BOTTOM: USAS

impossible to achieve such progress in the past.

When
Russell
closed the

JDH factory more than 2½ years ago, it was accused of doing so in order to rid itself of a newly-formed union in the midst of first contact negotiations. These accusations were confirmed when

TOP: "Jerzees Nuevo Dia: the best place to grow"
BOTTOM: Evangelina Argueta (CGT) and Rick Medlin (Russell Athletic) signing the new CBA

Climate of terror

• continued from page 1

lic presence in Puebla after suffering a series of physical assaults, a robbery of their office and death threats.

In response to Espinosa's accusations, Jyrki Raina, president of the International Metalworkers Federation (IMF), accused him of "generating a climate of terror and violence against the activists of the CAT."

In a letter to the Puebla governor and secretary of labour,

Raina pointed out that their government has adopted precautionary measures to protect members of the CAT, and urged the governor to publish a response to the article clarifying that the CAT is a legally registered NGO promoting basic worker and human rights, declare their intention to investigate any and all violence against the members of the CAT, and provide reinforced precautionary measures.

More than 70 Canadian, US, European and Mexican unions and labour and human rights organizations, including MSN, have communicated similar concerns to the Puebla authorities.

On August 10, a press conference was held in Mexico City at which representatives of los Mineros, ProDESC, the Instituto de Derechos Humanos Ignacio Ellacuria, Colectivo El Taller, the AFL-CIO's Solidarity Center, and the CAT denounced Espinosa's statements.

"The accusations of the president of CANACINTRA reveal the short-sighted and flawed vision of the industry association toward economic development," said Lorraine Clewer of the Solidarity Center.

Blanca Velazquez of the CAT announced that she was returning to their office in Puebla to resume her defence of workers' rights. "I'm afraid, yes, of the collusion of the authorities and the business men, but I'm going to stand up for what I believe in: justice. Someone has to do it." ■

Monitoring organization attacked in Dominican Republic

VERIFYING A UNION'S CLAIM THAT IT REPRESENTS A MAJORITY OF WORKERS AT A FACTORY MIGHT EXPOSE YOU TO CONTROVERSY, BUT IT SHOULDN'T BE A REASON FOR LAWSUITS, ROBBERIES, HARASSMENT, AND DEATH THREATS.

Yet, that's exactly what the Dominican Labour Foundation (FLD) has had to face because of its role in verifying union membership at a textile factory in the Dominican Republic owned by Canadian T-shirt manufacturer Gildan Activewear.

In March 2011, with the agreement of both Gildan and the union, FLD was commissioned by both the Fair Labor Association (FLA) and the Worker Rights Consortium (WRC) to verify whether SITRAGILDAN, the union affiliated with Dominican labour federation FEDOTRAZONAS, had the support of more than 50% of the workers at the factory.

The complication in this case was that Gildan had previously signed a collective agreement with another union

(SITRAGIL) that claimed to represent a majority of Gildan's workers. Suspiciously, this union had appeared at the factory shortly after SITRAGILDAN was officially recognized by the Ministry of Labour. In 2009, monitoring organization Accordia (hired by Gildan) had found that management had violated freedom of association during SITRAGILDAN's efforts to organize a union.

In 2010, at the request of the FLA and the WRC, FLD reviewed the collective agreement between SITRAGIL and Gildan and found significant irregularities in the process of affiliation of workers to SITRAGIL. This finding was later endorsed by ILO labour rights expert Adrián Goldin (hired by the FLA). Gildan and SITRAGIL agreed to revoke the illegitimate agreement.

In April of this year, when the FLD had begun a new process to verify whether SITRAGILDAN represented a majority of Gildan workers, SITRAGIL took the FLD to court seeking an immediate injunction to halt the process, claiming that the FLD was biased. A further lawsuit against FLD, filed in May, is seeking to annul any results from the verification process, and claims monetary damages.

According to the FLD's Lourdes Cecilia Pantaleon, SITRAGIL is being represented by a high-profile lawyer who previously worked for one of the country's most important apparel manufacturers.

After being forced to withdraw from the verification process, FLD staff began to receive threatening phone calls. According to Pantaleon,

after their car was broken into and their laptop stolen, staff began to receive messages based on e-mails on their stolen computer.



"The messages were clearly designed to divide us as a group and turn us

against each other, but they failed to do so," says Pantaleon, who also believes that their phones were tapped.

"FLD conducted the verification process with fairness, integrity and professionalism," says Scott Nova of the WRC. "The sole purpose of these meritless lawsuits is to prevent confirmation of the majority status of the legitimate union, which has faced a gauntlet of retaliation and obstruction for two years. We will do everything possible as an organization to ensure that FLD is protected from further harassment." ■