

Maquila Solidarity update

Volume 13 No. 1 • February 2008

inside

New initiatives in El Salvador may result in progress for former Hermosa Manufacturing workers.

2

Burger King rejects a working mechanism that delivers a living wage to workers down the agricultural supply chain.

3

A legal action in Indian courts could have serious repercussions for workers and labour rights advocates.

4

Anonymous faxes lead worker rights group to clarify company record.

6

A savage attack in China puts worker advocate in hospital.

6

Union members reinstated at the Star Factory in Honduras.

7

Grupo Navarra closes factory to punish workers for joining union

Vaqueros Navarra workers took to the streets this month as growing evidence suggests their factory was closed to eliminate an independent union.

On Monday, January 21, workers at the Vaqueros Navarra jean factory in Tehuacan, Mexico, who had voted to be represented by the independent September 19 Union two months earlier,

returned to work after an extended unpaid holiday layoff.

When they arrived at the factory, the workers were told there were not sufficient orders to reopen the facility

that day and that they should return to work in two days time.

However, when they returned on January 23, they were informed that the factory
● see 'Vaqueros Navarra' p.8

November 2007:

Workers celebrate victory of independent union.



Photo: Rodrigo Hernández

Adidas re-engages with government on Hermosa

Last June MSN released a report prepared for the Fair Labor Association (FLA) documenting the desperate situation facing former Hermosa employees in El Salvador and recommending further remedial measures by apparel brands that sourced goods in the factory before its closure in 2005.

Workers at the factory were left without jobs, without back wages, without severance pay, and – because the owner failed to remit payments to government social security funds despite deducting employee contributions from workers' wages – without health insurance or pensions.

Although the government of El Salvador promised to help the workers by extending health coverage and locating alternate employment for the workers, to date, they have failed to act on those promises.

One of the recommendations of MSN's report was that major brands increase pressure on the government to act by issuing an open letter urging the Government of El Salvador to fulfill its promise to provide health care to the

unemployed ex-Hermosa workers for a period of one year, with copies going to El Salvador media.

At the end of October, 2007, adidas issued an open letter in a full-page advertisement in the El Salvador papers saying that "the Government of El Salvador has failed to effectively enforce its labor laws with respect to the workers of Hermosa Manufacturing" and that "the Hermosa case has caused serious concern about regulatory safeguards for workers which we consider as the elementary foundation to continue business operations in this country."

"Usually this kind of statement is made by the left," said Estela Ramirez, a former Hermosa worker. "But in this case it was a transnational corporation saying that our labour and human rights were violated, something the Government had always denied."

As a result of the letter and ensuing publicity, the Government of El Salvador

has re-opened talks with adidas on addressing the situation of the ex-Hermosa workers. Although discussions are still at an early stage, there is some indication that with continued pressure the Salvadoran government may finally make good on its earlier promise to provide the ex-Hermosa workers employee health insurance coverage.

Noting that there were credible reports of blacklisting



Estela Ramirez

of union members at other apparel factories in the region, MSN also recommended that the FLA identify an acceptable independent party to monitor the hiring process involving ex-Hermosa workers to ensure that anti-union discrimination is not present.

In October 2007 the FLA

hired Juan Jose Zaldaña, a respected Salvadoran law professor, to act as an ombudsman for the FLA. Zaldaña has been meeting with workers, factory owners and others in order to address issues of discrimination in hiring. He has also been meeting with various government departments to pressure for a prompt resolution on various outstanding issues, including health coverage, housing security, as well as the legal case against the ex-owner of Hermosa. If that case is resolved, it could provide Hermosa workers with back wages owed when the Hermosa factory closed.

Zaldaña is also coordinating with ex-Hermosa workers and various government and private institutions to set up a skills training program that should assist the workers in gaining new employment both within and outside the maquila sector.

On January 15, Zaldaña had his first experience monitoring a hiring process, when 21 ex-Hermosa workers applied for jobs at Chi Fung factory, the factory nearest to the community where most of the ex-Hermosa workers live.

According to Ramirez, who was one of the applicants, only six of the 21 workers were interviewed and tested, and of those six only one

● see 'Hermosa' p.8

Photo: Cristliche Initiative Romero

The *Maquila Solidarity Update* is published in English and Spanish by the Maquila Solidarity Network (MSN). MSN includes over 400 organizations and individuals across Canada. MSN is a labour and women's rights advocacy organization working to improve conditions in maquiladora factories and export processing zones worldwide. MSN acts as the secretariat for Canada's Ethical Trading Action Group (ETAG).

Editorial Staff:
Ana Enriquez
Alda Escareño
Bob Jeffcott
Aylwin Lo
Kevin Thomas
Lynda Yanz
Translation: Anibal 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



Photo: Scott Robertson

Burger King threatens to repeal wage improvements for tomato pickers

Emboldened by precedent-setting victories that brought a code of conduct and living wage to farmworkers picking tomatoes for Taco Bell and McDonald's, the Coalition of Immokalee Workers (CIW) approached Burger King to negotiate a similar arrangement. The perplexing response now threatens to undo a working mechanism that delivered a living wage to workers down the supply chain.

In April 2007, days before farmworker advocates descended on its headquarters in Chicago, IL, McDonald's sat down with the CIW and agreed to pay a penny more per pound to Florida tomato pickers.

Two years earlier, Yum! Brands (proprietor of Taco Bell, KFC, A&W, Pizza Hut, and Long John Silver's) had signed a similar agreement after three years of ongoing boycotts, solidarity tours, and hunger strikes.

Since then, the CIW had successfully facilitated the transfer of the wage increase to farmworkers for two seasons. They had established a novel mechanism wherein farmworkers received two pay cheques – one from

the grower, and one from Yum!, via an independent accounting firm that verified the farmworkers' pay stubs. Yum! also picked up the administrative costs of the arrangement.

Based on their initial successes, the CIW approached Burger King to get with the program. Yet Burger King remains opposed to negotiating a similar agreement with the CIW.

Burger King tries social responsibility its way

In November 2007, Burger King and the industry association, the Florida Tomato Growers' Exchange, organized a tour of Immokalee tomato farms to improve the public's perception of how

tomato pickers are treated.

Both argue that farmworkers earn a reasonable wage, but paradoxically acknowledged farmworkers' poverty when donating \$25,000 to a local migrant farmworker childcare and education center, the Redlands Christian Migrant Association (RCMA).

Barbara Mainster, Executive Director for RCMA, is also President of the Board for Socially Accountable Farm Employers (SAFE), a multi-stakeholder initiative comprised of growers and community farmworker advocates.

Burger King holds up SAFE as an alternative to the CIW agreements signed by other brands. SAFE has a code of conduct mandating that growers obey all relevant laws, but the code is silent on the issue of improving wages.


Campaigning continues

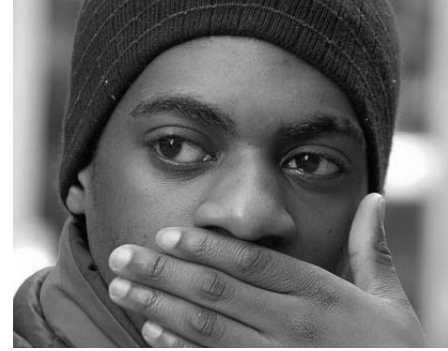
For now, McDonald's and Taco Bell are asserting their ongoing commitment to pay a penny more per pound, despite fierce opposition from the Growers Exchange.

How farmworkers will be paid for the current season – and whether a model mechanism that delivers wage increases to workers down the supply chain will survive the Growers' challenge – has yet to be determined.

On December 1, the CIW organized a march on Burger King headquarters in Miami to protest its lack of cooperation. Burger King has yet to respond, but the CIW isn't waiting – it's now approaching one of Burger King's key financiers, Goldman Sachs, and supporters are organizing pickets at Burger King outlets. ■

For more information on this campaign, visit:
<http://www.ciw-online.org/>
<http://www.sfalliance.org/>

 Since 1980, piece rates for tomato pickers in Florida have stagnated in the range of 40-45¢ per 32-lb. bucket, for an average annual salary of approximately \$10,000 – hardly a 2008 living wage. With the CIW's proposed increase of one cent per pound, farmworkers' wages would rise to nearly \$19,000 per year.



Photos: Alexandre Seron

Gag order threatens Clean Clot

A legal action in Indian courts could have serious repercussions for workers and labour rights advocates if it succeeds in silencing discussion of working conditions at the Fibre and Fabrics International factories in Bangalore.

A cloud of uncertainty descended on activists from the European Clean Clothes Campaign (CCC) and the India Committee of the Netherlands (ICN) when an Indian court ordered their arrest in December 2007.

The activists (and their internet service provider, Antenna) are the targets of legal harassment by Indian apparel manufacturers Fibres and Fabrics International Pvt. Ltd. (FFI) and its subsidiary Jeans Knit Pvt. Ltd. (JKPL) in retaliation for disseminating information about labour rights violations at their Bangalore factories.

In interviews conducted by the Indian Garment and Textile Workers Union (GATWU) in November 2005 and March 2006, workers told GATWU that they faced serious labour rights violations, including forced overtime, physical and psychological

abuse, non-payment of legal overtime premiums, and the failure to issue identity cards and employment contracts. Workers complained that production targets are unreasonably high and that workers are abused when the targets are not met.

These allegations were verified by a fact-finding mission carried out by seven local human and women's rights organizations in

April 2006. The fact-finding mission submitted a draft report to management, who denied the allegations.

After a subsequent meeting with workers in July 2006, the mission reported that some of the most egregious abuses – physical beatings and verbal abuse, as well as unpaid overtime work – had stopped.

Rather than accepting the findings of these investigations and engaging with local organizations to address the issues they raised, FFI/JKPL

launched a legal action to silence the unions and local worker support organizations advocating on behalf of the FFI/JKPL workers.

As a result, the

Garment and Textile Workers Union (GATWU), the New Trade Union Initiative (NTUI), the Civil Initiative for Peace and Development (CIVIDEP), the Women Garment Workers' Front Munnade, and the CCC Task Force Tamil Nadu have been under an injunction order since July 2006 prohibiting them from distributing information about the work-



Esther de Haan

Photo: CCC-ASK-Finland



hes Campaign activists

ing conditions at FFI/JKPL inside or outside India.

Not satisfied with gagging local labour rights organizations, FFI has also been seeking a gag order against the CCC and ICN in Indian courts. The activists are charged with libel, cyber crime, and acts of racist and xenophobic nature – all related to the publication of information on conditions at the FFI/JKPL factories.

While the case itself has yet to be heard, the Indian Court issued an international arrest warrant on December 1 to ensure that the defendants appear at the trial. The arrest order has since been sent to the Indian Ministry of Home Affairs for confirmation.

“Suing all human rights organizations that report about working conditions in the garment industry in Bangalore will not solve anything,” said Esther de Haan of the CCC International Secretariat and one of the accused. “What we are demanding of FFI/JKPL is that they finally enter into dialogue with the union GATWU and other local organizations

in order to develop a constructive working relationship in which any labour rights issue can be discussed and resolved.”

Major buyer bows out

To date, pressure on the supplier from companies that sourced products from its factories has had little effect. One of its biggest customers is the jeans brand G-Star, which was subjected to campaign pressure for months to encourage the company to address the issues brewing at FFI.

Just prior to a scheduled international day of action on December 17, 2007, G-Star announced that it was severing its relationship with FFI, blaming the lack of “constructive dialogue” between the CCC and FFI. Actions at G-Star stores in 12 countries went ahead, urging G-Star to follow a responsible exit strategy to ensure that workers don’t suffer due to the actions of management.

Impacts on labour rights groups

To achieve improvements in labour and human rights practices, workers, unions and their allies must have the right and ability to expose negative practices to the light of day. Which is why the FFI/JKPL case is of concern not only to those directly affected by it, but to all those who advocate for labour and human rights and could therefore face similar legal harassment at any time.

“Support is growing,” says de Haan. “The community at large is realizing what kind of impact the case could have. There is also a lot of support for our organization and the work we’re doing.”

In October, Amnesty International (AI) issued a public statement expressing concern “that the harassment and intimidation aimed at these activists flies in the face of international human rights law.

“The practice of filing apparently unsubstantiated criminal charges against defenders of workers’ rights in several parts of India is not new,” the AI statement said. It called on the government of Karnataka, India, to “ensure that charges against the activists are dropped, unless they are charged with a recognizably criminal offence.”

“It’s much more serious for the groups on the ground,” de Haan says. “They have a gag order. They’re not allowed to speak out about the situation at the factory. The company is watching their every move, monitoring their meetings. They’re threatening people.

“We have to think of the impact on workers as well when all of their supporters are gagged.” ■

International supporters are mobilizing to defend the labour rights activists and quash the legal action. For more information on the case and what you can do to help, visit www.maquilasolidarity.org/FFI

WRC clarifies report on school uniform supplier

In an unusual move, the Worker Rights Consortium (WRC) has issued a letter defending a company it has investigated.

The letter was written at the request of Ontario Catholic school boards affiliated with the WRC and posted on the WRC website in response to concerns that its report on Empresas T&M, a Dominican manufacturer for Canadian school uniform supplier Halpern's was being used to unfairly smear the company's reputation.

Halpern's school board customers had been receiving anonymous faxes of the report accompanied by insin-

uations that Halpern's used sweatshop labour and had an inferior labour rights record.

To the contrary, WRC described Halpern's role in the investigation as "positive" and Empresas T&M to be "an above average facility in the context of the Dominican apparel industry."

The insinuations seemed to rest on the premise that the existence of an investigation implied the presence of unusually severe labour rights abuses, and/or an inad-

equate approach to labour rights compliance. While the WRC did discover labour rights violations at Empresas T&M, such practices are the rule and not the exception in the apparel industry.

"The question is how companies respond when these problems are identified," the

WRC says in its letter, "and Halpern's has responded appropriately."

It is now working with Halpern's, Empresas T&M, and the Ontario Catholic school boards that have contracts with the company to resolve the remaining issues. ■

 **Read the WRC's letter:**
www.maquilasolidarity.org/redir/mnu13.1-wrcletter

 **Read the WRC report:**
www.maquilasolidarity.org/redir/mnu13.1-wrcreport

Chinese worker centre targeted

Huang Qingnan, legal representative for the Shenzhen Dagongzhe Migrant Workers Centre (DGZ) in Southern China was savagely attacked by two men on November 20, 2007. Huang has been hospitalized with serious stab wounds.

Hundreds of workers rely on the Centre to help obtain legal entitlements like severance or worker compensation for injuries.

Recently, the Centre has been educating workers about the New new Chinese Labour Contract Law (which came into force in January 2008).

The new law requires companies to sign formal contracts with workers, and to give workers on two consecutive short-term contracts full-time status. Full-time workers who are laid off will receive additional severance pay based on the number of



Huang Qingnan

years they have worked at the company.

In October, the Centre was vandalized twice by

young men with steel pipes who broke windows, doors and desks in an effort to close the Centre.

"It now seems that targeted attacks on legal activists like Huang – as distinct from the use of hired thugs to break up wildcat strikes – may constitute a new stage of retaliation," writes China

Labour News in a blog post about the case. "Local observers speculate on possible collusion between employers and police, government officers or organized crime syndicates in these attacks."


Following on the attack on Huang, fourteen civil society groups in Mainland China jointly condemned the attack.

A Hong Kong-initiated international appeal has been endorsed by over 30 Hong

Kong groups, 29 international groups, and over 400 Hong Kong citizens.

Workers in the area and international supporters

including the Canadian Labour Congress contributed funds to pay for Huang's medical expenses. ■

 **Updated information on the case, as well as information on how to contribute financially to Huang's medical expenses is available at:**
www.clntranslations.org

Union members reinstated at Star Factory Honduras

Fifty-eight workers who were illegally fired for forming a union at the Star T-shirt factory in Honduras' El Provenir Free Trade Zone have been reinstated with full back pay.

On December 10, an agreement to reinstate the workers and to engage in constructive dialogue to resolve outstanding issues was signed by representatives of the US-based company, the workers, the Unitary Federation of Honduran Workers (FUTH), and the Unitary Confederation of Honduran Workers (CUTH).

The agreement comes in response to a series of worker protests, an international solidarity campaign, and the intervention of one of the brand buyers, Nike. At the time of the dispute, the factory was also producing T-shirts bearing the labels of Anvil, Reel Legends and the National Football League (NFL).

Initial attempts to break union

On November 8, the Honduran Labour Ministry received the workers' application to form a union, SITRASTAR. Later that same day, a Labour Ministry inspector attempted to visit the Star T-shirt factory to notify management of the notice for union formation and to communicate that the 58 founding union members were pro-



Photo: National Labor Committee

Military and police occupy the entrance to the El Provenir Free Trade Zone where workers were protesting the dismissal of 58 workers for forming a union at the Star T-shirt factory.

tected under Honduran law and therefore could not be dismissed.

The labour inspector was not allowed to enter the FTZ and was informed by the head of human resources for the Zone that all communications with any of the companies in the Zone should be done through her. After consulting his superiors, the labour inspector left the union notification with the HR director.

Between November 10 and 12, 55 of the 58 founding members of the union, all of whose names appeared on the union application, were fired.

Workers protest

The fired workers organized protests outside the gates to the free trade zone,

which were joined by many of the workers still employed at the Star factory. Zone guards reportedly prevented other Star employees from joining the protests.

Members of the National Police armed with M16 rifles arrived on the scene to reopen the zone entrance, and three workers were reportedly captured by police, tied up and beaten.

On November 24 and 25, hundreds of workers and their supporters once again blocked the entrance to the Zone, and workers on the weekend shift refused to cross the picket line in a show of solidarity. On November 26, the military occupied the entrance to the Zone.

When notified of the events, Nike investigated the situation. According to

Fukumi Hauser of Nike, their investigation verified that the workers' right to freedom of association had been violated and that they should therefore be reinstated.

Workers receive support

Through the efforts of local and international support groups, the Star workers' struggle received considerable media attention in Honduras and internationally.

Organizations that supported the workers during their struggle included the FUTH/CUTH and Comun (a labour research/advocacy group) in Honduras and the National Labor Committee (NLC) and International Textile, Garment and Leather Workers Federation (ITGLWF) internationally. ■

Vaqueros Navarra shut down

● continued from page 1

ry was closed permanently. Once again the excuse was a lack of orders.

Workers stage protests

After receiving a report from their union on the status of negotiations with the company on severance pay, the workers marched through the streets of Tehuacan to protest the closure and their employer's unwillingness to provide full legal severance pay and other legal entitlements.

The workers blocked traffic in the centre of the city for 30 minutes and then moved their protest to the site of a factory owned by the local president of the maquila industry association.

At the time of this writing, negotiations between the union and management on severance pay continue.

Anti-union closure

Meanwhile, there is now mounting evidence that the factory was closed, not because of a lack of orders, but because the employer wanted to rid himself of the independent union.

According to the Human and Labour Rights Commission of the Tehuacan Valley, all other factories owned by Grupo Navarra investors are now up and running, indicating the company might be diverting orders away from the Vaqueros Navarra factory.

As well, MSN has received reports from three brand buyers indicating that they



Photo: Rodrigo Hernández

"Don't take your work from Tehuacan! We want a just solution: work or 100% severance."

attempted to direct orders to the Vaqueros Navarra factory, but that Grupo Navarra or their vendor, PL Industries, refused to do so.

In addition, MSN has received reports that some key investors in Grupo Navarra also have a financial relationship with PL, the vendor that determines where many brands' orders are placed.

Blocking union certification

Meanwhile, two months after the November 23 union representation election, in which the workers voted to be represented the September 19 Union, the Puebla State labour authorities have not yet certified that September 19 holds title to the collective agreement at the factory.

Prior to the vote, a corrupt "official union" affiliated with the CROC had held title to the agreement without the workers' consent.

At the November 23 union representation election, 263 workers voted in favour of the September 19 Union, 187 voted for another official union affiliated with the CROM, and only 3 workers voted to stay with the CROC union.

The victory of the independent

September 19 Union was precedent-setting, particularly given the fact that the vote was held inside the factory by voice vote rather than by secret ballot.

The workers had to individually declare which union they supported in front of their employer and leaders of the corrupt official unions.

Prior to the vote, they had been told by management personnel in private audience meetings that if the independent union won, the factory would be closed.

Despite these threats and the undemocratic nature of the vote, the workers asserted their right to be represented of the union of their choice.

Calling for action

MSN is calling on all US brands that have had a business relationship with Grupo Navarra to tell their supplier that closing a factory to get rid of a union is a major violation of their codes of conduct.

MSN is also urging the brands to ensure that if the factory can not be reopened the workers receive, at minimum, full legal severance pay and all other legal entitlements, as well as alternative employment opportunities. ■

For information on what you can do to support the Vaqueros Navarra workers, visit: www.maquilasolidarity.org.

Hermosa

● continued from page 2

worker was hired. That worker was dismissed half way through her first day of work, but then re-hired less than a week later, following the intervention of the ombudsman.

Zaldaña is currently completing a report for the FLA which will include observations and recommendations on the hiring process and also an update on his advocacy efforts.

Although ex-Hermosa workers remain frustrated that they still have yet to receive basic legal entitlements, including back wages and severance pay, they have expressed some cautious optimism about the new possibilities to resolve at least some of the outstanding issues in this long and difficult dispute.

Whether these initiatives bear fruit has yet to be seen. ■



January 30, 2008

NEWS UPDATE:

Clean Clothes Campaign staff cleared of charges

Following a month of intense negotiations mediated by the Dutch government, all court cases placed against staff of the Clean Clothes Campaign (CCC) and the India Committee of the Netherlands have been dropped.

As a result of the agreement between the Clean Clothes Campaign (CCC), the India Committee of the Netherlands, and the Indian garment producer Fibre and Fabrics International and their subsidiary Jeans Knit Private Ltd. (FFI/JKPL), the company has agreed to drop all court cases against international and local NGOs, trade unions and internet companies. All documents related to the case will remain on CCC's website, but be marked as "closed." The agreement also stipulates that employees will be free to organise themselves in a union of their choice.

An ombudsperson will be appointed locally to handle labour-related complaints on short notice (following a local meeting between the employer, the unions and NGOs). Both the CCC and its Indian partners have agreed to end public campaigning, and pass any future complaints to the ombudsperson for resolution while he/she is in office.

A "Committee of Custodians" will serve as a sounding board for the ombudsperson and safeguard that all parties adhere to the agreement. The committee will include former Dutch Prime Minister Ruud Lubbers and Dr. Ashok Khosla, who has previously worked for the Indian government and the United Nations.

The CCC believes that this paves the way for a sustainable mechanism to solve possible future labour conflicts at FFI/JKPL factories.

Based on this agreement, the Dutch jean company G-Star, who was the main buyer at FFI/JKPL and had previously announced its intention to leave the factory, will resume orders.

- For more information, visit www.maquilasolidarity.org/en/node/774