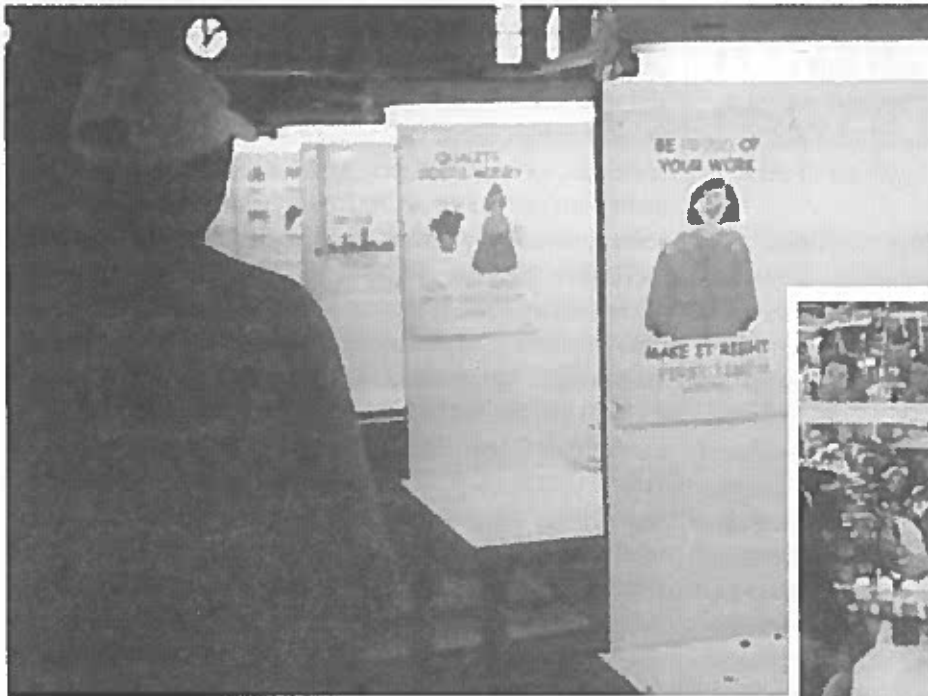


# maquila network update

December, 2001 Vol. 6 No.4



Inside garment factories in Lesotho



General strike called off

## Lesotho Garment Workers Win Wage Increase

On October 15, the Lesotho Clothing and Allied Workers Union (LECAWU) staged one of the largest labour demonstrations in the history of this small African country. Over 35,000 garment workers marched in procession to the Prime Minister's office to present their list of demands for an increase in the minimum wage and enforcement of labour

legislation in the country's export garment factories.

When the Prime Minister refused to receive their petition, the workers marched to the parliament building where it was presented to the Secretary of Parliament. They had earlier presented the petition to the Minister of Labour.

On October 18, the Minister of Labour announced

his government's rejection of workers' demands, accusing the union leaders of misleading the workers for political motives. The LECAWU called for the Minister's resignation and announced plans to stage a National Industrial Action beginning on November 5.

### Agreement Reached

Despite the government's unwillingness to discuss the

workers' demands, the threat of a general strike forced the employers to the bargaining table.

—see 'General strike' p.2—

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# General strike called off

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Days before the strike deadline, the employers entered negotiations with the union, and agreed to a 10% across the board wage increase. (Even with the increase, workers' wages are still less than US\$60 a month.) They also agreed to negotiate with the union directly beginning in 2002.

## Violations Continue

While the wage increase and the willingness of the companies to negotiate with the LECAWU are important victories for Lesotho garment workers, on-going violations of workers' basic rights have yet to be seriously addressed by employers or the government.

Two recent studies document numerous violations of workers' rights in a cross section of Lesotho garment

export factories producing apparel for major US and Canadian retailers, including the Hudson's Bay Company.

Common violations include: seven day workweeks with excessive hours of forced and often unpaid overtime, harassment and discrimination against union members, illegal dismissals, locked exit doors during working hours, verbal abuse, and starvation wages.

The first study was carried out in January 2001 by the Dutch Centre for Research on Multinational Corporations (SOMO) and the South Africa-based Trade Union Research Project (TURP). In March, a second study was carried out by the LECAWU and the Lesotho Labour Ministry in order to verify whether the disturbing findings in the SOMO report were accurate.

The government has yet to release the LECAWU/Labour Ministry report.

## ETAG Calls for Action

On October 23, the Ethical Trading Action Group (ETAG) met with the Hudson's Bay Company to share information from the two reports on labour rights violations in a Lesotho factory producing private label apparel for Zellers. ETAG requested that the company help facilitate the reinstatement of workers fired for union activity, and ensure that other violations of the Hudson's Bay code of conduct and Lesotho labour law do not continue.

ETAG is awaiting a report on the actions HBC is taking to ensure respect for workers' rights at the factory.

## 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.

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## Would You Want to Work in the Garment Industry?

**A**n October 2001 report on "Attitudes of Youth Towards a Career in the Canadian Apparel Industry" reveals that the industry has a serious image problem to overcome if it wants to attract young workers or win the loyalty of young consumers.

The study commissioned by the Apparel Human Resources Council attributes the poor image of the apparel industry to "negative media coverage of third-world sweatshops, and the almost zero visibility of Canadian producers."

The report is based on the results of 12 mixed-gender focus groups in six cities across Canada and involving youth aged 15-21. The results were "remarkably consistent in all 12 groups - across region, language, educational level and gender."

"To attract young people," the report concludes, "the industry needs transparency, [positive worker] testimonials, trial periods and training programs."

### Why Canadian youth say they don't want to work in the apparel industry

- Low pay
- Poor working conditions
- Poor benefits
- No job security or pension
- No social interaction
- Shift-work
- Boring, repetitive, mundane work
- Not for young people
- No upward mobility
- Low prestige and low status
- Stressful
- No information about the industry
- Dangerous work and safety concerns



Mexico's Kuk Dong factory, now known as Mex Mode

# Will Fox allow independent unions in Mexico's maquilas?

**D**uring his successful electoral campaign for the Mexican presidency, Vicente Fox promised to ensure that the right of workers to be represented by the union of their choice was respected, and that the dirty tricks of Mexico's "official" unions would no longer be tolerated.

Two recent organizing drives in Mexico's maquila sector have put the Fox government to the test.

## Kukdong Workers Win Independent Union

Workers at the Mex Mode garment factory, formerly Kukdong, in the small town of Atlixco, Puebla recently won a precedent-setting victory in achieving the only independent union with a signed collective agreement in Mexico's over 3,500 maquiladora factories. The factory produces sweatshirts for Nike and Reebok, and licensed Nike sweatshirts for a number of US universities.

On August 31, an agreement was reached between all parties involved in the nine-month dispute, recognizing

the independent union, SITEMEX, and terminating the "protection contract" between the company and the official union, the CROC. On September 21, the company and SITEMEX signed a collective agreement.

This important victory could not have been possible without the support of labour, student, and worker rights groups around the world, including the Workers Support Centre (CAT) in Mexico, Students Against Sweatshops in the US and Canada, the AFL-CIO and CLC, the US Labor Education in the Americas Project (US/LEAP), the International Labor Rights Fund, Campaign for Labor Rights, the Korean House for International Solidarity, and the Maquila Solidarity Network.

Support groups have now shifted the focus of the campaign to pressuring Nike and Reebok to continue placing orders with the factory. To date, over 6,000 people from 17 countries have sent letters to the Nike and Reebok, urging them not to cut and run now that the

workers' right to freedom of association is being respected.

## Duro Workers Robbed of Union

Meanwhile at the Duro Bag factory in Rio Bravo, Mexico, workers are facing another threat to the survival of their independent union.

The workers recently learned that the Tamaulipas state Conciliation and Arbitration Board has allowed the Secretary General of the CROC union, Jesus Isidro Moreno, and his henchman, Juan Lopez Cabrera, to register themselves as the Secretary of Organization and Secretary General of the independent union, without the knowledge or approval of the union members.

This is the second blatant violation of the workers' right to be represented by the union of their choice. On March 2, Duro workers were

robbed of their rights in an in-plant election to determine whether they would be represented by the independent Duro Workers Union or the CROC.

Rather than voting by secret ballot, the workers were forced to walk through a gauntlet of over 50 thugs, and then publicly declare their vote in front of representatives

of the company, the CROC, and the thugs.

No surprisingly, only four workers dared to vote for the independent union. All four have since been fired.

This second miscarriage of

justice is apparently an attempt to prevent the workers from appealing the results of the unjust election. Unions, church and non-governmental organizations in Mexico, the US and Canada are calling on the Fox government to take immediate action to reverse this unjust and illegal decision.



Vicente Fox

—see "Lessons..." on page 7—

# Garment victims

The tragic consequences of September 11 continue to be felt by people around the world—from the families of the immediate victims of the attacks, to the victims of racist assaults and harassment in the US and Canada, to the civilian victims of the war in Afghanistan.

The terrorist attacks and the US military response are also having serious economic consequences for working people around the world, including the young women who labour behind the labels in the globalized garment industry.

While September 11 isn't solely responsible for recent layoffs and plant closures sweeping the garment sector worldwide, it has further weakened an industry hard hit by the downturn in the US economy.

## New York

The garment industry was already suffering from the US economic slowdown when the two hijacked planes hit the twin towers of the World Trade Centre. Chinatown, the centre of New York's garment industry, only blocks away from the site of the attacks, was most immediately affected.

According to the garment workers union UNITE, the terrorist attacks totally shut

down Chinatown's garment industry, leaving as many as 12,000 mostly immigrant women workers out of work for the next two to three days, and 6,000 out of work for at least a week. Disruption of deliveries in and out of the area cut the manufacturers off from retail buyers that now demand just-in-time production.

UNITE estimates that as many as 20 percent of garment shops in some areas of New York have shut down, and that "many other shops are expected to close within weeks, as purchase orders from apparel retailers rapidly decline."

## Canada

Even before September 11, Canadian retailers were preparing to report a steep fall in third-quarter earnings, due to intense competition with their US-based rivals and the weak Canadian economy.

Major suppliers of the Bay, most of them apparel manufacturers, now report that Canada's largest department store chain is cancelling

*Garment worker in Bangladesh*

ORIGINAL PHOTO: OXFAM



# workers also of September 11

orders that could add up to \$75 million. The Hudson's Bay is expecting a loss of \$3.5-\$7 million or 5-10 cents a share in the third quarter ending October 31.

Canadian apparel manufacturers exporting to the US market were also negatively affected by September 11 and the weak US economy. Despite the record low Canadian dollar, apparel shipments to the US fell in September.

We saw on television the tragic destruction which occurred in America on September 11. Due to this calamity, thousands of workers may lose their employment, thus causing a great imbalance to the economy. Let's continue more strongly the struggles we make on behalf of workers at the factories and in other sectors as well.

H.I. Samanmalie  
Dabindu Collective  
Sri Lanka

apparel manufacturers have geared their production to the US market, making them vulnerable to fluctuations in the Canadian dollar and US consumer spending.

## Mexico

September 11 had an immediate impact on Mexico's export garment

industry as stringent border inspections brought cross-border traffic to a virtual halt.

The North American Free Trade Agreement (NAFTA) has transformed Mexico's garment sector into a maquila export industry totally dependent on a healthy US economy for its survival.

As a result of the US economic slowdown, 17,094 textile, garment and leather workers' jobs were lost in a one-year period ending July 2001. As the US economy enters a possible recession, maquila plants are forced to slow production, laying off thousands of Mexican workers.

## Central America

Central America's export garment industry has also been hard hit by the US slowdown and the fallout from September 11. Twenty-seven maquila plants have closed in Honduras and an equal number in Guatemala, leaving 16,000 mostly young women workers temporarily out of work in Honduras and another 11,000 in Guatemala.

Since 90 percent of all apparel manufactured in Central America's maquila industry is destined for the US market, and the maquila sector produces one-third of the region's total revenue, their economies are ex-

tremely vulnerable to even minor fluctuations in the US consumer market.

## Pakistan

Pakistan is not only suffering political instability as a result of the US-led war in neighbouring Afghanistan, the country's garment industry is being decimated. Fearful of disruptions in deliveries, major US brands - American Eagle Outfitters, Tommy Hilfiger, Perry Ellis - are cutting orders.

Approximately 18,000 jobs in the apparel and textile sectors have already been lost as a result of the war. A recent survey of 14 apparel manufacturers revealed a 64 percent drop in orders.

Pakistan's textile and apparel industry employs 3.5 million workers, 60 percent of the country's industrial workforce. A prolonged war and/or political instability could have a devastating impact on the industry and the economy as a whole.

In response to the current crisis, Pakistani textile and apparel manufacturers are calling on the US government to suspend all tariffs on imports from their country.

## Bangladesh

US retailers are also cutting back orders to

Bangladesh, forcing the closure of up to 1,000 garment factories and layoffs of as many as 300,000 workers. Industry officials warn that the plant closures could force laid-off women workers into prostitution. Nearly 45 percent of the country's garment exports go to the US market.

## Globalized Crisis

One of the harsh lessons from the tragic events of September 11 is that globalization and free trade policies have made workers and national economies everywhere much more vulnerable to economic and political instability anywhere.

With China's entry into the WTO and the approaching phase out of quotas in 2005 under the Multi-Fibre Arrangement, the tragic events of September 11 and the US "war against terrorism" are accelerating processes already underway in yet another round of global restructuring of the garment and textile industry.

The challenge for garment workers and their supporters is to maintain our global alliances as we struggle locally to defend workers' jobs, incomes and rights.



# news & notes

## Judge Gives Green Light to Saipan Case

A US District Court judge has upheld the complaint in a class action suit alleging that major US retailers share liability for sweatshop abuses in supply factories producing apparel in the Western Pacific US Commonwealth island of Saipan. On October 29, Judge Munson ruled that the



trial could go ahead because the allegations were sufficient to establish, if proven in court, that a conspiracy had taken place between retailers and factory owners to use indentured labour in Saipan's garment factories.

Guest workers, most of them young women from China, are allegedly forced to pay recruitment fees of up to US\$7,000 to work in the US commonwealth island. Often it takes two or three years for women to pay off the debt, yet their work contracts must be renewed on an annual basis. Workers must also sign shadow contracts waiving their basic human rights. Since the case was filed in 1999, 19 US retailers have settled out of court and have agreed to accept independent monitoring of factory conditions. Companies continuing to deny responsibility include Gap, Target, JC Penney and Levi Strauss.

## More Women Murdered in Juarez

Young women, many of them maquila workers, are continuing to be raped and murdered in the Mexican border city of Ciudad Juarez.

Since November 6, eight more bodies of murdered young women have been found. Meanwhile, the police continue to promote their conspiracy theory that Abdel Latif Sharif, who has been imprisoned since 1996, is masterminding the killings from his jail cell. Some of the men accused of committing the murders at Sharif's orders have reportedly been tortured into making confessions.

On November 8, members of the women's crisis centre, *Casa Amiga*, and

other local NGOs staged a protest at the office of the Special Prosecutor for the Investigation of Murdered Women. Dressed in black, the protestors placed a sign on the office door that read, "Closed for incompetence."

Since 1993, over 200 women between the ages of 15 and 25 years have been murdered in Juarez. Mexican human rights groups are now demanding a new investigation and protection for young women maquila workers.

*As we go to press, MSN received word that the body of another unidentified woman was discovered in Juarez on November 19.*

## Negotiations Stalled at Yoo Yang

Negotiations between management and workers at the Yoo Yang maquila garment factory in La Lima, Honduras have entered their tenth month with no end in sight. Workers currently make US\$30-\$34 a week. According to the Honduran Central Bank, workers would need to make \$147 a week to meet their families' basic needs. Management has refused to offer any wage increase, and is reportedly stalling negotiations.

"The company's delaying tactics and the contempt it has shown towards its workers are totally unacceptable," says Neil Kearney, General Secretary of the International Textile Garment and Leather Workers Federation (ITGLWF). According to Kearney, the company had earlier requested a one-month extension to prepare an offer, but it used the time to undermine the union by carrying out unfair dismissals and transferring some workers to a warehouse with no air conditioning, toilets, or water. Yoo Yang produces for Phillips-Van Heusen and other major brands.

## LA Workers File Class Action Suit

Nineteen Los Angeles garment workers sewing clothes for the US retailer Forever 21 have filed a class action suit alleging that the retailer and six of its suppliers are jointly liable for sweatshop abuses. Workers charge that they worked 10-12 hours a day and on weekends for less than the minimum wage and received no overtime pay, and that some workers had to take work home. "A lot of our factories were dirty

and unsafe, with rats and cockroaches running around," says Esperanza Hernandez, one of the workers demanding compensation and respect for her legal rights. Forever 21 is a California-based retailer specializing in young women's clothing with 92 stores across the US. The workers are being assisted with their lawsuit by the Asia Pacific Legal Center (APALC).

## Worker Harassment Continues at Liz Supply Factories

Workers at two Guatemalan garment factories producing for Liz Claiborne are continuing to recruit members to their unions, despite management harassment. While violence and threats of violence against union members have subsided, management is reportedly continuing to pressure union members

to resign from their jobs or the union.

On July 18 and 19, union members were surrounded and attacked by organized mobs of anti-union workers and supervisors while their bosses looked on. Responding to international protests and reports from the independent monitoring group, COVERCO, Liz Claiborne sent a letter to the workers pledging to continue placing orders as long as the workers' right to choose whether to join the union was respected. Threats of a review of US preferential tariff benefits prompted the Guatemalan Minister of Labour to legally recognize the two unions and to facilitate an agreement between the company and the unions. However, the employer is reportedly violating the terms of that agreement.

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## Lessons for the Future

continued from page 3

While the Mexican authorities did eventually recognize the independent union at Kukdong, now Mex Mode, the victory has more to do with the organizing and corporate campaign strategies employed than with any positive actions by Fox or his government.

Sufficient pressure was brought to bear on the employer and the major brands sourcing from the factory to convince all parties, including the CROC, to accept the independent union. It was only after the companies had accepted SITEMEX, and the CROC had left the factory, that the state Conciliation and Arbitration Board recognized the new union.

Unfortunately, recent events at Duro are more representative of labour relations under Fox and his pro-business administration. However, the Kukdong victory provides important lessons for future campaigns.



Duro workers

"Thinking About the Antisweatshop Movement," Jeffrey Isaac and Liza Featherstone, *Dissent* magazine, Fall 2001. Debate on limits and possibilities of the anti-sweatshop movement.

*Border Witness: Youth Confront NAFTA, a Photographic Essay*, Maureen Casey and Marie Triller, New York State Labor-Religious Coalition, Oct 2001, 115 pp. Photos and voices of young people travelling in Mexico's northern border region. Contact: [www.labor-religion.org](http://www.labor-religion.org).

*Sweatshop Alert*, Canadian Labour Congress, Sept. 2001, 16 pp. Resource for union members on No Sweat campaign. Contact: [www.clc-ctc.ca](http://www.clc-ctc.ca).

*UNITE's Newsletter for Unionized Unions, Special Issue #1*, 2001, 6 pp. Includes list of unionized uniform suppliers. To access uniform list, visit: [www.uniteunion.org](http://www.uniteunion.org).

"Bringing Codes Down to Earth," Lynda Yanz and Bob Jeffcott, *International Union Rights*, Vol. 8, Issue 3, 2001. Special issue on codes of conduct. Contact: [www.maquilasolidarity.org](http://www.maquilasolidarity.org). To subscribe to IUR Journal, visit: [www.ictur.labournet.org](http://www.ictur.labournet.org).

*Sweatshop Booklet Series, VIDEO*, 2001, \$28. Series of three booklets on sweatshops, the toy industry, Nike, plus Facilitator's Guide. Contact: [www.members.home.net/video](http://www.members.home.net/video).

# 'No Sweat' Events for the Holidays

**A**s the holiday season approaches, the number of phone calls and e-mails the MSN receives from members, the media and the general public increases dramatically. Everyone wants to know what they can do to ensure that the gifts they buy for friends and family are made under humane working conditions.

Unfortunately, there are currently few ethical options for consumers who want assurances that the clothes and toys they buy weren't made in sweatshops or by children. Under current regulations, very little information is available to the public on where and under what conditions clothes and other consumer products are made.

However, the holiday season is an excellent opportunity for concerned consumers and citizens to take action against sweatshop abuses, and to demand an end to secrecy in the global garment industry.

## Demanding the Right to Know

This holiday season, MSN and our church, labour, NGO and student coalition partners in the Ethical Trading Action Group (ETAG) are mobilizing public support for changes in federal regulations to require public disclosure of the names and addresses of all manufacturing facilities where clothes sold in Canada are made.

ETAG's proposed changes to regulations under the Textile Labelling Act won't tell us everything we need to know to shop ethically, but they will make it much easier to discover whether clothes and other textile products are made in sweatshops or under humane conditions.

## ETAG Makes Holiday Plans

On October 26-28, 80 anti-sweatshop activists from across Canada gathered in Toronto for an ETAG-sponsored "No Sweat" national strategy meeting and train-the-trainers workshop.

Participants came from British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, and Newfoundland. They included university and high school students, teachers, trade unionists, church activists, and NGO volunteers.

A major focus of the weekend was planning holiday actions to pressure retailers to voluntarily disclose where their apparel products are made, and to demand that the federal government make public disclosure a legal requirement.

University students from across the country decided to leaflet Roots stores in early December, demanding that this

high-profile Canadian brand voluntarily disclose the names and addresses of all its supply factories around the world.

In another workshop, high school students and teachers made plans to collect clothing labels from fellow students and teachers for presentation to Industry Minister Brian Tobin to urge him to adopt changes in labelling regulations so consumers would know where their clothes were made.

Everyone agreed to leaflet shopping malls on weekends over the holiday shopping period and to gather signatures to the "Stop Pulling the Wool Over Our Eyes" petition, which will later be presented to Minister Tobin.



MSN Holiday actions

## No Sweat Holiday Actions

- Choose a major shopping day to do mall leafleting and gather signatures to the "Stop Pulling the Wool Over Our Eyes" petition. Mail or fax signed petitions to MSN.
- Organize No Sweat Christmas carolling outside the mall. Ask Santa to lead the chorus. Don't forget to invite the media.
- Ask friends and neighbours to bring clothing labels to your holiday party or other holiday event. Mail them to MSN or the nearest Oxfam Canada office.

*Holiday leaflets, No Sweat petitions, and Stop Sweatshops Christmas carols are available from the MSN website: [www.maquilasolidarity.org](http://www.maquilasolidarity.org).*

