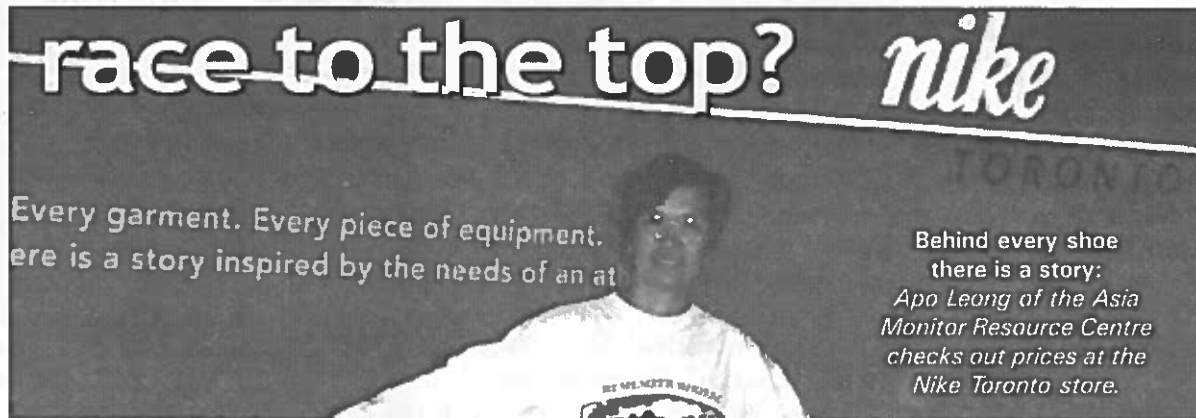


maquila network update

May 1999 Vol. 4 No.2

Are Nike and Reebok in a race to the top?



Are Stop Sweatshop campaigns helping reverse the race to the bottom? Will the new worker-friendly public relations war between Nike and Reebok result in real improvements for the young women who make their products? Or is all this talk about corporate responsibility just the same old PR hype?

On March 23, one day before releasing the 1999 Reebok Human Rights Awards, Reebok CEO Paul Fireman made public a January 5 letter to Indonesian President B.J. Habibie calling for the release of imprisoned Indonesian labour rights activist, Dita Sari.

Fireman noted that Sari "has been particularly effective at raising issues on behalf of factory workers." He went on to encourage "all concerned about human rights" to write Habibie to demand Sari's release.

While Reebok's history of human rights promotion

doesn't make such a statement unusual, its CEO's public support for the rights of factory workers in a country where its products are made is definitely a first.

Dita Sari may not have received a Reebok Human Rights Award in 1999, but she did get the equivalent of honourable mention.

More significant is Reebok's recent collaboration with the AFL-CIO's American Center for International Labor Solidarity (ACILS) on a pilot labour rights training program on freedom of association

involving Indonesian factory workers making Reebok sports shoes and apparel.

A Word from the Competition

While Nike is far more likely to sponsor high school athletic teams than labour rights training for its factory workers, the multinational marketing wiz is working overtime to polish its tarnished swoosh.

In recent months, Nike has proudly announced plans to raise Indonesian workers' base salaries and benefits to what it claims is a subsistence

wage. It has invited a US health and safety critic to monitor conditions in one of its contract factories in Vietnam. It has proposed to

See "Premature..." on back page



inside

- Code monitoring goes professional 2
- The Sweatshop Shopping Tour 4
- News and Notes 6
- New Resources 7
- Students sit-in 8

Code Monitoring Goes

The rapid rise of a private sector model of labour rights monitoring is raising serious questions for labour and non-governmental organizations in both the North and South

On May 11, representatives of Canadian labour, religious and non-governmental organizations sat down with retailers and manufacturers to discuss the terms and objectives of a federal task force on sweatshop abuses.

The meeting came after a two-year campaign initiated by the Labour Behind the Label Coalition calling on the federal government to convene a multi-stakeholder forum to find ways to ensure that apparel and footwear sold in Canada are made under humane conditions.

If and when a task force is convened, one of its biggest challenges will be developing transparent mechanisms to monitor and verify that companies adhere to international labour standards and local laws.

As we begin to negotiate the terms of a Canadian task force, and as Stop Sweatshop campaigners continue to press for independent monitoring of company codes of conduct, global systems of "professional" monitoring and factory certification are being implemented around the world. However, the emerging private sector "social auditing" model is

very different from independent monitoring as envisioned by Stop Sweatshop campaigners.

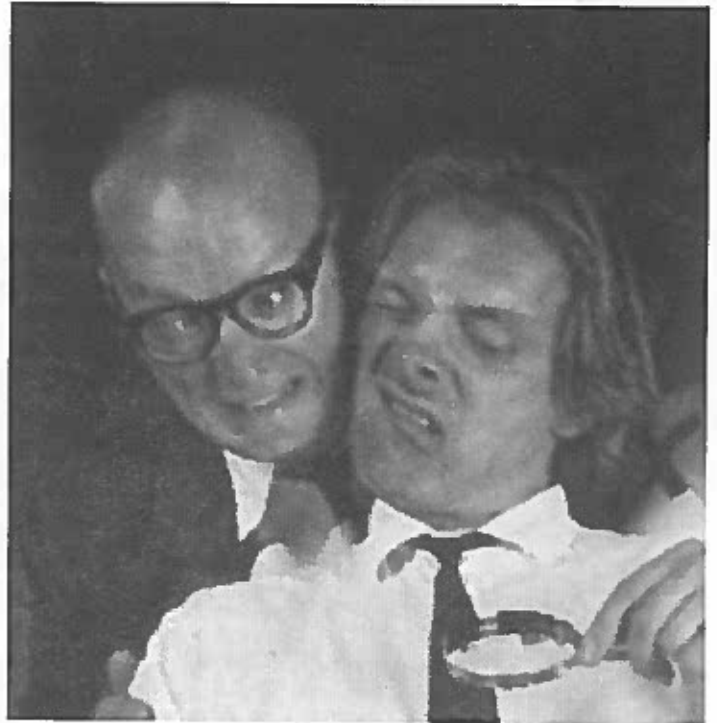
SA 8000

Professional social auditors accredited by the New York- and London-based Council on Economic Priorities Accreditation Agency (CEPAA) are currently certifying apparel and sports shoe factories in China.

Social Accountability 8000 (SA8000) is rapidly winning the allegiance of major consumer products companies by offering a global system of monitoring and certification with which they are already familiar.

Based on ISO 9000 and ISO 14000, SA8000 offers companies a ready-made factory certification package, including "comprehensive" international labour standards, a training program for private sector auditors and social auditing firms, a set of guidelines (Guidance Document) for accredited auditors, and a fairly vague third-party complaints procedure.

On the positive side, SA8000 standards are firmly based on ILO and UN conventions. Significantly, the SA8000 Standard includes provisions for a living wage and the right of workers to organize and bargain collectively.



maquila network update

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

Editorial Staff

Bob Jeffcott
Musonda Kidd
Kevin Thomas
Lynda Yanz

Translation

Anibal Viton

Special thanks to OPSEU for printing the *Update* at no cost.

Maquila Solidarity Network
606 Shaw Street
Toronto, ON, M6G 3L6 Canada
Phone: 416-532-8584

Fax: 416-532-7688

E-mail: perg@web.net

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

'Professional'

Less positive is the dominant role in monitoring and factory certification given to multinational social auditing firms, such as SGS-ICS, the world's largest certification company, and the minor consultative role

assigned to Southern human rights and labour organizations. While social auditors are encouraged to consult with local NGOs and labour groups, those groups are largely excluded from the actual monitoring process.

Northern and Southern NGOs that have been invited to participate in SA8000 auditor

training sessions, including the MSN, the Asia Monitor Resource Centre (AMRC) and Factor X-Casa de la Mujer (a Tijuana women's group), are generally skeptical about whether employees of accounting firms who have little sympathy for unions or knowledge of worker rights issues can be transformed into labour rights monitors after participating in a basic

one-week training course.

Because the accredited auditors are hired by companies, which can require them to sign confidentiality agreements, there is very little public access to information about workplaces audited or the contents of auditors' reports.

Fair Labor Association

Not far behind the CEPAA in the development of global monitoring systems is the US Fair Labor Association (FLA). The FLA is made up of some of the major US brand-name apparel companies – Nike, Reebok, Phillips-Van Huesen, Liz Claiborne – as well as the remaining NGO participants in the Apparel Industry Partnership (AIP), such as the International Labor Rights Fund, the National Consumers League and the Lawyers' Committee for Human Rights.

Conspicuously absent from the FLA are unions and religious organizations that withdrew from the AIP in opposition to an accord negotiated without their participation. The Accord has been criticized for weak provisions on wages, hours of work, the right to organize in countries where that right is denied, and for the lack of public access to information on suppliers and monitors' reports.

As with SA8000, compa-

nies that participate in the FLA choose and hire accredited monitors. However, members of the FLA insist that their association will accredit NGO monitors as well as private sector auditing firms.

FLA members are now putting a major effort into recruiting US university administrations, which together license the production of \$2.5 billion worth of apparel a year.

Meanwhile, Students Against Sweatshops groups across the US are challenging university administrations to remain outside the FLA and to adopt codes of conduct that require companies producing university-licensed goods to publicly disclose information on their suppliers and ensure that they pay a living wage. (See article on page 8)

Where Do We Go From Here?

The rapid rise of this private sector model of labour rights monitoring is raising serious questions for labour and non-governmental organizations in both the North and South.

While most of us would acknowledge that local human rights, labour and religious groups do not currently have the capacity, or in many cases

the desire, to monitor the hundreds of thousands of supplier facilities producing brand name products around the world, few of us are comfortable with a system in which the private sector monitors itself.

As social auditing takes off, our Southern allies are being forced to decide whether to cooperate with private sector auditors, demand greater participation in workplace monitoring, or reject the model outright.

Northern groups are equally divided between those who want to engage with companies and demand a significant role in workplace monitoring, and others who believe local NGOs and labour groups are the only legitimate labour rights monitors, and private sector involvement in monitoring should be resisted.

Whatever options different groups take, there is a pressing need to develop longer term strategies that allow us to intervene effectively in what is now a private sector-dominated process.

THE SWEATSHOP TOUR

The Sweatshop Shopping Tour is a fun and effective educational activity for high school and university students, as well as faith and community groups. It's also a non-threatening way to bring the issue of sweatshop abuses directly to shoppers.

Here's a step-by-step guide on how to organize a Sweatshop Shopping Tour.

1 STEP

Company Research

Choose a mall that includes stores selling brand-name products that have been linked to sweatshop abuses, such as Nike, Disney, Wal-Mart, the Gap, and the Venator Group (formerly Woolworth Canada). In teams of two, collect more information on sweatshop abuses associated with these companies. Also look for instances in which companies have taken steps to improve conditions. Information and links to other useful websites are available on the MSN website: <http://www.web.net/~msn>

2 STEP

Mall Research

Visit stores selling those products in the mall you have chosen. Check labels on apparel to determine whether clothes are made in countries where labour rights violations have occurred. Record the prices of the products. Later you can check websites for information on how much workers were paid to make these or similar products. For instance, in 1995, through information available from the US National Labor Committee, we learned that a Salvadoran worker was paid 27¢ to sew a shirt that was being sold for \$34 at a GAP store in Toronto.

3 STEP

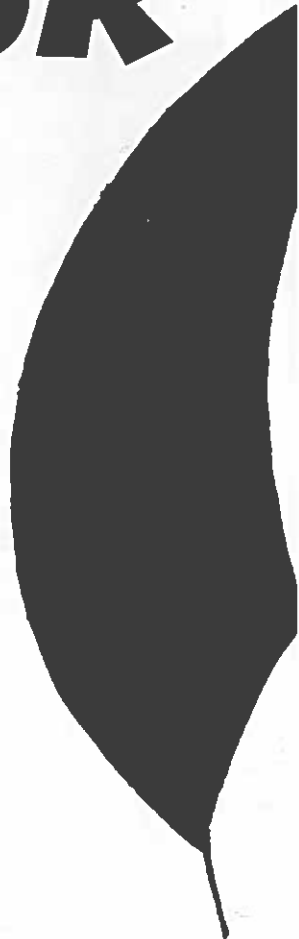
Tour Preparation

Draw a map of the mall, identifying the locations and sequence of the stores to be visited. Prepare scripts -- brief, simple and humorous -- for tour speakers. (Research teams may choose one person as a speaker for each store, or give their speech as a team.) Publicize the event. Busy shopping days are the most effective time to get your message to the public. If appropriate, invite the media.

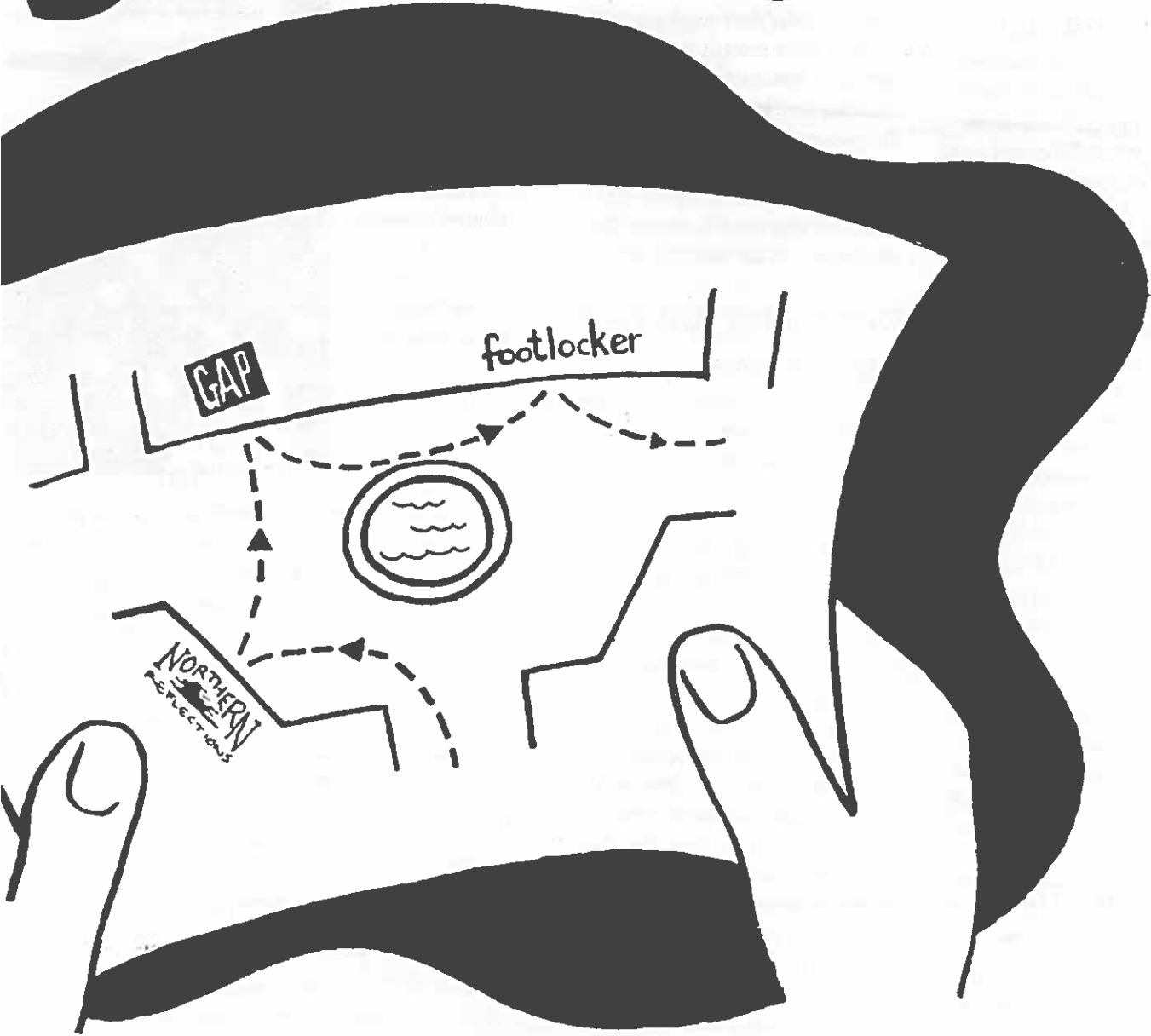
4 STEP

Tour Orientation

Gather in designated mall entrance. Tour guides distribute copies of the mall map and explain agenda and what participants should do if requested to leave the mall. Since malls are private property, security guards could ask you to leave. Be polite. Explain that this is an educational activity, not a protest. If they insist that you leave, do so in an orderly fashion.



SHOPPING



STEP 5

Shopping Tour

Tour guides lead the participants from store to store, gather tour participants in a semi-circle outside each store, and introduce speakers. Speakers contrast the images of the products being sold with the conditions of workers who make them, compare the store price with what the workers are paid, and explain what consumers can do to help improve conditions. Credit is given to companies that have taken positive action(s).

STEP 6

Tour Debriefing

After the final presentation, tour guides thank the participants and invite them and interested shoppers to participate in a local Stop Sweatshops campaign. They then lead the tour participants out of the mall, where they have a brief assessment of the tour. Incorporate these comments and suggestions in your next tour. The group may also decide to leaflet shoppers before leaving the mall or outside the mall after the evaluation.

news & notes

Happy Birthday CJM

In 1999, the Coalition for Justice in the Maquiladoras (CJM) is celebrating ten years of social justice work. In the early 1990s, the CJM collaborated with local groups in Matamoros, Mexico on a campaign against the pollution of workers' neighborhoods by US-based chemicals companies such as Stephan Chemical and the Dupont Corporation. In 1994, the CJM joined with other organizations in filing the third ever complaint under the NAFTA labour agreement concerning violations of workers' right to organize at a maquila factory owned by the Sony Corporation. In 1997, the CJM took an important step toward ensuring Mexican participation in its decision-making by determining that 50% of its Board of Directors would be representatives of Mexican groups. Currently two Canadian sit on the CJM Board of Directors, Ana Nitoslawska of the Canadian Labour Congress and Lynda Yanz of the Maquila Solidarity Network. Congratulations CJM for 10 years of pioneering work in defense of maquila workers' rights.

New Victories for Homeworkers

Finland has become the first country to ratify International Labour Organization (ILO) Convention 177 on the rights of homeworkers. Meanwhile, the National Group on Homeworking in the United Kingdom has succeeded in winning the right of homeworkers to receive the new national minimum wage of £3.60 an hour. Under the National Minimum Wage Act, employers must keep records of pay received and hours worked by homeworkers, who will be

able to require their employer to produce these records for inspection if they have reasonable grounds for believing that they have not been paid the minimum wage. The NgH is carrying out a major national campaign to inform homeworkers of their right to the minimum wage, and to monitor the effectiveness of the new legislation.

Demanding Justice @ New Balance

The Union of Needletrades, Industrial and Textile Employees (UNITE) has launched a campaign calling on the US sports shoe manufacturer, New Balance, to end sweatshop abuses against workers in the US and China. UNITE charges that New Balance is exploiting temporary workers at its Lawrence, Massachusetts distribution centre and production workers in China's Dongguan Province. According to UNITE, nearly 50% of the workers at the Lawrence distribution centre are low-wage temporary workers who receive no benefits. Reported sweatshop abuses at the Yue Yuen Chinese shoe factory where New Balance, Nike, Reebok and Adidas shoes are made include: employees working 6-7 days a week, 10-12 hours a day, earning US\$19¢ an hour, compulsory overtime with no overtime premium paid, and unhealthy working conditions. Although New Balance is generally associated with a "Made in USA" label, according to UNITE, the company could make as little as 40% of its shoes in the US in 1999. New Balance's total imports shipped from China increased over 37% in 1998, compared to 1997.

For more information, see:
<http://www.justiceatnewbalance.org>

Working for the Rat in Haiti

Workers at the Megatex factory in Haiti which produces apparel for the Disney Corporation are calling on their international supporters to pressure Disney to continue

contracts with Megatex at a level which can sustain full employment. In recent months, employment at Megatex has been reduced because of a lack of orders, causing great suffering for the already grossly under-paid workers. Megatex workers have been successful in winning their employer's recognition of their union, and have negotiated some improvements in working conditions. They have, however, made no progress to date on wages and other monetary issues.

Custom Trim Workers Cheated Again

On March 11, former Custom Trim workers, who had been fired in June 1997 for strike activity, gathered at the office of the Conciliation and Arbitration Board (CAB) in Valle Hermoso, Mexico. They had come to be reinstated in their former jobs, in accordance with a December 1998 CAB ruling. However, the CAB official had other ideas. He insisted that the workers must be reinstated at the old Custom Trim facility, which is now an abandoned building, rather than at the Breed Mexican plant



Above:
Hong Kong
protesters
take the
Mickey out
of Disney

which replaced it. When the workers reached the site of the abandoned factory, the CAB official wrote down their names, and then recorded that since "the building was empty" it was impossible to reinstate the workers. He also announced that the CAB had suspended its order that the company pay the workers 18 months back wages. At that point, a security guard interrupted to explain that the building belonged to Breed Mexicana, and that any business that needed to be conducted should be done at the new Breed facilities.

P-VH Workers Continue Vigil

Despite intense international pressure and three months of 24-hour worker vigils outside its Guatemalan factory, Phillips-Van Huesen is still refusing to reopen its Camisas Modernas maquila plant that once employed 600 workers. Before Camisas Modernas was closed on December 11, 1998, it was the only maquiladora in Guatemala with a signed collective agreement. So what has happened to the P-VH workers? Sandra, a single mother with two children, was working for six weeks at a P-VH subcontract shop, assigned to sew exactly the same shirts she had worked on at Camisas Modernas. She earned \$20 a week at the contract shop, instead of the \$78 a week she earned at Camisas Modernas. Any wonder why P-VH wanted to close its factory?

New Book from MSN
Policy Options to Improve Standards for Garment Workers in Canada and Internationally
by the Maquila Solidarity Network, January 1999, 145 pps.
Published by Status of Women Canada (SWC)
To order: Contact SWC (vilas@swc-cfc.gc.ca)
To download, access SWC web-site through <http://www.web.net/~msn>.

Kimi Workers Win First Contract

On March 19, members of the SITRAKIMIH, the union representing workers at the Kimi maquiladora factory in Honduras, signed their first collective agreement. The agreement provides for modest wage increases, improved health services at the factory and employer contributions to medicine costs, and recognition of union committees. The agreement comes after a long struggle for union recognition and the reinstatement of fired union supporters. In 1997, the company agreed to independent monitoring of factory conditions by local human rights, women's and religious organizations. Although there have been tensions between the union and the monitoring group, independent monitoring did help secure legal recognition of the union. The monitoring group has reportedly ended its role at the factory, acknowledging that the workers are now in a position to defend their own rights.

For information on how you can support Custom Trim, P-VH and Megatex workers, please see the MSN website: <http://www.web.net/~msn>

Fashion Victims, The Asian Garment Industry and Globalisation, Duncan Green. Excellent examination of the links between Asian garment production and the UK market. CAFOD, 1998, 34 pps.

"Child Workers of the Americas," Duncan Green, in *NACLA*, Vol. XXXII, No. 4, Jan/Feb 1999, 21-27.

The Working Conditions of the Toy Industry in China, Asia Monitor Resource Centre - for the Coalition for the Charter on the Safe Production of Toys, March 1999, 34 pages. Third report on China toy production in twelve factories. amrc@HK.Super.NET

Keeping the Work Floor Clean, Monitoring Models in the Garment Industry, Clean Clothes Campaign (Europe), December 1998, 32 pps.

Views from the South, Conference Report on Ethical Trade, Duncan Green for the NGO Labour Rights Network (LRN). Report from September 98 consultation by the UK LRN with counterparts in Asia, Africa and Latin America on codes of conduct. 17 pps.

Women Workers and Codes of Conduct, Asia Workshop Report (Sri Lanka, December 1998), Women Working Worldwide. Includes country reports from Pakistan, Bangladesh, Sri Lanka, The Philippines, Indonesia, and India. 55 pps.

Using the ILO Convention on Home Work, HomeNet International, January 1999.

All resources are available from MSN.

Premature to declare victory

— continued from pg 1 —

university protesters that it would disclose its factory locations, as long as other companies would do the same, and only if their universities joined the Apparel Industry Partnership.

What's a Stop Sweatshops campaigner to think? Have Nike and Reebok turned the corner on worker rights? Is it time to throw away our ban-the-swoosh bottoms?

The Down Side

The Nike campaign and the recent wave of university student actions are clearly having an effect on both Nike and its competitors. But it's a little premature to declare victory.

So what's the down side? First, the raises granted to Indonesian Nike and

Reebok workers are hardly generous. The recent Nike wage increase amounts to 1¢ an hour. Indonesian workers are still receiving much less in real wages than they did before the financial crisis.

Second, the focus on Indonesia has obscured the fact that Nike jobs are leaving the Philippines where wages are higher and the right to organize is present, if not fully respected.

Third, there isn't much evidence of Nike or Reebok wages or working conditions improving in China, the sports shoe makers' country of choice. In his recent visit to North America, China's Prime Minister, Zhu Rongji, noted that shoe factory workers in his country receive only US\$2.00 to assemble athletic shoes that sell for \$120 in the US.

Whether Reebok's support for labour rights training is successful or not, this corporate sponsorship has huge symbolic value. The real test will be when independent unions come knocking at Reebok's door.

While this is probably be the right moment for Northern campaigners to dialogue with Nike and Reebok, the real measure of corporate responsibility continues to be whether their workers have the right to organize and negotiate for better working conditions and wages that meet their basic needs.

When we reach that stage, Northern campaigners should pressure the sports wear giants to continue sourcing from factories and countries where workers are organizing and demanding their rights.

Students sit-in against sweatshops

Sit-ins and rallies have rocked US campuses this spring as the national United Students Against Sweatshops (USAS) network stepped up its campaign for university codes of conduct governing school licensing procedures. Students at Duke, Georgetown, the University of Wisconsin and the University of North Carolina made national headlines when they took over administrative offices to protest sweatshop conditions in the garment industry.

At issue is whether companies that use the school names on their clothing are living up to basic labour standards. While many schools have been passing codes of conduct requiring companies to meet specific standards, the means of verifying their compliance is still a hot issue. A key demand has been that clothing marketers disclose the names and locations of all of the factories where their goods are made, and allow independent monitors access to the factories.

When it looked like US schools were about to sign on to a licensing code which did not include public disclosure, students



Sit-in: UNC students expose sweatshops to the light of day.

at those schools moved in — literally.

The Collegiate Licensing Company — which acts as a link between schools and the companies that put school logos on their clothes or other products — released a code in January which was weaker in many respects than many codes already passed by member institutions like Duke. Protests and sit-ins against the CLC code erupted on a number of campuses. As a result, Duke, Georgetown and Wisconsin agreed to sign on for one year, but only on the condition that the CLC negotiate a clause providing for full public disclosure by

next February. Without full disclosure by that time, the schools will pull out of the CLC code and adopt their own codes.

Canadian students meet

Meanwhile, student action on sweatshops has taken hold in Canada. With the help of the MSN, the Ontario Public Interest Research Group held a provincial conference for students last February on campaigns against sweatshops at Canadian schools. Representatives from 11 schools traded campaign stories, analysis and resources, and heard from a former maquila worker from the Dominican Republic, the Toronto Homeworkers Association, and USAS.

Just one day before the student conference, the University of Toronto agreed to set up a joint task force of students, administration and faculty to develop a new code, starting with a draft code provided by U of T's Students Against Sweatshops. Once approved, the U of T code will be the first at a Canadian school and should provide an example for other schools across the country.