

# maquila network update

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On July 18 and 19, union members at the Choi Shin and CIMA Textiles factories in Guatemala were attacked at work by organized mobs of anti-union workers and supervisors who demanded that they resign from their jobs and the union.



Workers sign up for the union.

## Union Members Assaulted in Guatemala

The factories, owned by the Korean company Choi & Shin, produce clothes for Liz Claiborne and Wal-Mart. The unions at the two factories are affiliated with the Guatemalan labour federation FESTRAS, which led the historic fight for unionization of a Coca Cola factory in the 1980s.

According to union organizer Marie Mejia, workers had organized clandestinely for over a year before going public, but "we didn't anticipate the level of violence we would face."

### Who's Responsible?

On July 18, groups of anti-union workers armed with

rocks and bottles surrounded union members during the lunch break and threatened to kill them if they didn't resign. Some union members were forced to flee the factory, with police assistance, as others sought refuge in the factory office. At least seven workers were forced to sign resignation letters.

According to the Guatemalan independent monitoring group COVERCO, management refused to take responsibility for security in the workplace, claiming they couldn't control the anti-union mobs. COVERCO has been carrying out independent monitoring of labour practices for Liz Claiborne at

one of the two factories.

In fact, management had been mobilizing supervisors in an anti-union campaign since July 10, one day after workers formally applied for union registration.

According to an August 22 COVERCO report, managers encouraged anti-union workers to identify union members and pressure them to resign. Workers were told that if the union succeeded, the factory would close.

Assaults against union members continued on July 19, and several union leaders and a COVERCO monitor were roughed up. Two representatives of MINUGUA, the UN peace mission to

Guatemala, entered one of the factories to observe the situation. The following day, 20 union members decided not to return to work, fearing for their personal safety.

### Settlement Reached

In response to local and international pressure, and particularly the possible revision of Guatemala's status

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# Baja California Sur: Land of Sun, Surf and Sweatshops

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

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**B**efore Raquel Espinoza addressed the annual meeting of Coalition for Justice in the Maquiladoras, few delegates were aware there were maquilas in Baja California Sur, a small, isolated Mexican state known more for sun and surf than sweatshops. But when Espinoza finished her story, CJM members voted unanimously to support the struggle of Baja Sur maquila workers for an independent union.

### Profit-sharing Protests

The struggle began in June 2001, when workers at three of the state's largest maquila factories staged protests against their employers' failure to provide legally required profit sharing bonuses. Under Mexican labour law, 10 percent of a company's profits must be distributed among workers no later than the last day of May of each year.

The factories produce brand-name apparel for major US and European companies, including adidas, Patagonia, Land's End, and Kathie Lee (Wal-Mart).

At the Pung Kook factory, workers organized a five-day work slow-down on the production lines. At Baja West and California Connection,

workers went to the media to express their discontentment at the company's lack of profit sharing and ongoing threats to close the plant and lay off the workers. More than 200 workers at California Connection demanded the de-certification of the CROC (PRI-affiliated) union, charging that the union was not acting in their interests.

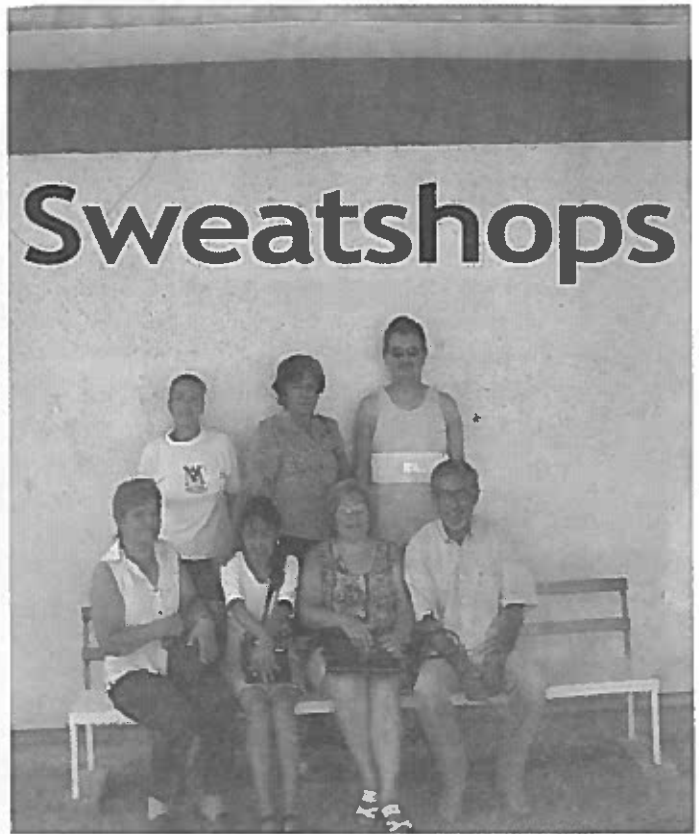
### Workers Lobby Governor

On Monday June 11, a group of 100 workers from the three factories met with State Governor Leonel Cota Montaño. The governor is with the left-of-centre Party of Democratic Revolution (PRD), which defeated Mexico's historical ruling party, the PRI, in state

elections in 1999. Shortly after that electoral victory, on August 30, 1999, the independent Maquiladora Industry Workers' Union (SINTTIM) of Baja California Sur was granted legal registration.

At their June 11 meeting with the governor, the workers put forward five demands: fair profit sharing bonuses; compliance with federal labour law; payment of the minimum wage for professional sewing machine operators at Pung Kook and Baja West; a neutral location for the election of an Executive Committee and an independent union in Pung Kook; an investigation into working hours, occupational

—continued on page 8—



Baja Sur maquila workers and supporters. Raquel Espinoza is top row, left.

# Philippine Workers Demand End to Union Busting

On June 17, more than 100 workers employed in the Philippine's Cavite Export Processing Zone (CEPZ) rallied outside the Triple Eight Garments factory to show their support for striking workers and to denounce the Philippine Economic Zone Authority for being "in cahoots" with foreign investors. The protesters were members of Solidarity of Cavite Workers (SCW), a zone-wide movement organizing to defend workers' rights.

SCW and the Workers' Assistance Centre (WAC) have launched a campaign against the union-busting tactics of nine foreign-owned companies with factories in the Cavite EPZ. WAC and SCW have documented a number of worker rights violations in Cavite, including illegal firings of union members, bribing of union leaders, illegal lock-outs, use of contract workers to displace regular unionized workers, as well as cases of verbal and physical abuse.

"Employers are using temporary factory closures during the economic downturn as an opportunity to delay contract negotiations and weaken or eliminate unions," says Cecille Tuico of WAC. The Philippines is one of the few countries in Asia in which EPZ workers have succeeded in organizing unions.

After a forced six-month "vacation," workers at the Ultimate Electronics Components factory now believe operations will only be resumed once the company is "sure that they have been



*Cavite workers stage protest, 1999*

successful in making the workers give up the union."

The strike at the Triple Eight Garments factory was provoked by the company's persistent practice of denying overtime work to union members and giving it to so-called "contractual" workers. Discrimination against union members reached a point that during the economic slowdown union members were only allowed to work half days while contractual workers continued to work full days. According to Tuico, union members were transferred to areas of the plant with no ventilation, where the production manager had removed electric fans.

At the Sun Kim Apparel factory, workers complained of the high production quota, and if workers couldn't meet it, they were told to go home. If workers refused to do overtime, they were asked to take a one-month vacation, or were dismissed. Often workers were required to work overnight.

On June 24, 2001, Sun Kim workers formed a union to negotiate improvements in conditions. On July 7, the company fired the union president, vice-president and another active member. Not long after, all the workers were told they were on "vacation." The reason given: lack of orders.

The list of nine corporate violators includes five

garment manufacturers producing for major US brands, such as Gap, Old Navy, Nike, Tommy Hilfiger, Levi's, Liz Claiborne, Perry Ellis, Calvin Klein, Ralph Lauren, Jansport, and Mossimo. Three electronics companies and one crafts manufacturer also appear on the corporate violators list.

SCW and WAC have brought their grievances to the two government agencies responsible for protection of worker rights inside the export processing zone, PEZA (Philippine Economic Zone Authority) and DOLE (Department of Labor and Employment). However, according to SCW and WAC, these government agencies lack the "political will to resolve the issues of the unions," and are collaborating with the owners in supporting the suppression of workers' rights.

SCW and WAC are calling on the Philippine government to investigate these cases and to create mechanisms to ensure that basic worker rights are protected. Workers are also asking solidarity groups to put pressure on the nine companies to resolve their grievances.

According to Tuico, the CEPZ administration is now enforcing a "no identification card, no entry" policy in the zone, and is strictly monitoring the movements of SCW and WAC organizers. If found inside the zone talking with workers, SCW and WAC organizers are ordered to leave by security guards. Workers are also being warned not to talk with the organizers.

# Fox's Plan Puebla Panama

## Confronts Corridors of Resistance

"The PPP is a thousand times grander than Zapatismo or any indigenous community in Chiapas.

Mexican President Vicente Fox

**As** anti-free trade activists converged in Quebec City last April to protest the proposed Free Trade Area of the Americas, worker, campesino, indigenous rights and environmental groups in Mexico and Central America were confronting a new regional trade and development initiative that has received almost no media attention in Canada.

Plan Puebla Panama (PPP) is being promoted as Mexican president Vicente Fox's answer to poverty, underdevelopment and indigenous rebellion in Mexico's southern states. PPP envisions the integration of trade, infrastructure and bioregional corridors between Mexico's southern states and Central America.

PPP includes plans for new highways, ports, power and gas grids, investment in hydroelectric projects,



telecommunication lines, agricultural modernization and new maquiladora zones. According to Fox, the plan would also promote tourism, health care and education in the region.

Fox claims that the PPP's primary objective is to increase quality of life for the region's 27.5 million inhabitants. The region covered by the PPP has some of the highest levels of poverty and marginalization in the Americas.

Fox's critics believe the real aim of Plan Puebla Panama is to tap the rich natural resources of the region and to make use of its abundant cheap labour force, while accelerating the forced dislocation of indigenous and campesino farmers off the land and into the maquilas.

Indigenous rights groups in Mexico and Central America believe it is no coincidence that over 10 million indigenous people live in the region covered by the plan. They fear that behind the government's promises of development lies a hidden agenda to increase access to and control over areas where indigenous resistance movements are currently strong.

Critics also point to Fox's and US president Bush's joint obsession with stopping the constant northward flow of migrants seeking work and

better opportunities in northern Mexico and the United States as being a major impetus for the PPP.

According to professor Andres Barreda of Mexico's National

Autonomous University (UNAM), the plan's proposed transportation corridors are designed to facilitate the flow of cheaply made goods to the US and Asia, not to build independent healthy

"...[T]here aren't only big business men. There is an indigenous population, there are workers, there are neighbours, there are teachers, there are students, who will disturb the process of 'North Americanization'..."

Sub-commandante Marcos

economies in the region. Barreda and others argue that US economic interests are driving the plan, from the Texas oil companies waiting to exploit the region's reserves

and pipe oil to new industrial areas through proposed pipelines, to pharmaceutical companies already making moves to patent traditional indigenous plants in southern Mexico, to multi-national manufacturers looking to expand maquila assembly production in the hemisphere. They say that PPP should more accurately be called the Houston Panama Plan.

### What will the PPP mean for maquila workers?

The PPP is designed to create a new source of cheap labour that will be competitive with China and other Asian countries. Martín Barrios from the Human Rights Commission of the Tehuacan Valley points to Tehuacan's garment production boom as an example of what governments hope will be replicated over the whole of Southern Mexico once the PPP is implemented. Following the passage of NAFTA in 1994, investment in garment maquilas in the Tehuacan

area increased dramatically. Most of the new export factories produce jeans for major US labels such as Gap, Guess and Wrangler.

According to Barrios, labour rights violations in Tehuacan's maquilas are common, and wages remain extremely low. Workers from surrounding indigenous communities commute up to four hours a day to work in the maquilas, or migrate to colonias surrounding the town, which often lack basic necessities such as water and sewage facilities.

The maquila boom is having a dramatic, and often negative, impact on the social and cultural fabric of the region's indigenous populations. The environmental consequences of the huge amounts of water needed to manufacture and launder jeans has yet to be calculated.

### Will it go ahead?

All eight governments of the PPP region have signed an agreement to work towards its development. The plan's success will rely on Fox's ability to gain adequate financing from the US to support its many expensive mega-projects. The PPP fits perfectly into George Bush's desire to create an integrated free trade area for the hemisphere, despite the current US recession.

Leaders of popular resistance to free trade, like Zapatista Sub-commandante Marcos, promise that the plan will be a failure because the people of the region will not accept it.



Below: US President Bush toasts Mexican President Fox



### Corridors of Resistance

Barreda agrees with Marcos. In order to defeat the plan, he says, counter corridors of resistance will need to be mobilized. Mexican and Central American groups are already coming together to learn more about the plan, and are developing strategies to oppose its implementation.

During a regional forum in May, representatives from 109 campesino, labour, environmental and indig-

enous organizations issued the Declaration of Tapachula, denouncing the PPP as "savage colonialism," and calling for the development of alternative models of integration in the Americas.

In the state of Chiapas, 20,000 teachers went on strike against the PPP in June, as presidents from the region met to declare their support for the plan. Leftist political groups in many of the countries involved have announced plans to form a common front against the PPP. In November, indigenous and civil society groups from the Americas will meet in Quetzaltenango, Guatemala to plan joint strategies.



Left: Zapatista spokesperson Sub-Commandante Marcos

# news & notes

## Agreement Reached at Kuk Dong

An agreement has been reached involving all parties in the Kuk Dong dispute that would recognize the independent union, SITEKIM, as the collective bargaining agent for the workers at the Korean-owned garment factory in Atlixco, Mexico. Kuk Dong produces brand-name apparel for Nike, Reebok and licensed apparel for at least 14 US universities.

Until the agreement was reached, the workers had been "represented" by the CROC, an official union confederation linked to Mexico's historical ruling party, the PRI, which continues to rule in the state of Puebla.

On June 20, the local PRI-dominated conciliation and arbitration board denied 28 Kuk Dong workers' request for registration of SITEKIM, despite the fact that they had fulfilled all the legal requirements. The workers have since filed a second application for legal recognition of their independent union. Because of the agreement between the company and the two unions, the state government is expected to approve the new application.

The settlement is the result of a nine-month campaign in Mexico, the US and Canada in support of the workers' right to be represented by the union of their choice. Earlier this year, students, universities and anti-sweatshop groups succeeded in pressuring Nike and Reebok to facilitate the reinstatement of hundreds of workers who had participated in a work stoppage, protesting the illegal firing of their leaders. Monitoring reports carried out by the Worker Rights Consortium and Verité confirmed that the workers' right to freedom of associa-

tion was being violated, and that the vast majority of workers at the plant did not want the CROC as their union.

In July, 19 Canadian church, labour, women's and non-governmental organizations, including MSN, sent a joint letter to Mexican President Vicente Fox, calling on his government to ensure that Kuk Dong workers are granted a registration for their independent union, and that any future union representation election be held by secret ballot vote.

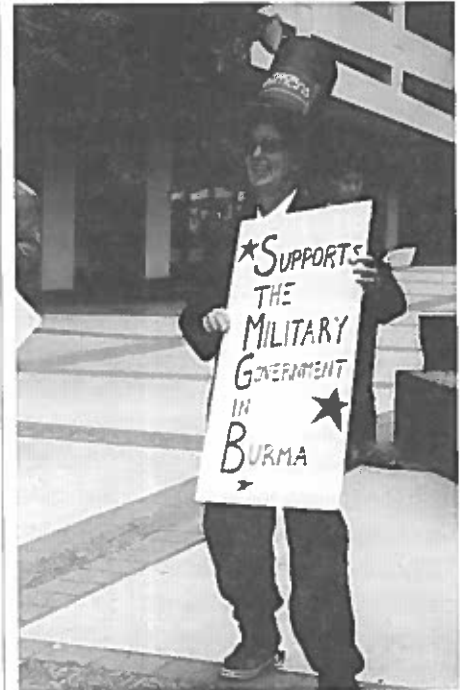
For updates on the situation at Kuk Dong, visit: [www.maquilasolidarity.org](http://www.maquilasolidarity.org).

## Workers Killed in Bangladesh Factory Fire

On August 8, 24 garment workers were killed and a hundred others suffered injuries when a fire broke out in a building housing several garment factories in Dhaka, Bangladesh. A worker at the Mico Sweater garment factory had sounded the fire alarm after seeing flames from an electric circuit board. A stampede ensued when workers found the building's only exit locked. Two dozen workers were crushed to death in the panic.

Neil Kearney, General Secretary of the International Textile, Garment and Leather Workers Federation (ITGLWF) is demanding that company owners and directors be held personally liable, and that criminal charges be brought against them. "How many more workers have to die before the government takes action to stamp out the lawlessness in the industry?" asks Kearney.

Locked doors and blocked fire exits caused the death of 52 workers in another garment factory fire last Novem-



*No Sweat activist portrays award nominee Reitmans at this year's Sweatshop Awards ceremony*

ber. This is the third factory fire in Bangladesh in which workers have died in the past year.

## Wal-Mart / Reitmans Put It in Writing

On May 23, Wal-Mart finally responded to demands from the Ethical Trading Action Group (ETAG) and Burma solidarity groups in Canada and the US that it pledge in writing to stop sourcing from or accepting merchandise made in Burma. The letter from Wal-Mart's head office in Bentonville, Arkansas and addressed to the US Free Burma Coalition states, "Wal-Mart Canada will also not accept any merchandise sourced from Burma moving forward."

Earlier, Wal-Mart Canada had told the MSN that it makes its own buying decisions. Meanwhile, Reitmans has responded to a letter from the MSN informing the Canadian retailer that it had been nominated for Sweatshop Retailer of the Year for sourcing from Burma, but unfortunately had not won this year's vote. Reitmans' reply letter states that it too no longer sources from Burma.

## Garment Union Leader Assassinated in Bangladesh

On August 4, Iqbal Majumder, General Secretary of the Bangladesh Textile Workers & Employees Federation, was assassinated while walking home from work. Labour leaders in South Asia are charging that Majumder was murdered because of his efforts to build democratic unions, his pioneering role in the movement against privatization and deregulation, and his opposition to "the selling off of Bangladesh to foreign investors." No charges have been laid in his murder. Local and regional labour organizations are calling on the government to launch a full and open enquiry into his death.

## Maquilas Using Prison Labour

Tomas Yarrington, governor of Mexico's northern border state of Tamaulipas, has a great idea for making his state's maquila factories even more globally competitive—prison labour.

Yarrington's plan to open maquila factories in state prisons has received enthusiastic support from Jesus Vallejo

Tamez of the Northwest maquiladora association, who calls it a win-win for prisoners and factory owners. According to Vallejo Tomez, five companies are already interested in setting up maquilas in a state prison in Reynosa.

In fact, prison labourers at the Reynosa facility are already refurbishing wooden palettes for resale to maquilas and grocery chains, and making handmade doors and carved clocks for a company called Puertas Rusticas.

## Labour Reform World Bank-Style

While Mexico's independent unions are campaigning for increased union democracy, the World Bank has other plans for the labour policy of Mexico's newly elected government. A new World Bank report calls on President Fox to "reform" the most progressive elements of Mexico's federal labour law to offer foreign investors increased labour flexibility. The report recommends the elimination of current regulations requiring severance pay, collective bargaining, obligatory benefits,

restrictions on temporary employment and apprenticeships, seniority-based promotion schemes, company-sponsored training programs, and company contributions to social security and housing programs.

## UNITE Launches Sweatshop Campaign

On August 7, unions and worker rights organizations from the US, Canada, Mexico, Guatemala, Honduras, Hong Kong, Thailand and the Dominican Republic gathered in New York for the launch of an anti-sweatshop campaign led by the Union of Needletrades, Industrial and Textile Employees (UNITE). More than 500 garment workers and their supporters marched down Broadway chanting "No more Sweatshops," then demonstrated outside of Ann Taylor, Banana Republic and Eddie Bauer stores. The UNITE campaign is targeting major US retailers linked to sweatshop abuses.

See: [www.behindthelabel.org](http://www.behindthelabel.org).

**No Sweat**

● Across Canada, students, teachers, union members and citizens are organizing No Sweat campaigns, calling on public institutions to adopt No Sweat purchasing policies guaranteeing that the apparel products they purchase are made under humane working conditions. No Sweat campaigners are demanding changes in federal regulations to require that companies selling apparel products in Canada publicly disclose all production locations, making it easier to confirm if clothes are made under sweatshop conditions.

### Join the No Sweat campaign.

For all the information and resource materials you need to start a No Sweat campaign in your community, visit: [www.maquilasolidarity.org](http://www.maquilasolidarity.org).

# Union members assaulted

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under the US preferential tariff system, on July 25, the Guatemalan Minister of Labour convened a meeting at which an agreement was reached between the company and the union.

The agreement provides for security for union members, reinstatement of workers forced to resign, respect for freedom of association, and disciplinary measures against the perpetrators of the violence.

On the same day, Liz Claiborne sent a letter to the workers pledging to continue to place orders with the factory if the workers' right to choose to join or not join the union was respected, and if the situation was resolved peacefully.

While the workers have since been reinstated and the violence has subsided, reports indicate that the company is not fully honouring the agreement. Management continues to threaten the closure of the plant, and those responsible for the violence have not yet been disciplined.

## Death Threats

On August 16, MSN received an urgent action alert from FESTRAS, indicating that over the previous week leaders and advisors of the federation had been receiving death threats by phone and graffiti written on their houses.

FESTRAS charges that the death threats against union leaders and violence and intimidation of union members are "part of an anti-union campaign, similar to the repressive tactics used against the trade union movement in the 1980s." It notes that this anti-union campaign represents a serious threat to the Guatemalan peace process.

According to FESTRAS General Secretary David Morales, the use of violence and death threats shows the



determination of factory owners in Guatemala to destroy the organizing drive. "This is not just a fight about one or two factories," says Morales, "we are up against an industry that is determined

to stay union-free."

Together with the Canadian Labour Congress, the AFL-CIO, the US/Labour Education in the Americas Project, and others, the MSN is mobilizing support for the workers at Choi & Shin and CIMA Textiles and pressuring the Guatemalan government and Liz Claiborne to put a stop to the violence and threats of violence against union members and leaders, and ensure respect for the workers' right to freedom of association.

**For copies of the COVERCO report and information on how to support the workers, visit the MSN website: [www.maquilasolidarity.org](http://www.maquilasolidarity.org).**

# Baja Sur Sweatshops

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health and safety conditions, treatment of staff, and payment of the constitutionally guaranteed salary.

Although the governor promised to ensure that the companies obeyed federal labour legislation, the companies have reportedly done everything possible to avoid compliance with the law.

## Leaders Fired

On the same day the workers were presenting their demands to the governor, management at Pung Kook fired Maximiano Osuna, who had been elected to the profit sharing review committee. On June 12 and 13, they fired Raquel Espinoza and Gabriela Flores, who had been chosen to convene an

election of a new union executive and review profit sharing at Pung Kook.

The company's Mexican representative reportedly admitted that the workers had been fired for having met with the governor.

## Workers Fight Back

Espinoza and Flores have since filed a complaint with the local Conciliation and Arbitration Board against Pung Kook for unlawful dismissal. They are demanding reinstatement. Maximiano Osuna is demanding full severance pay.

As well, workers mandated to convene elections for the Executive Committee of the Pung Kook Service Workers' Union have asked the labour inspectors and state Human Rights Commission to act as election observers.

The election is scheduled to take place on September 6.

Approximately 300 workers at California Connection have presented a letter to the local Conciliation and Arbitration Board renouncing their affiliation with the CROC.

Workers at both Pung Kook and California Connection want to be represented by democratic unions, says Espinoza, but if we are unable to democratize the official unions and company unions, an independent union will be the workers' only alternative.

**See [www.maquilasolidarity.org](http://www.maquilasolidarity.org) for background information and updates.**