

# maquila network update

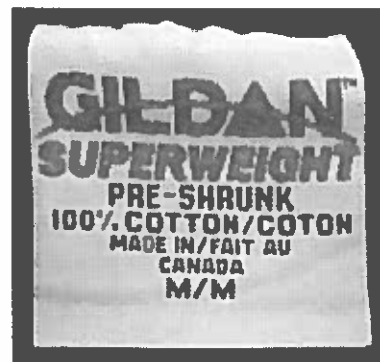
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Above: Candid camera: CBC's Disclosure visits Gildan's Honduran plant

## Will Gildan Activewear clean up its act?

As the dust settles from a CBC television exposé on alleged sweatshop abuses at one of its Honduran factories, Gildan Activewear has announced its commitment to implement the SA8000 labour rights standard in all its factories in Mexico and the Caribbean Basin.



With the encouragement of the Quebec Federation of Labour (FTQ) Solidarity Fund, which owns 13.7 percent of Gildan's shares, the Montreal-based t-shirt manufacturer has agreed to adopt the SA8000 standard and accept external audits of working conditions in its offshore factories. The Solidarity Fund invests union members' pension monies in Quebec-based companies.

MSN is calling on institutional buyers of

Gildan products to pressure the company to clean up its act. Gildan t-shirts are bulk purchased by hundreds of public institutions, organizations and sports teams across Canada and the US.

Many universities that buy Gildan products have adopted No Sweat licensing and/or purchasing policies, and have the purchasing power to promote improved working conditions in Gildan factories.

### Is Gildan Guilty?

On January 22, the CBC current affairs program, *Disclosure*, aired a story entitled "Sewing Discontent." The program charged Gildan with numerous labour rights abuses, including excessively high production quotas, supervised bathroom breaks, factory air filled with fabric dust, firings of workers attempting to organize a union, and forced pregnancy testing.

Several women workers reportedly complained they had to urinate into a con-

tainer during the first months of employment, often in front of a company employee. They believed Gildan would fire them if they tested positive for pregnancy.

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## 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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Union leaders at BJ&B in their new "assignment" after being fired and reinstated last December, before being fired again for "lack of work"

# Students/Worker Alliance Scores Another Victory

With the support of Students Against Sweatshops and the Worker Rights Consortium (WRC), 13 workers fired for union organizing at the BJ&B cap factory in the Dominican Republic have won back their jobs, and the return of their union to the factory.

On January 28, the company signed an agreement to reinstate the 13 union executive members. The company refused to immediately reinstate two additional workers fired for union membership, claiming there was "no room" for them at the factory, which employs 1,600 workers. The company made a verbal agreement, however, to reinstate them within the week.

BJ&B produces Nike baseball caps bearing the insignias of US universities, including Michigan, Georgetown and Berkeley. It also makes Super Bowl and NBA champion-

ship caps, as well as Reebok and Gap products.

As a result of Students Against Sweatshop campaigns at university campuses across the US and Canada, over 200 universities have adopted No Sweat purchasing policies, requiring suppliers to meet minimum labour standards, and disclose the location of manufacturing facilities so that working conditions can be monitored.

### Union Drive Launched

Since 1998, workers at BJ&B have been trying to improve conditions in the factory. Common sweatshop abuses include long hours of forced overtime, restrictions on bathroom visits, and management's refusal to permit workers, including pregnant women, the right to visit the doctor.

Workers also complain that they are cheated out of wage increases based on their

years of service. Management "rehires" workers at the beginning of every year and then treats them as new employees. As a result, some workers who have been at the factory for 8-10 years are still being paid the base salary.

In October 2001, the workers decided to organize a union. Twenty of them, the legally required number, filed an application for certification. When management received word that the union had been formed, they announced over the loudspeaker that if the other workers didn't remove the union leaders from the factory, they would all lose their jobs. All twenty of the union leaders who had signed the application for certification were then fired.

The intervention of the Secretary of Labour facilitated the reinstatement of the fired workers, who under Domini-

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# Report backs call for corporate disclosure

**The final report of the Canadian Democracy and Corporate Accountability Commission has endorsed the Ethical Trading Action Group's (ETAG) call for federal disclosure regulations as a means of addressing sweatshop labour abuses in the apparel industry.**

**T**o criticize disclosure because it may air the company's dirty laundry," writes the Commission, "is to refuse consumers, investors, and other market players the opportunity to make fully informed choices about the companies with which they wish to deal."

The Commission, which held a series of hearings across Canada in 2001, released its findings on January 30. The report includes 24 recommendations designed to increase corporate accountability within Canadian law and practice.

## Enough Consultation

The Commission's seventh recommendation endorses ETAG's call for changes in the federal *Textile Labelling Act* regulations to require apparel companies to disclose their manufacturing sites in a publicly-accessible federal government database. ETAG's proposal is designed to link particular factories to particular manufacturers and retailers, making it easier for Canadians to identify the conditions under which their

clothes are being made.

"We proposed simple changes to the Textile Labelling regulations to Industry Canada and we were told that yes, it's possible, but they wanted to consult further," says ETAG spokesperson Bob Jeffcott. "Here's a major consultation completed and a report delivered to their doorstep. Now it's time to act on the recommendations."

Jeffcott adds that ETAG has asked for a meeting with new Industry Minister Allan Rock in order to discuss the proposal, but to date has not received confirmation from the Minister's office.

If a meeting is not forthcoming, ETAG will proceed with more public forms of protest, including the delivery of thousands of clothing labels being collected across the country to demonstrate how little our current labels tell us about where our clothes are made.

## Other Recommendations

The Commission's other recommendations promote a vision of corporate social



Industry  
Minister  
Allan  
Rock

responsibility that focuses on respect for the core labour rights and human rights expressed in International Labour Organization conventions and the United Nations declarations.

While the Commission argues against exporting Canadian standards to other countries, it warns that fundamental rights must be respected wherever Canadian companies do business.

It recommends that Canada negotiate a "social clause" in trade agreements holding companies to these international standards, and, if these efforts are not successful within the next three years, Canada should enact domestic laws holding firms accountable for their respect for core labour rights in their operations abroad.

**The full report and a summary of the 24 recommendations is available at: [www.corporate-accountability.ca](http://www.corporate-accountability.ca)**

## Canadians Support Corporate Accountability

**A poll commissioned by the Canadian Democracy and Corporate Accountability Commission found that:**

- **72% of Canadians say business should pursue social responsibilities, not just profits**
- **Most want pension funds invested in responsible companies**
- **80% say government should set social responsibility standards**
- **75% say governments should boycott firms that don't comply**
- **84% say go-it-alone on corporate ethics code if other nations stall**
- **Most feel people back trade deals that include worker and environment rights**
- **Most want federal ban on union and corporate political donations**

# Who grows your Valentine's Day flowers?



**When you buy flowers for people you love on Valentine's Day or Mother's Day, think about the women who toil for long hours under unhealthy conditions producing those flowers. Think about what you can do to help them improve their living and working conditions.**

## **Where do cut flowers come from?**

Colombia and Ecuador are the biggest suppliers of cut flowers to Canada and the US. Guatemala, Mexico, Costa Rica and Peru also export flowers to Canada.

In 1999, Canada imported \$40 million worth of Colombian flowers, 47% of Canada's total flower imports. Ninety-two percent of carnations imported to the US and Canada are from Colombia.

## **Flowers are big business**

Dole Food Company, the world's largest supplier of fruits and vegetables, owns Floramerica, the biggest flower operation in Colombia.

Dole and other flower growers pay no taxes on the land they use, plants, chemicals, vehicles or tools they buy or sell, the costs of shipping flowers to market, or warehousing them before they leave the country.

## **Flowers are a health hazard for workers**

Mass production of flowers for export has serious negative consequences for

workers' health and the environment. Workers are exposed to pesticides, fungicides, artificial fertilizers and other dangerous substances. Massive use of toxic chemicals contaminates the soil and water.

One fifth of the chemicals used in flower production in Southern countries are cancer-causing substances that have been restricted or banned in Europe and North America.

Dust from fumigation causes dizziness, headaches, cramps and other long-term symptoms.

Doctors in flower-producing areas in Colombia report up to five cases of acute poisoning a day.

## **Flowers produced by "flexible" labour**

Seventy-thousand workers, 70 percent of whom are women, work in Colombia's flower industry. Most flower workers are employed by labour sub-contractors. They are hired on six-month, three-month, or one-month contracts. Some are hired for only 12-15 days at a time.

Subcontractors pay workers the minimum wage, keeping a surcharge for themselves. Short-term contract workers have no right to social benefits, such as pensions, health and injury insurance, or maternity leave.

Before Valentine's Day and Mother's Day, women are forced to work 50-60 hours a week, often with no overtime pay. Fifteen percent of the flowers produced annually in Colombia are sold for Valentine's Day.

It's nearly impossible for contract workers to organize a union.

## **Flower workers try to organize**

Flower workers have tried to organize to improve conditions, but their attempts have been met with repression.

In 1996, flower workers at

**Luz Marina has worked as a flower grower for eight years, but still receives the minimum wage, about US\$130/month. Luz and her two children live in one room, and share the kitchen and bathroom with other families living in their building. Her monthly expenses are the following:**

|                   |      |
|-------------------|------|
| Rent .....        | \$60 |
| Food .....        | \$45 |
| Electricity ..... | \$3  |
| School fees ...   | \$3  |
| Bus fare .....    | \$14 |
| Other .....       | \$5  |



the Tuchany Company in Colombia succeeded in forming a union. Management responded by firing workers one at a time. Workers occupied the plant for several months, and attempted to grow and market their products themselves. The company went to court and was able to fire the remaining workers. Those who participated in the occupation were blacklisted.

**Flower campaign grows**

In the 1990's, groups in Europe launched the Flower Campaign, raising public awareness about abuses in the industry and pressuring flower traders to improve conditions.

In 1998, the Flower Campaign joined with other organizations in proposing an International Code of

Conduct for cut flower production. The Code requires employers to respect the core labour rights of the International Labour Organization (ILO) on child labour, forced labour, discrimination, and freedom of association. It also includes provisions on health and safety, hours of work, and payment of a living wage.

In response, flower traders and producers drafted their own codes of conduct, some including environmental standards, but excluding the worker rights provisions. Most don't include provisions for third-party monitoring.

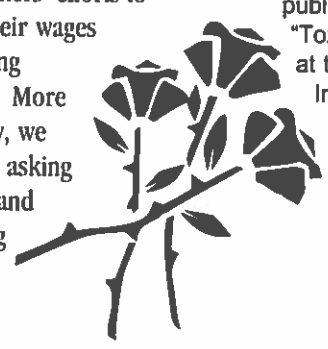
In 1998, a breakthrough was achieved when the Swiss supermarket chain, Migros, proposed a pilot project, based on the International Code of Conduct, to its supplier farms in Zimbabwe.

Three farms agreed to abide by the Code.

In Colombia, a local NGO named Cactus has played a leading role in providing flower workers services and information on their rights. Despite resistance from Colombian flower growers, Cactus continues to explore possibilities of bringing the Code of Conduct to that country.

**Taking Action**

You don't have to stop buying flowers to support flower workers' efforts to improve their wages and working conditions. More importantly, we need to be asking questions and demanding answers.



**Plan ahead for Mother's Day**

**On Mother's Day, MSN will be organizing actions in Canada to inform consumers about abuses in Colombia's flower industry. Contact us for more information. Check out the MSN website for information about what you can do to support Colombian flower workers' efforts to improve their wages and working conditions.**

Information for this article is from a forthcoming VIDEA publication entitled "Toxic Beauty: a Look at the Global Flower Industry." For more information, contact: [info@videa.ca](mailto:info@videa.ca).

# news & notes

## Guatemala Issued a Yellow Card

The International Textile, Garment and Leather Workers' Federation (ITGLWF) has accused the Guatemalan government of failing to live up to its commitment to uphold core labour rights.

In a January 16 letter to World Trade Organization (WTO) General Secretary Michael Moore, ITGLWF General Secretary Neil Kearney urged the WTO to hold the Guatemalan government to account for labour rights violation in that country's maquiladora factories.



Michael Moore, WTO

Kearney pointed to recent violations of the right to organize at the Choishin and Cimatextiles maquila factories as a clear example of the need for a social dimension to trade.

Last July, Guatemalan workers leading an organizing drive at the two Korean-owned maquilas were attacked by mobs of non-union workers and supervisors. The violent attacks against union members were reportedly incited by factory management. Management was also accused of bribing and pressuring workers to resign from the union.

According to Kearney, the Guatemalan government has failed to prosecute the perpetrators of the violence or to ensure the workers' safety at work. The factories supply Liz Claiborne and other major US brands.

## Agreement Reached at Yoo Yang

After two and a half years of struggle, on December 10, workers at the Yoo Yang garment maquila in La Lima, Honduras, announced they had won their first signed collective agreement. The contract provides a small wage gain and establishes new benefits, a grievance procedure, and a health and safety committee.

Yoo Yang workers launched their union organizing drive in February 1999, but did not receive legal recognition from the Honduran Labour Minister until December 2000. When contract talks stalled in 2001 over wages, longtime Yoo Yang client Phillips-Van Heusen refused to intervene to ensure the workers received a decent wage increase.

The international campaign in solidarity with the Yoo Yang workers was coordinated by the US Labor Education in the Americas Project (US/LEAP).

## Alcoa Workers in Mexico Fight for Reinstatement

On August 23, 186 Alcoa workers in Ciudad Acuña, Mexico were fired for participating in a peaceful protest in support of nine fired members of their elected Workers Committee. Shortly thereafter, 50 more workers were fired for taking part in protests.

The previous night, management had called in police armed with tear gas, clubs and shields to expel protesters camped out in the company parking lot. Alcoa later brought criminal charges against the nine members of the Workers Committee, suing them for US\$1 million in damages for lost production time.



Newly appointed Alcoa board member Ernesto Zedillo

Alcoa has apparently targeted the Workers Committee because of its effectiveness in representing workers' interests. Though not a legally recognized union, the Committee had been successful in negotiating improved wages and working conditions at the factory. After ridding itself of the Workers Committee, the company immediately started slashing benefits and other hard-earned gains.

Many of the fired workers are now reportedly being blacklisted, and are unable to find jobs in other maquilas. With no incomes, some of the fired workers have been forced to accept severance pay. However, 80 workers are continuing to fight for their reinstatement with full back pay.

Alcoa is a powerful player in this northern border region, and is Ciudad Acuña's largest employer. The company employs a total of 15,600 workers in 13 factories in Ciudad Acuña and the nearby city of Piedras Negras.

To add insult to injury, on January 15, Alcoa appointed former Mexican president Ernesto Zedillo to its board of directors. Zedillo ruled Mexico for six years, prior to President Fox's election victory in 2000.

## Chowdhury Fire Activist Still in Jail

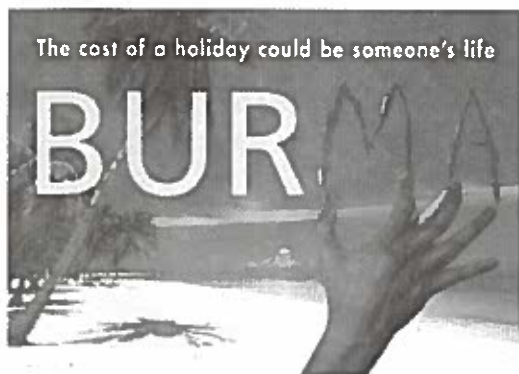
Bangladeshi union leader Lookman Hossain has languished in a Dhaka jail for over a year since his arrest for leading a campaign in support of victims of the Chowdhury factory fire.

On November 25, 2000, factory doors at the Chowdhury garment factory were locked when a fire broke out, and 51 workers were killed as a result.

Unions and solidarity groups around the world are calling on Bangladesh's Prime Minister Khaleda Zia to release Hossain and enforce the country's health and safety regulations in all its apparel factories.

## Triumph Agrees to Leave Burma

On January 28, the UK lingerie manufacturer Triumph International announced plans to close up shop and cease production in Burma. This represents an important victory for the European Clean Clothes Campaign, which has coordinated the Triumph campaign.



Poster promoting a tourism boycott aimed at the military dictatorship in Burma

Triumph joins a growing list of companies who have committed to not manufacture or sell products made in Burma until the human rights situation in that country improves.

Also in January, the Canadian Friends of Burma and MSN sent letters to six Canadian retailers who have had business dealings with Burma, asking for a similar commitment. Last year Wal-Mart Canada and Reitmans confirmed in writing that they would no longer buy or sell clothes from Burma.

## Nike to Renew Orders at Mexmode

On November 30, 2001, Nike finally bowed to international pressure and announced its intention to renew orders with the Mexmode factory in Atlixco, Mexico. The decision came after close to 6,000 people from 17 countries wrote letters to Nike, urging the company not to cut and run from its newly unionized supply factory.

Workers at Mexmode, formerly Kukdong, scored a precedent-setting victory last September when they won the only independent union with a signed collective agreement in Mexico's over 3,500 maquilas. Nike's commitment ensures, at least in the short term, the survival of the workers' jobs and their independent union.

**Co-op America's Guide to Ending Sweatshops**, Co-op America Quarterly, Summer 2001, 21 pp. Guide to consumer action against sweatshops. Visit: [www.coopamerica.org](http://www.coopamerica.org).

**Sweatshop Warriors: Immigrant Women Take on the Global Factory**, Mariam Ching Yoon Louie, South End Press, 2001, 256 pp, US\$18.00. Stories of women garment workers active in community-based workers' centres. Visit: [www.southendpress.org](http://www.southendpress.org).

**The Hidden Assembly Line**, Radhika Balakrishnan, Kumarian Press, 2002, 168 pp, US\$21.95. Impact of globalization on Asian women workers, and growth of subcontracted labour. Visit: [www.kpbooks.com](http://www.kpbooks.com).

**Bread and Roses: the Trade Union Revival**, *New Internationalist* magazine, Dec 2001. Includes article on maquila organizing. Visit: [www.oneworld.org/ni](http://www.oneworld.org/ni).

**Toys of Misery: A Report on the Toy Industry in China**, National Labor Committee, Dec 2001, 58 pp. Documents labour rights abuses in Chinese toy factories producing for US brands. Visit: [www.nlcnet.org](http://www.nlcnet.org).

**No Sweat National Consultation Report**, Ethical Trading Action Group, Nov 2001, 33 pp. Report on No Sweat campaign national strategy meeting. Visit: [www.maquilasolidarity.org](http://www.maquilasolidarity.org).

# Gildan Activewear exposed

—continued from page 1—

Gildan vice-president of corporate affairs, Mackie Vadacchino, denied the allegations, claiming management had conducted pre-employment tests for drug use, but not for pregnancy. Gildan also claims that air quality in the Honduran plant meets Quebec standards, and that there are no production quotas in any of its factories.

"Someone has coached employees to say things that are clearly not true [about Gildan]" said Vadacchino. According to the CBC report, Gildan blamed competitors and "disgruntled unions," who, they claimed, will go to extraordinary lengths to destroy the company.

Gildan went so far as to produce signed statements from five workers, claiming they had been pressured to lie to CBC reporters. However, the statements don't mention

forced pregnancy testing, and the workers' names, which were only revealed to CBC lawyers, had been blanked out.



Gildan CEO  
Greg Chamandy

## One Step Forward

Three days after the program was aired, on January 25, Gildan announced it was "committed to a process of implementing" the SA8000 standard, which is

based on the labour rights conventions of the International Labour Organization (ILO).

According to Solidarity Fund Director, Gilles Audette, Gildan's promise to implement SA8000 commits the company to third-party verification of compliance with that standard.

Before committing to SA8000 audits,

Gildan had been seeking factory certifications under the Worldwide Responsible Apparel Production (WRAP) factory certification program, which has much weaker standards and little or no public reporting.

As MSN Coordinator Lynda Yanz stated in a January 26 article in the Montreal Gazette, "[maquila] owners love WRAP because of its bottom-of-the-barrel standards and because almost no information on their performance is available to the public."

While Gildan's promise to implement the SA8000 standard is a step in the right direction, the active involvement of local labour and human rights groups in the monitoring process and public reporting on the company's progress in improving conditions will be essential to ensure respect for Gildan workers' rights.

# Agreement reached with BJ&B

—continued from page 2—

can law cannot be fired during the union certification process. The company put the returned workers to work cleaning the company yard in the hot sun, isolating them from their fellow workers. The company then convinced several of the twenty leaders to accept a severance settlement and resign. Because there were then fewer than twenty active employees on the application, the Secretary of Labour denied certification of the union; and the rest of the union leaders were fired again.

## International Pressure Produces Agreement

In January 2002, the BJ&B union wrote the WRC requesting an investigation of the factory. After an initial visit by the WRC to the Dominican Republic and preliminary reports on violations of freedom of association were sent to Nike,

BJ&B agreed to negotiate with the union.

Management was apparently worried that continuing international pressure would threaten their 15-year contract with Nike and Reebok. The agreement calls for reinstatement of the fired workers, payment of one month's back pay, and management's recognition of the existence of the union. It also establishes a union-management committee to deal with future problems.

The Fair Labor Association also carried out a separate investigation in response to the workers' complaint, and is also claiming a role in helping to achieve the agreement.

In response to the agreement, Jeff Hermanson of the AFL-CIO Solidarity Center in Mexico says, "This once again confirms my view that company codes of conduct and company human rights representatives can play an important and positive role in these situations, if,

and only if, there are independent workers organizations, i.e. unions, capable of taking advantage of the existence of codes and representatives. I believe even the companies are now beginning to realize this fact."

## No Illusions

While the agreement is a small step in the right direction, the workers have no illusions about the factory owners' change of heart. "This doesn't mean that they do not have something else planned for us," warns Secretary-General Julia De Los Santos.

In a message to their student supporters, Secretary of Conflict Resolution, Vladimir Acevedo, states, "We are going to continue our struggle, whether outside or inside the factory [because] this is about the future of our town, our families. We hope you will continue to support us."