Gildan Activewear makes good on its promises to laid-off Mexican workers. Will other manufacturers do likewise?

Will the Hermosa workers achieve justice? A new report from MSN highlights steps that should be taken to resolve a desperate situation in El Salvador.

The Beijing Olympics won’t win any medals for labour rights now that activists are targeting Olympic-branded goods.

Back to school with sweat-free uniforms? Catholic schools check factories.

Brands speak out on violence against strikers outside the Chong Won facility in the Philippines.

Denim workers fight for democratic union

Tired of an “official” union that won’t stand up for them, workers at the Vaqueros Navarra jean factory are organizing an independent, democratic union in Tehuacan, Puebla, Mexico. In doing so, they have faced intimidation, harassment, assault, and unjust dismissal.

Early this year, the Human and Labour Rights Commission of the Tehuacan Valley contacted MSN about a series of dismissals at the factory that had raised alarm amongst workers of a looming closure – just as workers were organizing to demand proper payment of the annual profit-sharing benefit mandated by Mexican law.

According to the Commission, the employer had told the workers that speaking up against labour rights violations would likely result in brands canceling orders and a factory closure.

Vaqueros Navarra is the largest and longest-running jean factory owned by the Navarra Group, one of the most powerful garment consortiums in the Tehuacan region employing some 8,000 workers in five factories and two jean laundries.

Workers form coalition

When Vaqueros Navarra began issuing profit-sharing payments in May, workers scoffed at the miniscule amount – the equivalent of two days’ wages, much less than they had received in previous years.

Though technically members of a union, workers did not receive any support from that organization. The union, affiliated to the FROC-CROC, is an “official union” known for siding with management and Mexico’s traditional ruling political party, the PRI, which governs the state of Puebla.

- see ‘Workers pressured’ p.8
Monclova, Coahuila, has already been hard hit by the closure of a local Hanesbrands factory, eliminating 1,700 jobs. Hanesbrands made matters worse by pressuring workers to sign documents asserting that they had not suffered any work-related injuries or illnesses, thereby relinquishing their right to compensation, and by failing to provide employees with documents that would enable them to access government health care benefits.

There’s no doubt that the closure of Gildan’s factories in early April was bad news for Gildan’s 1,300 workers and, coming on the heels of the earlier closures, another setback for general employment prospects in Monclova and surrounding communities. But, unlike Hanesbrands, Gildan said from the start that it would support its former workers through the closure and opened the door to dialogue with MSN and SEDEPAC on what measures the company could take to ease the transition.

Positive outcomes of the company’s willingness to engage in constructive dialogue included health insurance coverage for unemployed former workers, though not for their family members, severance pay beyond legal entitlements, and a financial contribution to a government job training program.

Gildan agreed to compensate workers based on the highest average wage over the 12 months prior to closure, and to provide an additional 45 days of severance pay in lieu of advance notice of the closure. Job training for workers is being provided by the State Employment Institute (Instituto Estatal de Empleo). Gildan has reportedly committed $2,300,000 pesos (Can $232,000) for re-training.

Significantly, SEDEPAC was mandated to verify that Gildan’s commitments were being met, and to monitor the re-training program.

These are substantial and welcome measures in a country where workers often don’t even receive their legal due.

“It was possible to negotiate with Gildan regarding demands that were important for the workers, such as 100% severance pay plus one or two months salary, and two months training to acquire extra working skills because employment in Monclova is shifting from the textile industry to the auto parts industry,” says Betty Robles, Director of SEDEPAC in Coahuila.

“One important part of that negotiation was that the company agreed to search the labour market for available jobs and negotiated with the government and other companies to place their laid off workers in available positions. Another precedent was that the company accepted that a civil society organization like ours could monitor the closure and termination process.”

On August 3, after back-and-forth correspondence and several meetings between SEDEPAC, MSN and Gildan, the company also committed to providing its ex-workers additional health-care coverage.

Workers in Mexico are legally entitled to eight weeks of health care coverage following termination. Gildan is now offering to subsidize health care for unemployed workers for one year following the closure through the state-run social security (IMSS) program.

The one-year coverage ensures that women workers who informed the company of pregnancies just prior to the closure will still have coverage when giving birth and immediately after. Health care is also important for workers who may have trouble finding new employment in the area or who may have suffered a work-related illness or injury.

“It really sets a precedent for how maquiladoras should act in a closure situation,” says Robles. “Gildan had an open attitude to negotiating the best for their workers.”

“We are committed to making a difference for our workers,” says Corinne Adam, Director of Social Compliance at Gildan. “We want to be the best in our class. We are walking the talk.”

For more information, visit http://en.maquilasolidarity.org/Gildan

Gildan makes good on promises to laid-off Mexican workers

When Gildan Activewear announced the closure of two of its factories in the State of Coahuila in northern Mexico last March, workers had reason to be worried. But after a series of discussions with MSN and the local labour rights organization SEDEPAC, Gildan has set a precedent for workers who are used to being denied even their legal entitlements.

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www.maquilasolidarity.org
Will Hermosa workers achieve justice?

The Hermosa Manufacturing factory in El Salvador closed in May 2005, leaving many of its workers without jobs, without back wages, without severance pay, and – because the owner failed to remit payments to government social security funds despite deducting employee contributions from workers wages – without health insurance or pensions.

Workers received some aid when, on December 22, 2006, the Fair Labor Association (FLA) created an Emergency Fund “to provide immediate and direct assistance to the [former Hermosa] workers while efforts continue to hold the government of El Salvador and the factory owner responsible for carrying out their legal obligations to the workers.”

The fund distributed $36,000 among 57 ex-Hermosa workers. Since total compensation due to all the workers is estimated to be $825,000, the organized ex-Hermosa workers and their supporters internationally continue to campaign for additional compensation.

Many of the former Hermosa workers – in particular those who organized a union at the factory – remain unemployed to this day. At least five workers have reportedly lost their formerly subsidized homes because payments to the Social Housing Fund were also deducted from their paycheques but not passed on.

Some ex-employees are suffering serious illnesses, including cancer, and no longer have access to the government social security (ISSS) health care program, despite promises by the Salvadoran government to provide access to the program.

A new report from MSN

In June, MSN released a new study prepared for the FLA documenting the desperate situation facing former Hermosa employees, assessing the results of the FLA’s Emergency Fund, and recommending remedial measures.

MSN’s study documents the very different perceptions of brands, NGOs and trade unions about the responsibilities of buyers when a supplier fails to fulfill its legal obligations to its workers, and the government fails to ensure that those obligations are met.

While companies interviewed fear that assuming responsibility for compensation owed will set a precedent for future cases, NGOs and unions believe the brands should be held accountable when their suppliers fail to meet their legal obligations.

The study also identifies steps that should be taken to redress the injustices suffered by the Hermosa workers, and explores new policies that buyers should implement to minimize the likelihood of similar situations taking place in the future (see box).

Next steps

MSN is engaging with the FLA and adidas to encourage preferential hiring for ex-Hermosa workers at other factories. The FLA is considering appointing an ombudsperson to both monitor hiring procedures at a nearby factory to ensure that Hermosa workers are not discriminated against, and to investigate allegations of blacklisting in other El Salvador factories.

In addition, the FLA is now seeking additional contributions to its Emergency Fund.

“The former Hermosa workers continue to be owed substantial compensation for the work they performed,” says Tara Mathur, Field Consultant with the Worker Rights Consortium. “Until the compensation is paid, workers are able to obtain jobs without discrimination, and commitments around health care are kept, the Hermosa case will remain unresolved.

“Thus far, neither factory management nor the brands have taken the steps that are necessary to resolve the violations,” says Mathur.

Hermosa Workers comment on the MSN Report

Following the release of MSN’s report, MSN met with ex-Hermosa workers to discuss the findings. While they agreed with most of the study’s recommendations, workers had criticisms.

The workers felt that the report did not adequately describe the extent of their suffering since the closure. However, their main criticism of the report was that it did not explicitly state that the brand buyers had a responsibility to pay workers the full compensation owed to them given the failure of the owner or the government to do so.

In response to the brands’ concern that paying workers the full compensation owed might set a precedent for the future, Flor Jazmín, Recording Secretary of the Board of Directors of STITAS, a Salvadoran textile workers union, stated, “Brands perhaps should be more concerned about the negative precedents set by successive failures of their audits to uncover violations, including that the owner hadn’t been making legally required contributions to the social security program, and by the precedent set by the Salvadoran government in failing to meet its own legal responsibilities.”
The goal of Olympism is to place sport at the service of the harmonious development of man, with a view to promoting a peaceful society concerned with the preservation of human dignity.

Olympic Charter

We're so exhausted trying to get the “Olympic bags” done in time!

Worker interviewed in “No Medal for the Olympics on Labour Rights,” PlayFair 2008

In June 2007, the PlayFair Alliance, an international coalition of trade union and non-governmental organizations, released “No medal for the Olympics on labour rights,” a report based on interviews and investigations conducted into four factories making Olympics licensed hats, bags, stationary, and other products.

The report revealed appalling working conditions in the factories: adults being paid at half the legal minimum wage, employees forced to work 12 hour days 7 days a week, the employment of underage workers as young as 12, and unsafe and unhealthy working conditions.

One worker who was interviewed from Eagle Leather Products Company Ltd. spoke of the incredible strain Olympic production has added to work. “We’re so exhausted, trying to get the ‘Olympic bags’ done in time. Every one of us works until very late. And the following day we still go to work at 7:30 a.m. What sort of a life is this?” she demanded.

The investigations also uncovered a widespread falsification of employment records, and found that employees had been instructed to lie to auditors about conditions in the factory.

Olympic officials respond

In response to the PlayFair report, the Beijing Organizing Committee (BOCOG) conducted an investigation of the factories. Although BOCOG’s final statement con-
firms some of PlayFair’s initial findings, it ignores many other critical problems, among them underpayment of workers and serious health and safety risks.

Despite assurances from both BOCOG and the IOC (International Olympic Committee) that ethical sourcing and corporate social responsibility are important to them, no concrete measures have been taken to ensure that the abuses documented in PlayFair’s report will be redressed and prevented from reoccurring with other licensees. Instead, BOCOG suspended contracts with three of the companies, and cancelled all orders with the fourth, Lekit.

The PlayFair Alliance had repeatedly warned BOCOG and the IOC that cutting ties with Lekit could isolate workers and leave them without jobs instead of improving their situation.

“The workers in these factories have been subjected to serious exploitation—the Beijing Games Committee should insist that companies respect the fundamental rights of workers, and should not cut and run from a problem for which the Olympics movement and in particular the IOC itself must take full responsibility,” says the PlayFair Alliance.

Beijing Olympics: an opportunity

Many labour activists see the Beijing Olympics as an opportunity to address the labor rights violations that are prevalent throughout the country. What many identify as the most critical step towards better conditions for workers—the right to freely associate—is disallowed by the monopoly of the state-affiliated All China Federation of Trade Unions (ACFTU), the only trade union permitted to operate in mainland China.

“A decade of experience has led PlayFair groups, and many other observers in industry as well as government, to the conclusion that it is vital that workers themselves are at the heart of any efforts to improve their working conditions,” argues PlayFair in a response to BOCOG’s statement on the documented labour rights violations.

Taking responsibility: the IOC’s role

Abuses of the right to freely associate along with the many other violations discovered by Playfair are not isolated to those four factories in their report, nor to China. In a letter to the IOC, PlayFair stresses, “This is a global problem throughout the sports merchandise sector, and only a global approach will bring the necessary changes and results.”

The IOC is the proprietor of the Olympic symbol, and places a series of restrictions on the use of its name and symbol. If they also required suppliers to respect fundamental labour rights, the decision could significantly impact the sports-wear industry, which invests heavily in the Olympic games. Adidas alone paid an unprecedented $80 to $100 million to secure the role of main sponsor of the Games.

Since first approaching the IOC in 2003, the PlayFair groups have repeatedly offered to work with the IOC to “jointly develop and implement methodology and mechanisms to ensure compliance with fundamental labour rights.”

“The IOC has been silent on these issues too long... As the organizer of the biggest global sports event they should also use their authority to support full respect for fundamental workers’ rights in the sporting good sector overall,” says Ineke Zeldenrust of the Clean Clothes Campaign (CCC) international secretariat.

For more information, visit www.playfair2008.org

Beyond Beijing: Vancouver 2010

On June 5, the Vancouver Organizing Committee for the 2010 Winter Games (VANOC) announced it was adopting an ethical licensing policy for Olympic licensed sportswear and other products.

The policy is a response to two years of campaigning and lobbying by MSN and our coalition partners in the Ethical Trading Action Group (ETAG), the BC Ethical Purchasing Group (BCEPG) and the Quebec Coalition Against Sweatshops (QCAMS).

VANOC’s initial BuySmart program includes a licensing policy that would give the right to market products with Olympic logos only to companies that are willing to adhere to a set of minimum labour standards and submit their factories to VANOC audits.

However the VANOC program still needs to be strengthened in some critical areas, including stronger provisions on hours of work and wages, VANOC should also be requiring the public disclosure of factory locations and audit findings, improve its monitoring program, and create mechanisms for workers and other interested parties to register complaints when workers’ rights are violated.
Ontario school boards collaborate to enforce No Sweat policies

Six years, nine separate policies, 95 high schools, and one monitoring pilot project later, Ontario Catholic school students are finally learning where their clothing is being made — and under what conditions.

In June of this year, the US-based Worker Rights Consortium (WRC) reported on its first investigation of a factory making school uniforms for Ontario Catholic school boards, Empresas T&M in the Dominican Republic.

Although the investigative findings are not yet public, they will be once the WRC has reached agreement with factory management on a corrective action plan to address worker rights issues identified by the WRC investigative team.

For Lori Ryan of Development and Peace, who has been involved in campaigning for the adoption of No Sweat purchasing policies by Ontario Catholic boards over the past seven years, this is a very welcome and meaningful achievement.

“The publication by a third party of a report on the conditions in a factory making school uniforms is a huge step forward,” says Ryan. “It puts the onus on companies and suppliers to stay clean, because they now know that there are people watching, and that if there are violations, something will be done about them.”

The affiliation of eight Ontario Catholic school boards with the WRC monitoring pilot project comes after lengthy lobbying efforts by hundreds of high school students and teachers across the province to convince their school boards to adopt No Sweat policies, and then to join the first ever WRC monitoring project with secondary schools.

The first Ontario school board to pass an ethical purchasing policy for uniforms was the Hamilton-Wentworth Catholic District School Board. Lobbying began two years in advance of the Pope’s arrival in Toronto in the summer of 2002 for World Youth Day.

Not long after the Pope’s visit, the Hamilton-Wentworth board voted to adopt a No Sweat purchasing policy, but that policy didn’t include one key element — the requirement that uniform providers publicly disclose the names and addresses of the factories where those products were made. Without disclosure of factory locations, student and teacher activists argued, there could be no external scrutiny of factory conditions by local civil society groups.

It was not until 2005 that the Hamilton-Wentworth policy was amended to reflect what the students and teachers had been pushing for from the beginning.

Meanwhile, students in schools affiliated with the Toronto Catholic District School Board were carrying out an intensive campaign to raise awareness of the sweatshop issue within their schools and communities. Thousands of students signed a petition calling on the board to adopt a policy to make sure their school clothing was being produced under ethical working conditions.

On one occasion students and teachers painted slogans on their t-shirts asking, “Do you know where your uniform is made?” and paraded in front of the school board trustees’ office.

The initial policy was approved by the Board for consultation in the fall of 2004, but for Kevin Welbes Godin, a teacher involved in the campaign, “the policy had no teeth because there were no requirements for suppliers to disclose factory locations or to allow for third party monitoring.”

Ryan Nutter, a student actively engaged in the campaign, explained that “the students wanted to wear clothing from factories where workers were treated fairly, and the first policy didn’t ensure that.” Nutter and many other students dissatisfied with the policy went to the media and launched a full public campaign for their right to know where their clothing was made.

The campaign succeeded, and on February 8, 2006, the Board voted unanimously to amend its policy to require factory disclosure and to collaborate with other Ontario Catholic school boards on the WRC’s two-year pilot project.

Today, both the Toronto and Hamilton school boards require full public disclosure of factory locations where their school uniforms are made. So do the six other boards affiliated with the WRC monitoring project, and Lori Ryan is hoping that in the coming year even more school boards will sign up and see to it that their uniforms are being made under ethical conditions.

“We need to keep building momentum,” says Ryan. “The goal is to have 100 percent of Catholic School Boards affiliated with the WRC, and right now we’re at 46 percent. We want to reach everyone so that we can know that no uniform worn by a student in a Catholic school in Ontario will be made in a sweatshop.”
Brands speak out on violence against Chong Won strikers

On June 10 and 11, striking workers at the Chong Won factory in the Philippines were attacked by two groups of armed men and threatened with death if they didn’t abandon their strike and leave the Cavite Export Processing Zone (EPZ).

On the evening of June 10, nine men armed with crowbars and knives arrived at the Chong Won picket line and held striking workers at knife-point while dismantling their makeshift tent shelters.

A second attack took place at 3:30 a.m. on June 11. Around 20 men wearing ski masks and army fatigue pants and armed with M-16 rifles arrived at the picket line in three vehicles.

According to reports from the picketers, the armed men ordered the strikers to lie face down while they pointed the barrel end of their rifles at the strikers’ heads. They then threatened to kill the strikers one by one if they were still on strike later that morning.

“We are still helping some of these workers seek medical help because of the post-traumatic stress they have suffered,” says Rev. Fr. Jose P. Dizon, executive director of the Workers Assistance Center (WAC), which has been providing advice and support to the workers throughout their nine month strike. “We will continue to call on the Arroyo government to stop all this violence and political killings.”

These latest attacks are part of a growing pattern of harassment and violence against workers, labour leaders and human rights promoters in the Philippines.

In early October, 2006, WAC Chairperson Bishop Alberto Ramento was stabbed to death in his church by an unknown assailant.

On December 11, 2006, two union activists with the Solidarity of Cavite Workers labour organization were shot by a lone assassin outside the gates of the Yazaki-EMI factory. Jesus Buth Servida was killed instantly, and his companion, Joel Sale, sustained gunshot wounds.

That assassination follows the April 2006 shooting of a Solidarity of Cavite Workers leader, Gerardo Cristobal, near the same plant.

Major brands respond

Last November, in response to a request from MSN, seven US companies buying apparel from the Philippines signed an Open Letter addressed to Philippine president Gloria Macapagal-Arroyo, expressing concern about the pattern of violence directed at labour and human rights promoters.

The signatories included American Eagle Outfitters, Gap Inc., Jones Apparel Group, Liz Claiborne Inc., Phillips-Van Heusen, Polo Ralph Lauren, and Wal-Mart. The President has yet to respond.

On August 3, 2007, also at MSN’s request, those seven US apparel companies and a new signatory, VF Corporation, added their names to a follow-up letter to the Philippine president calling for an independent investigation into the Chong Won incident.

The August letter called attention to “alleged attacks and death threats against striking workers at the Chong Won factory” and noted concern “that these alleged incidents appear to be part of a larger pattern of harassment and violence against workers, labour leaders and human rights promoters that could discourage companies from doing business with your country.”

Violent Attacks Continue

Despite growing pressure on the Philippine government to put a stop to the violence and extra-judicial killings of trade unionists and human rights activists, the attacks continue.

Around midnight on August 6, strikers at the Phils Jeon Garment factory in the same EPZ were taken by surprise by ten masked men.

According to the workers, the women strikers were hog-tied, blindfolded, and loaded into a waiting truck along with the strikers’ tents and other belongings. The workers were dropped outside the gate of the Cavite EPZ.

Father Dizon believes that the attacks are sanctioned by the Philippine Economic Zone Authority (PEZA) and its police force.

“Until now, PEZA have still failed to act on the request to investigate how the armed and masked men were able to enter the tightly-guarded CEZP on that unforgettable date of June 10 and 11. And now yet another similar attack happened to the strikers of Phils Jeon Garment,” Dizon lamented.
Workers pressured to ‘resign’

So with the help of the Commission, 750 of them formed a temporary coalition of workers, as permitted under Mexico’s Federal Labour Law, and organized protest actions.

On June 20, 400 workers marched to the Local Conciliation and Arbitration Board during their lunch break to demand action on the prof-it-sharing irregularities. Upon returning to the factory, they were barred from entering – even from retrieving their personal belongings.

The next day, workers returned to the factory and were admitted. However, management illegally dismissed 13 of the coalition leaders, triggering more protests and physical confrontations with police and factory guards that resulted in injuries to 11 workers and the hospitalization of two.

Engaging the brands

In July, at the request of the Commission and the workers’ coalition, MSN contacted the brands that had sourced from the Navarra Group – Gap, Levi Strauss, American Eagle Outfitters, The Limited, Warnaco, Abercrombie & Fitch, and Tommy Hilfiger – to urge them to work together to resolve and jeopardize their representation vote could therefore weaken the workers’ resolve and jeopardize their chances of winning an independent union.

According to Martinez, when workers petition for an independent union in Mexico, they are usually subjected to harassment at work, bureaucratic delays and undemocratic elections.

“If we can achieve a democratic vote without further delay, for once workers will be able to vote their conscience, and that will set an historic precedent for the state of Puebla,” says Martinez.