

Maquila Solidarity update



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Controversy surrounds Foxconn investigation

ON MARCH 29, THE FAIR Labor Association (FLA) released a much-anticipated report on its investigation into the labour practices at three Foxconn factories in China employing close to 180,000 workers who manufacture electronic devices for Apple including iPads and iPhones.

When Apple joined the FLA in January of this year, the Association agreed to launch an investigation into three of the tech giant's supply factories which had been widely criticized for labour rights violations and harsh management practices that have been linked to a series of

worker suicides in 2010.

The FLA investigation confirmed that Apple's supplier is violating numerous labour laws and FLA Code standards, including:

- Overtime hours of up to 30 hours a week, far in excess of what is permitted by

● see 'Foxconn violations', p.8

As we were finishing up the copy for this issue of the *Update*, we received the tragic news that Aminul Islam, a senior organizer with the Bangladesh Garment and Industrial Workers' Federation (BGIWF) and Bangladesh Center for Workers' Solidarity (BCWS), was found dead on April 5 outside Dhaka. It is widely believed that Aminul was murdered because of his defence of garment workers' rights (see article on page 8).



Lynda Yanz

WE AT MSN EXTEND OUR heart-felt condolences to Aminul's family and to his colleagues at both BGIWF and BCWS. Over the coming months we will be working closely with Bangladeshi and international labour rights organizations to gain justice for this horrific act and to ensure labour rights advocates in Bangladesh are able to carry out their essential work without fearing for their lives.

Aminul's death overshadows the good news we wanted to share with you in this issue – the signing of a ground-breaking agreement between PVH Corp and Bangladeshi and international trade unions and labour rights NGOs, including MSN, to establish a transparent and effective factory safety inspection program in Bangladesh (see article on page 3).

Aminul and his colleagues worked hard to bring attention to the deplorable conditions in Bangladeshi garment factories, including poor

health and safety practices that led to the deadly factory fires. Apparel brands and major retailers who source from Bangladesh need to do justice to Aminul's legacy by taking concrete steps to ensure the well-being of workers in that country, including participating in the safety inspection program.

Another story that has figured prominently in the news in recent months was the decision of tech giant Apple to join the Fair Labor Association (FLA) and cooperate with an FLA investigation of three of its supplier factories in China owned by the Taiwanese multi-national Foxconn. The headline story in this issue of the *Update* examines the findings of that investigation and highlights some of the new commitments made by Foxconn and Apple, as well as critical workplace problems that are absent from the report.

Full disclosure: I represent MSN as an NGO delegate on the FLA Board of Directors. While MSN did not oppose

Apple being accepted into the FLA, we did voice our concerns about the haste with which that decision was made and the investigation launched without sufficient prior consultation with labour rights groups that have been documenting abuses and pressuring Apple to correct them for a number of years.

While it's too early to tell whether Apple's commitments and the FLA's oversight will translate into improvements for workers, the labour rights movement is now on alert. Over the coming months MSN will be collaborating with other labour rights organizations to monitor whether Foxconn and Apple made good on their commitments and address the outstanding issues that were not adequately dealt with in the FLA report. ■

Lynda Yanz
for the MSN team

The *Maquila Solidarity Update* is published in English and Spanish by the Maquila Solidarity Network (MSN). MSN is a labour and women's rights advocacy organization working to improve conditions in maquiladora factories and export processing zones worldwide.

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Agreement opens Bangladeshi factories to safety inspection program

One of the tragic lessons from the disastrous accident at the Eurotex factory, in Dhaka, Bangladesh in December 2011, was that some international brands that had been producing clothing in the factory already knew there were serious safety hazards. Rather than fix the problems, however, they quietly left the factory, leaving workers to face those hazards alone.

THE RESULTS WERE PREDICTABLE and preventable. On December 3, 20-year-old Jesmin Akter and 22-year-old Taslima Akter were trampled to death when a panic broke out following a boiler explosion on the second floor of the factory. Another 62 workers were injured.

The disaster added two more unnecessary deaths to the list of more than 330 workers killed in Bangladeshi garment factory accidents since 2000.

The “cut-and-run” approach exhibited by the brands who fled the Eurotex factory is about to change, however, as a result of a ground-breaking new agreement negotiated between Bangladeshi and international unions and labour rights organizations and PVH Corp. (PVH), owner of Tommy Hilfiger, Calvin Klein and other well-known brands.

Announced on March 21, the agreement will establish a two-year fire safety program

in the Bangladesh apparel industry to identify and address the preventable safety hazards that so regularly take the lives of the country’s garment workers.

The signatories to the agreement include the International Textile, Garment and Leather Workers’ Federation (ITGLWF), the Clean Clothes Campaign (CCC), the Worker Rights Consortium (WRC), the International Labor Rights Forum (ILRF), the Maquila Solidarity Network (MSN) and seven Bangladeshi unions and NGOs.

Although PVH has signed the agreement, it will not go into effect until three more major buyers sign on. Discussions with other large international brands whose garments are made in Bangladesh are ongoing as we go to press.

“The program is significant because it is supported by all the key labour stakeholders in Bangladesh, it is transparent, and it involves workers and

unions in implementation and safety training,” says the CCC’s Tessel Pauli.

The Memorandum of Understanding (MOU) provides for a comprehensive program to improve safety in the Bangladeshi garment industry, including:

- Hiring a Chief Inspector to design and implement a safety inspection program covering all of the major factories supplying the participating brands;
- Publicly disclosing lists of the factories being inspected, as well as a list of any factories that fail to fix problems;
- Establishing a complaints mechanism for workers to identify high-risk factories;
- Implementing a fire safety training program for all workers, managers, and other staff, and allowing

union representatives access to workers for continuing training;

- Creating functioning health and safety committees in all participating factories; and
- Conducting a rigorous review of building standards and regulations to advise the Bangladeshi government on standards.

The MOU also requires participating brands to maintain or increase orders in factories that are improving conditions over the course of the program, in order to provide incentives for factories to upgrade their facilities.

“Brands have been stalling for years while disaster after disaster struck,” said Pauli. “Now there’s a solution on the table. There’s no excuse for further inaction.” ■



“The company will pay so that the [Confederation of Mexican Workers] does not even enter the plant and won’t have anything to do with you.”

- Frank Sovis, PKC Group

Ciudad Acuña, Mexico

PKC admits signing protection contract to keep out independent union

On January 30, 8,000 workers at the *Arneses y Accesorios de México* auto parts factory in Ciudad Acuña were informed by their employer that the company had signed a collective bargaining agreement with the Confederation of Mexican Workers (CTM), without their prior knowledge or consent.

IN A RECORDED MESSAGE Frank Sovis, President of North American Operations of the PKC Group that owns the factory, said that his company had signed the agreement with the CTM “in order to protect itself and its employees” against “external groups” that were “destabilizing labour peace at the plant” and “so that no other unions get involved.”

The “other union” was in fact the local union already established by the factory’s workers and affiliated with the independent National Union of Mine and Metal Workers (*Los Mineros*).

Sovis went on to say: “You may ask ‘what is the best union?’ We would say the CTM because it represents workers in the auto parts industry. How much will the union dues be? Nothing, because the company will pay so that the CTM does not even enter the plant and won’t have anything to do with you.”

When workers in Mexico attempt to form or join Independent unions, their employers often respond by signing what are known as “protection contracts” with

corrupt unions willing to sell their services to protect the company from the threat of an independent union and to keep wages and benefits to a minimum.

According to Lorraine Clewer of the AFL-CIO’s Solidarity Center, “although protection unionism is common in Mexico, I’m not sure we have ever seen such a bla-

tant case in which a senior official of the company publicly announces to the workers that it has selected the union, signed the agreement and will be paying the dues.”

A history of organizing

Workers at the *Arneses y Accesorios* factory have long been involved in organizing to defend their rights.

Comité Fronterizo de Obrer@s



THE BORDER WORKERS’ Committee (Comité Fronterizo de Obrer@s or CFO) is a grassroots organization working on labour issues in Mexican communities along the US-Mexico border which celebrated its 32nd anniversary this April.

The CFO teaches workers about their rights and places a special emphasis on gender issues. Its 16-member team is coordinated by Julia Quiñonez, who’s been with the CFO for over 25 years, having joined when she was a maquila worker.

As a result of its efforts to support workers at the PKC plant, the CFO, and specifically Quiñonez, has been the target of threats and intimidation. Most recently, Quiñonez recounts that while she was accompanying a Finnish journalist reporting on this story, she was followed, photographed and filmed by men in private security guard uniforms. Quiñonez suspects that they work for the company.

This kind of intimidation cannot be taken lightly in a place like Coahuila, a state that suffers high levels of violence and impunity, largely as a result of narco trafficking. But despite these concerns, Quiñonez is committed to this struggle, which she strongly identifies as a women’s struggle.

Quiñonez describes the increasing role and participation of women in workers’ struggles on the border in the following words: “Women are the visionaries behind the campaigns. They work with men, but they are the leaders and they are making improvements for other women. The worker committee at the plant negotiated better working conditions for pregnant workers and was also able to establish this factory as the first in the region where there was a place for women to breastfeed at work. These are achievements that women have won; they were not given to workers because they work for a good employer, they were won by women’s hard work.” ■



For more information see: www.cfomaquiladoras.org



ABOVE: *Aarnes y Accesorios* workers meet at the CFO office

According to Julia Quiñonez, Coordinator of the Border Workers' Committee (CFO – see sidebar on page 4), several years ago the workers formed a committee and were able to negotiate improvements with the factory's former owner, Alcoa.

"The company realized that it could benefit from dialogue with workers," says Quiñonez. "The committee was working like a de facto union, making requests and documenting their cases, and they were able to achieve a lot of improvements."

But that changed in 2009, when the factory was sold to a venture capitalist who told workers that he was not interested in continuing dialogue. As a result, the workers decided to formalize their committee into a union and affiliated with *Los Mineros*.

In 2011 the factory was sold again, to PKC Group of Finland. *Los Mineros* contacted

PKC shortly after the purchase, asking the company to negotiate with the local section of the independent union, but, according to Clewer, "the company likely relied on its local advisors and chose another route."

Pressure building on PKC

The PKC factory in Ciudad Acuña produces auto parts for Ford, Chevrolet, Volvo, General Motors, the US Army and others. According to Clewer, some of the buyers, many of which are unionized, have been asked to pressure PKC to respect the workers' freedom of association.

In Mexico, *Los Mineros* have requested that the state government hold an election to determine which union represents more workers at the factory and is thereby entitled to negotiate on their behalf.

The government's absurd response has been that *Los Mineros* are not authorized to

represent the workers because the nature of the work at this plant does not fit within the mandate of the union (mining or metalworking). However the local union and its supporters are clear that their work producing wire cable harnesses does fall within the union's purview and have appealed the decision.

In Mexico, an appeals process like this one can drag on for months or even years and even if won may be fraught with irregularities. For that reason, the union and its supporters are hopeful that PKC's shareholders and other supporters will put sufficient pressure on the company to convince it to eliminate the protection contract and recognize and bargain with the workers' independent union. ■

Despite record profits, Johnson Controls to close unionized factory

JOHNSON CONTROLS INC. (JCI) has announced plans to close its *Interiores* factory in Puebla, Mexico, less than one year after signing a collective bargaining agreement with an independent union affiliated with the National Union of Mine and Metalworkers (*Los Mineros*).

The JCI *Interiores* workers, who had previously been "represented" by a protection union imposed on them by their employer, had fought long and hard to win the right to be represented by a union of their free choice.

The 400 *Interiores* workers will lose their jobs when JCI moves production to another Mexican facility, ostensibly for financial and "logistical" reasons. According to *Los Mineros*, the plant closure is "really an attack on independent and democratic trade unionism."

Although the company's own financial reports indicate that the Puebla factory was profitable, JCI denies that the closure of the factory is intended to get rid of the union. JCI posted record sales and profits in the first quarter of 2012.

Los Mineros has vowed to fight the closure. ■

For more information, see: www.maquilasolidarity.org/JohnsonControls

Cambodian tribunal examines low wages, mass faintings

PHOTO: ASIA FLOOR WAGE CAMPAIGN CAMBODIA



Heath Kimhuor is having trouble making ends meet. Her base salary of US\$66 a month at the Grand Twins garment factory in Cambodia is nowhere near enough to support herself and her family. To raise her income to the survival level Heath works two hours overtime every day and on holidays. Even with the extra overtime pay, she sometimes has to borrow money from her landlord at 20% interest per month.

“If I get sick, I don’t have any money for treatment,” she says. “I also worry that I don’t have money to cover the costs for my son to go to school because I have not saved much, but ... at my income, I cannot cover my daily expenses.”

Heath was testifying at the Peoples Tribunal on a Living Wage, which was held in Phnom Penh on February 5 and 6 and organized by the Asia Floor Wage Alliance. The Tribunal exposed the poverty wages paid to Cambodian apparel workers, as well as the working conditions in the country’s apparel industry. Not surprisingly, Heath’s story is not uncommon.

The Tribunal found that the combination of inadequate nutrition, excessive working hours, and exposure to hot, dusty working environments

and harmful chemicals amounts to “a systematic violation of [workers’] fundamental right to a decent human life.”

Mass faintings

Workers testifying at the Tribunal also spoke about the disturbing rise of “mass faintings” of workers at a number of garment factories in the country. A year ago, more than 200 workers fainted in two mass incidents at the Huey Chuen garment factory. Similar mass faintings have happened at a number of other factories.

Suon Sokhunthea, Vice President of the National Independent Federation of Textile Unions of Cambodia (NIFTUC) blames working conditions and poverty wages for the faintings. She testified that workers at the Huey Chuen factory “work for 12-14 hours a day, some

using strong glues and chemicals, in hot and poorly ventilated environments.

“They also don’t eat nutritious food as they can’t afford it, and many have to make long journeys in the back of trucks in order to get to and from work,” she added. Huey Chuen workers travel up to an additional hour and a half each way to and from work.

Paying a living wage

The Tribunal concluded with a call for a living wage for Cambodian garment workers of at least US\$185-200/month – enough to feed a family and provide for their children’s basic health and educational needs.

It’s a small amount when compared to the profits made from their work. In 2011, Puma, which sources apparel from the Huey Chuen factory, reported US\$304.3

million in net profits. Puma alone could have paid Huey Chuen’s 3,400 workers an additional US\$100 a month last year and still made US\$300 million in profits.

More faintings

Just after the Tribunal concluded, another mass fainting incident occurred at the Nanguo Garment factory after workers were forced to work overtime in excess of legal limits. The factory produces branded garments for the National Football League, National Hockey League, and JC Penney.

Cambodia has been the site of numerous corporate social responsibility programs over the last dozen years. That workers are still being paid so little that they can’t afford to eat properly represents a serious failure for these programs and a challenge that must be met head on. The Asia Floor Wage Alliance is pressuring companies to meet that challenge. ■

ABOVE: Heath Kimhuor testifies at the tribunal

Short-term contracts undermine the rights of Peruvian garment workers

On March 20-21, representatives of national and international unions and labour rights organizations, major apparel brands, multi-stakeholder initiatives, the labour ministry, and local suppliers met in Lima, Peru to discuss how short-term employment contracts impact on workers' rights in the country's garment and textile industry.

THE FORUM, "DECENT WORK IN the Garment and Textile Sector in Peru," was convened by the AFL-CIO Solidarity

Center, the International Textile, Garment and Leather Workers' Federation (ITLWGF), the Maquila Solidarity Network, and the Peruvian NGO PLADES.

The two national trade union federations representing workers in the sector, the FNTP and the FNTPP, used the occasion to highlight a growing campaign for the repeal of three articles of a decades-old law allowing employers in the garment and textile export sector to hire workers on consecutive short-term employment contracts, thereby denying them job security, seniority rights and other benefits, access to health and pension coverage, and their right to organize and bargain collectively.

The law, Decree 22342, establishes a special regime allowing companies that export "non-traditional products" to employ workers on short-term contracts – typically for six months, but often for three months and sometimes for as little as one month – to work on specific export orders.

According to ITLWGF Regional Secretary Laura Carter, "the Decree, which was introduced over three decades ago as a temporary measure to assist fledg-

ling companies in an irregular industry, today protects the interests of the largest and most profitable companies in what



ABOVE: Workers from Peruvian manufacturer Topy Top address the forum

has become a booming export industry. As a result, average wages in one of the most successful sectors are among the lowest in the country."

Today, Peru's booming garment and textile industry exports some US\$750 million annually in textile products to the US alone. According to Juan-Carlos Vargas of PLADES, the use of short-term employment contracts has grown exponentially since the signing of free trade agreements with the US and Canada. Using statistics available from the Ministry of Labour,

Vargas confirmed that the vast majority of Peru's largest companies in the sector are contracting 80 to 100 percent of their workforce on short-term contracts.

The International Labour Organization (ILO) has repeatedly asked the government of Peru to amend this law. During his 2011 election campaign, President Ollanta Humala promised to abolish the

decree, yet there has been no concrete action since his election, and employers continue to speak out against repealing the law.

In her closing remarks, Samantha Tate, Andean Region Director for the AFL-CIO Solidarity Center, said, "In Peru it is almost unheard of to bring together in one room representatives of industry, government, brands, unions and other labour rights advocates. This meeting has been precedent-setting; so let's make sure to build upon the ground we've laid over the last two days."

Peruvian and international unions and labour rights NGOs met following

the forum to formalize a comprehensive set of proposals directed to government, employers and international brands calling for the repeal of articles 32, 33 and 34 of Decree 22342, a full and transparent review of all short-term contracts aimed at eliminating the unjustified use of such contracts, a commitment that all workers on short-term contracts receive the same salary and benefits as permanent workers, and public disclosure by brands of their Peruvian suppliers. ■



For a full list of the Peru proposals, see:
www.maquilasolidarity.org/STC-Peru

Foxconn violations confirmed

● continued from page 1

- Chinese law, and failure to give workers one day off in seven;
- Over 64% of workers reporting that their wages don't meet their basic needs;
- Union committees in which worker representatives are almost entirely management personnel or nominated by management; and
- Numerous health and safety violations and failure to inform workers of hazards or to involve them in health and safety programs.

Foxconn has agreed to bring its hours of work into line with legal limits by July 1, 2013, and to "develop a compensation package that addresses the income lost due to reduced hours." Despite news reports to the contrary, Foxconn has made no written commitment to raise hourly wages to any specific level.

On freedom of association, the Remediation Plan says that existing union will "encourage the participation of worker representatives in the election of Labor Union committees

without management's interference," and the company will give workers access to the contents of their collective bargaining agreements.

The company promises to address immediate health and safety issues, encourage the participation of worker representatives in health and safety committees, and enhance health and safety policies and procedures and training programs for management personnel and workers.

Weaknesses of the report

Although the FLA report confirms a number of worker rights violations that had been previously documented by the Hong Kong-based Students and Scholars Against Corporate Misbehaviour (SACOM), it has been criticized by SACOM and other labour rights groups for underestimating the seriousness of some persistent violations, missing others entirely, and failing to require adequate corrective action.

Debby Chan of SACOM says she is disappointed that the FLA report did not expose the inhumane treatment of

workers at Foxconn. "Some of the workers we interviewed reported having to write confession letters as punishment. Some were even forced to undergo military-style training."

She is also concerned that the FLA failed to address how student interns are recruited to work at Foxconn. "The so-called internship program is bogus because the work at Foxconn is irrelevant to the student's major. Even worse, some students told us they were forced to work at Foxconn."

According to Esther de Haan of makeITfair, the FLA report also fails to address the crucial question of whether a company as profitable as Apple has a responsibility to ensure that the workers who make its products are paid wages that meet their basic needs.

"With all the time and resources put into this investigation, the FLA did not assess whether Foxconn is paying a living wage," says de Haan.

She notes that the FLA has promised to do cost of living studies in the two cities

where the factories are located, but responsibility for determining whether workers' salaries meet the FLA's basic-needs-wage requirements is being left with Foxconn.

Giving Workers a Voice

In the wake of the FLA report, the spotlight has now shifted to Apple and Foxconn, with labour rights groups demanding action that includes but goes beyond the recommendations in the report.

On March 30, SACOM released a public statement expressing its hope that Apple and Foxconn will "facilitate democratic elections in the trade unions which will enable workers to monitor the working conditions by themselves."

On April 3, the Good Electronics network released a statement that, among other demands, calls on Foxconn to put in place a mechanism for collective bargaining "that enables workers to negotiate with management on appropriate wage levels," and on Apple to "amend its purchasing practices and fix unit prices and production deadlines that do not undermine agreements on pay and working hours." ■

Bangladeshi labour organizer murdered

AMINUL ISLAM, A TRADE UNION organizer for the Bangladesh Garment and Industrial Workers Federation (BGIWF) and a member of the Bangladesh Center for Workers' Solidarity (BCWS) was found dead on April 5, 2012. Police pictures of his body suggest that Islam was tortured before being killed.

Aminul Islam became active in the Bangladeshi labour

movement when he was elected Convenor of the Workers Representative and Welfare Committee at Shasha Denim Ltd., a factory located in the Dhaka export processing zone. When he was fired due to his union activity, he became a full-time organizer with BCWS and BGIWF. Due to his organizing activities Aminul was threatened by gangsters working for garment factory owners.

Aminul was previously detained and beaten by police in June 2010, along with two other leaders of the BCWS. The organization, which provides support to workers in Bangladesh's apparel industry, has been stripped of its legal status and its leaders subjected to numerous trumped-up charges for supposedly causing workers unrest during the 2010 campaign by garment workers

for a decent minimum wage. During his previous arrest, police threatened to kill both Aminul and his wife.

National and international labour rights organizations are calling for an independent investigation and for further protective measures for BCWS staff.

For more information, see www.maquillasolidarity.org/currentcampaigns/Bangladesh