

# Maquila Solidarity update

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Despite more than 15 years of codes of conduct adopted by companies like adidas and Nike, "substantial violations of worker rights are still the norm for workers in the sportswear industry," says an April 2008 report written by MSN for the international Play Fair 2008 Campaign.

BASED ON INTERVIEWS WITH over 320 workers in China, India, Indonesia and Thailand, "Clearing the Hurdles: Steps to Improving Wages and Working Conditions in the Global Sportswear Industry" reveals that workers making products for major sportswear brands that spend millions on Olympic sponsorship deals still face extreme pressure to meet

production quotas, excessive, undocumented and unpaid overtime, verbal abuse, health and safety hazards, and grossly inadequate wages.

"Workers making the goods sold by brand leaders such as adidas, Asics, New Balance, Nike, and Puma are still earning poverty wages despite the fact that company profits are soaring into the



hundreds of millions, sometimes even billions of dollars," says Neil Kearney of the International Textile, Garment and Leather Workers' Federation, one of the organizations coordinating the Play Fair Campaign at the international level.

● see 'Report challenges ...' p.8

# Emergency laws used to repress workers in Bangladesh

**O**n January 24, Mehedi Hasan, a field investigator for the US-based monitoring organization, the Worker Rights Consortium (WRC), was arrested by the Bangladesh security forces. Hasan was held virtually incommunicado and was not permitted to communicate meaningfully with his lawyer, his family or his employer.

On January 30, the Magistrate Court remanded him for an additional three days of interrogation, with further detention a very real possibility. Hasan was being held as a suspect in a case relating to worker demonstrations and unrest which occurred in Dhaka earlier that month. According to the WRC, he was not involved in any way in the unrest.

The case was filed under the Emergency Powers Rules (EMR) implemented by the military-backed "caretaker government" in January 2007. They contain sweeping prohibitions on civil liberties, including freedom of association, assembly and expression.

Hasan was freed on February 3. According to the WRC, pressure from foreign governments, buyers, and NGOs both in Bangladesh and around the world secured his release.

The WRC has expressed its hope that the energy mobilized on Mr. Hasan's behalf will be maintained and directed toward the broader goal of protecting labor rights advo-



Bangladeshi police attack journalist

Photo: Durdesh.net

cates and worker representatives throughout Bangladesh.

According to the European Clean Clothes Campaign (CCC), in recent months the Emergency Powers Rules "have been used to repress protests by garment workers over the poor and hazardous [working] conditions, low wages and long hours endemic throughout the garment, textile and sportswear industries."

Hundreds of workers and labour rights advocates have been charged under emergency laws that prohibit marches, meetings and assemblies, industrial action and trade union activity (including distribution of

information on trade union activity). "Many of those charged have been forced into hiding; several have been held in custody for between one day and two weeks and at least four remain in prison awaiting trial," says the CCC.

The CCC is urging people to write letters to the government of Bangladesh calling on it to do the following:

- stop all repression of workers, trade unions, research-

ers, worker rights activists and policy advocates;

- drop the false charges levied against labour rights defenders for carrying out their legitimate duties;

- enter into genuine and constructive dialogue with union representatives and

labour rights defenders to develop sound industrial relations;

- repeal emergency laws banning freedom of association and trade union activity; and

- implement the tripartite agreement signed on June 12, 2006 by the government, owners and workers' organisations detailing some

of the fundamental rights of workers, including freedom of association. ■



Mehedi Hasan

To send a letter, go to: [www.cleanclothes.org/urgent/08-02-05.htm#action](http://www.cleanclothes.org/urgent/08-02-05.htm#action)

The *Maquila Solidarity Update* is published in English and Spanish by the Maquila Solidarity Network (MSN). MSN includes over 400 organizations and individuals across Canada. MSN is a labour and women's rights advocacy organization working to improve conditions in maquiladora factories and export processing zones worldwide. MSN acts as the secretariat for Canada's Ethical Trading Action Group (ETAG).

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[www.maquilasolidarity.org](http://www.maquilasolidarity.org)

# Investigation for Catholic School Boards uncovers abuses in Chinese sock factory

For years, Catholic students in Ontario had been asking questions about where and under what conditions their school uniforms were being made. A new report on the findings of a factory investigation conducted by the Worker Rights Consortium (WRC) in January 2008 has confirmed their worst fears.

**T**he investigation into working conditions at the Lianglong Socks factory in Zhuji City, China, which produces socks for

Canadian uniform supplier RJ McCarthy, found serious violations of Chinese labour law, Ontario Catholic school boards' fair labour policies, and RJ McCarthy's own code of conduct, including:

- near or below freezing temperatures in the unheated factory and dormitories;
- forced, excessive and unpaid overtime;
- withholding a substantial portion of workers' monthly pay for up to a year;
- failure to pay all workers the legal minimum wage;
- dirty, hazardous and unsafe conditions in the dormitories, bathrooms and factory; and
- failure to provide legally mandated benefits, such as workers' compensation, social security, disability insurance, and maternity benefits.

The WRC investigation also found that factory management falsified payroll, time and other employee records and coached workers to lie to inspectors about working conditions.

"It's outrageous that our socks are being made under such terrible condi-



tions," says Natasha Vaz, a Grade 12 student at Cardinal Newman Secondary School in Toronto. "The campaign against sweatshops is close to our hearts and

consistent with all the values we are taught in school. It's extremely hypocritical for our school apparel to be produced under such cruel conditions."

According to the WRC, RJ McCarthy has promised to "provide factory management with a letter asking for concrete commitments, with clear deadlines, with respect to each

area where corrective action is needed." RJ McCarthy has also pledged to revise its

monitoring approach to include a thorough review of factory records, which it hadn't done in the past.

"School boards have taken a big step in uncovering these abuses," says Lori Ryan, Chair of the Ontario Catholic No Sweat Network (OCNSN). "This report must be a catalyst for change. The factory conditions must improve, and the supplier held accountable."

The investigation was the second conducted by WRC on behalf of nine Ontario Catholic school boards. The first focused on a factory in the Dominican Republic producing for another Canadian uniform supplier, Halpern's. That investigation also found worker rights violations, including unpaid wages and unhealthy drinking

water. According to the WRC, Halpern's and factory management agreed to work to remedy the violations. The promised corrective action remains to be verified.

To date, twelve Ontario Catholic school boards have adopted no-sweat purchasing policies, and nine of those boards are currently collaborating on the joint factory monitoring pilot project in which the WRC acts as the independent monitor. ■

**Read the WRC report:**  
[www.workersrights.org/Freports/Lianglong.asp](http://www.workersrights.org/Freports/Lianglong.asp)

**Read about the Halpern's report:**  
[www.workersrights.org/Freports/TandM.asp](http://www.workersrights.org/Freports/TandM.asp)



# ▶ Setting t

**T**O SERIOUSLY ADDRESS THE LACK OF FREEDOM OF association and the right to bargain collectively, precarious employment, and the impacts of factory closures, and to raise incomes to a level that meets workers' basic needs, sportswear companies will need to take a series of concrete, measurable actions in close collaboration with multi-stakeholder initiatives, trade unions, non-governmental organizations, and governments.

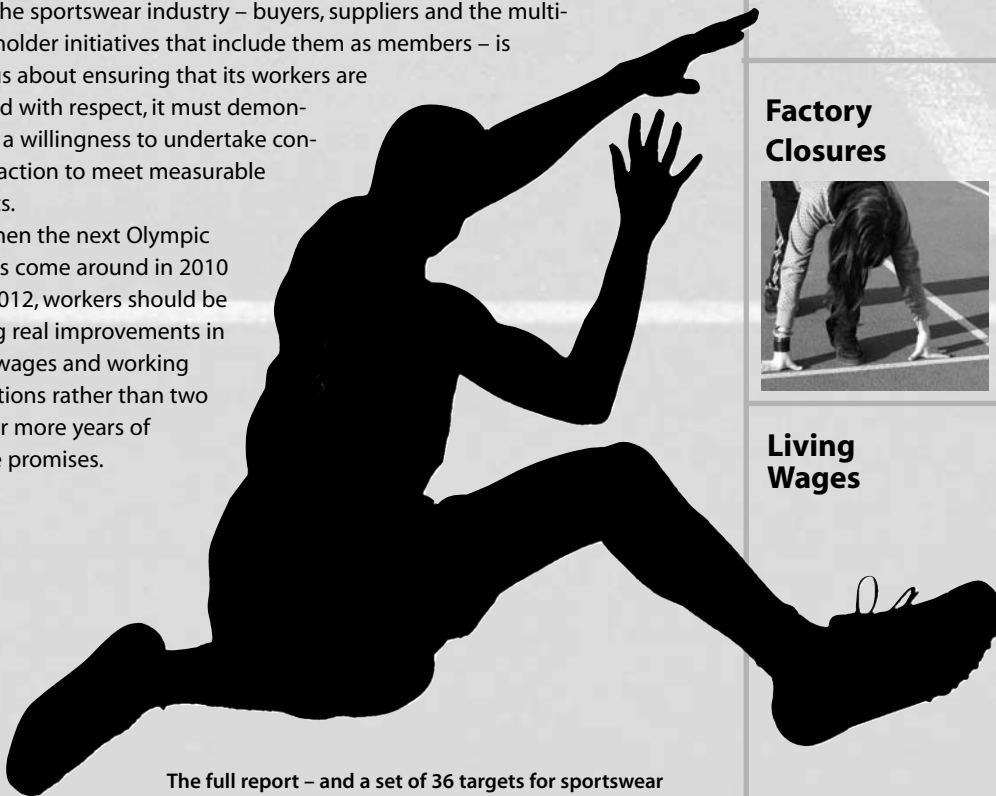
This is a small sample of the actions and targets set out in the Play Fair 2008 report *Clearing the Hurdles: Steps to Improving Wages and Working Conditions in the Global Sportswear Industry*. (See article on page 1.)

## The Challenge

Four years ago, Play Fair asked the industry to take up the challenge of making substantial improvements in labour standards compliance by the Beijing Olympics. With the Beijing Games just months away, progress has been limited at best.

If the sportswear industry – buyers, suppliers and the multi-stakeholder initiatives that include them as members – is serious about ensuring that its workers are treated with respect, it must demonstrate a willingness to undertake concrete action to meet measurable targets.

When the next Olympic Games come around in 2010 and 2012, workers should be seeing real improvements in their wages and working conditions rather than two or four more years of vague promises.



The full report – and a set of 36 targets for sportswear brands, suppliers and multi-stakeholder initiatives to meet by the 2010 and 2012 Olympics – is available at:

[www.maquilasolidarity.org/clearinghurdles](http://www.maquilasolidarity.org/clearinghurdles)

### Freedom of Association and Collective Bargaining

**The goal:**  
To produce a positive climate for worker organizing in sportswear factories.



### Precarious Employment

**The goal:**  
To fight the increasing use of short-term contracts and precarious employment.

### Factory Closures

**The goal:**  
Limit the damage done by irresponsible (and often illegal) closures.



### Living Wages

**The goal:**  
Take serious steps to improve workers' wages in supply factories.



# Targets for workers' rights

► **The target:**

By Vancouver 2010, sportswear brands should require at least 30% of their suppliers to adopt a policy protecting workers' freedom of association. Suppliers should give workers a written "Right to Organize Guarantee." By London 2012, 100% of their suppliers should be making this commitment to their workers.

**Who's doing it?**

Russell Athletic provided such a guarantee at their Jerzees Choloma factory in Honduras – and has promised to do the same worldwide.

► **The target:**

By Vancouver 2010, sportswear brands and retailers should provide extra incentives to factories that have a Collective Bargaining Agreement (CBA) with an independent trade union. Such incentives could include: more orders; long-term, stable supply contracts; and paying higher prices.

**Who's doing it?**

So far, none of the sportswear brands have been willing to take this step.

► **The target:**

Sportswear suppliers must ensure that, by Vancouver 2010, at least 95% of workers engaged in the company's core business are on permanent rather than temporary contracts.



**Who's doing it?**

Adidas says it "actively discourage[s] the use of temporary or contract labour in the supply chain." At the PCCS Garment factory in Cambodia, for example, a dramatic rise in use of short-term contract labour was reversed by factory management working with adidas and the Worker Rights Consortium in 2007.

► **The target:**

By Vancouver 2010, buyers should report publicly on their company's factory exit policies, including how it chooses new suppliers, how it takes good labour practices into account when choosing suppliers, and how it manages the impacts of leaving a factory.

**Who's doing it?**

Nike describes its factory exit decision plan in its latest Corporate Responsibility report, giving some information on the process it enters into when it decides to exit a factory. That process includes an assessment of whether factory management is "meeting obligations to workers" as well as the monitoring of the outcomes. Although this is likely not Nike's entire factory exit policy, it is more information than most other brands are currently sharing with the public.

► **The target:**

By Vancouver 2010, sportswear buyers should undertake an independent review of prices paid to suppliers to determine whether the prices are sufficient to comply with international labour standards and pay a wage that meets workers' basic needs.

**Who's doing it?**

The Ethical Trading Initiative is planning to embark on a pilot project to determine how to achieve a living wage in Bangladeshi factories that make products for its member companies. Among other factors, the pilot project will look at the question of whether prices are sufficient to allow for payment of a living wage.

► **The target:**

Sportswear buyers should commit to the attainment of a living wage in at least 25% of their supply factories by London 2012. The Play Fair report sets out a number of meaningful, practical steps that can be taken to reach this target.

**Who's doing it?**

Buyers have been reluctant to commit to any plan or target to achieve living wages.

# Vaqueros Navarra struggle continues

**W**orkers at the Vaqueros Navarra jean factory in Tehuacan, Mexico are continuing to fight for just severance pay and an end to blacklisting against supporters of their independent union.

On November 23, the workers made history by rejecting an "official" union supported by their employer and voting to be represented by the independent September 19 Union.

On January 23, the factory owners retaliated by closing the factory after the holiday break, claiming a lack of orders.

However, MSN has learned that Gap Inc. and two other brands had attempted to place orders with the factory, but their offers were rejected by their vendor.

Since the closure, workers have staged a series of protests demanding employment or 100% severance pay.

Their union was successful in negotiating a severance package, the value of which was slightly more than their legal entitlement. However, the agreement provided that 20% of that amount was to be paid



Martin Barrios and VN worker celebrate vote for an independent union

in machinery.

According to the union, Grupo Navarra is now attempting to cheat its mem-

bers out of the severance negotiated by dumping old, worn out machinery on the workers and grossly overestimating its value.

The union has hired an accredited valuator whose report has been submitted to the employer and the local labour authorities. The workers are now awaiting their response.

Meanwhile, the Worker Rights Consortium (WRC) is carrying out an independent investigation into the workers' allegations that September 19 supporters are being discriminated against in hirings at other Grupo Navarra factories. ■

# No Sweat victory at York University

**A**fter years of student campaigning, on March 8, York University finally agreed to adopt a No Sweat licensing policy for university-branded products.

The move came after a 45-hour sit-in staged outside university president Mamdouh Shoukri's office by members of the Sustainable Purchasing Coalition (SPC), a student group that has been lobbying for fair labour standards in York's licensing and purchasing policies for the past three years.

"We are exhausted but overjoyed," said Besmira Alikaj, a student who participated in the sit-in. "This is the commitment we were looking for, and it's great to hear it



York university students stage a sit-in to push for a No Sweat policy

after all the work that we've put into this effort."

The policy will be at least as progressive as those adopt-

ed by the University of Toronto and other Canadian universities, promised York president Shoukri. "If other

universities have had this policy and withstood the test of time, I don't see why we can't do it too."

York University is the third largest university in Canada. The policy, which has since been posted on the University's website, brings the number of Canadian Universities with No Sweat policies to 17. ■

For a list of Canadian universities with No Sweat policies, visit: [www.maquilasolidarity.org/node/517](http://www.maquilasolidarity.org/node/517)



Bloc Québécois leader Gilles Duceppe joins Golden Brand protest

## Suit workers fight factory closure

WORKERS AT THE GOLDEN BRAND SUIT FACTORY IN MONTREAL have launched a North American-wide campaign to stop Moores and its US parent company Men's Wearhouse from shutting down their factory and eliminating 540 good jobs.

The unionized workers, represented by UNITE HERE, are calling on Moores and Men's Wearhouse customers in Canada and the US to tell CEO George Zimmer that their jobs matter and to keep their factory open.

They are also urging customers who are renting wedding or graduation apparel to not rent from Men's Wearhouse, MW Tux or Moores. ■

To support the Golden Brand workers, go to: [www.ourjobsmatter.org](http://www.ourjobsmatter.org)

MSN Codes Memo #23

## Who's got the Universal Code?

*WHO'S GOT THE UNIVERSAL CODE?* examines attempts by multi-stakeholder initiatives and industry associations to develop and promote a "universal" code of conduct that would be applicable to one or more sectors in the

globalized economy. It compares and contrasts key provisions on minimum labour standards in these competing "universal codes" and identifies critical issues that are blocking agreement on a common code. ■

Read Codes Memo #23: [www.maquilasolidarity.org/en/node/782](http://www.maquilasolidarity.org/en/node/782)

## Cambodian strike in fifth month

AFTER SEEKING GOVERNMENT intervention and exhausting every possible avenue to convince management to meet with them, the Garment Workers' Democratic Union at the Kings Land Garment Company in Cambodia went on strike on January 11.

The strikers are demanding that Kings Land recognize their union, discuss labour rights violations and reinstate 19 union activists who have been illegally dismissed since the union was formed in July 2007.

Despite the direct intervention of the International Labour Organization, the

International Textile, Garment and Leather Workers' Federation, and international buyers, the employer has so far failed to reach a settlement with the union.

MSN, along with the Clean Clothes Campaign and the International Labor Rights Forum, has been pressuring Wal-Mart and other U.S. buyers, including SaraMax and Allura Importers, to seek a resolution of the outstanding issues.

The primary obstacle to settlement is factory management's refusal to reinstate the illegally dismissed union leaders. ■

To support the Kings Land workers, visit: [www.maquilasolidarity.org/en/node/773](http://www.maquilasolidarity.org/en/node/773)



First Nation leaders sentenced to six months in jail

## First Nation leaders jailed

ON MARCH 17, AN ONTARIO Superior Court judge sentenced the Chief and four Councilors of the Kitchenuhmaykoosib Inninuwug (KI) First Nation to six months in jail for peacefully defying a court order allowing a mining exploration company to drill for minerals on their traditional lands in Northern Ontario.

The KI First Nation fears that mining activity will jeopardize hunting and burial

grounds and argues that Ontario awarded mining permits without consulting and accommodating them, a violation of aboriginal rights that have been upheld in recent Supreme Court rulings.

MSN has a long-standing relationship with the leaders of KI First Nation, who have lent support to MSN's campaigns over the years. ■

For more information, visit: [www.freeki6.ca/](http://www.freeki6.ca/)

# Report challenges sportswear industry

● continued from page 1

## Profiling an Asian Transnational

The report profiles the increasingly important role of Asian-based transnational sportswear manufacturers like Yue Yuen that share responsibility for persistent workers rights violations, but also have the potential to work with the brands to make sustainable improvements.

"I am exhausted to death now," says a worker at a Yue Yuen-owned factory producing for New Balance in China. "Two of us have to glue 120 pairs of shoes every hour.... We are working without rest and are always afraid of not working fast enough to supply shoes to the next production line.... We are tired and dirty."

According to the report, Yue Yuen is a little

known, but highly profitable Hong Kong-based manufacturer that produces one-sixth of the world's sports shoes and counts brands such as adidas, Nike and New Balance among its most important customers.

The report also sheds light on the conditions of workers stitching soccer balls in Thailand, India and China. At the Joyful Long factory in China, which supplies adidas, Nike, Umbro and Fila, overtime can reach 232 hours per month while average wages are 54% of the legal minimum.

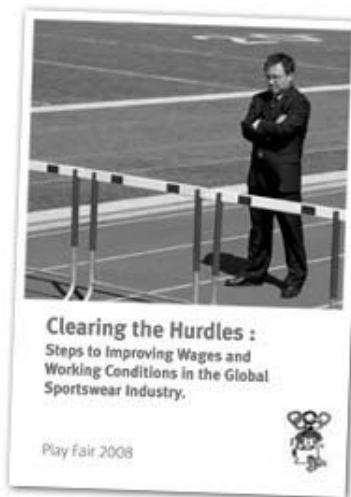
"For years, key sportswear brands have argued that they can't raise wages singlehandedly, but we believe that col-

lectively they can," says Jeroen Merk of the Clean Clothes Campaign (CCC), another organization coordinating the international Play Fair Campaign. "These companies control the sportswear and sports shoe markets; by acting together and really leading the sector on wages and other key issues, an end to the misery these workers endure is possible."

### Four hurdles to clear

The report identifies four hurdles the sportswear industry must overcome if real progress is to be made on other issues in the future. These include:

- Lack of respect for freedom of association and the right to bargain collectively;
- Insecurity of employment caused by industry restructuring;
- Abuse of short-term labour contracting and other forms of precarious employment; and
- Lack of action to ensure that workers' wages are sufficient to meet basic needs.



## Setting Olympic targets

The report concludes with a series of recommendations and targets for improvements in wages and working conditions by the

2010 Vancouver and 2012 London Olympic Games. ■

## VANOC Buy Smart Policy

THE VANCOUVER ORGANIZING Committee for the 2010 Olympic and Paralympic Games (VANOC) has adopted a Buy Smart Policy for companies licensed to supply uniforms and sell Olympic-branded products in the Canadian market.

The policy, which does not apply to Olympic sponsors, includes a code of conduct that meets most international standards of the ILO and UN. However, since the policy does not require licensees to publicly disclose factory locations or audit reports and does not include a complaint process, there is little assurance that the Olympic-branded products were made under decent conditions.

Recent newspaper reports reveal that 90% of the Hudson's Bay Company's Olympic-branded sportswear sold in retail stores across Canada is made in China, where wage and hours of work violations are the norm and freedom of association is severely restricted. ■

Catch the Flame:

## Torch relay highlights Play Fair campaign

BETWEEN MARCH 20 to MAY 1, OVER 10,000 virtual torchbearers participated in the Play Fair 2008 Catch the Flame online and over-the-air campaign for decent working conditions in factories making Olympic-branded products.

Starting in the Netherlands Olympic stadium and destined for Beijing, the torch passed through Canada the week of April 14. Over 400 Canadians received and passed the torch that week, thanks to help from CAW, CLC, CISO, USAS Canada, Labourstart, Activist Notes, and individual torchbearers. ■

