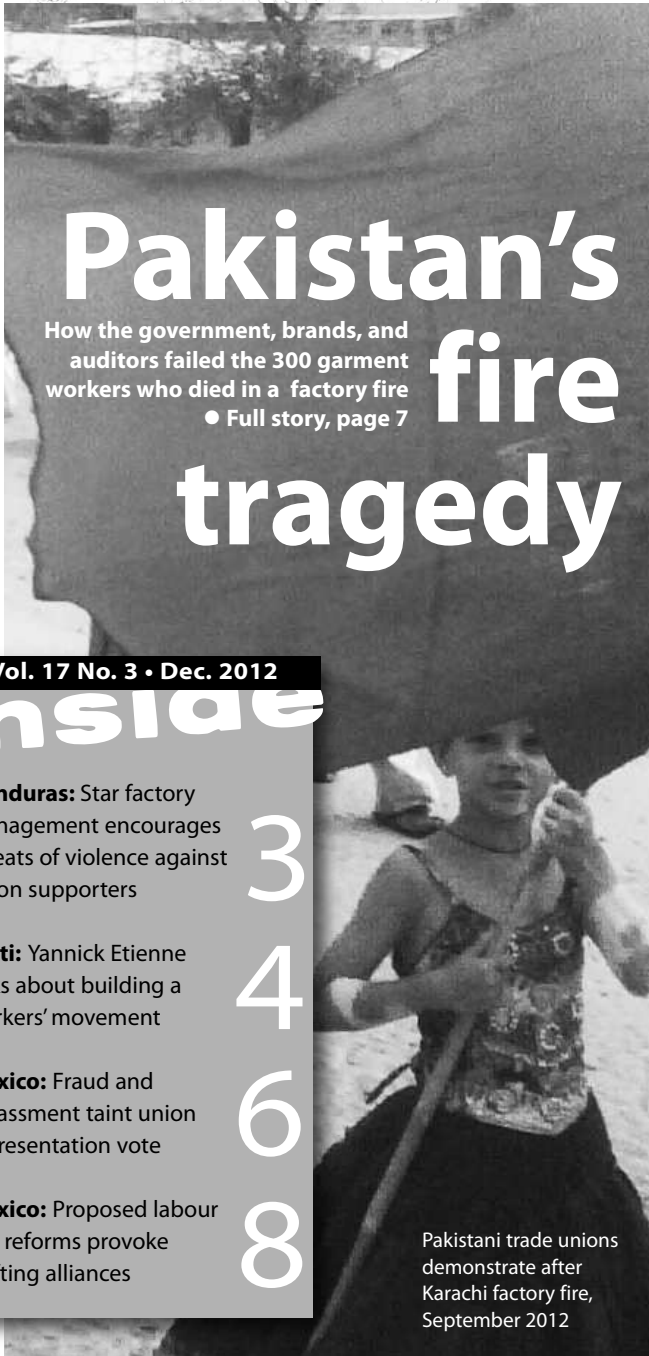


Maquila Solidarity update



Pakistan's fire tragedy

How the government, brands, and auditors failed the 300 garment workers who died in a factory fire
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Gap pulls out of Bangladesh fire safety program

ON OCTOBER 2, AFTER OVER A YEAR OF DISCUSSIONS with trade union and labour rights organizations, Gap Inc. announced that it is refusing to participate in a groundbreaking fire safety program for the garment industry in Bangladesh.

FACTORY FIRES HAVE killed over 600 Bangladeshi garment workers since 2006, including in factories producing for Gap. In December 2010, 29 workers died in a fire at the That's It Sportswear factory in Dhaka, which was producing clothes for Gap, PVH (owner of the Tommy Hilfiger and Calvin Klein brands), and other major workers jumped to their deaths from upper floors of the factory because exit doors were locked.

On March 21, 2012, PVH signed an historic agreement with seven Bangladeshi unions and NGOs, the Global Union for garment workers,

the Clean Clothes Campaign (CCC), the International Labor Rights Forum (ILRF), the Worker Rights Consortium (WRC), and MSN to establish a comprehensive two-year fire safety program.

The program will include building inspections by independent, trained fire safety

experts, public reporting of the results of all inspections, work-

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This is just another version of Gap saying, 'just trust us'

JUDY GEARHART, ILRF

In this issue of the *Update*, we highlight an announcement by Gap Inc. that it has pulled out of discussions with trade unions and NGOs about joining a comprehensive fire safety program in Bangladesh, where hundreds of garment workers have died in factory fires.



Lynda Yanz

Gap's decision was particularly disappointing because of the relatively constructive relationship MSN and other labour rights organizations have developed with the company over the past decade.

That decision has forced us to move from constructive engagement to campaigning on the fire safety issue while continuing to dialogue with the company on other issues.

In this issue we also profile a volatile situation – harassment and threats of violence against union supporters – at the Star factory in Honduras that was recently purchased by Canadian T-shirt manufacturer Gildan Activewear. (See article on p. 3)

The factory was formerly owned by Anvil Knitwear, which must also share responsibility for the situation.

MSN has had a long, sometimes stormy, sometimes cooperative, relationship with Gildan. It was almost 10 years ago that Gildan threatened legal action against MSN if we published a study documenting the impacts of 11-hour workdays and multiple firings of union supporters at a

Gildan factory in Honduras, a factory it later closed to avoid having to accept a union.

At that time, Gildan's response to negative research findings was to deny, deny, deny. So, what, if anything, has changed in ten years of campaigning and engagement with Gildan?

On the negative side, the company seems unable to make fundamental changes in its management practices at the factory level. On the positive side, it usually accepts, rather than contests, the findings of independent investigations that document those abusive practices, and often pledges to take corrective action to eliminate them.

Meanwhile another T-shirt company in Honduras, Fruit of the Loom (owners of Russell Athletic), which has also had its share labour-management conflicts, has begun to develop a constructive working relationship with unions at two of its factories in that country, including negotiating a collective bargaining agreement at one of the factories that provides workers significant improvements in wages and working conditions.

In addition, Fruit of the Loom is cooperating with the CGT union federation and US labour rights expert Lance Compa on a training program on freedom of association for workers at its other factories in Honduras.

These achievements, which will be profiled in a future issue of the *Update*, did not come easy. It took a lengthy campaign (in 2008 and 2009) in the US and Canada, in which over 100 universities cut off or threatened to cut off lucrative licensing agreements with Russell, to achieve these commitments from the company.

For companies like Gap and Gildan that have a longer history of engaging with labour rights groups, public campaigning shouldn't still be necessary to make them do the right thing. But if constructive engagement isn't achieving concrete results, companies need to be reminded that labour rights organizations are prepared to mobilize public pressure – which is what motivated them to engage in the first place. ■

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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ABOVE: Members of the union at Gildan's Star factory

Honduras Star management encourages threats of violence against union supporters

WHEN CANADIAN T-shirt manufacturer Gildan Activewear purchased Anvil Knitwear in May 2012, workers at Anvil's unionized Star factory in El Progreso, Honduras were understandably worried about their job security.

After all, Gildan was the same company that had

closed a wholly-owned factory in El Progreso eight years earlier in order to avoid having to accept and negotiate with a union.

According to a just-released investigative report by the Worker Rights Consortium (WRC), both Anvil and Gildan have not only failed to ease the fears of the Star workers, but some man-

agement personnel have actively encouraged non-union employees to spread rumours of an imminent closure and to blame the union for the threatened loss of employment.

The WRC investigation also found that "Star managers have failed to take any action against employees who have repeatedly harassed and sought to intimidate leaders and members of the factory's union, including making threats of violence, and that Star managers have actively colluded with these employees in their anti-union actions."

Threats of violence are not taken lightly in northern Honduras, whose principal city, San Pedro Sula, has the highest murder rate in the world.

The WRC investigation also found that "Star management has failed to provide accurate, timely information to the union about changes at the factory that impact on workers, in violation of its contractual and legal obligations."

According to the WRC, management's unwillingness to inform and consult with the union about changes being made in the workplace since Gildan's purchase of the factory has further undermined the credibility of the union with the workers.

Gildan has responded in writing to the WRC report and recommendations, stating that it "is not aware of any evidence" that the anti-union threats and harassment were reported to management. However, Gildan does acknowledge that the Human Resources Manager and another employee who were

allegedly involved in the anti-union activities are no longer working for the company.

Gildan has promised to implement a number of the WRC's recommendations for corrective action, including communicating to the workers that it will continue to operate the Star facility and that it respects freedom of association and will deal with the union in good faith and in a constructive manner.

The company has also committed to address allegations of anti-union harassment and take necessary disciplinary measures where appropriate, and to respect provisions of the collective bargaining agreement, including the provision regarding proper notification of the union when changes are to be made in the factory. ■

Will Gildan meet with union alliance?

A new alliance of four unions operating in Gildan factories in the Dominican Republic, Nicaragua, Honduras and Haiti has requested a joint meeting with their employer to discuss common problems and Gildan's commitment to maintain production in those factories. Although Gildan initially indicated its willingness to attend a joint meeting, it has since reversed that decision, insisting that because of differences in the labour laws in each country it would be more productive to meet with the unions individually. ■

We had to build a workers' movement

An interview with Yannick Etienne

Yannick Etienne is an organizer for the **May First Union Federation** and a member of the Haitian social movement **Batay Ouvriye**. MSN had the opportunity to speak with Yannick in Washington DC in October.

I FIRST GOT INVOLVED IN the workers' movement after the fall of the Duvalier dictatorship in 1986 when I was working with a health centre and I met a child who had been badly burned all over his body.

I went to visit the boy's mother, and I found out that she was working in a factory and didn't have any place to leave her child. So she had left her son alone in their house where he was playing with fire and got burned.

We talked about her situation and the need for a child care centre in the community. And she said, "Maybe you should come and talk to the other workers from the factory."

Later I got a job in one of the maquila factories, but I didn't last more than two weeks; I was too outspoken. That factory has long since closed, but I got into organizing more and more, and we decided that we had to have a union and build a workers' movement.

And then the 1991 coup

happened, Aristide had to leave the country, and we had to go underground.

Birth of Batay Ouvriye

As the economic embargo against the military government got stronger, companies were leaving Haiti and they were not paying severance to the workers. So even though we were underground, we had to go public to denounce this situation and get a lawyer to represent the workers.

That's how Batay Ouvriye started. We were still working more or less underground, but we were also organizing, and in order for workers to understand that it was the same organization doing work in different factories, we put the words "Batay Ouvriye," which means "workers' struggle", on all the leaflets.

In about 1995, we started building unions under the name Batay Ouvriye. Our first union organizing victory was in 2006 at CODEVI, a Grupo M factory in a free trade zone on the border with the Dominican Republic. The fact

that the IFC [International Finance Corporation of the World Bank] has a worker rights clause [in its loan agreements with Grupo M] helped us to pressure CODEVI to accept the union.

This is a union with a very important story – it's the union with the first collective bargaining agreement in history in the free trade zone. It also used an instrument that no other union in Haiti had used successfully – leveraging international solidarity. This history is something you have to keep alive and pass along to next generations.

Attacks on SOTA

Now we have a new union in Port-au-Prince – Sendika Ouvriye Takstil ak Abiman (SOTA) [Union of Textile and Clothing Workers] – a legally recognized union for the whole maquila sector, with chapters in various factories. It's been in existence for over a year now, and we've made some important steps in getting it established in different workplaces.

When the Minister of

Labour signed the paper recognizing the union, we immediately had a press conference with people from other unions in Haiti and the Dominican Republic, as well as the AFL-CIO Solidarity Center, the ITUC, a human rights organization, an outspoken lawyer – so that the media attention would prevent the factory owners from taking action against us. But they fired the leaders anyway.

That almost killed SOTA; it was decapitated. Other members said, "Wow, you know I'm alone in my factory. If this is what happened to the executive committee... I'm just a member, I'm not protected at all." So we had to put all our energies into the fight for their reinstatement. We had experience from other campaigns – Disney, Levi's, and the free trade zone (Codevi) – so the employers knew that we had support internationally.

The ILO Better Work project also helped. When the people got fired, we called the Ministry of Labour, and they

did a really shoddy investigation. They basically supported the factory owners. But when a Better Work report came out that said yes, there were [freedom of association] violations, that was important for us.

The SOTA chapters really started growing after the union leaders were reinstated. Now we have union chapters in 11 factories, but we still have a long way to go, since there are about 26 factories in Port-au-Prince.

Haiti's minimum wage fight

A major problem we're facing right now is getting the employers to pay the legal minimum wage. For example, on October 1 the minimum wage for eight hours work was adjusted from 250 to 300 gourdes (~US\$6.00-\$7.00).

The law says that production quotas have to be set at a level that allows workers to earn at least 300 gourdes for eight hours work, but some employers set the quota at a level that a worker can never make more than 300, and others set the quotas so high that it would take you two days to reach them.

As a result, workers go to work early and work late or they spend less time in the break period in order to reach the quota. So, they are working more than eight hours for eight hours pay.

In different factories workers are raising their voices about this abuse; we've had work stoppages in a number of workplaces. So the owners of course reacted; they have fired the workers who protested or suspended them for up to 10 days. Can you imagine? The salaries are already low and the workers are already in debt, so missing five or 10 days pay is impossible.

A breakthrough

The coming of SOTA was a breakthrough for freedom of association in Haiti. In the first two or three Better Work reports, they said there were no violations of freedom of association because there was no union. Our response was, 'No, it's just the opposite – we don't have unions because freedom of association is not respected.'

So, when SOTA arrived and its leaders were fired there was proof that there was no freedom of association. SOTA opened up the issue. And now we have a table of social dialogue convened every month by Better Work in which the factory owners and the worker representative organizations come together to discuss issues.

This is a breakthrough, and if we didn't have SOTA, we wouldn't have come so far. ■



Acuña, Mexico

Fraud and harassment taint union representation vote

The Mexican National Miners' Union (*Los Mineros*) is challenging the results of a union representation election at the Finnish-owned PKC auto parts factory in Ciudad Acuña, Mexico.

ACCORDING TO THE official count, *Los Mineros* narrowly lost the vote – 2,311 to 2,509 – to a “protection union” affiliated with the Confederation of Mexican Workers (CTM) that was supported by the employer.

“If the process had been transparent and legal, *Los Mineros* would have won without a doubt,” says Julia Quiñonez of the Border Workers’ Committee (CFO), which has been providing advice and support to the PKC workers.

She points to a number of anomalies on the day of the election, including the company listing approximately 2,000 workers “inactive,” allowing ineligible employees (engineers, administrative staff, supervisors) to vote, not allowing votes to be counted openly, and denying the union committees the right to review voters’ credentials.

She also notes that the employer had rehired a number of workers two weeks to a month prior to the election in order to have their votes included. Now that the election is over, those workers are no longer employed by the company.

In addition these examples of blatant election-day



PKC workers rally to support the union of their choice.

fraud, in the months leading up to the vote, PKC management was actively and openly favouring the CTM and harassing and threatening *Los Mineros* supporters.

According to *Los Mineros*, CTM delegates were given free reign of the factory and allowed to hold captive-audience meetings with the workers, while representatives of their independent union were denied entry.

The employer openly expressed its support for the CTM, telling the workers that they should vote for the “official union” for their own good and for the good of the com-

pany. There were constant threats that the factory would close and workers would lose their jobs if *Los Mineros* won the vote, threats that were repeated in all the local media.

PKC’s lack of respect for freedom of association was confirmed in a Finnish television exposé in which its CEO Harri Soutari admitted that the CTM “probably is not a real trade union in the Finnish or European sense... but the employer can protect himself this way and it has been done.”

In response to the media exposé and to shareholder protests, PKC put out a press release explaining that

the workers. Those who voted for the CTM did so because they were afraid that the company would close down; they were victims of the company’s intimidation.”

Despite the fraudulent vote results, the union feels significant progress was made toward winning an independent union. In an Opinion piece in *La Jornada*, *Los Mineros* leader Napoleon Gomez Urrutia commented, “The workers have in no way been defeated. They are on the road to achieving dignity and union autonomy and eventually will be able to reverse these unfavourable results.” ■

“Mexican law allows unions to register as the employees’ representative irrespective of the will of the employees...”

According to Quiñonez, “people did not vote for the CTM because they supported that union – the CTM has done nothing to help



ABOVE: Pakistani unions rally after factory fire claims the lives of more than 300 workers

Pakistan tragedy

THE DEATH OF MORE THAN 300 GARMENT WORKERS IN A September 11 factory fire in Karachi, Pakistan has exposed the total failure of the provincial Ministry of Labour, the major buyer sourcing from the factory, and a US-based multi-stakeholder initiative to ensure respect for the country's health and safety laws.

Preliminary reports suggest that the owners of the Ali Enterprises, some of whom have since been arrested, were guilty of criminal negligence. Blocked staircases, locked doors and the lack of emergency exits prevented workers from escaping the burning building. As a result, many died of smoke inhalation; others suffered serious injuries when they jumped from upper-story windows.

Failure of international buyers

Equally responsible for the tragedy was the German dis-

count chain, KiK (Customer is King in German), whose jeans were made at the factory. Although the company claims that extensive auditing has been done at the factory since 2006, newspaper reports suggest that numerous health and safety hazards, including unsafe electrical systems and poorly lit emergency exits were well known, yet KiK appears to have done little or nothing to eliminate these hazards.

To date, KiK has offered to pay US\$500,000 in compensation to some of the victims'

families. According to the Clean Clothes Campaign (CCC), a contribution of at least \$26 million will be needed to fully compensate all the families of the dead workers.

The lack of employment contracts and the failure of the employer to register workers with the Social Security Institute or other government programs are making it more difficult, however, to identify all of the victims. Only 190 of the factory's 1,500 workers were legally registered with the country's social security system.

Failure of auditing organizations

In light of these violations, the fact that the factory was certified in August 2012 by Social Accountability International (SAI) as meeting international labour standards has also raised serious questions about the effectiveness

of SAI's monitoring and certification program.

Although the SAI-accredited European auditing organization that granted the factory its SA8000 certification has reportedly suspended its SA8000 certification activities in Pakistan, SAI has refused to release the audit reports or a list of the companies sourcing from the factory, citing confidentiality agreements.

MSN is joining with other international and Pakistani labour rights and trade union organizations in calling on KiK and other buyers to ensure that the victims of the fire and their families are fully compensated, that workers who survived the fire are paid their wages during the time of the closure, and that credible measures are taken to prevent similar tragedies in the future. ■



GAP pulls out

● continued from page 1

er-led health and safety committees in all factories and union access to conduct health and safety training, and a commitment by buyers to ensure prices to suppliers sufficient to make workplaces healthy and safe. The agreement is a binding contract between the brands and worker representatives to make these commitments enforceable.

The program will go into effect once a total of four companies have signed on to the agreement. In September, Tchibo, the Germany retailer of coffee, clothing and other consumer products, became the second international company to join the program.

Gap would have been the third company. Instead it decided to set up a separate program, accountable to no one – least of all worker representatives.

“This is the same self-regulatory approach that Gap utilized when its monitors repeatedly gave a clean bill of health to That’s It

Sportswear,” says Scott Nova of the WRC.

Nova dismisses the Gap approach as “factory monitoring controlled entirely by the brand, with no transparency, no role for workers or their trade unions, no commitment to pay prices to suppliers that make it possible to operate responsibly, in fact, no binding commitments of any kind.”

“This is just another version of Gap saying, ‘just trust us; we care about our workers,’” says Judy Gearhart, Executive Director of ILRF. “We need Gap to move beyond this approach and sign a binding agreement to really help end these tragic and totally preventable factory deaths.”

The coalition of trade unions and labour rights groups is calling on Gap to reconsider its decision. It has launched an international campaign to convince Gap and other brands to work together with Bangladeshi unions on a comprehensive factory safety program that will protect the lives of the workers who make their products.” ■

Shifting alliances in the Mexican labour law debate

PROPOSED REFORMS TO MEXICO’S FEDERAL LABOUR LAW are provoking fierce debate, massive protests and shifting alliances among Mexico’s political parties.

If approved, the reform bill, introduced by outgoing president Felipe Calderon

of the PAN with the support of the incoming PRI government, would undermine workers’ rights and job security.

The reforms

would weaken workers’ seniority rights and allow employers to pay workers by the hour rather than by the day, which is the current requirement. They would also remove restrictions on labour outsourcing, including subcontracting, and the use of third-party employment agencies.

In addition, back pay for workers who are unjustly fired would be limited to one year, thereby encouraging employers to drag out legal cases for unjust dismissal even longer than they currently do.

The PAN’s original version of the bill also included some positive reforms that would make Mexico’s unions more transparent and accountable to workers, including requirements that union officials be elected by secret ballot, workers have a chance to vote on collective bargaining agree-

ments before they are signed, and that those agreements be made public.

However, these democratic reforms were stripped from the bill during the debate in Congress in order to win the support of the PRI and the “official unions” affili-



Incoming President Enrique Peña Nieto

ated with that party.

The revised bill was quickly passed in Mexico’s Chamber of Deputies where the PRI has a majority. However, things got interesting when it was debated in the Senate, where an alliance of the right-wing PAN and three left-wing parties was successful in reintroducing the democratic reforms into the bill before it was approved.

Alliances shifted once again when the bill went back to the lower house where, in order to win passage of the anti-worker provisions of the bill, the PAN agreed to remove most of the articles promoting union democracy.

Meanwhile, an alliance of independent trade unions, civil society organizations, and even some official unions, continues to mobilize opposition to these regressive reforms. ■



Join the campaign:

To send a letter to Gap, go to <http://t.co/3oxLGBIk>