

# maquila network update

September, 2003 Vol. 8 No.3



## Gildan tries to suppress MSN/EMIH report

**The Montreal-based T-shirt manufacturer, Gildan Activewear, is attempting to discredit and suppress a report coauthored by MSN and the Honduran Independent Monitoring Team (EMIH).**

The case study, entitled *A Canadian Success Story? Gildan Activewear: T-shirts, Free Trade and Worker Rights*, reveals how trade agreements are reshaping Gildan's business strategy and production network, and documents the company's labour practices and working conditions in wholly owned and contract sewing facilities in Central America and Mexico.

On July 9, MSN received a letter from Gildan, threatening to take legal action if MSN continued to circulate the report or information contained in it. On July 14, Gildan sent copies of the letter to nearly all organizations that provide financial support for MSN's work.

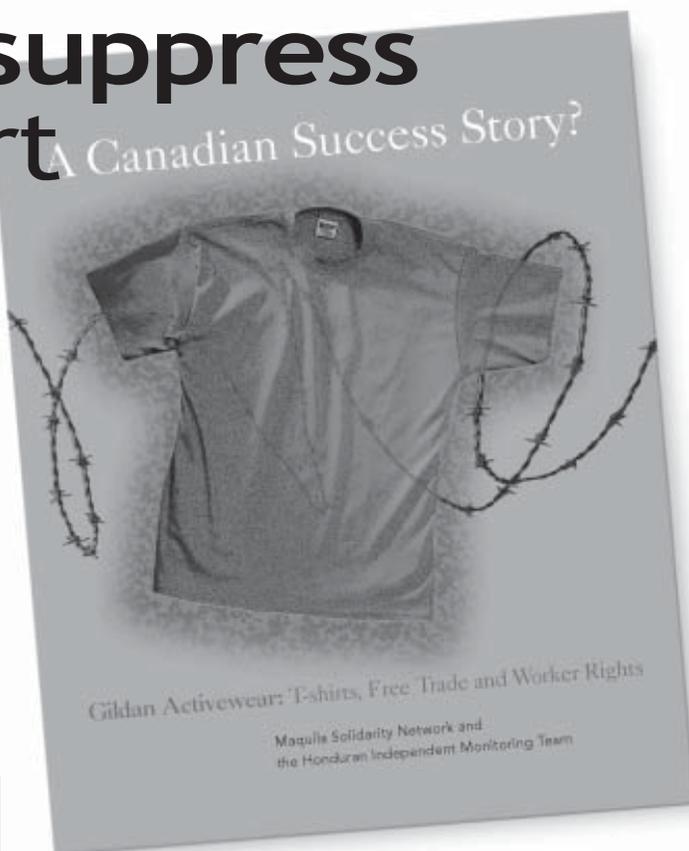
MSN has advised Gildan that we believe the report is credible, accurate and fair, and that we stand by its

findings and recommendations and will continue to distribute the publication.

Gildan has since posted a statement on the company's website, entitled "Gildan Unequivocally Refutes all MSN Allegations."

### What's in the report

Based on offsite interviews with workers at Gildan's wholly owned and subcontract facilities in Honduras, El Salvador and Mexico, the report documents mass firings of union members, health and child care issues related to the long hours of



work and the pace of production, inadequate wages and high production targets, and workers' concerns that pregnancy testing may be taking place.

It concludes with a series of recommendations to Gildan and its stakeholders to ensure respect for worker rights. (For a copy of the recommendations, visit: [www.maquilasolidarity.org](http://www.maquilasolidarity.org).)

EMIH, which carried out most of the worker interviews, is

a respected, non-profit independent monitoring organization that was initiated by the Honduran Jesuits and a local women's organization with a long history of support for women maquila workers' rights.

### What does MSN want?

MSN is calling on Gildan to cooperate with an independent investigation to determine whether the issues and problems documented in the

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# Guatemalan maquila workers win major victory

## maquila network update

is published quarterly in English and Spanish by the Maquila Solidarity Network (MSN). The MSN includes over 400 organizations and individuals across Canada. The MSN promotes solidarity between Canadian labour, women's and social movement groups and Mexican, Central American and Asian counterparts organizing to raise standards and improve conditions in maquiladora and export processing zones. The MSN acts as the secretariat for the Ethical Trading Action Group and is active in Stop Sweatshops campaigning.

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**O**n July 9, workers at two twin Guatemalan garment factories owned by the Korean manufacturer Choi & Shin achieved a precedent-setting victory when their unions and company management signed a first collective bargaining agreement. The agreement provides for wage increases in 2003 and 2004, improved access to health care services and day care facilities.

In addition, management also agreed to take a series of steps to improve the labour relations climate in the factories, including "re-contracting" fired union members, granting the unions the use of office space and bulletin boards on factory premises, hiring new supervisors, and allowing for third-party verification of the company's compliance with the agreements. To date sixteen fired union members have been re-contracted and are back at work.

The agreement was reached at a crucial moment when workers feared the factories would be shut down in order to get rid of the two unions, SITRACIMA and SITRACHOI, the only legally recognized unions in the country's maquila sector.

In the midst of negotiations for the US/Central America Free Trade Agreement (CAFTA), the Guatemalan government had threatened to deprive the company of its export license if it failed to

in CAFTA negotiations seemed to motivate the government to use the tools available to achieve a resolution to the long-standing dispute.

However, while the CAFTA negotiations and the govern-



*Choi & Shin workers sign up for union.*

negotiate a first collective agreement with the unions, reinstate unjustly fired union members, and gain agreement with the union on a plan to resolve problems in the factories.

While the Guatemalan government had done little to protect the Choi & Shin workers' rights in the past, and had failed to prosecute those responsible for anti-union violence, the prospect of the case becoming an issue

ment's intervention provided an opportunity for the unions to negotiate with the employer, it was the courage and determination of SITRACIMA and SITRACHOI members and the support of their national and international allies that won the victory.

For the past two years, SITRACIMA and SITRACHOI members have stubbornly refused to abandon their struggle in the face of death

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# Thai Workers win settlement, no thanks to La Senza or Jacob

**On July 9, workers at the Gina Form Bra factory in Bangkok, Thailand won a huge victory in their long and difficult struggle against a union-busting employer.**

The workers achieved nearly all of their demands, including management's commitment to recognize and respect their union, comply with a court order to reinstate 38 union members fired more than a year ago, and end court proceedings seeking authorization to fire five union executive members.

Union and management also signed a new collective agreement, which provides a number of monetary benefits, including increases in living and food allowances.

The settlement was reached with the assistance of the Thai Minister of Labour and pressure from at least one of Gina's US brand-name buyers. Companies sourcing from the factory have included Gap, Victoria's Secret (The Limited), and Kmart, as well as two Canadian retailers, La Senza and Boutique Jacob.

However, as we go to print, the Gina workers' victory may be in jeopardy because buyers have not yet resumed placing orders with the

factory. Continuing pressure on buyers to return to the factory is essential to help secure the workers' victory.

According to Sean Ansett, Gap's Senior Manager for Global Partnerships, his



*Gina Form workers protest in Thailand*

company hopes to be in a position to place orders in the Gina factory within the next two months. However "a re-opening of the factory will most likely depend on the participation of most or all prior buyers," says Ansett.

## **Union busting campaign**

For more than two years, management at the Gina bra factory carried out an intense anti-union campaign, harassing and firing union supporters, blocking collective bargaining, and inviting a

corrupt, pro-company union into the factory in an attempt to undermine worker support for the Gina Relation Worker Union (GRWU).

## **International campaign key to victory**

The Gina Form victory is another example of a successful anti-sweatshop campaign in which local organizing efforts

were linked with coordinated, brand-focused actions in a number of countries around the world.

Letter-writing, store leafleting and creative protest actions were organized by

the Clean Clothes Campaign in Europe; Campaign for Labor Rights in the US; Labour Behind the Label, No Sweat and War on Want in the UK; the Transnational Information Exchange in Asia; and the MSN in Canada. As well, the Bangkok office of the AFL-CIO Solidarity Center played an important role in helping to coordinate international solidarity efforts, while UNITE and the US International Labor Rights Fund lobbied Gap and the Limited to take action.

At least as important was

the role of Thai labour rights organizations, such as the Centre for Labour Information, Services and Training, which provided advice and assistance to the union, as well as the Thai Labour Campaign, which also supported the workers' struggle. Hong Kong-based NGOs, Asia Monitor Resource Centre and the Christian Industrial Committee, also played a key role in lobbying Gina Form's parent company as well as brand-name buyers sourcing from the factory.

But ultimately, the victory was won by the Gina workers who refused to be intimidated by management harassment and abuse. "Now that all of the major issues have been resolved, employees look forward to returning to work," says Surat Tumjib, president of the Gina Relation Worker Union.

## **Canadian retailers cut and run**

In Canada, MSN members and supporters organized leafleting and protest actions outside La Senza stores in Vancouver, Winnipeg, Toronto, Montreal and St. John's. UK groups joined in, leafleting La Senza stores in London and Norwich, England.

Despite the mounting pressure on La Senza and Boutique Jacob, the Canadian

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# Made in Myanmar

No Sweat activists challenge cities to stop buying from Burma

**On July 29, municipal employees and No Sweat campaign activists in Vancouver, Ottawa and Halifax revealed that their cities had purchased uniforms made in Burma, a country ruled by a brutal military regime, notorious for its human and labour rights abuses and the use of forced labour.**



## A history of repression

**In 1990, Burma's military junta allowed democratic elections to take place, in which Aung San Suu Kyi and her party, the National League for Democracy (NLD), won a landslide victory. But the ruling regime ignored the results and prevented the NLD from taking office, thereby denying the Burmese people their democratic rights. Prior to the election, Suu Kyi had been placed under house arrest where she remained from 1990-1995, and again from 2000-2002. Today, she is once again in prison.**

Leaders of city employee unions in Halifax and Vancouver and a city councillor in Ottawa called on their municipal governments to stop buying products made in Burma and to adopt No Sweat purchasing policies that would require apparel suppliers to publicly disclose factory locations and provide evidence that uniforms and other city apparel products are made under humane working conditions.

On the same day, MSN and the Canadian Friends of Burma issued a joint media release, revealing that all three cities had purchased Made-in-Burma winter parkas from Montreal-based Evin Industries. Evin, which sells winter parkas to fire, police and other municipal departments across Canada, was one of the top twenty importers from Burma into Canada in 2001.

One week earlier, MSN had contacted Richard Evin, the owner of Evin Industries, requesting that his company stop importing and selling products from Burma. While Evin claimed his company was discontinuing placing orders with Burmese factories, he refused to put that commitment in writing.

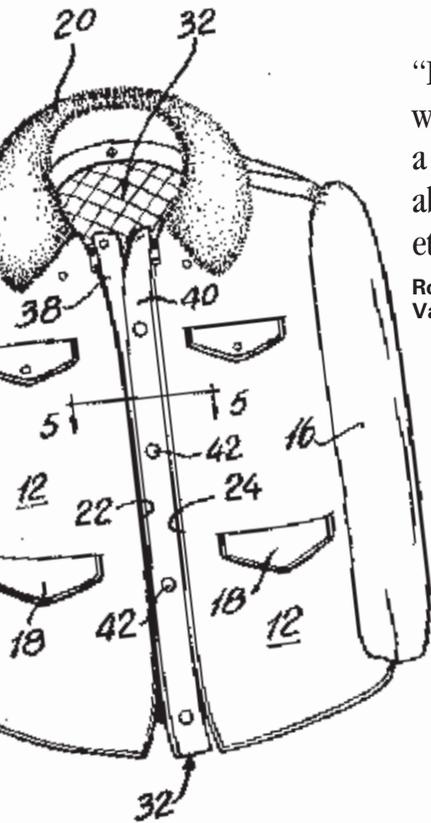
## What's wrong with buying from Burma?

In November 2002, the International Labour Organization (ILO), an agency of the United Nations, issued an unprecedented call on all its constituents - business, labour and government - to review their relations with Burma due to the Burmese regime's continued use of forced labour.

According to the International Confederation of Free Trade Unions (ICFTU), four decades of military regimes have left Burma "without any functioning industrial relations' system." It points to the "complete denial of trade union rights and horrendous working conditions, especially in the export-oriented textile industry." Workers taking part in independent trade union activity are likely to be arrested, imprisoned and tortured, says the ICFTU.

Due to the lack of collective bargaining rights, the average wage of Burmese garment workers is about 8 US cents an hour, among the lowest in the world.

According to the Canadian Friends of Burma, the regime uses the profits from joint ventures in the apparel sector, and from a 5 percent tax on apparel exports, to finance the repression of its citizens.



“I’ve made up my mind; I won’t wear the jacket. Getting a deal on a coat – that’s pretty much a total abandonment of any morals and ethics Canadians stand for.”

Rod McDonald, president, Vancouver firefighters’ union.

movement has called on all countries to stop trading with Burma until democratic and human rights are respected.)

### Canada’s response

To date, the Canadian government has not answered these calls for action with a total ban on trade with Burma. Instead, the government continues to ask Canadian companies to voluntarily refrain from doing business in or trading with Burma.

In contrast, the US government recently imposed a complete ban on US trade with Burma, partly in response to the most recent arrest of Aung San Suu Kyi.

MSN, its Ethical Trading Action Group coalition partners and the Canadian Friends of Burma are calling on the federal government to strengthen its position and ban all trade with Burma.

MSN and ETAG are also calling on municipal and provincial governments, universities and school boards to adopt No Sweat purchasing policies that would ensure that apparel products purchased by public institutions are not made in sweatshops or in countries where gross violations of human and labour rights are the norm.

### A new wave of repression

On May 30, Burmese military forces arrested Nobel Peace Laureate Aung San Suu Kyi, Burma’s last democratically elected leader. The arrest was part of a violent attack on Suu Kyi and other pro-democracy supporters, which left several people dead or missing. Suu Kyi was imprisoned in the country’s notorious Insein prison following her arrest.

These latest actions by the Burmese military regime have renewed calls for international sanctions on the regime and more support for the country’s democracy movement. (For a number of years, the Burmese democracy

### Made in Myanmar

The military regime has tried to rename the country “Myanmar,” but the Burmese democratic movement and the Canadian government continue to call it “Burma.”

### What you can do

1. Write to Canada’s Foreign Affairs Minister Bill Graham and call on the Canadian government to impose full economic sanctions on the military regime by stopping all Canadian trade with Burma: The Hon. Bill Graham, Minister of Foreign Affairs, House of Commons, Ottawa, Ontario, Canada, K1A 0A6. (No postage is required for letters to Parliament mailed in Canada.)
2. Check clothing labels the next time you’re shopping. Contact MSN if you find any clothes (or other apparel products) with “Made in Myanmar” labels.
3. Start a campaign calling on your city government, university or school board to adopt a No Sweat purchasing policy. (Contact MSN for more information.)

### Websites for more information on Burma

- Canadian Friends of Burma: [www.cfob.org](http://www.cfob.org)
- Free Burma Coalition: [www.freeburmacoalition.org](http://www.freeburmacoalition.org)
- Daw Aung San Suu Kyi’s website: [www.dassk.com](http://www.dassk.com)
- National Coalition Government of the Union of Burma: [www.ncgub.net](http://www.ncgub.net)



### Major apparel importers from Burma into Canada in 2001

- |                                |  |
|--------------------------------|--|
| <b>Athletic Image</b>          | <b>Reitmans</b>                              |
| <b>Boutique Jacob</b>          | <b>Saan Stores</b>                           |
| <b>Evin Industries</b>         | <b>Snowmass</b>                              |
| <b>Fair Weather</b>            | <b>The GH Imported Merchandise and Sales</b> |
| <b>H B Heller Fashion Team</b> | <b>Trimark Athletic Supplies</b>             |
| <b>IEI</b>                     |  |
| <b>Kayjet Promotions</b>       |  |
| <b>La Senza</b>                | <i>Source: Industry Canada</i>               |

### Some Canadian apparel companies that have stopped doing business with Burma

- |                             |                        |
|-----------------------------|------------------------|
| <b>Boutique Jacob</b>       | <b>Sears Canada</b>    |
| <b>Hudson’s Bay Company</b> | <b>Wal-Mart Canada</b> |
| <b>Reitmans</b>             |                        |
- Source: Maquila Solidarity Network*

## Nike in the News

### Nike Signs Deed Down Under

On June 25, the Textile, Clothing and Footwear Union of Australia (TCFUA) announced that Nike has signed an agreement that could help protect the rights of Australian apparel workers.

Under the “Ethical Clothing Deed,” Nike’s Australian contractors must respect national wage and health and safety laws, even when they employ home-based outworkers. As part of the agreement, Nike has agreed to provide supplier information to the TCFUA, including the names and addresses of all Australian suppliers and the price to be paid for each item to be made.

The union expects the deed will serve as a model for future agreements with other major clothing and footwear companies.

### Supreme Court Tosses Nike Case Back to California

The US Supreme Court has dismissed Nike’s appeal of a lower court ruling that found the company’s claims about its labour practices constitute “commercial speech,” which, if found to be false or misleading, could be deemed false advertising.

The lower court ruling stemmed from a 1998 lawsuit in which US activist Marc Kasky sued the sportswear giant for false advertising under California State consumer protection laws. Nike argues that statements made during its public relations campaigns in the mid-1990’s to repair its tarnished image ought to be constitutionally protected under US “freedom of speech” laws.

The US Supreme Court decision means that the Nike v. Kasky lawsuit may go to trial in California, where the state’s supreme court has already ruled that Nike’s statements about labour practices are not protected under the First Amendment.

## More No Sweat policies adopted

On June 16, the City of Saskatoon became the third major Canadian city to adopt a “No Sweat” resolution, after Toronto and Windsor. Local anti-sweatshop activists convinced the City to conduct a one-year pilot project on No Sweat procurement, in spite of some industry opposition.

Also in June, two Ontario school boards amended their purchasing policies to go “No Sweat.” The Huron-Superior Catholic District School Board

will now require all school uniform suppliers to respect workers’ rights, to publicly disclose factory names and addresses, and to cooperate with third-party factory monitoring. In Waterloo Region, the public school board has added new labour standards requirements to its existing purchasing policy.

**For the latest news and updates, visit: [www.maquilasolidarity.org](http://www.maquilasolidarity.org)**

## ETAG proposal gets another hearing

The Ethical Trading Action Group’s (ETAG’s) proposal for federal regulations that would require apparel companies to publicly disclose the names and addresses of their supply factories will be a major topic of discussion at roundtable meetings tentatively scheduled for November of this year.

The roundtable, sponsored by the Competition Bureau of Industry Canada, will bring together representatives of industry, civil society and government to discuss the ETAG proposal and other policy options to promote fair labour practices in the global garment industry.

On May 30, the Competition Bureau released a report prepared by the Conference Board of Canada, which provided a very negative assessment of the proposed regulations.

Despite the negative report, ETAG has agreed to participate in the fall roundtable discussions, and will be preparing a submission clarifying its proposal and showing how factory disclosure regulations could interact with other possible regulatory and voluntary initiatives to help eliminate sweatshop abuses.

## Tarrant workers sign up for union

In the face of management harassment, illegal firings, and threats of additional layoffs, over 70 percent of the workers employed at a blue jean factory in Ajalpan, Mexico have signed up as members of an independent union, SUITAR. The factory produces for major US brands, including Levi Strauss,

The Limited, and Tommy Hilfiger, and is owned by the Los Angeles-based Tarrant Apparel Group.



On June 10, 800 workers staged a work stoppage to protest bad treatment by management. On June 16, seven members of the workers' negotiating committee that had been set up to negotiate a resolution to the dispute were unjustly fired.

In July, two articles in the Jornada de Oriente newspaper quoted a Tarrant spokesperson as saying that the company was going to lay off 5,000 workers in its Tehuacan area factories because of "a lack of orders due to the recession in the United States," and an industry spokesperson as saying production would be moving to Asia.

As of August 22, over 220 workers at the Ajalpan factory and over 2,000 workers at the company's seven other factories in the Tehuacan area have been dismissed.

SUITTAR and the Worker Support Centre (CAT) are calling on their

supporters around the world to pressure Tommy Hilfiger, The Limited and Tarrant to ensure that the workers' right to be represented by their independent union is respected. Levi's has agreed to carry out an audit of the factory, and is therefore not currently a target of the campaign. The Worker Rights Consortium has already



conducted interviews with workers, and will soon release a public report.

Meanwhile, the Human and Labour Rights Commission of the Tehuacan Valley is condemning Tarrant for laying off workers, including pregnant women, at the company's Plant #6 in the City of Tehuacan without providing written notice or full legally required severance pay.

## Sri Lanka: worker rights put to the test

The right to organize and collective bargaining is being put to the test in Sri Lanka's free trade zones. Workers at the Jaqalanka factory located in the Katunayake Free Trade Zone are facing ongoing management harassment, supported by Ministry of Labour officials and the country's Board of

Investment. Some workers also have reported being followed and threatened with death for participating in union activities.

A referendum held on July 9 to recognize the Free Trade Zones

Workers Union (FTZU) as the bargaining agent in the factory was disqualified due to low voter turnout (only four percent of workers participated). International observers noted that the lead up to the vote was plagued by management interference, including

captive audience meetings with workers and harassment of union supporters.

The Free Trade Zones Workers' Union is now calling on management to recognize the union based on signatures by more than 40 percent of the workers in April - the legal requirement for union recognition in Sri Lanka. It is also urging government officials to take the necessary steps to protect workers who voted in favour of the union



during the July 9 referendum. Brands sourcing from Jaqalanka include JanSport and The North Face (both VF Corporation brands), and Nike.

**new resources**

***A Canadian Success Story? Gildan Activewear: T-shirts, Free Trade and Worker Rights. Maquila Solidarity Network and the Honduran Independent Monitoring Team, May 2003, \$10 in Canada, US\$12 for US orders, US\$20 for orders outside North America. Contact: info@maquilasolidarity.org.***

***How To Become a No Sweat City, Maquila Solidarity Network, September 2003. Available on-line: www.maquilasolidarity.org***

***How To Become a No Sweat School, Maquila Solidarity Network, September 2003. Available on-line: www.maquilasolidarity.org***

# Gildan threatens MSN

—continued from page 1—

MSN/EMIH report continue to exist or have been rectified.

MSN is also calling on the company to take immediate action to address alleged violations of freedom of association, by offering to reinstate fired union members and communicating to its Honduran employees and management personnel, verbally and in writing, the company's commitment to respect its workers' right to join or form unions of their choice and to bargain collectively.

MSN is not calling for a boycott of Gildan products nor for bulk purchasers to cease placing orders with Gildan.

## Gildan's Response

In response to pressure from bulk purchasers of Gildan products, ethical

investors, unions and other stakeholders, Gildan has stated its intention to join the Fair Labor Association (FLA), a US-based code of conduct monitoring initiative. However, at the time of this writing Gildan had not yet formally applied for FLA membership.

The earliest possible date a membership application could be considered by the FLA Board is October 2003, and an FLA audit of one or more Gildan facilities might not take place until sometime in 2004, over one year after some 40 union members were fired at Gildan's El Progreso plant in Honduras. For that reason, MSN believes an independent investigation is needed within the next few months.

According to the Fonds de solidarité FTQ (Quebec Federation of Labour Solidarity Fund), an important investor

and key stakeholder in Gildan (Activewear), Gildan has also agreed to limit blood testing (believed by workers to be for pregnancy, while Gildan claims they are for drug use) to workers involved in shipping and receiving, and has begun to dialogue with Honduran union organizations.

If Gildan has in fact eliminated urine and blood testing of production workers, and if discussions with Honduran unions lead to action, this would represent a step forward. However, MSN continues to be concerned that Gildan has not yet seriously addressed the firings of union members in November of 2002 or other issues raised in the report, including inadequate wages, high production targets, and health and child care issues related to long working hours and the intensive pace of production.

# Gina Form

—continued from page 3—

retailers refused to pressure their Thai supplier to respect its workers' rights, choosing instead to cut and run from the factory, and from their responsibilities to the workers.

While La Senza, is still not back in the factory, pressure from MSN supporters appears to have prompted the retailer to post a new code of conduct on its website, modelled after the code of the UK's Ethical Trading Initiative.

Now that La Senza has adopted ethical sourcing guidelines, it's time for Canada's best known lingerie retailer to demonstrate that its new code of conduct is more than words on paper by resuming orders with the Gina factory now that the workers' rights are being respected.

**For more information on how to support Gina workers, visit: [www.maquilasolidarity.org](http://www.maquilasolidarity.org).**

# Guatemalan workers victory

—continued from page 2—

threats, physical violence, illegal firings, and ongoing management harassment.

In July 2001, union members were physically assaulted by anti-union workers inside the factories. The attacks were reportedly orchestrated by management, which had threatened that buyers would stop placing orders and the factories would close if workers didn't get rid of the unions.

At that time, an international solidarity campaign, in which MSN members participated, and the intervention of the Guatemalan independent monitoring group, COVERCO, helped stop the violence. It also convinced Liz Claiborne, a major US brand sourcing from the factory, to write a letter to the workers pledging to continue placing orders and to respect their democratic

right to decide whether to be represented by a union.

The unions' successful negotiation of a first collective agreement in July 2003 was assisted by the Guatemalan union federation, FESTRAS, and the International Textile, Garment and Leather Workers Federation (ITGLWF). The US/Guatemala Labor Education in the Americas Project (US/LEAP) helped to facilitate communication between the workers and Liz Claiborne.

Liz Claiborne and the Fair Labor Association (FLA) also played an important role in pressuring the company to negotiate with the union. COVERCO carried out the monitoring of the negotiation process and has continued to play a verification role throughout the implementation of the agreements.

