

# maquila network update

December 2003, Vol. 8 No.4



**4**  
Evolutionary  
steps for  
apparel  
companies

Solidarity fund severs ties with **Gildan**

## More union supporters fired in Honduras

On November 12, the Quebec Federation of Labour (FTQ) Solidarity Fund announced it will sell off its shares in the Montreal-based T-shirt manufacturer, Gildan Activewear, because of the company's refusal to reinstate 38 workers who were fired one year ago for union organizing at a Gildan sewing factory in El Progreso, Honduras. The Fund's representative will also be resigning from Gildan's board of directors.



**Above:** Message at entrance to free trade zone: "We are here because we have confidence in the Honduran workers."

The Fund, which manages Quebec union members' pension investments, currently owns 2.5 million shares worth approximately \$90 million.

The December 2002 firings of the union members and other worker rights violations were documented in a May 2003 report co-authored by the MSN and the

Honduran Independent Monitoring Team (EMIH), entitled *A Canadian Success Story? Gildan Activewear: T-shirts, Free Trade and Worker Rights*.

In July, Gildan threatened MSN with legal action if it continued to circulate the report or information from it. MSN informed Gildan that it stands by the findings and recommendations in the report and will continue to distribute the publication.

The Fund sent two representatives to Honduras to investigate the case. Based on a review of factory records and interviews with local

human rights and labour organizations, they confirmed MSN's and EMIH's findings that the workers were fired for union activity.

On November 3, FTQ president Henri Massé revealed to a reporter from the *Journal de Montreal* that Gildan CEO Greg Chamandy had admitted to him that the company had fired the Honduran workers for union organizing. "We have called on the company to reinstate the fired workers," said Massé. "We expect an answer

by mid-November." In a statement released immediately after the Fund's announcement, Gildan calls the November 2002 firings "an isolated event involving a small group of workers...."

On November 4, one year after the 2002 firings, 37 more workers were fired at the same El Progreso factory. According to the Independent Federation of Honduran Workers (FITH), the workers and two of their leaders who were dismissed

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# Mexican blue jean workers fight for independent union

**Despite management harassment, illegal firings of union supporters and the rejection of their petition for an independent union by the local labour board, workers at a blue jean factory in Ajalpan, Mexico are continuing to fight for the right to be represented by an independent union.**

## 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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The factory is owned by the Tarrant Apparel Group, a Los Angeles-based, vertically integrated apparel manufacturer that owns eight jean manufacturing and laundry facilities in the Tehuacan valley in the state of Puebla. Tarrant also owns a denim mill in the City of Puebla, and a twill mill, garment processing facility and distribution centre in Tlaxcala.

On June 10, 800 of the approximately 1,000 workers employed at the Ajalpan factory staged a work stoppage to protest bad treatment and management's failure to pay their legally required profit-sharing benefits.

On June 16, seven members of the negotiating committee whom the workers had chosen to negotiate a resolution to the dispute were unjustly fired.

On August 5, management began to fire additional workers, claiming a lack of orders. To date, over 400 workers have been illegally dismissed. Tarrant has now leased the factory to its former owner, Kamel Nacif, known in Mexico as the "king of jeans." Management is threatening to close the plant for one month, beginning December 5, and workers fear it might be



*Tarrant workers vote*

permanently closed in order to get rid of the union.

On September 15, the Worker Rights Consortium (WRC) released an interim report, confirming that the workers' right to freedom of association was being violated. The WRC is a US non-profit organization that investigates alleged violations of university No Sweat purchasing policies.

On October 6, the Local Conciliation and Arbitration Board (JLCA) rejected the workers' application for registration of their union, SUITTAR, on the grounds that the workers didn't provide sufficient copies of their application, that the union executive was elected on the same day as the union was

formed, and that one worker's name was spelled incorrectly.

Meanwhile, in the City of Tehuacan, the Human and Labour Rights Commission of the Tehuacan Valley has condemned Tarrant for laying off hundreds of workers, including pregnant women, at the company's four Tehuacan plants, without providing written notice or full, legally required severance pay. Only two sewing plants are currently in operation, both of which are scheduled to close, at least temporarily, by mid-December. The Commission is calling on Tarrant to respect its Mexican workers' rights and

— continued on page 8 —

# Gina workers consolidate victory, as orders resume at the Thai factory

Lingerie workers at the Gina Form Bra factory in Bangkok, Thailand are consolidating their union victory, as orders from North American brands return to the factory.

Workers report that all unjustly fired and laid-off workers are back at work and are currently producing for Victoria's Secret (The Limited). Gap has also renewed orders with the vendor, and Gap products are expected to be back in the factory soon. In addition, two new buyers, Felina USA and the Swedish retailer AB Lindex, have placed orders with Gina Form.

To date, the two Canadian retailers that cut and ran from the factory in response to reports of worker rights violations - La Senza and Boutique Jacob - have failed to return now that Gina workers' rights are being respected.

The resumption of orders at the Gina factory is the ultimate victory in a two-year campaign to defend the workers' right to continue to be represented by the Gina Relations Workers' Union (GRWU). In an attempt to destroy the union, Gina management had fired 38 union members, laid off all the members of the union executive, and pressured



workers to abandon the GRWU and join a pro-company union that management had invited into the factory.

An international campaign, involving anti-sweatshop groups in Thailand, Hong Kong, Europe, the US and Canada, succeeded in pressuring key North American brands to demand an end to the worker rights violations.

In Canada, MSN members and supporters wrote letters to La Senza and Boutique Jacob, organized rallies and store leafeting in Vancouver, Toronto, and St. John's, and burned bras outside a La Senza store in Winnipeg.

When La Senza and Jacob announced they were cutting

and running from the factory last spring rather than pressuring their Thai supplier to clean up the abuses, MSN called on its members in Canada and counterparts in Europe and the UK to bring pressure on La Senza to resume orders with the factory.

UK anti-sweatshop groups leafleted La Senza stores in London and Norwich.

In response to the international campaign and the refusal of Gina workers to be intimidated by management's union-busting tactics, on July 9, Gina management agreed to recognize and respect the Gina Relations Workers' Union, reinstate the fired workers and laid-off union executive members, and signed a new collective agreement with the union.

MSN is calling on La Senza and Boutique Jacob to follow the lead of The Limited and Gap and reward Gina management for good behaviour by resuming orders with the factory.



*Demonstrations in Canadian cities last spring supporting workers at the Gina Form factory. MSN is calling on La Senza and Boutique Jacob to reward good behaviour by resuming orders with the factory.*

# STOP SWEATSHOPS REVIEW

In our annual Stop Sweatshops progress report, MSN reviews the victories, setbacks and continuing struggles in the ongoing campaign to end sweatshop abuses.

## Victories

### Gina Form Bra

Worker resistance plus international solidarity stop a union-busting campaign in its tracks at the Gina Form Bra factory in Bangkok, Thailand. Workers win the reinstatement of fired union members and a signed collective agreement.

### Choi & Shin

Feeling the heat on labour rights during trade negotiations, the Guatemalan government threatens to remove Choi & Shin's export license unless the Liz Claiborne supplier resolves a long-standing dispute with its employees. Workers at the twin Choi & Shin factories achieve the only signed collective agreement in Guatemala's maquilas.

### Bed & Bath

An international campaign targeting Nike, Reebok, adidas-Salomon and Levi's helps Thai garment workers at the Bed and Bath factory win partial compensation for the loss of their jobs. The workers end their three-month picket at the Ministry of Labour office and send a victory message to their supporters around the world.



### Jaqalanka

Employer interference in a union recognition vote and death threats against union supporters don't stop the workers at the Jaqalanka factory in Sri Lanka. The workers' union lodges a complaint with the Fair Labor Association, which helps to negotiate a settlement in which management recognizes the union.

### No Sweat Policies

The State of California adopts a No Sweat procurement policy that applies to uniforms and other apparel, as well as laundering services, purchased by State agencies, public schools and community colleges. In Canada, eight municipal governments pass motions to develop No Sweat policies, and two school boards amend their purchasing policies to go No Sweat.



### BJ&B

The intervention of US brands, university buyers, the Worker Rights Consortium and the Fair Labor Association convinces management at the BJ&B cap factory in the Dominican Republic to negotiate a first collective agreement with their employees' union.



## A BRIEF GUIDE TO CORPORATE EVOLUTION



### Gap / Victoria's Secret (one step forward)

Gap and The Limited, owner of Victoria's Secret, pressures the Bra factory to respect freedom of association.

### Nike (one step forward)

The brand-what-am agrees to provide addresses of its Australian suppliers and

### Mountain Equipment Co-op / Hudson's Bay

MEC and HBC revamp their codes of conduct and factory monitoring programs. Will they release



### Levi's (one step forward)

Levi's pressures the workers in Ajalpan, Mexico. The manufacturer closes its remaining shifts all production to

### La Senza (two steps back)

La Senza refuses to join The Limited and Closes its workers' right, then cuts and runs from its

### Gildan Activewear (two giant steps back)

Gildan refuses to reinstate fired union members, then attempts to fire a messenger when MSN releases a report on its practices. Soon after joining the Fair Labor Association, Gildan fires more union supporters at the same

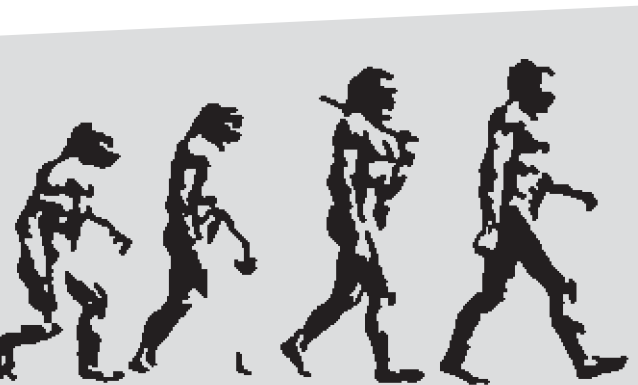
### Retail Council of Canada (one misstep)

The Retail Council launches CRART (Canadian Retailers Advancing Responsible Trade) to inform consumers and promote responsible trade. The RCC's appointment of a CRART Advisory Council raises questions about

### Wal-Mart (still prehistoric)

US government agents arrest more than 100 workers in 21 states. One cleaner says he has worked 100 Years Eve for US\$400 a week with no health insurance and illegal immigrants.

## Victories, Setbacks and Continuing Campaigns



**Forward)**  
 a's Secret, pressure management at the Gina Form  
 tion.

the Australian garment workers' union the names and  
 access to their records.

### Bay Company (a half step forward)

ct and release their first reports on their respective  
 audit results and take a full step forward in 2004?

### ard, one step back)

Tarrant Apparel Group to respect the rights of its  
 ico. Meanwhile the original blue jean manufact-  
 g manufacturing facilities in North America and  
 fshore contract facilities.

### backward)

Gap in pressuring Gina management to respect  
 responsibilities to Gina workers.

### ckward)

members at a  
 o shoot the  
 its labour  
 association,  
 me factory.



**)**  
 adian Retailers  
 ssumers of all the good things its members are doing to  
 nment of Wal-Mart Canada's Andrew Pelletier to the  
 out its real purpose.

300 illegal immigrant workers cleaning at 61 Wal-Mart  
 d to work every day of the year except Christmas and New  
 th insurance or other benefits. Wal-Mart's solution - fire all

## Setbacks

### Matamoros Garment

With the cooperation of  
 an "official union" linked to  
 Puebla State government,  
 management at the  
 Matamoros Garment factory  
 in Puebla, Mexico declares  
 a "temporary closure" of  
 the factory to rid itself of  
 an independent union.

### Pong Kook

Workers at the Pong  
 Kook garment factory in  
 Baja California Sur, Mexico  
 who have been fighting for  
 two years for an independ-  
 ent union are informed that  
 the factory will be closed.

## Continuing Campaigns

### Gildan Activewear

MSN and the Quebec  
 Federation of Labour  
 Solidarity Fund call on  
 Gildan Activewear to  
 reinstate union members  
 fired in Honduras in Novem-  
 ber 2002. Gildan refuses,  
 and the Fund dumps its  
 shares in the company. In  
 November 2003, Gildan  
 fires more union supporters  
 at the same factory. MSN  
 continues to demand an  
 independent investigation.

American buyers to ensure  
 that the workers' rights are  
 respected.



### Tarrant

Despite 70% support for  
 an independent union, the  
 Puebla State labour board  
 rejects the application for  
 union registration from the  
 workers at the Tarrant  
 sewing plant in Ajalpan,  
 Mexico. The workers appeal  
 the decision, and their  
 international supporters  
 continue to pressure North

### Disclosure Campaign

The Ethical Trading  
 Action Group (ETAG)  
 delivers tens of thousands  
 of clothing labels collected  
 by thousands of high  
 school students to Cana-  
 da's Industry Minister Allan  
 Rock, demonstrating broad  
 public support for factory  
 disclosure regulations. The  
 government initiates a  
 review of ETAG's proposal.

# news & notes

## Breakthrough at Jaqalanka

After a long and bitter struggle, workers at the Jaqalanka garment factory in Sri Lanka's Katunayake Free Trade Zone have won employer recognition of their union. On October 16, Jaqalanka management and the Free Trade Zone Workers' Union signed a memorandum of agreement in which the employer recognizes the FTZU "as the representative of FTZU members' concerns" and agrees to respect the workers right to "join or form, or not, organizations of their own choosing." The employer also agrees that no union members or other workers will be harassed, victimized or discriminated against.

According to FTZU General Secretary Anton Marcus, the agreement represents a "significant and substantial victory for the brave union members of Jaqalanka, the FTZU generally and the workers of Sri Lanka." In a message to international supporters Marcus acknowledges the role of the Fair Labor Association (FLA) and the Centre for Policy Alternatives (CPA) in helping to achieve the agreement.

## Wal-Mart: Every Day Low Wages

The world's largest retailer has been caught exploiting workers again. On October 24, US federal law enforcement officials raided 61 Wal-Mart stores in 21 states and arrested over 300 illegal immigrants employed by Wal-Mart contractors to clean the company's big box stores. According to an anonymous

federal official, Wal-Mart had direct knowledge of the immigration violations.

One arrested worker claims he had to work every night of the year, except Christmas and New Year's Eve, for US\$400 a week and no health insurance coverage or other benefits. Another worker says he worked seven nights a week for \$350. At least one contractor admits not making

contributions for workers' compensation or Social Security.

Wal-Mart responds to the bad publicity by promising to fire all illegal immigrants. On November 10, lawyers file a class action suit alleging that Wal-Mart violated federal racketeering laws by conspiring with its cleaning contractors to cheat the immigrant workers.

## AGOA girls fight back

In Uganda they call them the AGOA girls, the young women who labour in the country's garment export industry that came into existence as a result of the US government's African Growth Opportunities Act (AGOA).

On October 21, over 1,000 women employed by the Sri Lankan-owned Tri-Star Apparel barricaded themselves inside their dormitory and refused to report to work in protest of low pay, abusive treatment, sexual harassment, racial discrimination and unpaid overtime. Riot police were called in, and some of the women were reportedly beaten. Tri-Star responded to the worker protest by

temporarily closing the factory and firing 300 of the women.

The fired workers then took their protest to the Ugandan Parliament, where they camped out for two days. The government has reportedly promised to order Tri-Star to pay the fired workers a financial settlement of US\$140 each.

In an October 30 article in the Ugandan newspaper *New Vision*, Tri-Star's executive director, Vellupillai Kananathan, says the factory produces for Target Stores, Children's Place and Dollar General, and is "in the process of exporting to Gloria Vendert [sic] and Wal-Mart."

## More spin from the Retail Council

On October 23, three years after adopting its "Responsible Trading Guidelines," the Retail Council of Canada (RCC) announced the launch of a new initiative called Canadian Retailers Advancing Responsible Trade, or CRART for short.

However, the announcement failed to clarify how the RCC intends to enforce its bargain basement labour standards guidelines. According to the RCC, CRART's advisory council will meet four times a year to discuss responsible trade, and between meetings it will communicate to Canadian consumers "what retailers are doing to advance responsible trade."

With Brian Mulroney's former External Affairs Minister Barbara McDougall and



Barbara McDougall

Wal-Mart Canada's PR flak Andrew Pelletier sitting on the CRART advisory council, that should be quite a challenge.

## Levi's closes last factories

On September 25, North America's original blue jean manufacturer, Levi Strauss, announced it is closing all its remaining production facilities in Canada and the US. As a result of the closures, which will take place within six months of the announcement, close to 2,000 workers in the company's two remaining factories in San Antonio, Texas and three Canadian plants in Edmonton, Alberta and Stoney Creek and Brantford, Ontario will be out of work.

Alex Dagg, Director of the Ontario Council of UNITE, the union representing the Levi's workers, blames free trade and the policies of the Ontario and Canadian governments for the closure of Levi's last Canadian plants. The Levi's Foundation is reportedly contributing \$700,000 to a community transition fund to assist laid-off Canadian workers and/or support local economic development strategies.

## Garment worker killed by police

The National Garment Workers Federation of Bangladesh (NGWF) reports that on November 3 one garment worker was killed, more than 200 injured, and 20 arrested during clashes between police and workers at the BSCIC industrial park near the city of Dhaka.

Workers were protesting the arrest of a



NGWF stages half-day general strike.

labour leader that took place shortly after negotiations with management and local officials broke down. Workers were also demanding payment of outstanding wages and their Eid Festival bonus. (Eid is an important Muslim holiday, marking the end of the month of Ramadan.)

According to the union, although workers are legally entitled to the Eid bonus, which is equivalent to one month's salary, about 50% of garment factory owners do not pay the bonus, and the rest pay only part of what is required.

On November 5, the NGWF staged a half-day general strike to protest the killing. On November 11, the union announced that the Bangladesh Knitwear Manufacturers Exporters Association had agreed to withdraw cases against the workers and their representatives so that arrested workers would be released, provide a financial payment to the family of the worker who was killed, see to it that injured workers receive proper treatment, pay double time for overtime, and look into cases where the Eid bonus is not being paid.

**New No Sweat campaign resources. MSN, October 2003. Available on-line: [www.maquilasolidarity.org](http://www.maquilasolidarity.org).**

**Common Threads class room materials on sweatshops. Ontario Secondary School Teachers' Federation, October 2003. Available on-line: [www.commonthreads.ca](http://www.commonthreads.ca).**

**Ethical Shopping. Canadian Labour Congress, September 2003, 8 pages. Contact: [sweatshop@clc-ctc.ca](mailto:sweatshop@clc-ctc.ca).**

**Interim Report: Worker Rights Consortium Inquiry into Allegations of Worker Rights Violations at Tarrant Ajalpan. WRC, September 2003, 9 pp. Available on-line: [www.workersrights.org](http://www.workersrights.org).**

**Abductions and Killings in the Maquila Zone: Women's Lives on the Line. Amnesty International, October 2003, 2-page pamphlet and 17-page report. Available on-line: [www.amnesty.ca/actnow/juarez.htm](http://www.amnesty.ca/actnow/juarez.htm).**

# Gildan faces new allegations

—continued from page 1—

on October 20 were also fired for attempting to organize a union.

In response to growing pressure from institutional shareholders and customers, in September 2003, Gildan applied for membership in the Fair Labor Association, a US multi-stakeholder labour standards monitoring organization involving major US brands.

On October 22, Gildan was formally accepted as a FLA “Participating Company.” While the Fund, MSN and its coalition partners in the Ethical Trading Action Group (ETAG) view Gildan’s decision to join the FLA as a step forward, they are concerned at the length of time it might take before there is a FLA audit of even one Gildan facility. An FLA external audit of one Gildan facility could happen anytime in 2004.

MSN and ETAG are calling on Gildan to cooperate with an independent investigation of working conditions in at least one wholly owned and one contract facility in Central America before the end of 2003, and to take corrective action to eliminate any worker rights violations identified.

Meanwhile, the New York-based National Labor Committee (NLC) has released a new report on worker rights violations in the AAA factory in Honduras. According to the NLC, 75% of all

production in the factory is for Gildan.

According to the NLC report, 42 workers at the AAA factory have been fired because they were suspected of organizing a union. Workplace problems identified in the report include long workdays, pressure to meet excessively high production quotas, repetitive motion wrist and back injuries, body searches when workers enter and leave the factory, monitoring of bathroom visits, and contaminated drinking water.

In a letter dated November 7, the NLC calls on Gildan to “clearly instruct AAA management that Gildan demands strict compliance with all of Honduras’s labor laws, including the right to organize, and to put an end to the atmosphere of fear and intimidation at the AAA factory.”

The NLC report comes in the wake of another NLC exposé on serious worker rights violations at the Honduran Southeast Textiles Factory (SETISA), which produces clothes bearing “Sean John” label of rap singer Sean “P Diddy” Combs.

Faced with a major public relations

scandal, Honduran governmental and business officials attacked the General Secretary of the Unitary Confederation of Honduran Workers (CUTH), Israel Salinas, labelling him and NLC Director Charles Kernaghan “terrorists” and accusing

Salinas of being a traitor out to destroy the Honduran maquila industry.

On November 5, the CUTH released a public statement condemning the Honduran business and government leaders for making irresponsible accusations that put Salinas’ life in danger. The statement affirms that reports released in North America on conditions in

**The statement affirms that reports ... on conditions in Honduras’ maquilas are accurate, and that “those conditions exist in the majority of the country’s maquilas, where violations of labour, trade union and human rights are a systemic problem.”**

Honduras’ maquilas are accurate, and that “those conditions exist in the majority of the country’s maquilas, where violations of labour, trade union and human rights are a systemic problem.”

The statement concludes, “the CUTH has no interest in the maquilas leaving Honduras; its only objective is that the products manufactured in the maquilas are not made under exploitive conditions, with miserable salaries and violations of the labour and human rights of the workers.”

# Tarrant workers stage protests

—continued from page 2—

keep jobs in Tehuacan. Tarrant workers in Tehuacan have formed a coalition called the Union of Tehuacan Workers and have been staging protests at local labour board offices and at the Tarrant plants.

In response to lobbying efforts of the Worker Support Centre (CAT) in Puebla, Mexico, MSN in Canada, US/LEAP and Sweatshop Watch in the US, and the UK’s Central American Women’s Network (CAWN), Levi’s and The Limited are

putting pressure on Tarrant to respect the Ajalpan workers’ right to freedom of association.

Other brands, including The Wet Seal, Federated Department Stores and Charming Shoppes have so far failed to respond positively to requests for action. Tommy Hilfiger has announced it is cutting and running from its responsibilities to the workers, without acknowledging there are any problems at the factory.

Montreal-based La Senza Corporation

is a major shareholder in Wet Seal. As well, La Senza’s CEO, Irving Teitelbaum, who is also the Chairman of the Board of Wet Seal, and La Senza President, Stephen Gross, hold significant shares in Wet Seal, which combined with La Senza’s shares represent approximately 26.5% of shareholder voting power.

MSN is calling on Teitelbaum to use his considerable influence in The Wet Seal to pressure Tarrant to respect the rights of its Mexican workers.