

maquila network update

July 1996 Vol. 1 / No. 3

Workers Stage Wildcat Strikes!

Two recent wildcat strikes in autoparts plants in Mexico's northern maquiladora region highlight growing worker dissatisfaction with their declining standard of living under the North American Free Trade Agreement.

Although both disputes were sparked by the refusal of Canadian and US companies to pay legally required profit-sharing bonuses, the underlying problem is the dramatic decline in maquila workers' real incomes caused by the peso crisis and devaluation.

Wildcat at CustomTrim

On May 29, employees of the Canadian-owned CustomTrim autoparts plant in Valle Hermoso staged a work stoppage demanding profit sharing.

Company officials and leaders of the Confederation of Mexican Workers claimed the workers were not entitled to profit sharing, and they should be satisfied that the company

was creating employment by investing in a new plant nearby.

With an average wage of \$25US a week, CustomTrim workers see their profit-sharing bonus as a necessity. Under Mexican Federal Labour

Workers were protesting the company's announcement that vacation pay would be cut and that no profit-sharing payment would be given. Arneses produces electrical harnesses for major auto companies.

A 15-person workers' commission began negotiations with Arneses' management shortly after the June 12 work stoppage.

Calls for Solidarity
Workers at Arneses and the US Southwest Network for Environmental and Economic Justice called upon Canadian and US groups to fax let-



Maquila - El Paso, 4 dollars an hour, Juárez, 4 dollars a working day.

Law, workers have a right to profit sharing. These annual bonuses often represent several weeks pay.

Walkout in Juarez

On June 12, 1,300 employees of Arneses of Mexico autoparts factory in Ciudad Juarez walked off the job. Only 30 workers remained on the assembly line.

ters of protest to the parent company Alcoa-Fujikura.

In response to the letters and rumours of further walkouts, on July 5, Arneses reinstated full vacation pay, and provided a small increase in wages, a small profit-sharing bonus and an additional bonus for food staples. The company

Continued on Page 3

Fired Mandarin Workers Await Recall

In a precedent setting accord signed March 22, 1996, Mandarin International agreed to independent monitoring of its Salvadoran plant to verify compliance with the GAP code of conduct and Salvadoran labour law.

The accord also allowed for the return to work of union supporters who were fired last year during El Salvador's most significant labour conflict in the maquila sector.

Workers Blacklisted

As of July 4, no fired Mandarin workers have been rehired. The company cites the lack of sourcing from large contractors other than the GAP as the reason. Mandarin is currently turning out 40-50% capacity, with only 300-350 workers, down from 800.

Eddie Bauer has not re-invested in Mandarin but is currently negotiating a contract with the company and could begin placing orders again soon.

Meanwhile, fired workers have not been able to find employment in other maquilas, and they say they are being blacklisted.

Monitoring Working

The independent monitoring team, which includes representatives of the Jesuit University's Human Rights Institute (IDHUCA), the Archdiocese's Human Rights Office



(Tutela Legal), the Archdioceses of San Salvador and the Centre for Labour Studies (CENTRA) recently interviewed 20 workers inside the plant.

Workers reported that conditions have improved. Bathrooms are cleaner. Good drinking water is available. Workers have access to health care.

However, the Salvadoran government seems leery of independent monitoring. On April 9, Minister of Labour Eduardo Tomasino announced he was forming a high level commission to verify compliance of labour laws in the Free Trade Zones.

Tomasino said he would not permit other groups to play this role, and that foreigners shouldn't participate in monitoring.

Workers Need Support

The GAP's acceptance of independent monitoring reflects a growing recognition that companies and local governments alone are unable to guarantee respect for human and labour rights.

The GAP seems to have made this agreement in good faith, but it must be encouraged to continue sourcing from Mandarin so that all fired workers can be reinstated. It is critical that the benefits of the agreement with the GAP translate back to the workers who sacrificed their jobs to achieve it.

Based on information from COSDEMA, the Salvadoran Coalition for the Dignification of Employment in the Maquila, which was formed in 1995 to defend labour rights and improve conditions in El Salvador's Free Trade Zones.

Will Levi's Incentive Plan Take the Blues Out of Maquila Jeans?

On June 12, Levi Chairman Robert Haas announced his company's new incentive program that would reward each of its 37,500 employees worldwide with a one-time bonus equal to about a year's pay if the company meets its performance goals over the next six years.

Unique in offering a large sum of money to low level employees, the plan has received much praise.

The Canadian Catholic Organization for Development and Peace has been more cautious with its opinion. They argue that Levi's plan does not go far enough because it will not cover thousands of workers employed in sewing shops used by Levi or its contractors in nearly 50 countries.

In a year-long campaign, Development and Peace has

praised Levi's acceptance of a code of conduct for workers in foreign countries, but has challenged the company to ensure that its code is adequately monitored by independently agencies.

The Maquila Blues

Levi claims that none of its products are made in factories that employ underage or unfairly treated workers. However, research conducted in November 1995 by the Honduran Committee for the Defence of Human Rights and the Honduran Federation of Independent Workers revealed otherwise.

The following information was received from maquila workers in Honduras producing garments for Levi. Most of the workers have never heard of Levi's code of conduct.

Seolim I, Inhdelva Industrial Park

At peak periods, workers were forced to work 14-23 hour shifts. In November 1995, employees were often forced to work 74-78 hours a week. Even minors were not permitted to leave the factory at 5:30 pm to attend night school.

Hanlin Honduras Co. Ltd, San Miquel Industrial Park

During the standard 11 hour shift, the bathrooms were locked for seven hours a day and only open for two hours in the morning and two hours in the afternoon. Plant supervisors screamed at workers to work faster. Some workers were pushed, shoved and hit.

Workers Stage Wildcats

Continued from Page 1

also agreed to make overtime voluntary.

The Coalition for Justice in the Maquiladoras (CJM) recruited help of US and Canadian groups to write letters of protest to CustomTrim. On July 5, CustomTrim employees received the equivalent of \$25US in profit sharing.

According to CJM Executive Director Martha Ojeda, who visited Ontario in June, foreign maquila companies like

CustomTrim often refuse to pay profit sharing, claiming that their Mexican operations are "cost centres" where they make no profits. They argue their profits are realized outside of Mexico where their products are sold.

Though their victories may be small in monetary terms, workers at Arneses and CustomTrim have set important precedents for all workers in the border region.

Seolim II, Baracoa

Workers charged that the "mere rumour that you are going to a meeting will get you fired - they do everything to prevent unions." In August and September 1995, Seolim Baracoa illegally fired more than 20 workers who were thought to be attending union organizing meetings.

new resources

Maquila Solidarity Network Urgent Action Alerts. If you are not on our Urgent Action Alert List, please send us your fax number. If you prefer to be e-mailed, advise us at perg@web.net. Also, inform us if you want to be removed from the alert list.

Desert Capitalism: Maquiladoras in North America's Western Industrial Corridor, by Kathryn Kopinak, April 1996. The book examines autoparts maquiladora's in Nogales, Sonora. \$45US. University of Arizona Press, 1230 N Park Ave., Tucson, AZ 85719, tel: 1-800-426-3797, e-mail: orders@uapress.arizona.edu

Directory of Volunteers from the Maquiladora Health & Safety Support Network. Lists resources from the health service community for those suffering from health and safety risks in the Mexican maquila industry. Contact: Garrett Brown, 2520 Hilgard Ave., Berkeley, CA 94709.

World Trade is a Women's Issue: Promoting the Rights of Women Workers in a Changing World Economy, by Angela Hale, 1995, Women Working Worldwide Briefing Paper, \$4 (includes postage) from the Maquila Solidarity Network.

Challenging Free Trade in the Americas: A Project of Common Frontiers. New WWW site at <http://www.web.net/comfront> offers information on Chile & Free Trade, links to fair trade resources, and more.

Challenging Free Trade in Canada and the Americas: Special 7 Year Report, The Council of Canadians, 904-251 Laurier Ave. W, Ottawa, ON, K1P 5J6, tel: 1-800-387-7177, e-mail: coc@web.net

Working Together: Labor Report on the Americas. Newsletter published bi-monthly by Labor Project of the Resource Center of the Americas, 317 Seventeenth Ave. SE, Minneapolis, Minnesota 55414, fax: (612)627-9450, e-mail: rctamn@maroon.tc.umn.edu

The **Maquila Network Update** is published five times a year by the Maquila Solidarity Network. The Network was founded by *Mujer a Mujer* (Women to Women) and *SolidarityWorks*, and includes organizations and individuals across Canada. The MSN promotes solidarity between Canadian labour, women's and social movement groups and Mexican and Central American counterparts organizing to raise standards and improve conditions in maquiladora zones. If you would like to contribute information or an article for a future Update or if you would like to become a member of the network, please contact us at:

Maquila Solidarity Network

606 Shaw Street, Toronto, Ontario M6G 3L6

Phone: 416-532-8584 Fax: 416-532-7688 Email: perg@web.net

