

maquila network update

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Disney Sweatshops: It's a small world after all

The Hong Kong Christian Industrial Committee (CIC) has released a pre-Christmas report exposing sweatshop abuses in 12 Chinese factories producing Disney products for the holiday season.

According to CIC, young Chinese women migrant workers making Disney-label toys, clothes and accessories for the Christmas market work up to seven days a week, 16 hours a day, for as little as Can\$90 a month. In at least two factories, workers were pressured to work overnight during the peak production season.

Workers in some factories were fined for talking at work, for not wearing the factory ID properly, and for forgetting to switch off lights in their dorm rooms.

Workers complained of unhealthy working conditions, such as exposure to harmful chemicals, and said they only receive gloves and masks when there are visitors at the factory.

Others reported delays in receiving pay, falsification of

timecards, being forced to work extra hours to finish quotas, not receiving overtime premiums, and receiving pay slips that are unclear as to how pay is calculated.

Many of the workers interviewed complained of bad food and crowded dormitories. In one factory, workers slept on triple-deck beds, 21-24 workers to a dorm room.

Most of the Disney products made in the 12 factories were destined for the North American and European markets. At least one toy factory was exporting directly to the Canadian market.

Monitoring the Monitors

According to CIC researcher Alice Kwan, workers interviewed knew very little about the Disney code of conduct or how it is being implemented.

Workers in six factories knew nothing about the code of conduct. In three other factories some workers knew

of the code, but nothing about its content. In the remaining three factories, the code was either posted or workers had been introduced to it when they started work.

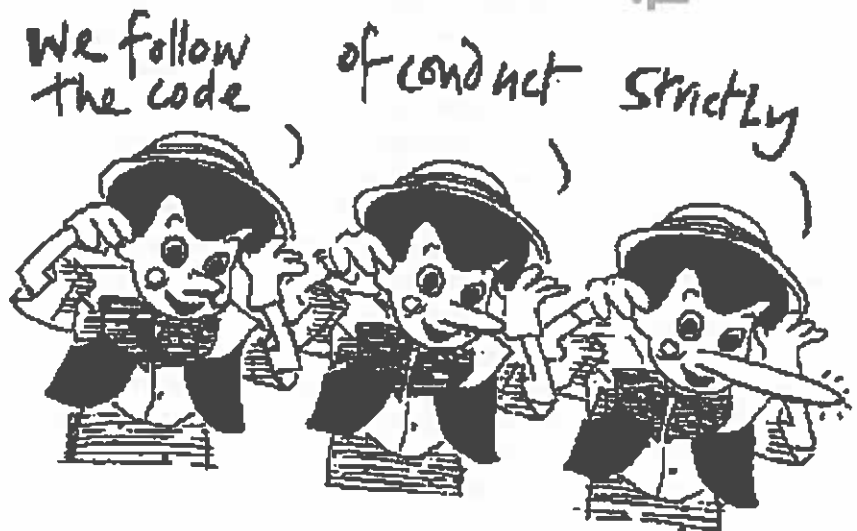
Workers reported that their factories were sometimes visited by outsiders who could have been Disney representa-

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Graphic: Angela Martin





Graphic: MEC

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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 Labour Behind the Label Coalition and the Ethical Trading Action Group and is active in Stop Sweatshops campaigning.

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Commercial 'Social Auditing' Comes Under Fire

On September 28, Dara O'Rourke, Assistant Professor at the Massachusetts Institute of Technology (MIT) and health and safety expert, released a damning inside report on the labour monitoring methods of PricewaterhouseCoopers (PWC).

PWC is the world's largest private sector monitor of labour and environmental practices. In 1999, it carried out audits of over 6,000 factories for major shoe, garment and toy companies, including Nike, Disney, Wal-Mart, the Gap, and Jones Apparel.

PWC is also likely to be accredited as an "independent external monitor" under the Fair Labor Association (FLA) code monitoring initiative, as well as the Worldwide Responsible Apparel Production monitoring program (WRAP).

Monitoring the Monitor

While doing research for the Independent University Initiative of five major US universities, O'Rourke accompanied PWC auditors on inspections of factories in China and Korea.

His report documents major labour rights violations that PWC auditors failed to report, including use of hazardous chemicals and other health and safety problems, barriers to freedom of association and collective bargaining, violations of overtime laws, and time-

cards that appeared to be falsified.

O'Rourke claims that in the Chinese factory he visited, the PWC auditors failed to note that the union was run by management, and that in the Korean factory the auditors skipped over all interview questions about freedom of association during the worker interviews, stating, "There is no union in this factory, so I don't need to ask these questions."

Both factories were reported to be in full compliance with freedom of association provisions.

As part of the project O'Rourke was working on, PWC audited 13 factories in seven countries, including countries known for restrictions on freedom of association, yet not one factory was

reported to be in violation of freedom of association provisions.

Bad Advice

On wages and hours of work, the PWC report claims that workers in the Chinese factory were required to work overtime at a rate that was less than the minimum wage, and that workers worked overtime to complete their quotas.

According to O'Rourke, the PWC auditors made suggestions to the factory managers on how to bypass national overtime laws.

O'Rourke also claims that in the Korean factory overtime was neither recorded nor paid, and that the PWC auditors recommended that the factory circumvent overtime pay laws by paying a "bonus" rather than legally required overtime premiums.

Institutional Problem?

The report blames PWC's monitoring methods rather than individual auditors. It notes that auditors gather most information from managers rather than workers, and depend largely on data provided by management.

According to O'Rourke, all interviews with workers were carried out inside the factories, and managers were allowed to help select workers to be interviewed and to bring them to the offices where they were interviewed. The managers therefore knew who was being interviewed, for how long, and on what issues.

SA8000 Certification Challenged

Meanwhile, the Hong Kong Christian Industrial Committee (CIC) has

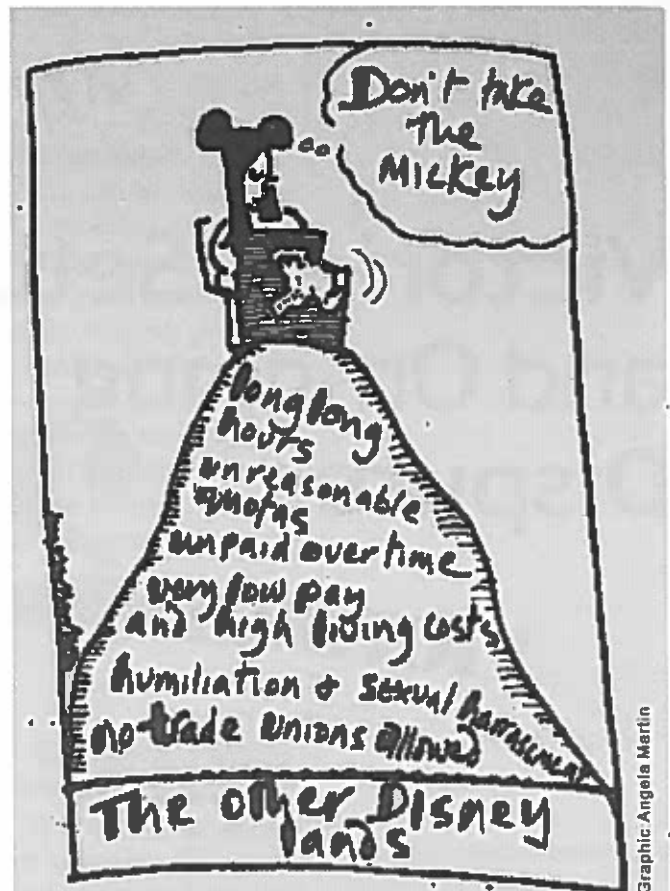


Dara O'Rourke

launched the first formal challenge of a factory certification under the SA8000 social auditing system. CIC charges that a factory certified by the German commercial

auditing firm Det Norske Veritas (DNV), is in violation of the SA8000 code of conduct.

In CIC's view, attempts to hold companies accountable for labour practices by employing outside auditors instead of continuous monitoring by workers and local authorities are doomed to failure.



Graphic: Angela Martin

Disney Sweatshops

Continued from page 1

tives or external monitors. In some cases, factories were cleaned up before the monitors arrived.

There were also reports of managers forcing workers to sign falsified payrolls, of using double bookkeeping to fool monitors, instructing workers on what to say in interviews, and prohibiting young workers from being in the factory during monitors' visits. In some cases, the Disney monitors didn't talk to workers at all.

Kwan says Disney's Chinese suppliers are not only violating the company's code, but also Chinese labour law, which in most cases is much stricter than the Disney code.

Don't Cut and Run

According to Kwan, the CIC is not releasing the names of the factories at this time in order to avoid the possibility of Disney cutting and running. "We don't want our report to result in workers losing their jobs," she says.

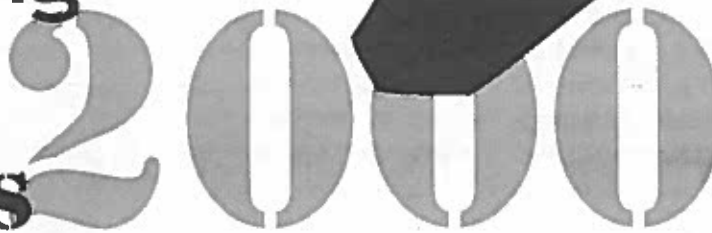
The CIC report is available at: www.maquilasolidarity.org

Stop Sweatshops

REVIEW

Victories, Setbacks and On-going Disputes in

VICTORIES



1. U of T Students Win Code

Students at the University of Toronto stage a 10-day occupation of the U of T president's office, and win adoption of the first Canadian code for university-licensed apparel.



2. Increased Corporate Disclosure

In response to Students Against Sweatshops campaigns at a number of US and Canadian universities, apparel companies – including Nike, Champion, Russell and GEAR for Sports – agree to disclose information on some or all factories where their university products are made.

3. DoAll Workers Reinstated

A 1999 pre-Christmas campaign targeting Liz Claiborne leads to the reinstatement in 2000 of 38 workers at the DoAll contract factory in El Salvador, and acceptance of independent monitoring of factory conditions by the El Salvador Independent Monitoring Group.

4. Increased Transparency

Guatemalan NGO monitoring group, COVERCO, makes public its second monitoring report on the labour practices of a Liz Claiborne contractor. The Ethical Trading Initiative in the UK and US universities release public reports on results of code monitoring pilot projects.

5. Retailers Join Saipan Settlement

Eight more US retailers and apparel merchandisers agree to settle a class action suit naming them for sweatshop practices and the use of indentured labour in the US



commonwealth island of Saipan.

Still refusing to settle are Gap, J.C. Penney, Target and Lane Bryant.

6. Fair Trade Latte?

Global Exchange calls off its "Roast Starbucks" campaign after the company agrees to offer TransFair USA-certified fairly traded coffee at over 2,000 stores across the US.



7. Sweatshop Workers Win Settlement

With the support of United Students Against Sweatshops, eight Los Angeles garment workers who sewed university jackets win \$172,000 settlement.

SETBACKS

1. Canadian Code Negotiations Shelved

The Retail Council of Canada refuses to accept ILO core conventions as the basis for a Canadian code of conduct, effectively ending civil society/industry code negotiations. RCC says it will adopt its own code of conduct, without civil society support.

2. Kimi Factory Shut Down

After a long and difficult struggle to win union recognition and a first collective agreement, and to oppose the expulsion of their factory from a free trade zone, workers at the Kimi garment maquila in Honduras are informed that their plant will be shut down.

3. Nike Empire Strikes Back

Nike CEO Phil Knight cuts off multi-million dollar corporate sponsorships with Brown University, Michigan U, and the University of Oregon (his old alma mater), all because the universities chose to join the Worker Rights Consortium, a student-initiated alternative to the Fair Labor Association.

IN DISPUTE

1. Chinese Factories Certified

Commercial "social auditing" firms certify seven factories in China as being in compliance with SA8000 minimum labour standards. The Hong Kong Christian Industrial Committee becomes first group to challenge SA8000 factory certification.

2. UNITE Files Suit

The Union of Needletrades, Industrial and Textile Employees files a \$1.5 million class action suit against three retailers, two Toronto manufacturers and a local contractor. Named in the suit are Venator, owner of Northern Reflections and Northern Traditions stores, and J. Crew. UNITE alleges the companies are jointly liable for violations of Toronto homeworkers' rights.

3. Wal-Mart Caught Again

For the third time in six months, Wal-Mart Canada is caught sourcing from Burma after repeatedly insisting it was no longer doing so. Wal-Mart continues to refuse to put its Burma policy in writing. Hundreds of Canadians join the Ethical Trading Action Group in nominating Wal-Mart "Sweatshop Retailer of the Year."

4. Wal-Mart Admits Sweatshop Link

After denying any connection to the Chun Si Enterprise Handbag Factory in southern China, Wal-Mart finally admits its Kathie Lee handbags were made there. Workers were reportedly locked in the factory for all but 60 minutes a day, forced to work up to 90 hours a week, punched and hit for talking back to managers, and charged a large portion of their salaries for food and lodging.

5. Union Busting in Nicaragua

Management at the Taiwanese-owned Chentex factory in Nicaragua's Las Mercedes Free Trade Zone engages in a "terror campaign" to rid itself of all workers suspected of being union supporters. A US delegation hoping to investigate the situation is expelled from the country. US and Taiwanese labour and student activists stage solidarity protests.

6. Duro Struggle Continues

With the support of labour, church and human rights groups in Mexico, the US and Canada, workers at the Duro greeting bag factory in Rio Bravo, Mexico win registration of their independent union, but have not yet won reinstatement of locked-out union supporters.



news & notes

DoAll Workers Win Union

After a long and difficult struggle, on September 13, workers at three DoAll garment maquilas in El Salvador won the registration for their union, SETDESA. DoAll is a Korean-owned company that produces apparel for Liz Claiborne and other US brands. One year earlier, 38 DoAll workers had been fired days after they first applied for union registration. In December 1999, an international solidarity campaign forced Liz Claiborne to pressure DoAll to reinstate the fired union supporters and accept independent monitoring of factory conditions. MSN recently had an opportunity to meet with SETDESA leaders and members. They are particularly concerned that despite repeated requests, factory management refuses to meet with the union. SETDESA secretary general, Magdalena Diaz, reported that while there have been some improvements in conditions, sweatshop practices continue in the factories, including verbal abuse against workers to meet their quotas, forced overtime, unjustified suspensions, and inadequate wages. SETDESA is thankful for the international support that helped them achieve the only union in El Salvador's maquilas.

Sony Workers Reinstated

With the help of the International Metalworkers' Federation (IMF), over 1,000 fired Indonesian Sony workers have won the right to return to their jobs or to compensation if they choose not to. In July, 1,007 electronics workers out of a total workforce of 1,300 workers were fired for going on striking for the right to sit down while they worked. Sony's newly installed production line requires the workers to stand throughout the entire workday. Sony had fired the workers with the approval of the Indonesian government. In July, the IMF succeeded in bringing the two parties together to negotiate the workers' reinstatement.

Taiwan / Nicaragua Solidarity

On November 6 and 8, Taiwanese labour and student activists staged demonstrations in solidarity with Nicaraguan maquila workers employed by Taiwanese-owned garment manufacturers. On November 6, 60 protestors gathered outside the corporate headquarters of Nien Hsing Textile, owners of the Chentex maquila factory in Nicaragua's Las Mercedes Free Trade Zone. They condemned the company for its "illegal firings" of union supporters and "militarized management" practices in Nicaragua. On November 8, a dozen labour activists attended a shareholders' meeting of Nien Hsing Textile, and raised questions about the company's union-busting activities in Nicaragua. Five Taiwanese labour organizations have signed a joint solidarity message addressed to Nicaraguan garment workers.

Thai Workers Ambush Tiger

On November 15, Tiger Woods, the world's #1 golfer, was ambushed in Thailand by anti-Nike demonstrators. Two dozen union and student protestors urged Woods to pressure Nike executives to improve wages and working conditions for the company's 70,000 Thai production workers. The protestors pointed out that Woods' one-day salary is equal to the daily wages of 14,000 Nike workers. Woods has a five-year US\$100 million endorsement deal with the footwear giant. The protestors were also demanding compensation for the over 1,000 Nike workers who were laid off in September. "It's just the way it is; you can't fight it," said Woods.

ILO Rules on Burma

On November 16, the International Labour Organization (ILO) voted to impose stiff measures against Burma's military rulers for their continued use of forced labour. For the first time in its history, the tripartite labour rights body



Nike's Grim Reaper makes an appearance at Thai workers demonstration

of the United Nations invoked Article 33, effectively banishing the Burmese regime from the world community. According to the International Confederation of Free Trade Unions (ICFTU), more than one million Burmese are subjected to forced labour. Over the past year Canadian groups, including MSN and the Canadian Friends of Burma, have been calling on Wal-Mart Canada and other Canadian retailers to stop sourcing from Burma until human rights are respected in that country.

Macao Migrant Workers Expose Abuses

On October 27, six Chinese migrant workers employed in a Macao garment sweatshop held a press conference to expose how they were swindled by employment agencies and exploited by a local factory owner. The workers were charged a recruitment fee of Can\$846 to work in the Macao factory, and an additional \$60 was deducted from their pay every month. Promised a better life in the south, the young women were recruited from northern China to work in Macao's export garment industry. Instead, they ended up working 7:00 in the morning until 10:30 and sometimes 12:30 at night, six and sometimes seven days a week. They complained of being overcharged to live in crowded dormitories, and working for piece rates that didn't allow them to save any money. They demanded the return of their deposit and money owed for overtime worked, and transportation back to their home villages. The workers were not aware which apparel brands they were producing for, but a representative of the Macao Industrial Evangelistic Fellowship,



Macao workers prepare for press conference

which organized the press conference, produced a Disney label from clothes made in the same factory in 1999. The label included a CA number, indicating that the garment was produced for the Canadian market.

More Attacks on Duro Workers

On October 31 at 1:00 a.m., the home of Eliud Almaguer, a leader of the Duro workers' union in Rio Bravo, Mexico, was burned to the ground under suspicious circumstances. When neighbours phoned the police, they were told, if it's "Eliud's house, let it burn." Almaguer's house had previously been broken into, union documents had been stolen, and his dog had been poisoned. In August, Duro workers were granted the registration for their independent union. However, the company refuses to reinstate union supporters who participated in strike action, and the state government appears to be delaying the holding of an in-plant vote to determine whether the workers will be represented by the independent union or the government-affiliated National Paperworkers Union of the Confederation of Mexican Workers (CTM). Duro produces gift bags for companies like Hallmark.

No Sweat Organizers Guide, action tool for organizing "No Sweat" purchasing policy campaigns, November 2000, 12 pp., free, Contact: MSN.

Oxfam-Canada Campaigner: Special Issue on Sweatshops, resource material for No Sweat campaign, Fall 2000, 24 pp., free, Contact: Oxfam-Canada, 1-800-466-9326, or billh@oxfam.ca.

Labour Practices in the Footwear, Leather, Textile and Clothing Industries, International Labour Organization (ILO), report on global industry trends and labour rights violations, October 2000, 83 pp. Contact: www.ilo.org.

Allies Across the Border: Mexico's Authentic Labor Front and Global Solidarity, Dale Hathaway, South End Press, October 2000. Contact: southend@igc.org.

Lives on the Line, Dispatches from the U.S. – Mexican Border, Miriam Davidson, University of Arizona Press, 2000. Documents lives and struggles in the twin cities of Nogales, Arizona and Sonora. Contact: www.uapress.arizona.edu

No Sweat Christmas Carols. All your favourite tunes with a not-so-subtle No Sweat message. Perfect for storefront demonstrations during this busy shopping season. Available on the MSN website: www.maquilasolidarity.org

Join the No Sweat campaign

Who

Whether you're a university student, high school student or teacher, union member, or community activist, you can get involved in the No Sweat campaign for fair labour practices in the global garment industry.

What

Through education and action, you can promote the adoption of No Sweat purchasing policies ensuring that uniforms and other clothing purchased by your university, high school, employer or local government are made under humane working conditions.

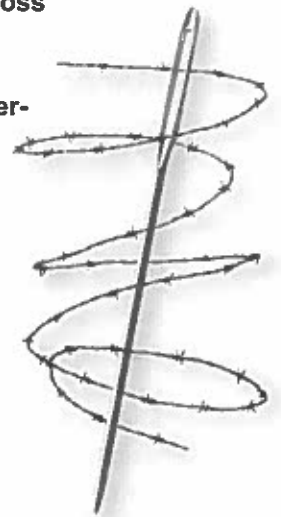
You can also join us in calling on the federal government to make changes to the Textile Labelling Act to provide consumers more information on where clothes sold in Canada are made.

When

The campaign was officially launched on November 24 in St. John's, Newfoundland. Local students and Oxfam volunteers staged a sweatshop fashion show, and Oxfam and the CLC signed up campaign activists and gathered signatures on a petition urging the City of St. John's to adopt a No Sweat purchasing policy. The campaign will continue for at least the next calendar year.

Where

No Sweat campaigns will take place in cities and towns across Canada, at university campuses, in high schools, at public institutions, in membership organizations and at municipal and provincial governments.



No Sweat Campaign, launched by:

Canadian Labour Congress
Maquila Solidarity Network
Oxfam-Canada
Students Against Sweatshops-Canada
UNITE

Endorsers:

Canadian Friends of Burma
WUSC

Will your organization
endorse the campaign?

Why

Canadians are alarmed by increasing reports of sweatshop abuses in the apparel and footwear industries in Canada and around the world.

Consumers want more information about where their clothes and shoes are made, and under what conditions, so they can make ethical choices.

Public institutions that buy uniforms and other apparel in bulk can make a difference by adopting No Sweat purchasing policies requiring their suppliers to meet minimum labour standards, provide information on where products are made, and accept independent monitoring of factory conditions.

How

For more information on how you and your organization can get involved in the No Sweat campaign, contact the MSN: info@maquilasolidarity.org

For campaign resources contact the MSN or visit: www.maquilasolidarity.org

Additional resources are available from Oxfam-Canada at: billh@oxfam.ca, and from the CLC at: bbegin@clc-ctc.ca