

maquila network update

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Are Sweatshops a Northern Tradition?

The Labour Behind the Label Coalition is launching a campaign to pressure the Northern Group--Northern Traditions, Northern Reflections, Northern Getaway--to clean up the sweatshop conditions of Toronto workers who produce their clothes.

The coalition is calling on Canadians to lobby the Northern Group to ensure that their contractors abide by Ontario labour standards legislation.

Maquilas in the North?

Research carried out by the coalition revealed that contracting shop employees and homeworkers sewing for the Northern Group are working under conditions similar to those of maquila workers in Central America.

Workers are being paid piece rates that add up to as little as \$4.50 an hour. Contracting shop employees work 12 hour shifts, with no overtime pay. Workers are not receiving legislated benefits, such as vacation pay, statutory holidays, and contributions to Employment Insurance.

To date, the Northern Group, which is owned by the US multinational Woolworth Corporation, has failed to respond to requests to meet with the coalition and the affected workers.



Fashion Show Targets Bill 49

On September 10, the Ontario District Council of the Union of Needletrades, Industrial and Textile Employees (UNITE) staged a "sweatshop fashion show" before an Ontario legislative committee studying Bill 49 (proposed changes to the Ontario Employment Standards Act).

The "fashion show" exposed the conditions of women sewing for the Northern Group, and demonstrated how Bill 49 will encourage the spread of sweatshops.

Wear Fair Campaign

The coalition's Wear Fair campaign is seeking to improve conditions of garment workers globally through public education and consumer pressure campaigns, dialogue with retailers about an industry-wide code of conduct and possible monitoring mechanisms, pressure for stronger legislative protection, and coordination of these efforts with groups in Latin America, Asia and Europe.

The coalition includes the Ontario District Council of UNITE, the Maquila Solidarity Network, and a number of other church, labour and community groups and overseas development agencies.

For more information, write to: Wear Fair at the Maquila Solidarity Network address.

Momentum Builds for First Maquila U



Workers at two Phillips Van-Heusen (PVH) plants in Guatemala

City are receiving strong local and international support for their fight to achieve the first collective agreement in Guatemala's maquila sector.

Earlier this year, union members spent months discretely talking with co-workers in an effort to sign up enough members to force contract negotiations. (In Guatemala, 20 workers can band together to form a union, but they need support of 25 percent of the work force to oblige management to enter contract negotiations.)

Going Public

On the weekend of August 31, the organizing drive went public when about 100 workers declared their support for the union and signed a petition calling for contract negotiations.

About 100 workers wearing pro-union T-shirts marched into a PVH factory and unfurled a banner calling for negotiations. Management immediately ordered 25 of the workers out of the plant. The discharged workers gathered outside the factory gates, played music and chanted for a union contract. Thirty-eight more workers signed up that day, giving the union more support than required to force negotiations.

International Pressure

On September 2, the union delivered its formal petition for contract negotiations to the Ministry of Labour, setting a October 12 deadline for management to respond. On the same day, support groups in five major US cities leafletted stores selling PVH products.

As part of their organizing strategy, PVH workers had recruited the help of the American solidarity groups, with the assistance of the US/Guatemala Labor Education Project (US/GLEP).

International attention appears to be having an impact. On September 19, the Guatemalan Inspector General's office took the unprecedented step of carrying out an inspection of the PVH plants.

The visit resulted in an order to PVH to immediately correct numerous violations, including;

- failure to fully pay bonuses for the past two years;
- failure to provide holiday pay for two holidays;
- inadequate child care facilities; and
- health and safety violations, including poor sanitary facilities, lack of warning signs and inadequate safety equipment.

As well, PVH has agreed to allow workers to wear their pro-union T-shirts and to hang union banners within the factory. At the same time, there have been reports of continuing intimidation and harassment of union members. Management has upped security in the factories, imposing a constant threat of violence.

Solidarity at Home

Union support in Guatemala has also strengthened PVH workers' resolve. On September 23, PVH workers leaving work were greeted by 35 singing and chanting members of the Coca Cola workers union, along with their internationally known leader Rodolfo Robles. The Coca Cola union is a symbol of militancy in Guatemala, having survived several assassinations and having won a huge victory in the early 1980s.



Union Contract

Meanwhile, the October 12 deadline for negotiations has been stalled. The company is using old union membership lists to argue that the required 25 percent worker support has not been reached.

The PVH story

Labelled one of the world's largest sellers of men's dress shirts, PVH only pays its Guatemalan workers about \$33 dollars a week. Some workers reported earning as little as \$23 dollars a week. According to the Guatemalan Institute of Statistics, an urban family needs \$60 dollars a week to survive.

Another major issue for the PVH employees is out-sourcing of their work to contractors who offer even lower pay and poorer working conditions. US/ GLEP investigations of these contractors uncovered cases of child labourers as young as 12 years old. PVH contractors are also failing to pay legally required health insurance, and vacation, holiday, and overtime pay.

Despite all the obstacles, PVH workers are not backing down. Continuing international support is vitally important.

In Canada, PVH shirts are sold at Eaton's stores. Watch for other stores where PVH products are sold and inform MSN of your findings.

Oops!

We apologize for the error in MSN's July Update. The Arnesees factory is in Acuña and not in Ciudad Juarez.

GAP Campaign Update

On October 15, three fired union executive members returned to their jobs at the Mandarin International maquiladora plant in El Salvador, which produces clothing for the GAP. The reinstatement of the fired union leadership was achieved through a negotiated agreement between the GAP, Mandarin and the New York-based International Monitoring Group.



The new agreement also commits Mandarin to make a concerted effort to seek out new orders from other retailers so that other fired union supports can return to work. It commits the GAP to increasing its orders from Mandarin to a significant percentage of production.

As part of the new agreement, the international and local monitoring groups will continue to play their crucial roles of assuring that the terms of the historic 1995 agreement with the GAP are upheld, and that working conditions at the Mandarin plant are in compliance with the GAP code of conduct.

In December 1995, the GAP became the first major North American retailer to accept independent monitoring of conditions in Central American maquila factories that produce its clothing. However, a key element in the agreement--the return to work of fired union supporters--has not yet been fully implemented by Mandarin.

The new agreement between the GAP, Mandarin and the monitoring groups raises new hope that this important precedent will deliver concrete benefits for Salvadoran workers.

new resources

The Sky Never Changes: Testimonies from the Guatemalan Labor Movement, by Thomas Reed and Karen Brandow. Stories of rank-and-file activists, labour organizers, indigenous leaders and widows of assassinated and disappeared unionists. Write: Cornell University Press, PO Box 6525, 750 Cascadilla St., Ithaca, New York 14851-6525.

Guess Who Pockets the Difference? Video in English and Spanish on sweatshop conditions of US workers producing *Guess* jeans. Contact: UNITE, 218 W. 40th St., 5th floor, New York, NY 10018. (Campaign materials also available.)

Asian Labour Update. Quarterly bulletin on labour issues in the Asia-Pacific region, by Asia Monitor Resource Centre (AMRC). An excellent resource on struggles and strategies of workers in export processing zones. Write: AMRC, 444 Nathan Road, 8-B, Kowloon, Hong Kong, fax: 852-2385-5319, e-mail: AMRC@HK.Super.Net.

CAW Maquiladora Tracking Project. Survey of auto companies with operations in both Canada and Mexico. Contact: CAW Social Justice Fund, e-mail: cawsjf@web.net.

No Guarantees: Sex Discrimination in Mexico's Maquiladora Sector. Documents discrimination against women affected by pregnancy in Mexico's maquila border regions. Write: Human Rights Watch Women's Rights Project August 1996 Report, 485 Fifth Ave., New York, NY 10017-6104, tel: 212-972-8400; fax: 212-972-0905.

Mickey Mouse Goes to Haiti, video on sweatshop conditions of Haitian workers sewing Disney children's clothes. National Labor Committee, 275 7th Ave., New York, NY, 10001, tel: 212-242-0986. (Disney campaign materials also available.)

World Trade and the Rights of Workers. New bulletin from Women Working Worldwide. Contact: WWW, Centre for Employment Research, #126, MMU Humanities Building Rosamond St. W., Manchester, England, M15 6LL or the Maquila Solidarity Network.

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 over 200 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:

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Project Bulletin

September 1996

Guatemala Team Report

LABOR RIGHTS: UNIONS AND THE MAQUILA PROBLEM

One of the most complex industries in Guatemala, in terms of understanding its functioning and the application of labor rights, is the industry related to *maquilas* — unregulated sweatshops which produce textiles. In this article, we draw from our experience accompanying a number of unions involved in this industry and aim to reflect points of view and experiences of Guatemalans working in the industry.

The Guatemalan government is determined to push the *maquila* industry and duplicate, by the end of the decade, the boom in textile factories which the country saw as the 90's began. The Minister of Labor and Social Welfare announced that by 1999, with the help of foreign investors, 100,000 new jobs would be created in this controversial industry, tripling the 54,000 jobs in textile factories which now exist. For big business and the government, the main arguments in favor of *maquilas* are the cre-

ation of jobs, the attraction of foreign investors and the integration of Guatemala into the world market.

It's very difficult to estimate the true dimensions of the *maquila* sector in Guatemala. The Guatemalan Workers' Union (UNSITRAGUA) declared that, in the capital, the 240 existing *maquilas* employ between 200 and 3,000 workers each, and many factories give work to an unknown quantity of smaller enterprises. In

the interior of the country, statistics are unknown regarding the number of factories and workers.

According to UNSITRAGUA, of some 70,000 textile industry workers, 80% are young women — with a high percentage of single mothers, heads of households, and widows. The union contends that "businesses prefer to employ [women] because they are docile and fear repression, so they do not organize; besides which, they are very well suited to manual labor and in addition, they do not need a great deal of knowledge to develop these skills."

Just who the owners of Guatemalan *maquilas* are is a question which it is difficult to answer very clearly. UNSITRAGUA maintains that a little more than 50% have Guatemalan owners, 25% are owned by United States citizens and 25% are Korean owned. But *Inforpress* recently reported that, out of 219 known textile fac-



Gemma Planchart Iroca (left) of PBI's Guatemala team escorts Debora Guzman in Amatitlan. (PBI photo, March 1996).

tories in 1994, 95 were owned by Guatemalans, 95 by Koreans, 20 by United States citizens, and four by Taiwanese. Five were bought with capital from other countries.

More than 90% of the factories are textile producers; most of the rest are involved in the production of chemicals and electronics, while 1% make agricultural products. The products of the *maquila* industry make up Guatemala's third largest export, following coffee and sugar (Bank of Guatemala, August 1995). This means that *maquila* products are exported even more than bananas, chemical products, and cardamom.

Problems associated with textile factories, especially *maquilas*, are known worldwide. Recently, in a meeting in Geneva, the International Confederation of Free Unions (CISL) compared Central American *maquilas* to concentration camps and outlined a series of human rights violations in these work centers, such as beatings, sexual abuse and the distribution of amphetamines to make workers endure the long working hours and arduous working conditions.

UNSTRAGUA, a federation very involved in the *maquila* sector, maintains that Guatemalan workers have seen similar cases and have experienced a number of other human and labor rights violations which add to the negative image of *maquilas*. In many factories there is little air or light. There is almost never any ventilation or filtration systems for the dust and bits of fabric which circulate. There is no protection from harmful chemicals used in textile production. The majority of the washrooms are catastrophic, and — when available at all — dining rooms are also unsanitary. Often, workers are not given breaks and 15-30 minutes to eat lunch is a luxury. Talking with co-workers while working is prohibited and every minute of work that a worker misses is deducted from her or his pay.

In many *maquilas*, workers are not

paid the social security quota dictated by the Guatemala Social Security Institute (IGSS) and the factory provides no other form of social security. Workdays vary and are dictated by norms established by the management, depending on consumer demand of various products, which means workers are given little notice of long or short workdays. On average, *maquila* workers will work between 10 and 12 hours, but are often obliged to work extra hours until very late at night, without pay. Salaries on average, are between 8.6 and 11.6 quetzales per day (between US\$1.40 and \$1.90), which is much lower than the legal daily minimum wage of 17 quetzales (US\$2.83).

Equally precarious to the labor and salary conditions of *maquilas* is the state of labor unions: UNSTRAGUA, at the beginning of the 1990s, had 13 unions affiliated with the *maquila* sector; now only 3 remain. The other unions were disbanded or the factories where workers were organized had been closed. This is why *maquilas* in Guatemala are referred to as "swallow industries" — when problems or complications arise, factories are moved to other areas (or countries) which offer more favorable business environments (cheaper labor, less rigid labor laws, etc.).

Repression against union leaders in the *maquilas* comes in many forms, ranging from isolation in the workplace and denial of work or incentives, to intimidations and browbeating, and to dismissal of "troublemakers." Union leaders are regularly the targets of death threats. Kidnapping, torture and assassination are still part of the repertoire of methods used to violate human rights in the labor sector in Guatemala.

In a study carried out by UNSTRAGUA, only 1% of *maquila* workers were affiliated with unions, of which only six have survived in the country. In the last month union leaders in the *maquila* sector have

attempted to organize on a Central American level, to work together to find solutions to their situations.

The main market for *maquila* products is an integral part of the problem. 99% of clothing produced by Guatemalan factories is exported to the United States. Customs and duties practices, specifically the General System of Preferences (SGP-Preferred Nation Status) make this kind of trade very attractive. Secretary of International Affairs for UNSTRAGUA, Julio Coj, indicated that "the four labor associations confronting the problem do not want to shut the doors to foreign investment, but at the same time we are trying to look for mechanisms which will bring human and labor rights violations to an end in the *maquilas*. We want Guatemala to stay in the SGP, what we need is a better system of vigilance."

Union leaders are working on a proposal for an agreement between the Guatemalan government and the Association of Non-Traditional Export Producers (GEXPRONT), in which GEXPRONT would have to make a commitment to ending abuses which violate the right of unions to organize. According to Julio Coj, "the difficult part is that normally the government controls all aspects of negotiations [with the foreign companies] and does not listen to unions, leaving us with very little power to [apply] pressure."

The Guatemalan government asserts, according to Economic Minister Mauricio Wurmser, that "in October, Guatemala will be eliminated from the list of countries now under revision to receive the benefits promised by the SGP...." Convinced that "the advances [of labor rights in the state] have been significant, in October this revision will be lifted," and Guatemala will be given preferred status by the U.S.. On the other hand, the unions continue demanding the internationalization and strengthening of control over labor rights through the International Labor Or-

A NEW ECONOMIC STRATEGY

The Party for National Advancement (PAN), which will be in power for the next four years, and the business sector brought together by the Coordinating Commission of Agricultural, Commercial, Industrial and Financial Associations (CACIF) will have a very focused strategy on maquilas which will be implemented as the armed conflict comes to an end and will be called the "Industrialization Triangle".

Though it may be distasteful to the established oligarchy of landowners and coffee growers, this plan is counting on maquila workers to be the new vehicle of neoliberal development. The Triangle will be made up of three main areas of development: the capital in the center of the country, the Transversal Belt in the north and the area around

Quetzaltenango and the northeastern highlands.

With the offer of a National Free Trade Zone, with a fount of cheap labor and free of taxes, the Guatemalan government wishes to attract investors from the United States and South Korea. But it also seems that the European Community has the intention of investing in agricultural maquilas, with special interest in vegetable exportation. Taiwan, on the other hand, is more interested in traditional industrial products.

So far, there has been no comment around the possible repercussions that this new plan may have on the culture and social structure of the Mayan campesino communities which make up Guatemala, nor the impact on the environment.

SOURCE: UNSITRAGUA

ganization (OIT), and call for international pressure on Guatemala to push for legislation throughout Central America that will end the impunity with which *maquilas* are functioning. In this sense, Julio Coj added that "the central and most important point is the government, responsible for the gravity of the situation. Signing agreements between governments should not only emphasize process around customs, etc. but should demand that businesses respect the labor rights of workers in Guatemala. Pressure needs to be applied to governments and international finance organizations."

PBI and Maquila Workers

Peace Brigades International has received a number of requests coming from the *maquila* sector, from *maquila* worker's unions as well as labor federations which bring together various unions. One case in which we have been present as international observers and accompaniers is that of the *maquila* INEXPORT.

INEXPORT was opened in 1985 in Guatemala City by United States citizen Henry Robbins Cohen and

was one of the first *maquilas* in Guatemala. At the beginning there were 700 women and men working in the factory, producing pants for export. Problems arose when the factory augmented the number of finished goods which had to come out of the production line, increasing production without increasing salaries. In response to the situation, the INEXPORT Textile Factory Worker's Union (INTRAINTEXSA) was created.

INTRAINTEXSA is the only *maquila* union in Guatemala which has managed to negotiate a collective agreement with the company, though it hasn't been fully respected. After the signing of this agreement, 210 workers were let go. This incident provoked the first labor conflict at INEXPORT, between 1989 and 1992, after which a number of the laid-off workers were reinstated.

The second and present conflict started in May of 1995 when the factory union presented part II of the collective agreement, which was rejected by the company, arguing that it didn't have money to comply with the agreement since its production had decreased. But, at the same time,

the company was giving a certain production quota to another *maquila*. By September 1995, 300 workers were laid off or forced to take vacations. The workers who remained in the factory decided to continue working, although it was foreseen that their salaries would be delayed 2 weeks. After 3 months they still had not received their salaries, nor vacation pay, nor their Christmas "bonus" (UNSI TRAGUA bulletin, June 1996).

On February 12, 1996, as a response to their demand to receive the back pay, the workers arrived to find the factory closed without warning. Since that day, the workers have been camping out 24 hours a day, in front of the INEXPORT factory and demanding their reinstatement and the payment of what is owed to them. On various occasions, the camped out workers have been intimidated and threatened.

The company declared it was bankrupt and unable to pay the pending salaries. In negotiations between the union and company representatives, it was agreed that there would be an appraisal and evaluation of the worth of the machinery inside the

factory to see if the value could compensate for the debts owed to the workers. Before the financial evaluation was carried out, the company tried to remove some of the machinery from the workplace.

In July of 1996, the Minister of Labor revoked INEXPORT's operating license in Guatemala after attesting to the violations of labor rights committed by the company (Prensa Libre, 19-June-96) Though these steps may seem like a step forward, an UNSITRAGUA representative states that this does not prevent the company from opening another *maquila* in Guatemala under another name.

The Guatemala Labor Education Project, a United States organization, reported in its May newsletter that

Henry Cohen owes a great deal not only to other businesses and workers but also to the Guatemalan government. Nevertheless, the valuation of the machinery at INEXPORT has been carried out and the workers await the report thereof in order to continue negotiations with the company.

The former employees of INEXPORT had some financial support initially, but this is diminishing with time. The majority of these workers are single mothers and have had to look for work in other factories, *maquilas* or the informal sector to survive. Their economic situation is precarious, but many continue to camp outside the factory awaiting a resolution to the conflict.

continue to claim back pay and severance pay owed since the *maquila* INEXPORT closed shop in February (see: "Labor Rights: Unions and the *Maquila* Problem" in this newsletter); we also continue visiting Debora Guzman, ex-union leader of the M.J. Modas *maquila* in Amatitlan; finally, we accompanied Crisanto Garcia, leader of his local Highway Workers Union, as he attends to the denunciation of his kidnapping in Santa Rosa in June.

We provided protective accompaniment to members of the Guatemalan Lawyers Association (AGJ) after they received pressure for defending prisoners accused of belonging to the URNG. Three of the accused were released after almost a year in jail.

Members of PBI have also worked to maintain our contacts with key Guatemalans in order to exchange thoughts on the ever-evolving political situation. Over the last couple of months we had the opportunity to meet with: the Minister of Labor and Social Services, Arnaldo Ortiz Moscoso; Gabriel Aguilera, Vice Minister of External Affairs; Luis Padilla, an advisor in the Office of External Affairs who is in charge of peace issues; Victor Hugo Godoy, Human Rights Ombudsman; and Frank La Rue of the Legal Action Center for Human Rights (CALDH). Along the same lines we maintained our contacts with our embassies of Spain, Germany and the United States.

We also had the chance to meet with Esteban Beltran and Kerrie Howard, delegates from Amnesty International, who took time out of their visit to Guatemala to stop by the house and exchange points of view on human rights issues with us. In addition, PBI members attended a public forum on "Worker's Rights" organized by the Guatemalan Lawyers Association (AGJ), the Myrna Mack Foundation, and the Catalanian Profesional Association on Cooperation.

THE TEAM'S WORK IN JULY & AUGUST

In the capital we continue to visit and provide an international presence in the offices of many grassroots organizations.

The list includes: the Popular Action and Workers Union (UASP), the Guatemalan Worker's Union (UNSI TRAGUA), the Council of Ethnic Communities "Runujel Junam" (CERJ), Mayan Defense, Mutual Support Group (GAM), Relatives of the Detained and Disappeared of Guatemala (FAMDEGUA), Majawil Qu'ij ("New Dawn"), the Permanent Comissions (CCPP), the National Widow's Committee of Guatemala (CONAVIGUA), the Communities of Populations in Resistance in the Ixcán (CPR-I) and the Sierra (CPR-S), the Association of Dispersed Refugees of Guatemala (ARDIGUA), The Federated Union of Food Workers (FESTRAS), the National Indigeneous and Peasant Committee (CONIC), the Communities of Populations in Resistance in the Peten (CPR-Peten), The Committee of Peasant Unity

(CUC), the Guatemalan Union of Administrative and Education Service Workers (STAYSEG), the Fray Bartolome Center, the Union of Unrecognized Communities of Guatemala (UNASGUA), the National Council for the Displaced (CONDEG), the National Committee for Small and Mid-Sized Producers (CONAMPRO), and the Association of Street Vendors and Members of the Unofficial Economy.

Members of PBI accompanied survivors of the Xaman massacre in their visits to the San Juan de Dios hospital in Guatemala City. The victims are still recovering from wounds sustained last October. We continued our accompaniment with Blanca Rosa Ayala, a member of UNASGUA and neighborhood leader of El Paraiso II in zone 18 of the capital, who is also recovering from gunshot wounds and continues to receive threats.

As always, we continue to accompany unions and union federations. We regularly visit the women who