

# maquila network update

January - March 1998 Vol. 3 No. 1

## Canadians Demand Task Force on Sweatshops

Over 10,000 Canadians have signed the Citizen's Petition to Stop Sweatshop Abuses of Garment Workers, and more signed petitions are arriving daily.

The petition, which will be presented to the Canadian government in mid-March, calls for a federal task force to find solutions to the growing problem of sweatshop abuses in the garment and footwear industries in Canada and abroad.

The campaign is being coordinated by the Toronto-based Labour Behind the Label Coalition and the Union of Needletrades, Industrial and Textile Employees (UNITE). Many other organizations are also joining the call for a federal task force.

"The task force would look at a number of ways to challenge the spread of sweatshop abuses, including government policy and legislation, better access to information, as well as codes of conduct and monitoring systems," says Barbara Anderson, UNITE's Sweatshops Campaign Coordinator.

"Although our call for a task force coincides with negotiations in the US for a multi-company code of conduct that includes external monitoring, we are not binding ourselves to the terms of the US accord, nor do we see volunteer codes as a sufficient solution."

### Woolworth Fails Test

The call for a federal task force comes as the Woolworth Northern Group continues to refuse to take responsibility for the sweatshop abuses of some of its Metro Toronto contractors.

In December 1996, Woolworth executives met with homeworkers and contract shop workers in Toronto and heard stories of piece rates



equalling as little as \$2.50 an hour, excessive hours of work with no overtime pay, and denial of statutory benefits.

Woolworth agreed to carry out an internal investigation. In return, UNITE agreed to provide the names of two contractors as a test case.

"Woolworth has failed the test," says Alex Dagg, Manager of the Ontario

District Council of UNITE. "We tried to work with the

- see "Petition" pg.8 -

"Woolworth is not the five and dime store many people remember from their childhoods"

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# El Salvador Conference Debates Independent Monitoring

By Lynda Yanz and Bob Jeffcott

The article in *La Prensa Grafica* stated, "The arrival of foreign union leaders promoting a boycott of the maquilas was confirmed yesterday by immigration authorities." But you didn't need to consult El Salvador's immigration authorities to find out who was attending the January 13 - 14 Conference on Independent Monitoring in El Salvador's capital, San Salvador. The conference was very public, and a boycott was definitely not on the agenda.

Human Rights Institute, the monitoring group has regular access to the factory and has won the trust of the workers and management.

Mark Anner, a former member of the monitoring group, explains that "before monitoring, there wasn't proper drinking water. Locks were put on the bathroom doors, women had to ask permission to go to the bathroom, and their visits were timed. An ex-military colonel was in charge of personnel and he ran the factory like a military barracks. There were problems with forced overtime and poor ventilation. Women had to present a pregnancy test to get a job.

"Since the agreement," Anner continues, "the worst of those violations have been rectified. The colonel has been removed from the factory. The locks have been taken off the bathroom doors, and the women don't have to sign up to go to the bathroom. The company has put in proper water coolers. Women aren't required to present pregnancy tests, nor are they forced to work overtime." But, as Anner admits, "We can only achieve so much in one isolated factory. The next great

## 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.

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We had come to El Salvador, along with other conference delegates from Central America, Mexico, the Dominican Republic, Germany, the US and Canada, to learn about a unique experiment which had not only improved conditions in a maquiladora factory, but had actually kept investment in that country.

Two years earlier, on December 15, 1995, the US apparel retailer, the GAP, had agreed to independent monitoring of its code of conduct at the Mandarin International maquiladora factory in El Salvador. The agreement was achieved after an intensive one-year campaign in the US, Canada and El Salvador. (The GAP has so far not allowed independent monitoring to be implemented at any other of its

contract factories in over 50 countries world-wide.)

The conference gave those of us who were active in the GAP campaign an opportunity to see the concrete results and to discuss the potential and limitations of independent monitoring.

### Have Conditions Improved?

Although members of the Independent Monitoring Group -- which includes the Human Rights Institute of the University of Central America (UCA), the Human Rights Office of the Archdiocese of San Salvador, and the Labour Studies Centre (CENTRA) -- are reluctant to promote their experiment as a model to be applied everywhere, they believe it offers a concrete experience that others can learn from.

According to Benjamin Cuellar, Director of the UCA's

"The next great challenge is to see to it that all the companies are feeling the same pressure to improve conditions."

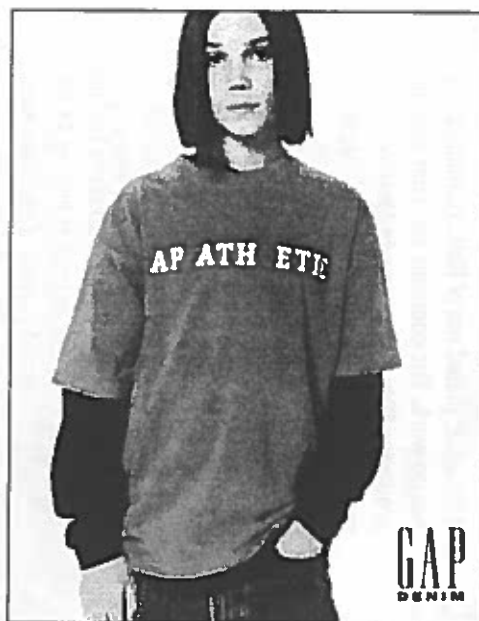
challenge is to see to it that all the companies are feeling the same pressure to improve condi-

tions." If the GAP begins to source from other maquilas in El Salvador, the monitoring group hopes to negotiate the right to monitor conditions in those factories.

### A Substitute for Unions?

A major issue at the conference was the role of monitoring groups in relation to unions. The Independent Monitoring Group insists that they are not a substitute for a union. They point to their role in facilitating the return to work of 75 fired union supporters, but they also admit to going beyond a narrow definition of monitoring in playing a conciliator role between workers and management.

Yet the labour situation at Mandarin remains complicated. There are now two unions in the factory, SETMI and ATEMISA,



ADBUSTERS

both recognized by the Ministry of Labour. ATEMISA was formed with company support after hundreds of SETMI supporters were fired during the 1995 dispute. ATEMISA is now the larger of the two unions.

### Independent Monitoring in Honduras

The only other maquila in Central America where independent monitoring has been negotiated is the Kimi factory in Honduras, although groups in Nicaragua and Guatemala are also discussing establishing monitoring groups.

The Honduran monitoring agreement was signed in June 1997, following a bitter battle which erupted when workers attempted to organize a union. Several workers were fired, an international campaign was launched, and US retailers sourcing from the factory threatened to pull out of Honduras, putting the employment of the 500 maquila workers at risk.

The Independent Monitoring Team in Honduras includes CODEH (Committee for the Defence of Human Rights), the Jesuits, CODEMUH (Women's Collective of Honduras) and Caritas Diocesana. Each organization has a long history of investigating conditions in Honduras' maquilas.

Given the high percentage of women in the maquilas, and the lack of a gender perspective of many Central American unions, the participation of a women's group in the monitoring team is an important advance.

The Kimi agreement provides for regular and unannounced visits by the monitoring team and monthly meetings with management and worker representatives. Immediate priorities for the Independent Monitoring Group were to address accusations against management for physical abuse, unjust treatment of pregnant workers and firings for union activity.

The Honduran monitoring team reported that as a result of their work and the public discussion that has surrounded it, the Honduran Maquiladora Association is interested in developing a code of conduct for the industry.

### Unresolved Issues

Despite these advances, the Honduran team came to the Salvador conference with many questions about the challenges of independent monitoring. They spoke of mistrust between unions and monitoring groups, and the importance of continuing to

pressure ministries of labour to play an effective role in monitoring and enforcing labour legislation.

Significantly, both the Salvadoran and Honduran monitoring groups put more emphasis on monitoring compliance with local labour legislation than with corporate codes of conduct, and neither group saw independent monitoring as a privatized alternative to state enforcement of national labour laws.

As groups in North America and Europe are pressing ahead with attempts to negotiate multi-company or industry-wide codes of conduct and external monitoring systems, another major issue raised at the conference was how the concerns and demands of maquila workers will be represented in Northern negotiations, and what role Southern groups will be able to play in any new global monitoring systems.

One Southern initiative for a industry-wide code of conduct is being promoted by the Central American Network of Women in Solidarity with Maquila Workers. The network is attempting to negotiate agreement on "A Women's Alternative Code of Ethics" with ministries of labour and maquila owners.

Although some unions and solidarity groups are critical of the Code of Ethics for not including freedom of association, the strength of the code is its emphasis on issues specific to women workers. ♦

- for related news, see 'Minister Signs Maquila Code', p. 6 -

(Model Enters) *Our first model this morning is Anuja. She's wearing a stunning green ensemble from Northern Reflections. Notice the style, attention to detail and crisp cotton look of this fetching little number.* (Model walks across runway, then freezes)

*Despite the Canadian image used to sell its products, the Northern Group is a division of the US multinational Woolworth Corporation. Outfits like this one are made under sweatshop conditions right here in Canada. Some women sewing for Woolworth contractors have been paid as little as \$2.50 an hour.*

*Thank you Anuja, you look fabulous.* (Model exits)

# Designing your own Sweatshop fashion show

## Here's How To Do it!

It's easy and it's fun. Groups across the country have been organizing sweatshop fashion shows to creatively expose labour rights abuses in the garment industry. The highly successful shows are sparking community interest and action and are getting media attention. The targeted corporations are also taking notice.

Here are tips to organize a sweatshop fashion show in your community. Keep in touch with us on your success.

## The Show:

A 10-20 minute show can be very effective and only requires a few people; 4-5 models and 1-2 announcers.

## Disney

### The Label

The Walt Disney Company sells itself as the world's most family-friendly company, the company that brought you Mickey Mouse, Aladdin and The Lion King.

### The Labour

Disney is not so friendly to the workers who produce its garments. Workers in Haiti have been paid about 6¢ US to sew a \$19.99 outfit bearing the 101 Dalmatians logo. After receiving protests over conditions in its Haitian factories, one Disney contractor, H.H.Cutler, pulled out of Haiti, claiming there was no work. The company was later sighted producing Disney garments in Mexico's maquiladora region. "Help wanted" signs were posted.

### The Label

The needle and thread of the Northern

Traditions label and the two looms of Northern Reflections project wholesome, pioneer images. "At Northern Traditions, we're determined to remember the value of your dollar by creating clothing that measures up to your tough standards.... Our integrity is in every piece..."

## Woolworth Northern Group

### The Labour

Contract shop workers in Toronto have been paid as little as \$4.50/hr., 65 percent of minimum wage to sew Northern products. Homeworkers have been paid as little as \$2.50 per hour. Homeworkers are entitled to 10% above minimum wage. Workers have been pressured to work up to 12 hours a day and on weekends with no overtime pay, and denied statutory holidays and vacation pay.

Announcer calls out each model on 'stage.' Model enters, walks across the 'runway' and freezes. Announcer exposes the labour behind the label. Model exits. You may want to have two announcers, one to describe the clothes the models are wearing, and a second to expose the labour conditions. Show ends with all models returning to the stage. Announcer gives a final comment summarizing the presentation and encouraging the audience to take action.

### The Retailers:

Key corporations to highlight include Nike, Woolworth, The Gap, Disney, Levi's, Guess, and Esprit. You may also want to research other companies.

### The Garments:

Collect clothing from within your group or borrow from friends. Try to get a variety of labels and a variety of garments. A particularly interesting ensemble is the head-to-toe Nike outfit that includes runners, hat, sweatshirt, sweatpants, socks and Nike Bauer skates.

### Music:

Can't have a fashion show without music. One classic tune for background music is "Barbie Girl" by Aqua. "Are my Hands Clean?" by Sweet Honey in the Rock could be played immediately after the show.

### Media:

Don't forget to invite local media. Make sure the cameras catch all the latest fashions on the runway.

### Education:

The show is a great intro for a workshop or conference. Organizers and audience could further discuss the impacts of globalization and corporate restructuring on workers in Canada and internationally.

**The Label**  
The friendly, trendy, politically correct retailer, the Gap, has a code of conduct so 'clean,' it's 'printed with soy-based ink on tree-free Kenaf paper.'

**The Labour**  
In 1995, workers at the Mandarin International plant in El Salvador received 27¢ to sew a shirt sold for \$34 in Toronto.

Working conditions included: shifts of up to 18 hours, forced pregnancy tests, verbal and physical abuse. When workers organized, over 300 were fired and blacklisted.

One-year campaign achieved independent monitoring by local human rights and church groups and reinstatement of 75 union supporters. Working conditions have improved: clean drinking water, no forced overtime, no physical punishment, no required pregnancy tests.

# NIKE

**The Label**  
Nike doesn't sell shoes, it sells attitude! Nike spent \$975 million (US) on world-wide marketing in 1996.

**The Labour**  
A recent study by local NGOs exposed the following conditions in Nike contract factories in southern China:

- Many workers receiving less than legal minimum wage of 25 cent (US) an hour;
- working 10 - 12 hours a day and forced to work 2-4 hours additional overtime;
- receiving no overtime pay or less than legally entitled to;
- fined a full days pay for refusing overtime or for talking to co-workers.

In 1998 Nike will close its Bauer skate plant in Cambridge, Ontario, putting 400 employees out of work. Recent reports indicate plans underway to have Nike Bauer skates made in the Philippines.

# news & notes

## Han Young Workers Win Union Recognition

On January 14, workers at the Han Young maquiladora factory in Tijuana, Mexico signed an historic agreement with the local Conciliation and Arbitration Board, recognizing their independent union, STIMAHCS, as their sole bargaining agent. Han Young workers assemble chassis for truck tractor trailers exclusively for Hyundai. The victory comes after the Mexican government intervened in response to mounting international pressure from groups in the US, Korea and Canada. Despite firings of union supporters, harassment by management and state government officials, and threats to close the factory, the workers voted on two occasions in favour of STIMAHCS and against two corrupt government-affiliated unions.

Although the company has given STIMAHCS a copy of the existing contract with the former union, the government-affiliated CROC, it has not yet signed over the contract to STIMAHCS, nor has it entered into negotiations to revise the contract. STIMAHCS is affiliated to the Authentic Labour Front (FAT). ♦

## Massive Lay-offs at Custom Trim



The Canadian-based autoparts company, Custom Trim has announced plans to lay off 432 workers at its Waterloo, Ontario plant as of April 3. The massive layoff will leave only 187 USWA members in a plant which once employed 1,300 workers.

The company, which was purchased last year by the US multinational, Breed Technologies, has been shifting production to maquila plants in the Mexican border cities of Valle Hermoso and Matamoros, where the basic hourly rate is between \$0.71 and \$1.51 compared to \$12 an hour in Waterloo.

In June 1997, 28 Custom Trim workers in Valle Hermoso were fired for striking for better wages and improved health and safety practices. In September, the family of one of the fired workers, Salvador Bravo, received death threats after Bravo returned from a USWA-sponsored tour to Canada, which included meetings with Waterloo Custom Trim workers. ♦

## Bauer Skates, Made in the Philippines?

Wondering where Nike will produce its Bauer skates after it closes the Bauer factory in Cambridge, Ontario and lays off 400 workers? Would you believe the Philippines?

On January 7, 34 workers at the Nike contractor, Samma sporting goods factory in the Cavite Export Processing Zone were laid off as part of a plan to replace permanent employees with contractual workers who don't have the same protections on hours of work and overtime.

The Korean-owned company is also demanding that workers sign an agreement to work as much overtime as management requires. At the same time, Samma refuses to recall workers laid off last November.

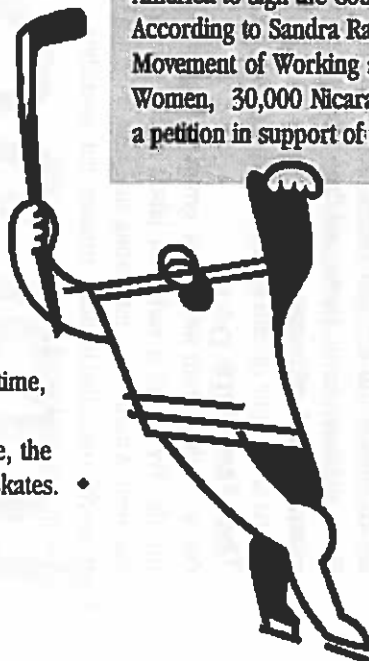
Why the restructuring? According to the Philippine Workers Action Centre, the company is preparing for a large, new order of, you guessed it, Nike Bauer skates. ♦

## Minister Signs Maquila Code of Ethics

On February 1, in front of 500 women maquila workers, the Nicaraguan Minister of Labour, Wilfredo Navarro, signed a proclamation for the free trade zones based on the Code of Ethics developed by the Central American Network of Women in Solidarity with Maquila Workers. On February 2, the owners of all 23 maquilas in the Mercedes free trade zone signed an agreement to adhere to the terms of the proclamation.

The Code of Ethics promotes the rights of women maquila workers on issues such as discrimination; wages; social security benefits; physical, psychological and sexual abuse; health and safety; overtime; and the rights of pregnant workers. In addition, the ministerial proclamation also commits the government to defend the right to organize and bargain collectively, to enforce the minimum working age of 14, and to abide by other national labour legislation and international conventions signed by Nicaragua.

Nicaragua is the first country in Central America to sign the Code of Ethics. According to Sandra Ramos of the Movement of Working and Unemployed Women, 30,000 Nicaraguans have signed a petition in support of the code. ♦





In Toronto, on December 13, 1997, Santa and his elves joined members of the Labour Behind the Label Coalition for Stop Sweatshops Christmas carolling outside the Eaton's Centre.

### Levis to Lay Off More US Workers

On November 3, 1997, Levis announced plans to close 11 of its factories in New Mexico, Arkansas, Tennessee and Texas, laying off 6,400 workers, 34 percent of its manufacturing workforce in the US and Canada.

Fuerza Unida, which works with former Levis' workers who lost their jobs as a result of a 1990 plant closure in San Antonio, Texas, is demanding that Levis renegotiate those workers' severance package to bring it in line with what is being offered today.

Workers laid off in 1998 will receive three week's pay for each year of service, 18 month's continued health benefits and an early retirement option. The San Antonio workers received only one week's pay for each year of service, three month's health coverage and no early retirement option.

To date, Levis has not announced any layoffs in Canada, where all of its factories are unionized. ♦

### Union Victory in Nicaragua

On January 26, 1,800 workers at the Chentex maquiladora garment factory in Nicaragua walked off the job after more than 90 workers had been fired for union activity.

Three days earlier, the names of the fired workers had been filed with the Ministry of Labour with a request for recognition of their union. According to the US National Labor Committee (NLC), "It was ... clear that the Ministry of Labour provided Chentex with the names of the union members who were fired."

Through the mediation of the Nicaraguan Centre for Human Rights, an agreement was quickly achieved allowing the immediate reinstatement of the fired workers.

However, according to the NLC, Chentex is now threatening to shut down the plant and leave Nicaragua rather than accept a union. Chentex is a Taiwanese contractor producing Arizona Jeans and Bugle Boy. ♦

**Child Labor Is Not Cheap**, Resource Centre of the Americas, 1997. 41 page three-lesson unit. \$14.95US (\$29.95US with 23 minute video). 317 17th Ave. SE, Minneapolis, MN 55414-2077, USA.

**The "Just Fashion" Show and Resource Package**, East-Central Ontario Coalition of Internationally-minded NGOs, 1997. Script and resource materials to organize Just Fashion Show. \$30 including postage. One World Research and Education Network, P.O. Box 23051, Belleville, ON, K8P 5J3.

**Putting Conscience into Commerce: Strategies for Making Human Rights Business as Usual**, by Craig Forcese, International Centre for Human Rights and Democratic Development, 1997. ICHRDD, 63 rue de Brésolles, Montreal, QC, H2Y 1V7.

**Thirty-eight Cents a Shirt**, by Anne Bains, Toronto Life magazine, February 1998, pp. 41-50. Sweatshop practices in Toronto's garment industry. Available at Canadian newstands and libraries. For photocopy, contact MSN.

**Garment Sweatshop Production and the Bangor Clean Clothes Campaign**, Peace through Interamerican Community Action. 33 page booklet on Bangor, Maine campaign against sale of clothes made in sweatshops, plus Bangor Clean Clothes Pledge. PICA, 128 Main St., Bangor, ME 04401, USA, e-mail: pica1@hamtel.tds.net

# Sign the Citizen's Petition

- cont. from p.1 -

retailer. We gave them the opportunity to ensure that their contractors meet the minimum standards. Instead, they cut off one contractor, Unité Fashion, and refused to release the results of their investigation or to compensate the workers whose rights were violated. In fact, we have no evidence that they ever carried out an investigation.

"Since their so-called investigation, we have received new information of additional violations by other Woolworth contractors in Metro Toronto. But we won't be giving the names of the contractors to Woolworth, because we know what their

response will be -- cut off the contractors and the workers' employment. The problem is not going away, Woolworth is just trying to bury it."

Over the past year, the Labour Behind the Label Coalition has mobilized groups and individuals across the country to leaflet Woolworth's Northern Reflections, Northern Traditions and Northern Getaway stores, to write letters to Woolworth, and to organize meetings with store managers.

In response to negative publicity generated by the campaign, in June 1997, Unité Fashions asked to meet with representatives of the

Homeworkers Association-UNITE, and agreed to correct its illegal labour practices. After the meeting, UNITE contacted Braemar, another major retailer, and convinced it to continue its contracts with Unité and to work with the contractor to improve conditions. However, Woolworth has stubbornly refused to adopt this responsible approach.

"Woolworth is not the five and dime store many people remember from their childhoods," says Kathryn Robertson of the Labour Behind the Label Coalition. "It is a major US multinational that owns a whole range of specialty stores, including the Northern

stores and Footlocker, the largest distributor of Nike products in North America."

In the coming year, the coalition will be raising awareness of the link between Nike's practices in Asia and Woolworth's practices in Metro Toronto.

According to Robertson, the Woolworth case is "a prime example of why we need a federal task force on sweatshop abuses. Woolworth has confirmed our belief that retailers can not be trusted to monitor and police the practices of their own contractors. We need to find new ways to re-regulate the industry and make retailers and manufacturers accountable." ♦

## New Mattel Code Won't Help Harassed Workers

On November 20, 1997, Mattel, the makers of Barbie, proudly announced the adoption of a new code of conduct. But the new code and Mattel's declaration that Barbie is child-labour free isn't helping four adult former Mattel workers in Tijuana, Mexico.

On the day Mattel released the code, Delfina Rodriguez was testifying in Vancouver at the Worker's Rights Tribunal of the People's Summit on APEC about the harassment she

suffered at the hands of Mattel management. On September 9, 1996, Delfina and three co-workers were detained and interrogated for up to ten hours by management personnel. They were accused of carrying "subversive" literature into the factory, a questionnaire from the well-respected Mexican NGO, Alianza Civica (the Civic Alliance) that questioned the economic policies of the Mexican government. They were then pressured into

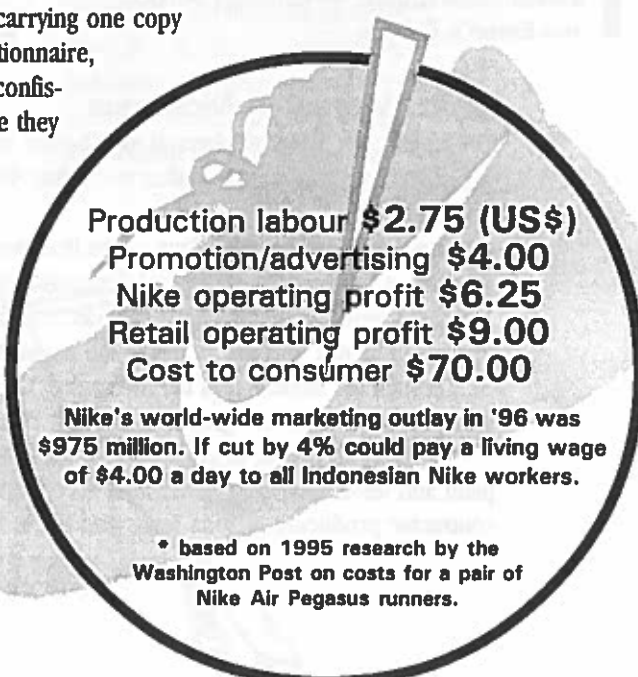
signing letters of resignation.

In response to Delfina's testimony at the Vancouver summit, Mattel charged that Delfina and her co-workers had disrupted operations by distributing anti-government literature during working hours. In fact, the women were each carrying one copy of the questionnaire, which was confiscated before they entered the factory. ♦

## Canada Gets a Free Trade Zone

New Brunswick will be the first province in Canada to have its very own free trade zone. A little known law passed by the Canadian government on January 1, 1996 allows provincial governments and municipalities to create export processing zones without federal approval. The zone will be developed in Lorneville, NB by the Toronto-based AMW Holdings company, which purchased the option to develop the site for one dollar. According to AMW's draft proposal, the EPZ will be promoted to companies in Southeast Asia and Europe attracted by the "preferred access to US markets" offered by the North American Free Trade Agreement (NAFTA). ♦

## The Cost of a Pair of Nikes\*



Production labour \$2.75 (US\$)  
Promotion/advertising \$4.00  
Nike operating profit \$6.25  
Retail operating profit \$9.00  
Cost to consumer \$70.00

Nike's world-wide marketing outlay in '96 was \$975 million. If cut by 4% could pay a living wage of \$4.00 a day to all Indonesian Nike workers.

\* based on 1995 research by the Washington Post on costs for a pair of Nike Air Pegasus runners.