

Maquila Solidarity update

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Historic victory

Jerzees de Honduras workers win break-through agreement



On November 14 an unprecedented agreement was struck between Russell Athletic and the union representing unjustly laid off workers at its former Jerzees de Honduras (JDH) factory.

RUSSELL HAS agreed to open a new facility in the

Choloma area, re-hire and provide substantial economic assistance to the 1,200 former JDH workers, institute a joint union-management training program on freedom of association and commit to a position of neutrality with respect to unionization, which will open the door for union representation at all of Fruit of the Loom's Honduran facilities (Russell Athletic is owned by Fruit of the Loom).

"This agreement represents one of the most significant advances for fundamental workplace rights in the twenty-year history of apparel industry codes of conduct," said Scott Nova of the Worker Rights Consortium (WRC), which conducted independent investigations into violations of freedom of association at JDH. "It is hard to overstate the significance of this breakthrough."



PHOTO: CGT

Rick Medlin, Executive VP of Russell Athletic (far left) and Evangelina Argueta, Coordinator, CGT Choloma Region (far right) sign agreement

"For Honduran workers this agreement represents real hope, especially in the midst of an unemployment crisis in our country," said Evangelina Argueta, Coordinator of the Honduran General Workers' Confederation (CGT) in Choloma, which spearheaded the fight for the former JDH workers. "The fired workers

haven't had income to support their families. Now they can be assured that they will have a job – this is the most valuable thing to come out of the agreement."

Russell Athletic was under considerable pressure to repair the damage caused by its decision to close the JDH factory last January, which

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Honduras in crisis: the untold story of a rising popular movement

AS WE GO TO PRINT, IT APPEARS unlikely that an October 29 agreement between ousted Honduran president Manuel Zelaya and the defacto government of Roberto Micheletti will lead to the restoration of the elected president to office. Zelaya was forcibly removed from office in a military coup four months earlier.



PHOTO: MIMUNDO.ORG



PHOTO: QUINTAS DE DEBATE

However, whatever the outcome of the agreement, the popular resistance movement that arose in response to the coup will continue to mobilize for fundamental democratic reforms to the country's constitution.

Underlying issues ignored

The international media has largely portrayed the conflict in Honduras as a dispute over whether the elected president could change the constitution to extend his term in office, but events on the ground point to a deeper crisis of legitimacy for Honduras' political, military and judicial institutions.

According to Maritza Paredes of the Honduran Independent Monitoring Team (EMIH), an MSN partner defending maquila workers' rights, "after what has happened in these four months, there are many wounds that will not be closed by decree; elections do not guarantee peace or a resolution to the crisis."

Paredes notes that "the coup has brought to light the powers that decide the fate of this country – the business and political elite, the military, the church hierarchy, transnational companies, as well as its weak institutional framework."

Significantly, the daily mobilizations of the Popular Resistance that brings together workers, campesinos, pro-

fessionals, citizen artists and women are not only calling for the restoration of the elected president, but also for democratic reforms to the constitution in order to entrench the rights of the majority of the population.

"Any changes that have been introduced to the constitution in the past have favoured an oligarchy that has remained lodged in the history of the peoples of the Americas," says Paredes. "As a Liberal Party member stated during the resistance, 'it seems that politicians believe that Honduras is a private estate which they pass down to their sons, wives and relatives'"

As a consequence, repression carried out by Army and

police forces under the de facto government has targeted not only Zelaya loyalists, but also the leaders of the independent women's movement, the trade unions, human rights organizations, and the campesino movement.

Increased repression

In a preliminary report based on its August 17 on-site visit to Honduras, the Inter-American Commission on Human Rights (IACHR) documents numerous violations of human rights and civil liberties under the de facto government, including repression of demonstrations, excessive use of force against demonstrators, extrajudicial killings, arbitrary

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The *Maquila Solidarity Update* is published in English and Spanish by the Maquila Solidarity Network (MSN). MSN includes over 400 organizations and individuals across Canada. MSN is a labour and women's rights advocacy organization working to improve conditions in maquiladora factories and export processing zones worldwide. MSN acts as the secretariat for Canada's Ethical Trading Action Group (ETAG).

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AFWC International Steering Committee members celebrate the campaign launch



PHOTO: AFWC

Worker rights groups launch Asia Floor Wage Campaign

ON OCTOBER 7, WORKER RIGHTS groups in over a dozen countries throughout Asia, Europe and the Americas participated in the public launch of the Asia Floor Wage Campaign (AFWC). The main launch of the AFWC took place in New Delhi, India October 6-7.

The campaign is demanding a common floor wage for garment workers across the Asian region, in order to stop the destructive race to the bottom on wages and labour standards as companies shift production between countries in the region in search of ever-cheaper labour costs.

The AFWC has developed a formula to calculate a minimum living wage (Asia Floor Wage) for each major garment-producing country in the region. These countries include India, Bangladesh, Cambodia, Indonesia, Sri Lanka, Thailand, China and Hong Kong.

Implementation of the AFW would mean that workers in different countries in the region would earn a sufficient base

wage to purchase the same level of goods and services, which would prevent manufacturers in each country from gaining a competitive advantage by providing a lower living standard to their workers.

Speaking at the launch, labour law professor Chang Kai of the Beijing University called the regional floor wage concept, as well the contributions made by the participating organizations, "a significant stride in protecting workers' rights and interests in the Asian garment industry."

The Campaign will lobby apparel brands and major suppliers to commit to meeting the AFW

within their Asian supply factories. Trade unions at the local level also intend to push for the AFW from the bottom up through collective bargaining with factory management and popular campaigns.

Economics Professor CP

Chandrasekhar at Jawaharlal Nehru University in New Delhi called the campaign's goal of "negotiating a just wage at the level of an industry across the region... not just ambitious but also innovative."

Little progress on wages

Although small improvements have been made on working conditions in the garment industry in recent years, the apparel industry has continually failed to seriously address the problem of poverty wages — arguing that abiding by local minimum wage laws is all that can be demanded of suppliers and/or that there is no consensus on how to calculate a living wage.

The fact is that legal national minimum wages set for workers in the apparel industry fail to provide enough income for workers to maintain their families above national poverty levels. Poverty wages push many workers into debt, lead to malnutrition, compel workers to toil excessively long hours of overtime, cause health problems, and make workers and

their families extremely vulnerable should they face sudden unemployment, health problems or disabilities.

The Asia Floor Wage Campaign challenges these industry excuses by calculating a measurable floor wage throughout Asia that can be met without significantly reducing industry profits.

About the Asia Floor Wage Campaign

The AFWC was

formed by union leaders and labour

● see 'Challenging industry excuses' p.8

What is the Asia Floor Wage?

The Asia Floor Wage (AFW) figure is based on "the income required for a single earner to support a family of four (2 adults and 2 children) by working a legal maximum working week (no longer than 48 hours), excluding any payment for overtime or other bonuses/allowances." It should provide enough income in local currency to pay for food and other essential living costs such as healthcare, housing, clothing, childcare, transportation, fuel, education, etc.

More info: www.asiafloorwage.org

Mexico's double standard

International Forum denounces Mexico's support of fraudulent unions, attack on legitimate union

AS DELEGATES to an international forum on Multinational Corporations and Protection Contracts gathered in Mexico City on October 15, they were forced to turn their attention to the plight of over 44,000 members of Mexican Electrical Workers' Union (SME) who were marching that day to protest Mexican President Felipe Calderon's decision to terminate the Luz y Fuerza del Centro (LyFC) power company and eliminate their freely negotiated collective agreement.

On October 10, in the middle of the night, Mexican federal police occupied dozens of LyFC electrical installations across central Mexico and expelled the workers under orders from Calderon to terminate the company and put the installations under the control of the Federal Electricity Commission. At that moment SME members were stripped of one of the best collective agreements in Mexico and left without jobs.

The government's actions

were in stark contrast to its open tolerance of illegitimate unions and their so-called 'protection contracts,' the topic that brought international labour rights organizations and unions to the Mexico City forum. At the forum the connection between multinationals and the widespread use of these protection contracts was called one of the major barriers to freedom of association in Mexico.

Protection contracts are collective agreements signed between a company-friendly union or an individual lawyer and an employer without the affected workers' knowledge or consent. Such contracts usually keep wages and benefits at or below the legal minimum and protect the employer from the threat of workers organizing a legitimate, democratic union to negotiate for better conditions.

Francisco Hernández Juárez, a recently elected representative to Mexico's national congress and leader of the National Union of Workers (UNT), opened the forum by declaring that a staggering



"90% of collective agreements in Mexico are protection contracts. These contracts are made in open complicity with the authorities," he added.

According to Hernández Juárez, the invasion of Mexico by multinational corporations beginning in the 1990s, when the federal government deregulated industries such as telephone services, exacerbated the situation. "These companies came with collective agreements already signed before they got to Mexico; the workers did not even know which companies they were going to work for and already they had collective agreements and unions in place," he explained.

An example of this type of government complicity is the case of Mexican "protection contract tsar" Ramon Gamez who holds the title to over 2,000 collective agreements registered with local and federal conciliation and arbitration boards. In 2005 Gamez was arrested and charged with "corruption of minors," but was controversially allowed to walk out of jail by a judge who absolved him of all charges. This decision was later overturned by a higher court which sentenced Gamez to 16 years; he has been evading the authorities ever since.

"Although a fugitive from justice, Gamez was handed three more protection contracts for call centres a month ago," noted Hernández Juárez. "The police cannot find him

to put him in jail, but still he manages to register new protection contracts."

The forum examined three cases in which protection contracts at facilities owned by multinational corporations are impeding workers exercising their right to organize democratic unions. These included Johnson Controls International, a major auto parts manufacturer, in Puebla, Nokia in Reynosa, Tamaulipas, and ATENTO in Mexico City. ATENTO is the Mexican subsidiary of Spanish telecom giant Telefonica, which runs call centres employing over 18,000 youths in Mexico.

Eduardo Vargas, an ex ATENTO worker who was fired for his organizing efforts, spoke on behalf of the ATENTO call centre workers' independent coalition. He described the classic situation of an illegitimate union with a protection contract in place that no worker had knowledge of or access to. It was

not until workers began to organize that the union appeared on the scene, and only then to demand that new employees could not be hired unless they joined their protection union.

"The protection union functions as a kind of police force dedicated to detecting and disposing of workers who are trying to organize or who complain about the precarious situation that we live every day," said Vargas.

Fortunately, with support of the Mexican Telephone Workers' Union (STRM) and the AFL-CIO Solidarity Center, workers at ATENTO have managed to register their own union as an affiliate of STRM.

As Ben Davis of the Solidarity Center explained, "pressure from Spanish unions on the parent company (Telefonica) which in turn put pressure on its subsidiary" made it possible for this to happen.

"Here is an example of the potential of international solidarity targeting multinational corporations in support of local struggles in Mexico against protection contracts."

The victory at ATENTO is still not assured. The protection union, run by none other than the protection contract Tsar himself - Ramon Gamez - is still in place. The independent union is now preparing to face the difficult challenge of winning the union representation election (recuento), which will determine which union will gain title to the collective agreement.

The forum on Multinational Corporations and Protection Contracts in Mexico took place inside the Mexican Chamber of Representatives (the Mexican Congress' lower house). It was co-sponsored by the Friedrich Ebert Foundation, the Service Employees

International Union (SEIU), the AFL-CIO Solidarity Center, the Netherlands Trade Union Confederation (FNV) and the Maquila Solidarity Network.

On October 16, forum participants held a press conference to express their solidarity with members of the SME and to

denounce President Calderon's anti-union behaviour as being in violation of ILO Conventions 87 and 98 on the right of workers to freely associate and bargain collectively. ■

What should brands do?

MSN HAS BEEN ENGAGING WITH BRANDS that source goods in Mexico to identify concrete steps that international buyers can take to ensure that workers in their Mexican supplier factories can exercise their rights to freedom of association and collective bargaining.

While brands should not be expected to replace the role of governments or to judge the legitimacy of any union, there are proactive steps they should take to encourage respect for freedom of association and prevent violations from taking place.

Our new publication, *What can brands do to support freedom of association in Mexico?* sets out some of these steps in detail. The publication can be downloaded for free at www.maquilasolidarity.org/node/882.



Korean women's conference explores innovative organizing strategies

ON SEPTEMBER 12-15, 25 REPRESENTATIVES FROM women worker organizations from around the world gathered in Seoul, South Korea to celebrate the 10th anniversary of the Korean Women's Trade Union (KWTU) and to exchange and assess innovative organizing strategies.

THE CONFERENCE WAS co-hosted by the KWTU and its sister organization the Working Women Academy (WWA). Participants came from Japan, Hong Kong, China, Vietnam, Thailand, Indonesia, Laos, Cambodia, South Africa, Mexico, Nicaragua and Korea.

In its ten years, the KWTU's membership has grown from 400 to 6,000 workers, the vast majority of whom are women. The union is internationally recognized for developing innovative strategies to organize and represent women workers employed in temporary, low wage and/or informal jobs, sectors usually ignored by traditional trade unions.

Although Korea has a strong and militant labour movement in some male-dominated sectors, it has a very low overall unionization rate. About half of its labour force – and an even greater percentage of women – are temporary workers.

Sandra Ramos, founder and director of Nicaragua's Maria Elena Cuadra Movement of Working and Unemployed Women (MEC), a long-term MSN partner, and Ana Enriquez from MSN both attended the meeting, and then participated in a three-day exchange program

to gain a more in-depth understanding of the work of the KWTU and the WWA.

Sandra presented one of five organizational case studies discussed at the conference, sharing the highlights and strategic thinking that has informed MEC's 15-year

history of organizing and advocating on behalf of women workers in the maquila and other sectors in Nicaragua. MEC currently has over 70,000 members.

The Tokyo Young Contingent Workers' Union, which has been successful at



Namhee Park, president of the KWTU leads women workers in a rally for an increase to Korea's minimum wage, May 2009

PHOTO: KIM TAE-HYUNG, THE HANKYOREH



PHOTO: MSN

I'VE LEARNED SO MUCH FROM THE RICH HISTORY OF WOMEN workers in Korea, about their role in the struggles of garment workers over the last 30 years, and their fight to win a place in the union movement.

These exchanges are critical. In an era of globalization and particularly in this moment of economic crisis, there is an increasing need for women to share organizing strategies and disseminate best practices.

Women continue to bear the brunt of economic downturns facing increasingly precarious conditions in part-time, temporary, or outsourced jobs, while always under the threat of losing their jobs to factory relocations if they make any attempts to organize.

Globalization challenges us to come up with common strategies to tackle these universal problems we are all facing. It creates the need to find new and innovative ways of organizing, particularly informal and part-time workers

Sandra Ramos, Maria Elena Cuadra Movement of Working and Unemployed Women

Checking the Olympic Label

organizing young part-time workers employed mostly in the service sector, exemplified innovative efforts of young workers to organize.

Like other countries represented at the conference, Japan has seen its temporary workforce greatly increase over the last decades, particularly since neoliberal reforms were implemented after the country's decade-long recession in the 1990s.

These workers found themselves excluded and alienated from the traditional labour unions and chose to create their own organization. Rather than organize by workplace, the union organizes individual temporary workers across a range of companies including fast food restaurants and corner stores. Union representatives represent their members by confronting employers and negotiating on the workers' behalf. These negotiations often take place on street corners.

"I was very surprised by the experience of the youth in Japan and the increased precariousness they are facing," said Sandra. "In my mind Japan is a rich, developed country, so I was shocked to hear that youth sometimes don't even have enough to eat, and that all of that industrial capacity doesn't translate into benefits for its citizens."

Conference participants also learned about the work being done in South Africa's agricultural sector. Sikhula

Sonke, which means "we grow together," was set up to improve the living and working conditions of women migrant and seasonal agricultural workers, many of whom labour in the vineyards of South Africa's booming wine export industry.

Sikhula Sonke has been successful in negotiating with farm owners and government to gain benefits for its members and has also been active in organizing campaigns against evictions of farm workers and gender-based violence.

At one of the last exchange meetings before returning to Managua, Sandra had the opportunity to learn more about the work of the Korean Women's Academy. This was of particular interest to Sandra because she has been working to set up a similar academy in Nicaragua. The vision for the Korean academy came from Maria Rhie, another long-time leader in the working women's movement.

Sandra's final thoughts on the exchange: "We are continents apart, but we are obviously on the same wave length. These exchanges reinforce for me that there is much to learn from our different contexts and struggles, and much we can learn from each other." ■



"MADE IN CHINA" IS ABOUT AS much information as we're going to get from the Hudson's Bay Company (HBC) about its much-publicized 2010 Olympic-branded merchandise.

While the iconic Canadian retailer takes pride in its development of a social compliance program for its suppliers, and in its cooperation with the Vancouver Organizing Committee's (VANOC's) own licensee compliance program, neither HBC nor VANOC has been willing to disclose the whereabouts of the factories

making the company's Olympic goods.

In response to a three-year campaign by MSN and its Canadian Ethical Trading Action Group (ETAG) partners, VANOC adopted a ground-breaking ethical purchasing program that requires licensees like HBC to agree to meet minimum labour standards and submit to external audits of their factories. The program is the first of its kind for the Olympic Games.

However VANOC's program stops short of providing information to the public on factory locations or the results of factory audits, as requested by MSN and ETAG. That lack of transparency leaves consumers reliant on the company's and VANOC's word that labour standards are being met, with little opportunity for local labour rights groups to verify those claims.

Despite this fundamental flaw in VANOC's program, MSN is supporting efforts to make ethical purchasing a regular feature of the Olympic Games.

This past spring, MSN, along with campaigners from the UK's Labour Behind the Label, met with London 2012 organizers to discuss ways to improve on VANOC's program – including building transparency into the upcoming London Games' ethical sourcing program.

▶ Watch this space: Sportswear brands respond

In the run-up to the Vancouver 2010 games, MSN and the Play Fair at the Olympics campaign will be publishing an online report showing how sportswear brands measure up on key labour rights issues.

Based on responses from brands like adidas, Nike, Puma and New Balance to Play Fair's top labour rights demands, the new online tool will allow viewers to compare each brand's commitment (or lack thereof) to clearing four major hurdles to improving working conditions in their supply chains.

The four hurdles include: the negative climate for trade unions, precarious employment, poverty wages, and factory closures.

We'll post a link at www.maquilasolidarity.org once the tool is up and running. ■

Honduras rising

● continued from page 2

detentions, torture, sexual harassment, rape and abuse of women, and detentions, physical assaults and death threats against journalists.

In addition, the Honduras human rights organizations, COFADEH (Families of the Detained and Disappeared) has documented 21 extrajudicial killings, 3,033 arbitrary detentions, and 818 beatings or other forms of cruel and inhumane treatment.

According to Paredes, the

return of president Zelaya to office would have an important meaning because it would reverse the coup. "It would send a message that 20th century coups will not be tolerated."

She notes, however, that if Zelaya is not reinstated, "the crisis may deepen, even to the point of a popular insurrection in Honduras, which will necessarily affect the other countries of Central America." ■

Apparel brands speak out for democracy in Honduras

ON JULY 27, FOUR MAJOR APPAREL BRANDS WHOSE PRODUCTS ARE made in Honduras released a joint Open Letter to US Secretary of State Hillary Clinton expressing their support for a return to democracy in Honduras and respect for human rights and civil liberties.

The letter, which was signed by adidas, Gap, Nike and Knights Apparel, came in response to a request from MSN. It states:

"We are also very concerned about the continuation of violence if this dispute is not resolved immediately, and with restrictions on civil liberties under the July 1 Emergency Decree. We urge for an immediate resolution to the crisis and that civil liberties, including freedom of the press, freedom of speech, freedom of movement, freedom of assembly, and freedom of association be fully respected."

By agreeing to sign the joint Open Letter, the four companies broke rank with their competitors and industry associations that either publicly supported the coup or remained silent. ■

Russell campaign victory

● continued from page 1

was widely condemned as an attempt to destroy a newly formed union (see last issue of the *Update* for details).

At the urging of students, unions and labour rights organizations, including United Students Against Sweatshops and MSN, over 100 universities in Canada and the US that have adopted ethical purchasing policies either withdrew their licensing agreements with the company or threatened to do so unless it took action to remediate the violations. Retailers and other Russell consumers were also approached.

Talks between the union and the company finally began after Russell Athletic's membership in the Fair Labor Association (FLA) was put on "Special Review" status last June. An FLA investigation carried out in response to a complaint filed by the CGT, the Clean Clothes Campaign and MSN confirmed the WRC's

finding that the presence of the union was a significant factor in the FLA member company's decision to close the JDH factory.

The FLA told the company it had to negotiate remediation with the local union (SITRAJERZEESH) and the CGT, and engage with MSN and the WRC.

Fruit of the Loom is the largest private sector employer in Honduras, owning eight factories that employ over 10,000 workers, making the impact of this agreement

extremely significant.

"The partnership being created between a large private employer and an independent union federation is unprecedented in the history of the apparel sector in Honduras and in Central America," said Nova.

Implementation of the agreement will be monitored by a joint union-management committee, with an agreement to enter into binding arbitration in the case of disputes over implementation or interpretation.

"We feel that the company acted in good faith during the negotiations, and this has to be recognized," said Argueta. "Relations between workers, the union and the company have been strengthened, and this will be reflected when the new factory is opened."

"All the support we received from groups like the WRC, MSN and from all of the university students was fundamental and we are very grateful," said Argueta. "The support of international organizations is very important." ■

Challenging industry excuses

● continued from page 3

rights activists in Asia's major garment producing countries that came together in 2005 to explore union-based Asian strategies to improve working conditions in the global garment industry. During initial discussions wages emerged as the major concern, and the

concept of an Asia Floor Wage was conceived and refined over the next two years.

What began as an Asia-based process has now expanded to become an international alliance which includes support from labour rights groups around the world, including the Clean

Clothes Campaign, the International Labor Rights Forum, the Maquila Solidarity Network, and many others.

As a member of the campaign, MSN is approaching apparel and footwear brands with which we are in contact to take action to increase wages within their supply chains. ■