



**Building  
International Solidarity:  
African Asian Networking**

Report on the  
Solidarity Workshop for  
African Garment Workers  
held in Swaziland  
May 2005

# Solidarity For African Garment Workers Workshop

The Africa - Asia Labour Networking Garment Workshop was held in Swaziland in May 2005. The workshop was co-organised by the International Textile Garment and Leather Workers Federation and a Dutch NGO, SOMO that provides research on multinationals. It was funded by the Dutch Trade Union Confederation, FNV under a current project on Multi-national Garment Producers in Africa. Participants at the workshop were shop stewards and trade unionists from Uganda, Tanzania, Kenya, Namibia, South Africa, Swaziland, Lesotho, Malawi and Taiwan and labour researchers and campaigners from South Africa, Kenya, Europe, United States and Asia.

The workshop aimed to develop campaigning initiatives to improve working conditions in Eastern and Southern African garment factories. The workshop focused specifically on developing initiatives to address working conditions in Asian manufacturer multinationals, producing for large retailers, especially Wal-Mart. In cooperative solidarity, trade unions, shop stewards, and NGOs shared information and developed an action plan in order to improve working conditions in the region.

The workshop provided an opportunity for union representatives and shop stewards to share information with other unions and shop stewards in other countries as well as campaigners, the regional and international unions, and researchers. Union and shop stewards from Southern and Eastern Africa presented their experiences in specific countries and factories and what challenges the unions have encountered in organizing workers.

The Asian representatives provided information about their experiences in working with labour in their countries and background to the reasons for Asian multi-national investment in Eastern and Southern Africa. These Asian organisations also discussed how they can support unions and workers in Southern and Eastern Africa.

Representatives from other African regional and international organisations gave regional and international perspectives in terms of the current investment climate, developments in the Eastern and Southern African garment industry and current and planned campaigns and research. Information was shared on major buyers, such as Wal-Mart, and their buying practices in Eastern and Southern Africa. The researchers and campaign organisations also discussed the support that can offer at the international, level, focussing both on the buyers and the corporate headquarters.

## about this report:

The purpose of this report is three fold; firstly, as a report on the workshop activities and outcomes, including some of the inputs of participants; secondly, as an education and campaigning resource to support activities of African trade unions on Asian multinational producers in their countries and thirdly, as an information source on regional and international efforts to improve working conditions for African garment workers by building solidarity links to tackle common regional and global problems created by multinationals.

The first section serves as a report of the workshop processes in the context of the current challenges being faced by Southern and East African labour. The second and third section provides background information on the garment sector in Africa and Asia, including experiences of workers, trade unions and labour research and campaign organisations. The fourth section details some of the support offered to labour for international and regional solidarity actions.

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participants at the Garment Workshop held in Swaziland

Section One:

Introduction to  
**Networking** on  
Asian Multinational  
garment producers



## Background and Challenges

The garment industries in Eastern and Southern Africa are well known cases of the exploitation of workers for large corporate interests. On average about 80% of workers in the garment sector both in Eastern and Southern Africa are women with the notable exceptions being Malawi and Zimbabwe where predominantly men are working in this sector.

The exploitation of workers reveals itself in the form of working conditions such as, poverty wages, forced overtime, verbal, physical, and sexual abuse, difficulties to organise and bargain collectively, lack of employer responsibility for protective clothing, lack of medical facilities, unhealthy work places, unattended injuries, and poor air quality.

Unions face many obstacles working to secure workers' rights in the Eastern and Southern African garment industry. Efforts to address these atrocious conditions have been thwarted by company refusals to recognize unions. Companies repeatedly delay or refuse to sign a recognition agreement. Management is often also hostile to any attempt at union activity, and as a result, workers are afraid to join for fear of losing their jobs or being subject to harassment.

Investment policies exacerbate the garment industries' problems. Among countries that benefit from multi-lateral agreements such as AGOA, competition has increased for investment. Governments have responded by offering incentives such as duty free imports, tax breaks, and relaxed labour laws. These policies attract and maintain investment as the companies are able to operate virtually under unrestricted conditions, or in other words, at low cost and high production rates, very often resulting in the labour conditions described above.

Sri Lankan, Taiwanese and other Asian investment compa-

nies and international buyers, such as Wal-Mart have especially benefited from these policies in Eastern and Southern Africa, even more so than the host country. The profits earned as a result of these policies are hardly ever returned to the host country's economy by contributing to better employment or government income.

Obstacles to effective mobilization to change working conditions in Eastern and Southern Africa have also been identified. Capacity building is a central concern in the form of skill development and equipment supply. In addition, despite evidence of the progress made in recognition agreements between some factories and unions, there is still the matter of pending recognition agreements in many other factories. Furthermore, union efforts to influence working conditions are made more difficult by the limitations placed by labour legislation on union action. Union work has also suffered set backs with the creation of splinter unions and more work is needed to recover and work towards increasing cooperation. There are still factories where workers' are intimidated, harassed or dismissed for union participation. The efforts are made more difficult by the phasing out of the MFA and the weak basis of the industry in Eastern and Southern Africa.

In summary, poor working conditions and labour rights violations are widespread in the Eastern and Southern African garment industry. Thus far, union efforts have yielded modest results. Future actions to improve conditions in the Eastern and Southern African garment industry must address common problems as mentioned here, and take into account the role played by Sri Lankan and Taiwanese investors and international buyers, and more specific ones such as supporting organising efforts and union capacity.

# Approach

Whether the problems are collective or specific, it is certain that in terms of change the issues are generally common and reach beyond the doors of one company and the border of one country. Previous research and support in Southern and Eastern Africa clearly indicated to all parties the need for greater integration of campaigning, research and support networks across value chain. Many of the multinational production factories set up to take advantage of preferential trade dispensations and cheap labour have limited decision making powers with orders and buying relationships with large retail outlets co-ordinated from the Head office. Through research and organising on the ground a clearer picture has emerged around the production end of the value chain. As a consequence of this campaigns have been developed around particular cases or issues of abuse as well as a strategic approach to dealing with these employers. Change can be more effectively induced then if action is instigated on a large scale and not limited to one area.

To do this, a broad range of interested actors, including workers/shop stewards, researchers, campaigners, union representatives, needed to be involved in order to comprehensively address the situation. Such efforts have been relatively successful in the past.

Successes need to be capitalized on and the lessons learned carried forward for new actions. Accordingly, SOMO, in relation with the Clean Clothes Campaign, and the ITGLWF Africa organised an exchange workshop in order to promote continued international cooperation. At this meeting, campaigning organizations and/or trade unions from Taiwan, and Asian regional organisations, Regional Trade Union representatives, European representatives, American representatives, and shop stewards and union representatives from Eastern (Uganda, Tanzania, and Kenya) and from Southern Africa (Namibia, South Africa, Swaziland, Lesotho, and Malawi and Mauritius) were invited. The former Eastern African countries focused on the fact that they share one large Sri Lankan garment producing company, namely Apparel Tri-star. The latter Southern African countries share an abundance of Taiwanese investment in their respective garment industries and have been involved before with campaigning efforts.

It is imperative that workers on the shop floor were brought into the process as these workers themselves and their organisations must drive the process of collective bargaining beyond the limitations of national boundaries. For this reason many delegates at the workshop were shop floor representatives from a number of Asian based MNC's in Southern and Eastern Africa. As a consequence, the principal focus of the information exchange at the workshop was a workers/shop stewards and local organization approach which started from the point of what information the shop stewards brought into the workshop.

A second focus was on the ways in which research and campaigning organizations can provide support for proposed solutions. SOMO, in collaboration with partners in South Africa, had already begun significant preparatory work in this regard with research and data collection. A database,



compiling research and data material had been developed by CSRSC and SOMO for use in the region but required updating and distribution to relevant actors. During the plenary stage, this research helped to identify factory participants to the workshop by providing information on which factories require immediate attention. This database will also be used in conjunction with more detailed reports that have outlined the problems in each of these countries and provided proposals for strategic action. The shop stewards and union representatives, together with campaigning and other support organisations, then looked at possible campaigns for supporting local efforts for improving labour conditions.

The third focus of the meeting was the conditions in the factories of Asian MNCs and the buyers/retailers that are responsible for labour conditions in their subcontracting chains. From the information shared by the workers and unions and the collection of research from the various African, European, American and Asian research and campaign organizations, investment and buying companies linked to the garment factories were identified; specifically, those that had a presence in two or three countries of interest. This information provided a basis for strategizing for the eventual action plan and campaigning potentials. Preparatory research for the database had prior to the workshop revealed potential preliminary targets, namely Haps Investment as a Taiwanese company (Malawi and Lesotho), Apparel Tri-Star (Uganda, Tanzania, and Kenya), and Wal-Mart as a buying company, which places orders from factories in all of these countries and which has already been identified as a primary target for the Eastern and Southern African context.



## Processes

As this was the first such meeting one of the primary objectives of the workshop itself was for participants to meet and develop an understanding for the different objectives and practices of the participating partners. As such an important element of the process was exploring different experiences represented at the meeting. Workers from different factories in Southern and Eastern Africa described their conditions and struggles in detail followed by presentations and discussions about working conditions and trade union practices in different parts of Asia. These experiences are captured in detail in this report. These experiences provided a useful base for further discussions that looked at similarities and differences and consequently the most effective collaborative actions between different organisations, workers and their own organisations. The basis for international solidarity action must begin with the development of capacity within the production countries as these worker organisations must drive this process and provide effective guidance as to what forms of solidarity action best suits the tactical situation of a particular issue.

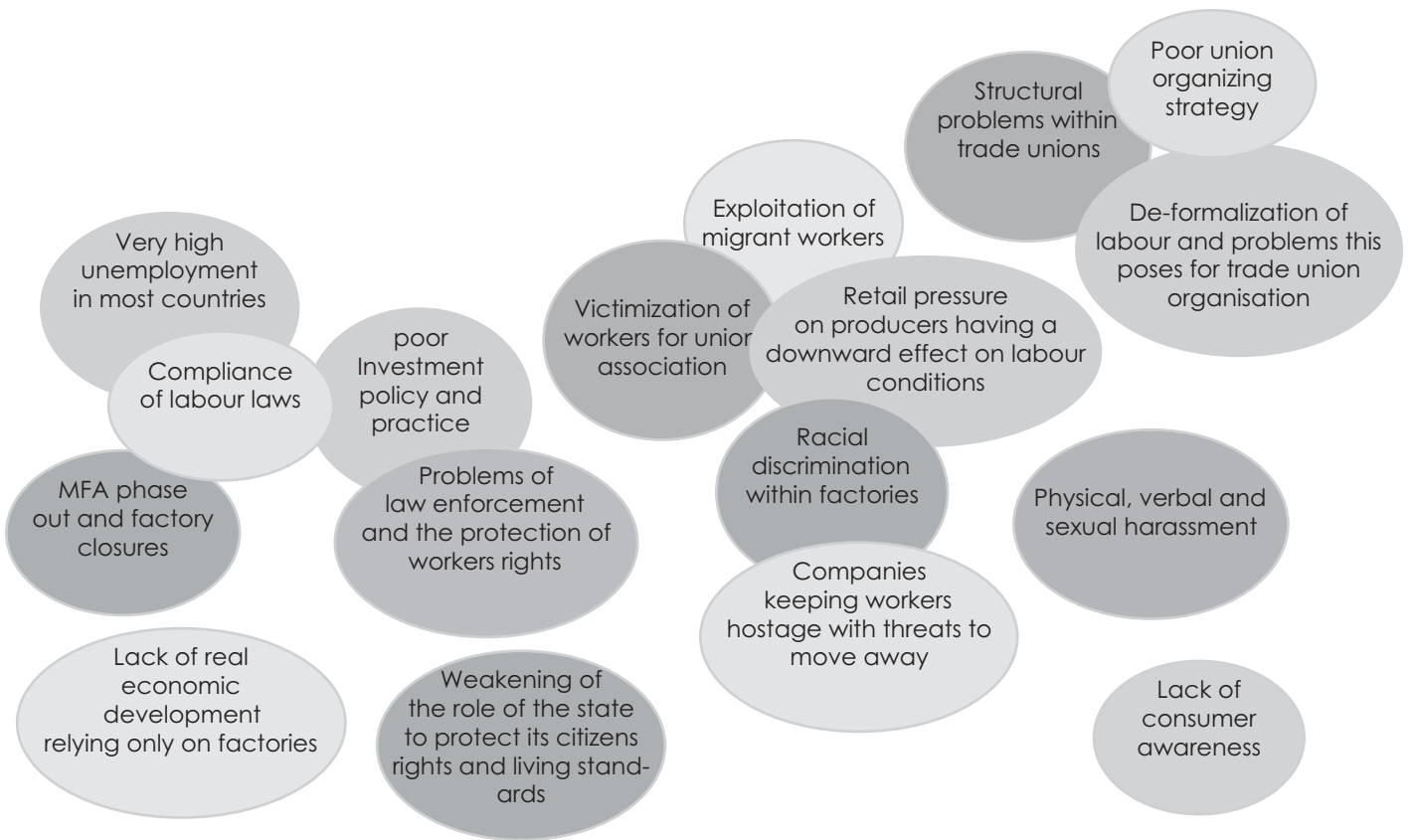
In a global supply chain workers are being forced to compete with one another which performs the singular function of depressing wages and working conditions. It is essential that African and Asian worker's organisations know where

they can find support, know how to pressure Multinational production companies and are aware of the need for solidarity in other countries and regions of the world. One of the primary roles a network can play is to promote the common ground shared by all workers in their struggles for better conditions.

A recurring point was that workers on the shop floor need to be exposed to workers stories from elsewhere in the global supply chain in order to develop worker driven solidarity informed by empathetic understanding of workers struggles from all countries. A network that is driven from the top down will not have much impact on workers lives as it takes away the responsibility and the empowerment experienced through solidarity action between grass roots worker structures.

The workshop thus covered experiences and tactics used initially in African Countries and in countries in Asia. This provided valuable insights for participants as to the different realities faced on the ground by organisations and opened the way to developing two way solidarity particularly between Africa and Asia. The participants also explored various contextual factors as reflected here:





**Participants discuss their expectations of the workshop**



Using this context as a base the participants then focused discussions around three core areas of priority being Supplier (factories) and closures, Buyer/retailer approaches and triangular solidarity network development. These areas were developed conceptually as well as strategic options considered.

### Suppliers and Factory Closures

A list of targeted companies was developed during the earlier sessions and participants developed generalised approaches to dealing with these companies with a specific focus on the current wave of closures. These measures relate to investigation of the factories and pressure focused on changing liquidation provisions in law and investment requirements. Pressure to stabilise buying relationships at a retailer level. Legal strategies to stall closures whilst contingencies can be made were raised and it was concluded that these were important short term strategies in dealing with the crisis but longer term policy based solutions must be developed. Other potential measures for softening the blow of closures was the development of fund to support such workers and as an alternative the fund would be used to develop a co-operative based work place. An Africa- Asia network would also be very useful in tracking companies that cut and run, or disappear over night.

Urgent appeals and the use of codes of conduct are immediately available tools however codes should have monitoring mechanisms that include union input in the process. ILO complaints and consumer campaigns aimed at retail outlets would be essential in putting pressure on suppliers to respect workers rights and pay living wages. Ultimately a broader policy based development of the garment sector that is not solely export orientation was seen as indispensable for changing supplier actions.

### Buyer/Retailer Strategies

It was noted that the downward pressure on real wages and conditions of work was levered by the buyers and retailers as they demand ever increasing levels of quality, firm delivery conditions with penalties and because of the size of orders that they can wield the price of delivered garments. It was apparent that wages for instance ultimately represent a tiny portion of the eventual retail cost of garments made in the region. The Ethekeweni Declaration deals with these issues and needs to be actioned in unions and the network.

Whilst general approaches around retailers and buyers were discussed the primary focus was Wal-Mart by virtue of its influence on working conditions in the region. Here specific elements of a campaign to increase the level of responsibility for supply chain conditions amongst the retailers suppliers were discussed and a number of specific demographic considerations as to type of campaign message to consumers interrogated. Research may be necessary here.

Legal strategies such as the contemplated class action suit are a possible approach and information has and continues to be collected to drive this process. American partners and the African research initiative have a lot of potential for cooperation here. Other potential pressure points such as

urgent appeals, OECD and social charter based complaints also have potential here.

Codes of conduct are seen as useful but require union involvement in the monitoring and reporting processes to ensure transparency and action.

### Triangular Solidarity

One of the first steps identified is detailing the network of research and information already generated as well as individuals and organisations involved in relevant activities. Such information to be available generally on the African global union federation web site and mirror sites of partner organisations. The availability of the information needs to be popularised to ensure its use. This should extend to information around South African Companies currently expanding quite aggressively in the region. Unions should make information known to organisers who could draw shop floor representatives into the knowledge cycle and also give a reason for participating actively in collecting research information on factory orders and conditions to drive campaign initiatives where appropriate. The current Wal-Mart supplier research was cited as an example here.

The network would be the best way to further pursue issues of labour law harmonisation in the region and to drive, along with other GUFs, efforts to develop labour law enforcement in different partner countries. A follow up to the initial meeting was seen as an important next step in the development of the network where activities based on the discussions held over the three days could be evaluated and further co-operative endeavours strengthened.

The network draws on many experiences and practices and can be used to develop a paradigm shift amongst all concerned in how problems are approached and dealt with and how workers organisations are lead. This also had potential for more proactive approaches to donor funding and consequent projects to be more responsive to worker needs and less about donor needs.





# Outcomes and Way Forward



Trade unionists from Mauritius and Tanzania look through their presentations

The workshop was successful as a first step toward more globally integrated strategy and practices for dealing with Asian MNCs in Southern and Eastern Africa and Asia as well as establishing a more general South East and North solidarity network.

The participants expressed the value of the interaction over the few days of the workshop and as such the concept of an Asian/African collaborative network was adjudged to be worth pursuing and developing into the future. The workshop was finalised by participants detailing the immediate steps necessary to further develop relationships as well as pursue priorities emerging from the deliberations with the consensus that effectiveness of these different efforts should ultimately be measured in the struggles of workers in the sector to improve their working conditions and living circumstances.

The exchange of resources and information among representatives at the workshop were processed and an action plan developed, serving as a basis for international coordination and campaigns that will affect change in the working conditions at the factories in Eastern and Southern Africa. Most importantly, the action plan charts the course for specific campaigns targeting Asian MNCs (particularly Taiwanese and Sri Lankan) and buyers, in particular Wal-Mart. Here the approach employed for the facilitated meeting is a vital means for action as participating researchers and organisation representatives will be responsible for implementing the part of the action plan in the sphere where they can exert the most leverage.

The meeting also contributed to ongoing efforts to strengthen local unions by addressing specific problems such as capacity building, union recognition, and cooperation among union efforts, as well as larger common challenges by empowering local unions with the infusion of information resources, future training and international strategic support.

It also proved important to acknowledge the organic nature of the development of various relations and recognise that the network in no way constitutes an organisation with

hierarchical systems of command or even formal relationships between organisations. This provides challenges and opportunities to develop innovative cooperative endeavours amongst these groupings using non conventional organisation/network development tools. Some of the Asian networking experiences proved very valuable in contemplating how this could be done. There is more detailed information on networking in Asia under the section Asian experiences and actions later in this document.

The concept of triangular solidarity was introduced as a broad model and the importance of campaigning in a myriad of different forms to be located centrally to this. Within this sort of model the concept of after campaign care and follow up was regarded as critical. Again the core role of the participation of shop floor workers involved at the point of the problem was stressed as prerequisite for action in the conceived model.

As part of a more general effort, the meeting in Swaziland proved useful for coordinating and increasing international cooperation among all interested stakeholders towards improving conditions in the Eastern and Southern African garment industry. It also served as a basis for more long term coordination for lobbying for stronger labour laws in Eastern and Southern African countries and strategizing for the consequences of the phase out of multi-lateral trade agreements and the initiation of an investigation into investment policies, the extent of beneficiation to companies and countries and tracking closure companies to the point of reinvestment. This was seen as critical to the development of policy alternatives to the type of investment based industrialisation that has or threatens to leave most of the participating countries garment industries in a far worse state than prior to broad industrial strategy reforms entered into at the behest of the neo-liberal policy prescriptions of the IMF and World Bank.



Garment workers in Swaziland happy to be done for the day are searched by security under the watchful eye of management

### Research and Information Areas Identified

Investment policies were seen as a core feature of the type of industrialisation that has been happening in the sector and one of the bases for Asian MNC involvement in the African industry. As such investment policies are to be collected to compare country approaches to the issue and for a basis for an investigation of who the principal beneficiaries of such policies should be. In addition the trend towards roving factories (see the Tri Star case study) and closures (see Ramatex case study) will need further investigation as to where investment relocates to when leaving a particular country and how the investment policies in these areas compare to the original location of the factory. These activities should assist with the process of dealing with closures in a longer term perspectives by feeding into policy debate around investment processes. It may also be useful in securing workers benefits during closures as there are instances where law covers investor obligations in this regard such as is the case in Swaziland. In such an instance campaigns may be necessary to get governments to enforce such legislation.

Buyer information whilst a difficult area of investigation was seen as crucial for developing strategy and campaign actions. Asian partners may be able to contribute information relating to MNC methods of sourcing orders at a headquarters level. Factories are generally not responsible for these processes directly.

Ongoing research should feed into the database to be used both for monitoring as well as detailing specific abuses of worker rights to as is the case with Wal-Mart for example.

Research partners should attempt to support unions directly where this is practically possible.

Some of the concrete action areas emerging from the workshop are represented here;

### Communication

Issues emerging from the meeting should be reported internally within the network and raised in union structures. This should include workers stories and struggles being shared with an emphasis on tactics employed in different situations and regions. Those with abilities to use electronic communication should assist others and be supported to better facilitate communication between global partners. Shop floor issues with particular MNCs from Taiwan should be sent to partners there for awareness an investigation of feasible forms of support. Concerns expressed by many participants about the attitude of the media towards unions should be addressed by collecting negative instances and distributing these for more general discussion in the network as well as potential strategies for dealing with form of media coverage. The local television station was invited to the workshop and footage and commentary was aired on the Swazi news as a first step in dealing with media perceptions. Media was also identified as important in developing campaign issues and critical in the case of broad based issues such as popularising the social charter. Key areas of the network should also have access to a list serve or bulletin board to regularly update issues, events and opinions on matters of mutual interest to network partners

## Campaign Actions

Information should be shared as to what campaigns are currently being pursued and this should as far as is possible extend to the factory floor. Where successes have been achieved these need to be made common knowledge within the network and amongst worker representatives.

Priorities need to be identified and factories/retailers targeted where rights violations are taking place. Various groups globally are interested in challenging Wal-Mart and not just in the Garment sector. A class action suit is currently being developed in regards to Wal-Mart practices and where unions agree there may be instances drawn from some of the participating countries.

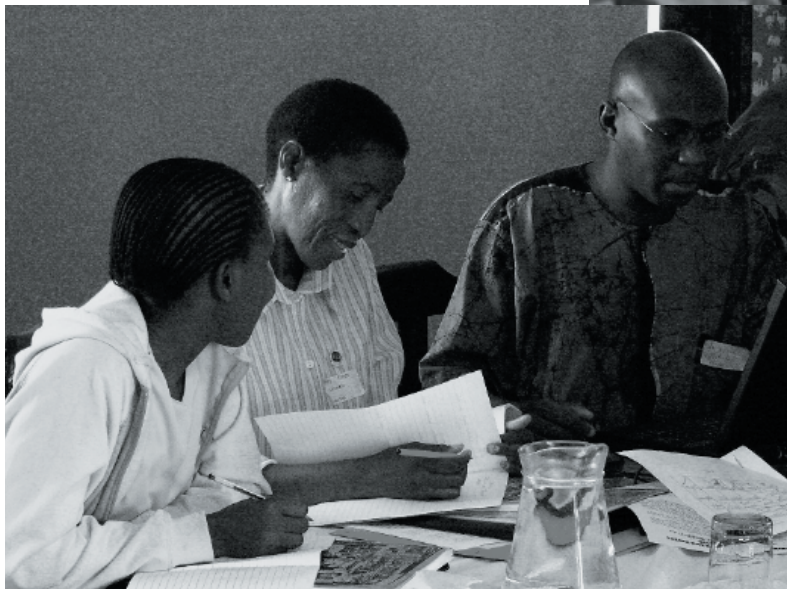
## Inter Union Cooperation

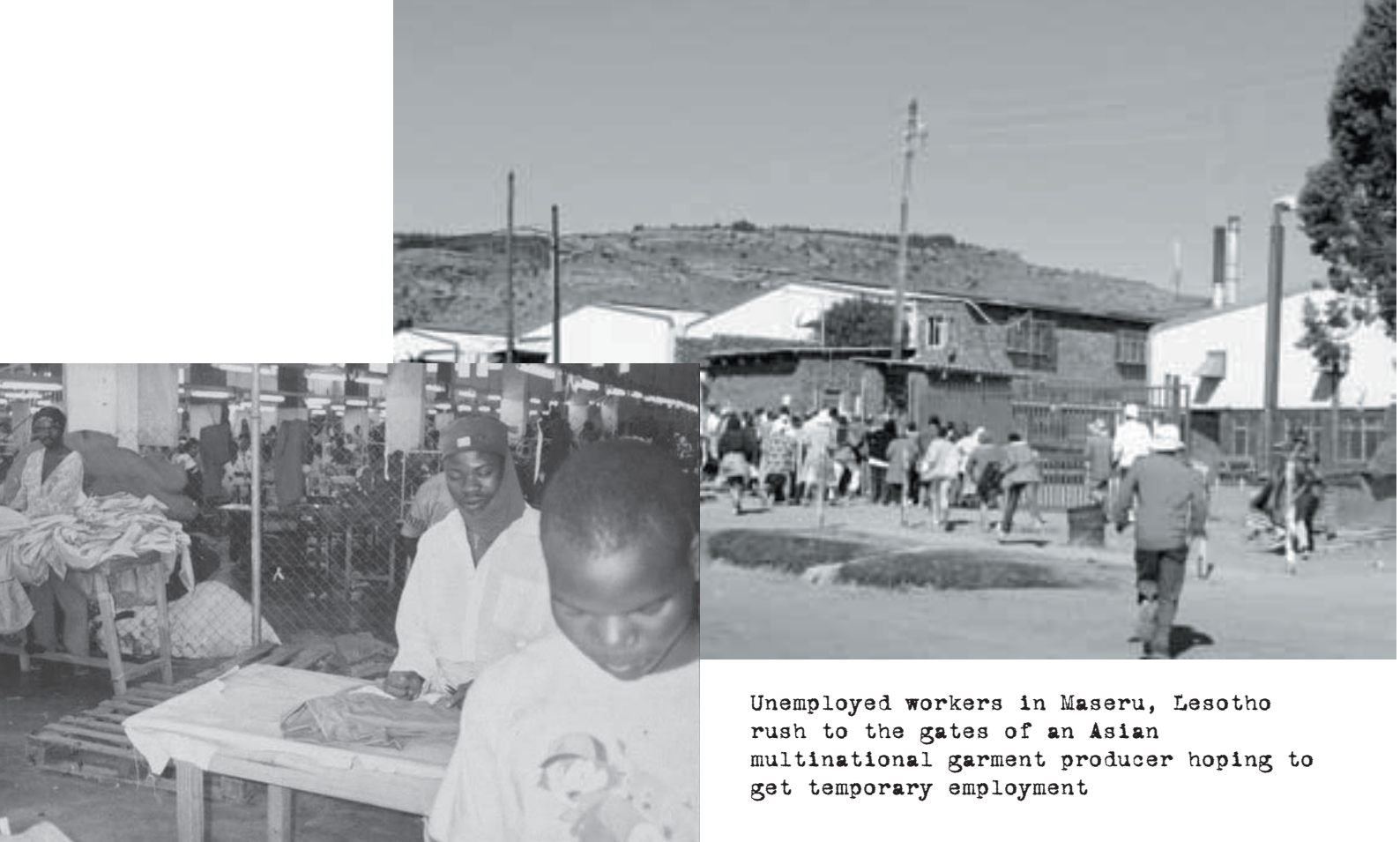
Participants generally felt that union-union cooperation needed to be developed as it was not occurring sufficiently. Various methods could be employed such as exchange programmes, factory –factory solidarity expressions where MNC employers are represented in 2 or more countries. Unions should also be making their programmes available for all other ITGLWF affiliates. The same should apply to materials and other education resources.

Taiwanese partners will participate with information and support where a Taiwanese company is involved. African and Asian unions can share experiences of struggle and organising contributing to new ideas and techniques.

## Union Development

Much work is still necessary to develop unions' structures and practices through both capacity building and organisational renewal. Capacity building must be linked to specific action. Organising workshops should for example involve practical organising drives and so on. A list of indications and signs of potential closures will also be developed to attempt create an early warning system to increase the possibility of pro active measures to closures. At the very least these pro active measures aim at securing workers benefits and outstanding wages as well as to minimise or chances of successful cut and run activities by employers. Leadership development around a policy based approach and democratic based union management were also seen as important. Union development in the network context could also help in East Asia where African union experiences and practices may prove useful in develop the resistance tactics amongst these organisations. This type of exchange was seen as in keeping with the broader value of worker - worker solidarity expressed by participants throughout the process. Finally the issue of media use in both correcting misrepresentation of union actions as well as in support of campaign efforts were also seen as important development areas.





Unemployed workers in Maseru, Lesotho rush to the gates of an Asian multinational garment producer hoping to get temporary employment

section Two:

# African Experiences and Action

# Liberalised Trade and the African Garment Industry

With liberalization and the policy prescriptions of the Bretton Woods institutions, developmental economic planning that had used strategies such as import substitution in order to develop a domestic industrial base in African countries, came to an end. The garment sector was one of the industries that was targeted for development before, given its low capital requirements and high employment potential. But through the opening of markets the arrival of huge quantities of used clothing from the North and cheaper imports from the East flooded the African domestic garment market, all but destroying domestic garment production capacity in most countries. In many African countries now, the domestic market for garments is catered for by the trade in second hand clothing, and garment factories - where they exist - are specifically to take advantage of a countries trading status. This is not even entirely a south-north flow. The case of Malawi illustrates this point where due to a bilateral trade agreement with South Africa, Asian owned factories were set up and were supplying South Africa until AGOA refocused the target market to the US. The future however is very uncertain. The AGOA, which was initially only intended to last for a period of 8 years, has recently been extended including the period that less developed countries (LDC) can use textiles sourced outside of AGOA eligible countries and the US for garment export under AGOA. This extension might potentially be a stay of execution for thousands of jobs in those very LDC's as Africa has limited quality textile production capacity and US textile are too expensive. Suggesting the view that when producers in Africa can no longer get textiles from internal sources they will rapidly withdraw from a country rendering the devastation of the garment industry in that country complete.

Investment in the garment industry in Southern Africa started in the 1990s with the notable exception of Mauritius. This investment came mainly from Asia, drawn here by a favourable investment climate; most importantly the export possibilities presented by favourable and quota-free entry to the US and European markets. Mauritius and Madagascar exported the majority of their production to Europe, profiting from duty- and quota-free access to the European market. In recent years the advantages of quota- and duty-free export to the US under the AGOA have increased the share of exports from both countries to the US. Lesotho, Swaziland and more recently Malawi produce mainly for the US.

Whilst growth in export earnings sounds good on paper, in reality all the large-scale apparel producers in Lesotho, Kenya and Swaziland are foreign owned by predominantly Asian investors. These investors are offered very attractive incentives in the Industrial Zones or in Export Processing Zones (EPZ) and are allowed to repatriate all of their profits, leaving nothing but the wages that are paid to workers in the country and often acting to drain state funds where serviced industrial sites are provided free or at a percentage of cost. Whilst jobs have been created under AGOA the quality of these jobs leaves much to be desired both in terms of the working conditions and wages associated with these jobs as well as their sustainability.

The growth of the sector in the last years has not necessarily lead to improvements in development and labour conditions for the countries concerned. Investment policies exacerbate the garment industries' problems. Among countries that benefit from agreements such as AGOA, competition has increased for investment. Governments have responded by offering incentives such as duty free imports, tax breaks, and relaxed labour laws. Government incentives have been described as not a main factor in drawing the industries, but it does make a difference for companies in choosing which African country to produce in.

Whilst this has obvious organizational opportunities for unions in terms of increased membership, revenue, greater worker solidarity and increased organisational stability. At the same time this rapid growth associated as it is with highly mobile capital and competitive international labour market conditions brings its own problems as is evident in the relative successes and failures of various unions operating in the sector. Prior to sector growth, most unions suffered a chronic lack of resources, poor to non existent administrative processes, leadership crises (some still do) in addition to which the application of labour laws and exercising trade union rights were problematic to most countries. However, for the countries offering the incentives, the consequences of such concessions might make the difference between profiting from foreign direct investment (FDI) or failing to gain any real benefits for the country. Incentives for investors, such as caps on wages, tax holidays, or restrictions on union activity can mean that workers lose out not only in economic terms but also in social terms.

Bi-,multi- and unilateral trade acts and agreements promote liberalized markets, privatization and reduced social spending. It is quite apparent from both literature and the research conducted that the main beneficiaries in the garment sector are in fact the multinational producers, agents and retailers. Multinational companies use trade agreements that to secure the interests of global capital include provisions on the protection of investors' rights in these agreements. Workers however are increasingly at the mercy of global capital interests seeking greater profits.

Both government officials and factory managers interviewed during research said that the MFA quotas (that were in place until the end of 2004) were one of the main reasons that Southern Africa was attractive to the garment industry. Garment export from Southern Africa was not hampered by quotas as faced by many garment producing countries in Asia. Many doubted the sustainability of Southern Africa's garment industry following the phase-out of these quotas and the increased competition from Asian countries. Yet these doubts seem well founded; as a result of shifting investment due to changes in the trade regimes at the conclusion of the Multi Fibre Arrangement, already over 50 000 garment workers in Southern and East Africa have lost their jobs due to closures of multinational factories in 2004 and 2005.

## Sourcing Policies and Labour Practices of Asian companies in Africa

Drawn by trade agreements and other incentive programs to countries desperate for foreign investment and jobs, investors, including Asian investors, have been able to circumvent local labour laws (for example, minimum wage and social security requirements) as well as the standards for good labour practices set out by the International Labour Organization (ILO). In Swaziland, for example, where violations documented at Asian-owned factories include forced overtime, verbal abuse, sexual intimidation, unhealthy and unsafe conditions (including locked doors), unreasonable production targets, and union repression, the Department of Labour admits that in an attempt to keep investors happy it does not pursue labour law violations to its fullest ability. They say they "can't push investors too hard," but instead are "very gentle and persuasive." While investors see profit-

able returns on their investments, critics wonder if workers and their communities really benefit when wages and conditions are substandard and tax abatements and subsidized infrastructure mean little money goes back into the community.

Asian investors in the garment and textile industries have proven to be as mobile as Western buyers, "cutting and running" from one location to another as suits their interests. For example, Mauritius developed a significant clothing export industry directed to the EU, fuelled by investment from Hong Kong companies. Now that wages are lower and preferential trade incentives are better in nearby countries, this location is less attractive to investors.

### Case Study: Apparel Tri Star

Apparel Tri-Star was established in Sri Lanka in 1979. The country has 26 factories employing 25,000 employees, making it one of Sri Lanka's largest garment manufacturers and exporters. Tri-Star produces a variety of garments including men's and women's shirts, blouses, trousers and dresses for export to retail buyers across North America, Europe, Asia, the Middle East, South Africa and Australia. The Sri Lanka based Tri-Star has in the past, expanded production into Africa, specifically Uganda, Kenya, Tanzania and Botswana. However, it has closed down its operations in all African countries except Uganda.

#### Tri Star in Uganda

The Ugandan factory opened in 2002. With 1200 workers mostly from Uganda and a managerial team from Sri Lanka, the factory produces a variety of men's women's and children's garments and exports them to retailers in the United States. While Ugandan President Yoweri Museveni often touts the success of AGOA and Apparel Tri-Star and its importance, especially in creating jobs, Apparel Tri-Star has recently found itself in deep waters with many accusations of poor working conditions and policies that violate not only Ugandan labour laws, but also international labour measures. The complaints concerning working conditions extend across the spectrum including low wages and long hours without overtime pay, limitations on movement within factory and dormitories and on communication among workers, verbal, physical and sexual abuse, unfair job termination, and lack of recognition of workers' unions.

These conditions, and the 'disciplinary' beating of a female worker, lead workers to strike at the Ugandan factory on October 21, 2003. The workers locked themselves in their dormitories for two days without food, water, or bathing. Many of the workers became sick due to the lack of ventilation. After hearing that Tri-Star planned to terminate the workers for their action, a court injunction was sought in order to stop such an action, at least making sure that workers would be paid all their dues.



On October 23rd the police arrived to break up the strike. The police assured the workers that they would be safe, but then proceeded to hand them over to Apparel Tri-Star, which subsequently dismissed 293 workers without paying them their wages.

The Ugandan Textiles, Garments, Leather and Allied Workers' Union has been trying to get recognition from Apparel Tri-Star in order to play a role in addressing the poor working conditions. This process has been impeded, however, by disputes between UTGLAW and Tri-Star over the requirements for union recognition under Ugandan labour statutes.

So as not to delay the recognition process further, UTGLAW has in any case taken the measures under the old law, namely the Trade Unions Decree of 1976, as wished by Tri-Star, even though it believes that the Ugandan Constitution currently overrides the old law. Tri-Star has remained uncooperative and has not taken steps to fulfil its obligations for the recognition process.



Tri Star Factory in Kampala Uganda is a huge complex comprising of old warehouse buildings. The tower in the background hold security lighting and there is a security watch point just inside the heavily guarded gates

As a result of these circumstances, the International Textile, Garment & Leather Workers Federation submitted a complaint, on behalf of UTGLAW, against the Ugandan government for its failure to compel Tri-Star to recognize the union. The Committee on Freedom of Association ruled in favour of the union and recommended to the government that it amend the Trade Unions Decree of 1976 so that it conformed to the Ugandan Constitution.

According to UTGLAW, additional problems with labour regulation include the lack of a minimum wage, ineffective Ministry of Labour, favouring of special investors and a non-operating industrial court system.

Following the strikes in October 2003, the situation at Apparel Tri-Star and the status of Uganda's Labour laws has been the subject of significant Parliamentary debate. The Ugandan Parliament resolved in November to set up a select committee for further investigation into these matters. So far it is apparent that hearings are being held with key government officials related to the matter. On March 22, 2004, Suzan Muhwezi, Special Presidential Assistant on Trade, appeared before the committee and affirmed some accusations regarding the Apparel Tri-Star situation, and denied others.

With little progress being made towards the kind of changes recommended by the Committee on Freedom of Association or in improving upon the other problems just referred, the ITGLWF submitted a new complaint to the ILO. This complaint dealt with the failure of the Ugandan government to correct the discrepancies in the labour laws, abuse of the admissible privileges for most representative unions, failure to respect the right to strike, and failure to ensure that complaints of anti-union discrimination are examined promptly, impartially, inexpensively and effectively.

Several observations can be made after examining recent reports concerning the strike that occurred in October 2003. It is increasingly evident, for example, that Apparel Tri-Star has a significant connection with the government. Reports reveal that Apparel Tri-Star received a sizable loan of which the details were not made completely known. Questions have also been raised from both outside and within the government concerning the President's personal ties to the company. Some members of the government accused the President of using tax money to start Tri-Star for his own personal interest. The fact that there is a personal connec-

tion between the company and the President has become more clearly apparent since Museveni himself said that he was responsible for the firing of the 'AGO girls' after the 2003 strike. That such a significant loan was made available to Tri-Star is especially surprising considering that the government is unlikely to directly benefit since Tri-Star pays no direct taxes, thus increasing the suspicion that other factors are in play. This is not to mention the fact that Tri-Star has a poor financial situation and that if the company defaults on its loans, the government will be liable.

On the other hand, it is possible that Museveni's involvement with the company has much to do with his beliefs about what makes a sound and effective economic policy. The President believes that the government should be more involved in the economy. This involvement includes supporting private enterprise with subsidies, cheap loans and debt guarantees.

Tri-Star in particular is not held accountable with sanctions if it does not increase its output or competitiveness, and subsidies and other incentives were given to Tri-Star not as part of an industrial wide policy, but rather as an individual state favour. This is where the President's personal ties to Tri-Star come into question. Apparently, the subsidies and loans were given to Tri-Star after Museveni personally contacted the Ministry of Finance and instructed them to do so. Evidence, such as Tri-Star Manager Kananathan's threats to call the President when pressured to meet certain obligations, and the President's admission of his involvement in firing the AGOA girls, indicates that the relationship remains strong. Although, Mwenda apparently accounts for the President's close ties to the company as a result of his tendency to micromanage things rather than as a result of supporting the company for his own personal gain, as suggested by other critics.

Questions over the President's personal involvement in the company for personal gain aside, it is clear that the government's economic strategy, or perhaps more correctly the strategy put forward by Museveni, is resulting in an unbalancing of priorities that favours Apparel Tri-Star in the hope of creating economic growth, when realistically such a policy, without accountability, is leaving workers worse off, threatening the viability of the garment industry in Uganda in the future, and compromising Uganda's commitment to its own Constitution and international treaties.

## Apparel Tri Star in Kenya

The Apparel Tri-Star factory in Kenya was located at the Athi River Export Processing Zone. The Kenyan factory, produced garments for the United States as a result of the AGOA trade preferences. The Kenyan EPZs offer a ten year tax holiday to investors, once this tax holiday was over Tri Star closed down its Kenyan operation.

Workers at Tri-Star Kenya faced working condition not much different than their Ugandan counter parts. A report put out by the Kenyan Human Rights Commission and complaints written by workers' initiative reveal that workers at Tri-Star Kenya work in a difficult environment. The most common complaints relate to sicknesses caused by a lack of ventilation and insufficient protective equipment. Other problems include overcrowding, work related injuries and deaths, and sexual harassment.

Workers have taken both individual and collective measures in an effort to improve their working conditions; some seeking legal help for damages to their health preventing them from working in the future and collectively by going on strike on August 1, 2001. Following the strike, Tri-Star summarily dismissed several workers.

The KHRC reacted to the dismissals by sending a letter to Tri-Star management pointing out that Tri-Star was not living up to its obligations as a beneficiary of AGOA and responsibility to hold up international labour standards. Tri-Star responded to these and other specific accusations with denial of any wrong doing and claims that the dismissals were warranted because the strike was illegal.

The situation reported at Tri-Star is not uncharacteristic of other companies in Kenya's EPZs. Accordingly, the KHRC launched a campaign to raise awareness of conditions at EPZ companies more generally and the consistent lack of respect for international human rights laws. As part of the campaign, the KHRC issued a report highlighting the working conditions specifically and pointing out that incentives for investors do not result in benefits for workers because while jobs have been created, workers are not paid enough to live and the consequences of the working environment sometimes lead to inability to work later on. The govern-

ment has done little to regulate the situation provoking accusations that the government is compromising labour laws in order to appease investors. Due to this inaction, the KHRC is taking the campaign to the international arena going as far to warn EPZ firms that they would face heavy criticism from abroad if they did not improve working conditions.

## Tri Star in Tanzania

The information about Star Apparels in Tanzania, a sister factory of Tri-Star in Uganda and subsidiary of the Sri Lankan company Tri-Star Group, is collected from an interview with the companies executive director and a factory visit by a labour research organisation. The company was established in 2003 with a workforce of 650 to be expanded to 1000 by the end of 2004. Most workers were female. The factory produced around 6,000 pieces a day of products including shorts, pants, and skirts, for companies such as Wal-Mart in the United States. The factory, located in an EPZ in Dar Es Salaam, was opened amidst much fan fare, and attended by US Ambassador to Tanzania and US Senator, McDermott, chief advocate of AGOA.

The factory visit was positive, the factory had adequate light and ventilation, workers stations were comfortable, safety procedures were posted and facilities for meals and health care were provided. The executive director stated that conditions were good at the factory because of stringent requirements from buyers in their code of conduct.

Whilst on the surface Tri Star appeared to be a model investor in Tanzania, when it came to labour relations the executive director openly stated that the company was anti union and would attempt to keep the union out. He said that management is not favourable to the union, nor are the buyers for the reason that they could mean trouble. At this point he spoke of "trouble" that had been "instigated by trade unions" in their operations in Kenya and Uganda. In an attempt to soften his words, he said that the management is open to whether the workers want to chose to have a union, however the interviewer was left with the impression that this would be discouraged.

According to recent news reports in April 2005, Star Apparels was placed under receivership after failing to service the company's loan. The report stated that if the company failed to meet the creditor's demands, then it was likely that the company would be liquidated. In May 2005, Star Apparel in Tanzania closed down.

*"Workers in Tri-Star are complaining of having many problems. They thought that after the Human Rights Commission came, they were relieved by what was done by being provided with protective devices like masks and aprons. After that they were given conditions that those should be worn only when they have visitors, buyers etc. Were they given only for visitors? Without visitors they have to continue suffering? This is because the resources manager complained of having a loss by buying mask and Aprons. Why should we work for someone who does not consider our health?"*  
*Complaint from Tri-Star workers to KHRC*



## Workshop Input:

### A supervisors story of working at Tri Star in Tanzania

Tri Star started recruiting on 9th August 2003 in Dar Es Salaam. Supervisors were trained for a period of three (3) months. , then operators were hired to be trained by the supervisors on how to operate electronic machines, stitching garments and production sequence procedure. I was one of the first people to be hired as a supervisor at Tri Star, that day I was very proud to get a job and the future looked good, it seemed like a good place to work, everything was new and management did its best to befriend the supervisors, making us feel that we were separate to the other workers.

After six months had past, management gave workers probation contracts with a minimum wage of 48000 Tanzanian Shillings (47US\$) for six months, promising that workers would receive a wage increase and permanent job contracts, after the six months. It seemed strange at the time that management did not allow any of the workers to read the probation contract's contents and whoever tried to attempt reading the contracts was told to leave the factory premises.

By the time the probation six months period had elapsed, the honeymoon was over, life in the factory was tough. Below are some of the conditions that workers were forced to endure: all pregnant women were ordered to write a resignation letter so the factory could get away with meeting the legal requirements of maternity leave; working hours were increased by 1 ½ hours to a total of 9 ½ hours per day; overtime was compulsory, forcing workers to work from Monday through to Sunday, without rest days, when workers had to work overnight as overtime after a full days work, the hours were 6pm to 6am and workers had to report back to work in the day after 3 hours of rest; No leave was entitled to any worker, if there was a funeral of a close relative, only a day was given without pay; verbal and sexual harassment of young women workers from Indians and Sri Lankan expatriate staff; trade unions were not allowed at all. If anyone discovered having contacts with a trade union representative you were immediately dismissed without payments. Random and unfair dismissals of employees.

I did not like the things that were happening at the factory. Other fellow workers would come to talk with me about problems they were having because they knew I had a good relationship with management as a supervisor but management never took the concerns I raised seriously. Management had refused to let the union in and so our consultation with the union was done in secret as we feared losing our jobs. On 11th September 2004 all the workers gathered in the canteen during tea break to have discussions with the management in order to reduce some unfair conditions the workers experience in the factory, the employer became very angry and ordered all workers to get out of the company premises. We did not hesitate we quickly called in the media, reporters and TV presenters came giving us coverage on the television, in the newspapers and even on radio stations.

After a few hours all workers agreed to return home as the employer demanded. The following day the workers found the gates closed and report to work after 3 days. When we returned three days later the labour commissioner Mr Jogic was there and said the workers should appoint their leader representative to go and open the queries at the Ministry of Labour and Youth. That was how I Edward Seynia Makaranga came to represent the workers together with 48 other representatives, although soon after this we were all suspended by the employer.

We consulted the Trade Union and began organising workers that were still employed at the factory. The Trade Union was not allowed to operate inside the factory so we recruited and held our meetings outside the factory premises.

After two months of being in suspension we found a letter on the desk of the labour officer saying that we are fired. Two months later, once the trade union began to pressurise the factory in an attempt to protect our worker rights the factory was closed down. All the workers were out of work with no notice and no compensation.

Life has been hard for all the workers that lost their jobs from the closure. We met during the time of the closure and everyone was concerned about how they were going to survive, none of us had savings as we did not really earn very well in your jobs. The workers that were the sole providers for their families were the most distressed. It was terrible our dreams of a better future had been destroyed, we had been fooled by Tri Star and many of us felt worse off than before we started working at the factory.

Since I lost my job at Tri Star I have been looking for other work but have not had much luck. I am better off than others because my wife works but we have a small child and the little money she gets is barely enough for us to survive on. But I do not regret choosing the side of the union over management, for despite management's attempts to win my loyalty I would have lost my job along with all the other workers when they closed down. With the union, I at least did not betray my fellow workers and we tried to protect workers from terrible exploitation by Tri Star.



Former worker at Tri Star Tanzania, shares his experiences.

# Case Study: Ramatex in Namibia

A Malaysian owned textile company established Ramatex in Namibia in 2002. It is a part of the Ramatex Group which also has factories in South Africa, Mauritius, Brunei and Cambodia. While originally seeking to set up a factory in South Africa or Madagascar, Ramatex eventually chose Windhoek in Namibia as its place of operation in Southern Africa, in order to take advantage of AGOA, due to an attractive incentive package that offered greater benefits to Ramatex than to other EPZ companies in Namibia. This package included subsidized water and electricity, a 99 year exemption on tax for land use and infrastructure. In return, Ramatex promised to create between 3000 and 5000 jobs in the first two years, and an additional 2000 jobs in the two years following. Ramatex also promised to provide intensive technical training to over 6500 Namibian workers before the end of 2002. As of 2003, around 7500 workers were employed at Ramatex in Namibia. These workers are made up of at least 2000 ethnic Chinese and Filipino workers. Until recently, around 400 Bangladeshi workers also made up this group. These workers produce garments for retailers including Kmart, Wal-Mart, and Sarah Lee.

## Early concerns

Before Ramatex began operations there were already concerns about the environmental impact that the factory would have on the Windhoek surrounding areas. An organization called Earthlife Namibia indicated that Ramatex would probably consume around 1,5 million litres of water per day at full operation. This would be more than half of Windhoek's total water consumption. Additionally, Earthlife raised questions about the toxic substances that would be used by Ramatex and how waste water would be treated and disposed of. Earthlife's request for information on these issues was met by hostility, not only from Ramatex itself, but also the government which accused Earthlife of being against development and job creation.

Circumstances for workers also proved early on to be a problem at Ramatex. General complaints at the factory have included reports of health and safety risks, as well as unfair working conditions. In particular, workers complained that protective clothing such as gloves and masks were not provided, regular accidents occur, workers have developed health problems such as skin rashes, swollen hands and lung problems, workers must stand all day, and that they are not allowed to consult health practitioners during work. In addition, workers work long days, sometimes from 7:00am or 7:30am until 7:30 at night, and long weeks, stretching sometimes to six or seven days. Only Sunday is considered overtime. Wages are also lower than expected and sometimes discrepancies in monthly pay are evident. Workers are not given paid leave for the death of a family member and absence for even these reasons could lead to dismissal.

Furthermore, Ramatex has discriminatory policies including strip searches at times, pregnancy tests for young women trainees (at their own costs), hiring of workers only under the age of 25, allegedly not hiring tall or fat workers, and discriminating between Namibian and foreign workers. Workers also reported that supervisors have hit them or verbally abused them.

## Tensions boil over

Working conditions at Ramatex lead to a number of disputes between workers and management in 2002 and 2003. In August 2002 workers held a strike in regard to vague work contracts. After intervention from the union and the Ministry of Labour the strike was settled and Ramatex claimed they would raise wages on performance related basis. Management had been generally hostile to the union, prohibiting them from having access to workers during lunch and causing the union to hold meetings outside of the factory premises. A recognition agreement was signed in October 2002.

Another strike was held in April 2003. Namibian workers set out several demands including wage increases, housing allowances and other benefits. The Wildcat strike included some 3000 Namibian workers. The factory closed down for two weeks and Ramatex threatened to fire the organizers of the strike. After negotiations the factory was reopened, workers were given new contracts and Ramatex agreed to give fair hearings to all accused workers. In May 2003, however, Ramatex suspended 416 workers. As of September 2003, 54 of the 416 workers were still not reinstated. Ramatex and the union did reach some agreements by October 2003 including training for supervisors and management arranged by the union, and the ability to elect two shop stewards and union official that would have offices at Ramatex.

In September 2004, police were summoned to Ramatex to break up a riot started by Bangladeshi workers. The riot started as a food fight and developed into a full fledged violent action with workers breaking windows and kicking down doors at their hostel. The workers were angry about their living conditions and especially the quality of their food, claiming that Chinese and Filipino workers were treated better by being provided with food from the factory canteen.

The circumstances of the 400 Bangladeshi male workers was brought to the attention of the Government and the worker's unions and the government ordered that Ramatex discontinue illegal renovations to buildings and move workers to a better location. The Namibian Food and Allied Workers Union also visited the property. "Hotel Ramatex" as it is called, housed the men under even worse conditions than the notorious migrant worker hostels in colonial Namibia.

The Bangladeshi workers were brought to Namibia by recruiting agency called Eastern Overseas. In order to get their jobs, the unskilled men had to pay as much as US\$3500. A third of their \$120 salary is also deducted for food. The Bangladeshi's made the sacrifices, including even selling all their belongings back home, in order to get the job which promised them higher salaries and benefits. While conditions in Namibia were bad, the prospect of going back home was more worrisome as they would be going back worse off than when they had left.

The problems with the Bangladeshi workers revealed another problem. Under the Namibian law, work visas should only be issued to skilled workers, and that is what Ramatex

claims to have requested from the Eastern Overseas recruiting agency. In spite of the agency's assertion that the workers are skilled because they were trained in sewing before arriving, the agency is being sued by Ramatex for breach of contract in regard to supplying unskilled workers. Furthermore, Ramatex claims that the agency was also responsible for the living conditions and that it was not the policy of Ramatex to provide "such living conditions for any of our employees." The agency responded by arguing that Ramatex victimized the Bangladeshis because they were Muslim and that the factory had accepted the accommodations proposed. The solution of the mess for Ramatex and the government was to send the workers back to Bangladesh. Most workers were sent back, without money and some still owing money, with the exception of some awaiting a court case against Ramatex for unfair dismissal. In the meanwhile, fingers were being pointed in different directions to place the blame on how the Bangladeshi's gained work visas when Namibians could do the same work. Ultimately, the blame was placed on the Foreign Affairs Ministry which had allowed the visas to be issued in Malaysia for a three month period, without the approval of the Ministry of Home Affairs. An investigation revealed that the Ministry of Home Affairs never even received visa applications for the Bangladeshi men. Ramatex claimed that it had put a stop to the visas when it discovered that the men were unskilled labourers.

Also in September, it became evident that early concerns about the environmental impact of the factory were warranted. Investigations revealed that Windhoek's water sources are being polluted by waste from the Ramatex factory. Without a facility to dispose up to 1,9 tons of salt the factory produces in waste per day, the factory has discarded the waste on surrounding lands.

#### **Government intervention**

The government's reaction and intervention in regard to circumstances at Ramatex has been mixed, to say the least. The Deputy Minister in charge of employment creation, Hadino Haishongwa, has expressed his outrage about the working conditions at Ramatex and the policy of supplying jobs to Asian workers that could easily be done by Namibians. The Minister of Women's Affairs and Child Welfare, Netumbo Nandi Ndaitwah called the pregnancy tests required of women trainees, "discriminatory against women", and the Ministry of Labour pointed out that denying a woman a job because she is pregnant could constitute unfair labour practice in terms of the Namibian Labour Act. The government also put pressure on the company to comply with collective bargaining regulations under the Labour Act. Further, Home Affairs Under Secretary Freddy Eliphaz has said that the Foreign Affairs Ministry has the responsibility of taking action against the officials who issued visas without authorization. On the other hand, the government did not live up to its promises in terms of environmental control and actually expressed hostility towards concerns. The Windhoek mayor for instance expressed his anger at 'anti developmental forces who would like to see thousands of previously disadvantaged and dehumanized Namibian families continue languishing in poverty'. In regard to the issue of discriminatory practices, the former Minister of Trade and Industry encouraged workers 'to embrace Ramatex's work ethics' and to 'put your skills to work with passion'.

#### **New developments in early 2005**

Ramatex's failure to improve labour conditions at the factories has led to a campaign focused on international buyers. The International Textile Garment and Leather Workers' Federation has written to President Sam Nujoma and the Ministers of Trade and Industry and Labour as well as to buyers from the United States including Sears, Kmart, ShopKo, OshKosh B'Gosh Inc. and Children's Place. ITGLWF General Secretary Neil Kearney has emphasized that the object of the campaign is not to stop buyers from placing orders with the factory but to persuade them to take some action and pressure the factory to improve conditions. Meanwhile the Namibian Food and Allied Workers Union (NAFAU) and Government Officials entered into talks concerning working conditions and the recognition agreement between the union and Ramatex. Following the negotiations Ramatex agreed to improve the treatment of its some 6,000 workers and management expressed that they were committed to good labour relations, though it wishes to deal with these issues through existing channels to solve labour disputes. Although there are disagreements on labour conditions at Ramatex, the government believes that the union and the factory are capable of coming to a solution. Considering the financial worth of the factory (Ramatex alone contributes 1.5 percent to the GDP of the country), all parties have an interest in solving the dispute cooperatively.

#### **Signs of imminent closure of Ramatex operations**

Since the end of March 2005, there have been conflicting reports about whether Rhino Garments, a subsidiary of Ramatex Namibia, would shut down operations. Some reports claimed that the closure was definite, however, then Ramatex managers and the union denied the rumors saying that while the company was having financial difficulties due to lack of orders, it was only temporarily closing the factory while it negotiated with the union and the government. On April 5th, closure of Rhino garments at the end of April 2005 was confirmed to NAFAU. Rhino garments has placed blame for the closure on the letter campaign initiated by ITGLWF and the negative statements made by NAFAU about labour conditions. Rhino Garments claimed that the letter campaign asked US buyers to boycott Ramatex, when this was not at all the case as mentioned above.

The situation with Ramatex demonstrates traditional company and governmental reactions when publicly confronted with cases of labour abuses. Obviously it is easier to blame those that are asking for the implementation of national law and international agreed upon labour standards than act responsible. The Ministry of Trade and Industry in Namibia, Andrew Ndishishi, went as far to say that there are "people who want to destroy the nascent Africa textile industry". Ndishishi was also displeased that the situation concerning Ramatex was brought to foreign institutions, saying that the matter should be solved internally. As pointed out by LaRRi director, Herbert Jauch, the real reasons for Rhino Garments has more to do with the recent developments in the international trade regime which has resulted in many closures of African garment factories as investor relocate to Asia, and more specifically China.

# Case Study: Haps Investment in Lesotho and Malawi

Lesotho Haps Development Company was established by a Taiwanese company in 1986. The factory is located at Maputsoe and produces t-shirts, tracksuits, dresses, tights, jackets, and women's two piece suits for labels including No Clothing, Method Charge, Chinois, Kebo Girks, Kebo Kids, River Trader, Christal Kobe, Current, RT, Dress Barn, Gnarly, Cherokee, Jet, and Foshini. Lesotho Haps also produces for retailers such as Kmart, Wal-Mart, Woolworths, Mr. Price, Edgars, and Truworhts. Around 1200 workers are employed at the factory. Haps investment also has operations in Malawi. With a work force of 2500, the factory produces mainly t-shirts and jeans for labels such as Dress Barn and retailers including Wal-Mart, Target, TSI, Haggar, JC Penney, and Sears.

Reports and investigations concerning Lesotho Haps reveal that over several years of the factory's operation, employees have endured poor working conditions. Workers are given unfavourable terms of employment from the start, earning about 100US\$ per month and receiving insufficient compensation for overtime. If targets are not met workers are required to put in overtime without pay. Overtime pay on the weekends is also not paid at double the wage as claimed by the manager, but in fact M 40 for Saturdays and M53 for Sundays. There are also reports that many workers are employed as informal or casual labourers.

The factory has a number of health and safety hazards that have lead to sickness and injuries. For example, workers are not given masks to protect them from inhaling dust. This has lead to respiratory problems. Workers are not provided with other protective clothing such as gloves to prevent cuts. Many accidents have occurred involving machines and scissors as a result. Additionally, extreme heat has cause workers to faint, and faulty electrical wires have lead to shocks. Workers at the factory also lack comforts for basic essential needs. The injuries just described are left unattended as the factory does not provide medical services and workers have even been denied first aid for cuts. Pregnant women are not accommodated and must remain standing while working or remain working in extreme heat or cold despite their condition. Toilet facilities are also not sufficient. There are only 20 toilets for 1200 workers, usually without toilet paper.

On top of these physical hardships, workers at Lesotho Haps are subject to verbal and emotional abuse. Supervisors are known to scream at workers using profane language or in a language, such as Chinese, that the workers do not understand. At the end of the day, workers must also endure invasive searches to make sure that they are not stealing anything. Female workers complain that they must take off all of their clothes, and sometimes they are touched, frisked or patted down within view of male workers and supervisors.

## Relationship with the union

The company and the union have signed a recognition agreement. This has not been an indication, however, of the company's willingness to cooperate with the union. Workers report that managers are hostile to the union and that they

interfere with the work of the shop stewards. They also do not allow the union to hold meetings on factory premises. In the last year and a half, the Lesotho Clothing and Allied Workers Union (LECAWU) and Lesotho Haps came head to head in a dispute concerning the unfair dismissal of two shop stewards. After returning from a period away from work for union activities, two shop stewards were summoned to the management office and "charged with failure to obey lawful instructions and desertion under the company's disciplinary procedure and were found guilty on both counts and dismissed." LECAWU took the case to the Directorate of Dispute Prevention and Resolution (DDPR) alleging procedural and substantive unfair dismissal. According to LECAWU, the shop stewards leave for union activities had been agreed to by the union general secretary and factory management. The DDPR ruled in favour of the union and ordered that Lesotho Haps had to pay the shop stewards for lost pay and give them back their positions at the factory by March 2004. In negotiations with the ITGLWF Africa in February, Lesotho Haps agreed to follow through with the decision. Instead, however, the company appealed to the Labour Appeal Court. As a counter measure, LECAWU applied for enforcement of the DDPR decision. Ultimately, LECAWU once again prevailed. The Appeal Court then issued a warrant for the arrest of the director of Lesotho Haps.

On January 13, 2004 the LECAWU informed researchers at the Centre for Research on Multinational and other international union organizations and campaign organizations that workers at Lesotho Haps did not return to work after the Christmas holidays. Seemingly without warning, the factory did not re-open. The Lesotho National Development Corporation has said that it did not expect Lesotho Haps to suddenly leave considering that it owes no debt and its credit is sound. LECAWU and LNDC have agreed to meet in order to discuss and negotiate severance pay for employees earned from the sale of equipment from the factory.

## Conditions at Haps Investment in Malawi

Unsurprisingly, circumstances at Haps Investment in Malawi are not much different. Workers have reported that wages are low, sufficient protective clothing is denied, that employment opportunities are unequal and that workers are often subject to harassment and sometimes, physical abuse. Field research has revealed other concerning working conditions. In the first instance the working environment is uncomfortable due to insufficient lighting and non-adjustable chairs and tables. Employees must also work very long days and weeks. Work can last from 7am to 7pm at night and there are also at least 8-hour shifts on both Saturday and Sunday. Sicknesses and injuries are not appropriately dealt with, for example. More specifically, the factory has no medical facilities, does not compensate for injuries and requires workers to bring a report from a doctor in order to receive paid sick leave that is only given for two days maximum. Soon after the factory closure at Lesotho Haps, Haps Investment in Malawi also closed down.

## **Case Study: Nien Hsing Lesotho**

Nien Hsing was established in January of 2001 in the Thetsane Industrial Area. Nien Hsing in Lesotho is owned by Nien Hsing in Taiwan which is the largest producer of denim in Taiwan. Nien Hsing Lesotho produces denim fabrics, garments and casual wear for labels such as Cherokee, and buyers including Wal-Mart, JCPenney, Target, Sears, Bugle Boy, No Excuses, Casual Male and the Gap. Garments are mostly exported to the United States and Canada. Lesotho now has three Nien Hsing factory, the most recently built employing 8,000 workers. Nien Hsing Taiwan also has 13 factories around the world including in Nicaragua and Mexico.

### **Working Conditions**

Nien Hsing's workers have not enjoyed fair working conditions in the past, especially in relation to health and safety. Limited protective clothing is provided to workers including aprons and a dust mask, however, the cost of these items is deducted from the workers' pay. A first aid kit is available with basic supplies, but there are no medical facilities. This is disturbing considering that there are many reported injuries. Management has been known to not bring injured workers to the doctor and requires workers to return even just the day following the accident.

The general environment is not conducive to the long hours and tedious and repeating work. Most workers stand, except for those in the sewing department. The seats provided to the sewers are, however, do not have back support and they are not adjustable. Factory lighting is also poor, as is the quality of air. Fresh air enters only when the factory doors are opened. The plight of Nien Hsing workers has been made worse by harassment and abuse by supervisors. Workers have been hit and humiliated in front of other workers. Some have also been asked for sexual favors.

Novel Garments, owned by a Hong Kong company, has its primary operations in Mauritius. The Mauritius factory produces denim garments for labels such as GAP, Tommy Hilfiger, Colby, Polo, and Levis, for sale in the United States. Novel has a work force of 4100 employees.

### **Working Conditions**

According to workers' reports, working conditions at Novel Garments are less than favourable. Past complaints include long working hours numbering up to 16 hours per day, 7 days a week and poor living conditions characterized by cramped sleeping quarters and low quality food. Some working conditions improved after a strike in 2002. The work week was limited to 45 hours with a maximum of 10 hours of overtime per week. However, tragically, these improvements did not come in time to possibly prevent the death of two Novel workers. In March of 2002 one woman died of cerebral congestion and another the following day from pneumonia. Many blamed their deaths on the working and living conditions that they were forced to endure.

## **Union-Factory Relations**

Like most factories, management has not been keen to union activity. Shop stewards have claimed that the union is not at all allowed to be active inside the factory. Further, no agreement existed between the factory and the union. There were also claims that management was hostile to union members, imposing stricter rules on union members and sometimes dismissing them.

### **Workers Win Respect for their Rights**

In 2001, activities were put in motion that would eventually lead to Nien Hsing workers gaining some basic rights. The Ethical Trading Action Group (ETAG) presented extensive research on labour conditions at Nien Hsing conducted by the Centre for Research on Multinational Companies (SOMO) and the Trade Union Research Project (TURP) to the Hudson's Bay Company, a known buyer of Nien Hsing garments. The Hudson's Bay Company promised to look further into the issue and get back to ETAG.

This started a coordination of campaigning efforts which also took aim at the Gap and urged them to pressure Nien Hsing to improve working conditions. The result of these actions was that Hudson's Bay Company stopped supplying from the named factories. Gap, on the other hand agreed to work with its supplier and update the campaigning coalition on the progress.

In March of 2002 workers of one of the Nien Hsing factories held a strike to protest the management's refusal to improve on many of the workers' complaints. During the strike, one of the workers was stabbed by a manager with scissors bringing the strike to desperate and dangerous levels. The strike eventually, however, yielded positive results. After talks between the LECAWU, ITGLWF and Nien Hsing, the company signed a Memorandum of Understanding and eventually the union was recognized at both of the Nien

## **Case Study: Novel Garments in Mauritius**

### **Strike**

Following the deaths of the two women, workers organized themselves in protest. Chinese employees numbering 750 from four Novel production units marched from their factories to the Chinese Embassy and camped there for five days. The sit-in, which was ultimately successful, was an effort to pressure the Ambassador to convene negotiations with Novel for better working conditions. The negotiations lead to improvements in working hours, right of workers to manage their own time cards, and improvements in living conditions. Even following the strike, unsatisfactory working conditions continued to be reported. In 2003 workers reported a lack of adequate ventilation in the factory, no standard protective equipment, no health and safety committee, unfair dismissals, and harassment from supervisors.

*"We work 16 hour days, seven days a week. On weekends, the supervisors often prevent us from clocking-in, so we don't get paid for overtime."*

*A worker describing conditions at Novel Garments in 2002 (ITGLWF-ITS Africa News July 2002).*

## **Use of Foreign Workers**

The strike led by Chinese workers in 2002 highlights the particular issues surrounding the use of foreign workers in the Mauritius garment industry. Due to a shortage of workers in Mauritius during the period of rapid growth in the garment industry, manufacturing companies operating in Mauritius sought workers from outside of the country. Importing foreign workers was also a way to deal with high rates of absenteeism among local workers in the Export Processing zones, caused by a variety of factors such as working conditions, excessive overtime, desire for more leisure time, and abuse of leave. Foreign workers, mainly from China, India, Bangladesh, Sri Lanka and Madagascar are attracted to the prospect of earning more money than they would in their own countries. One recruiter told a potential Chinese worker that they would earn 50 percent more making jeans in Mauritius.

While the need for foreign workers has decreased and the government has put more restrictions on the import of foreign workers, the desire of managers from garment factories to employ foreign workers has not subsided. Managers prefer foreign workers because they are often willing to work harder and longer and generally do not seek union membership or action for fear of losing their jobs and being deported. This situation presents several problems for the upholding of labour rights by leaving foreign workers open to exploitation and perpetuating low wages. This situation clearly creates obstacles for local workers who are competing with foreign workers for jobs and having their calls for better working conditions undermined by foreign workers who are reluctant to complain.

Although the Mauritius Employers' Federation and the Mauritius Export Processing Zone Association have moved in a positive direction by drawing up guidelines for terms of employment and guest workers' rights, the shut down of Novel Garments, to be discussed below, is likely to create further hardships for foreign workers. Foreign workers generally earn less than they anticipated. This is a significant problem some of the workers had to pay money through an agency to get a job in the first place or took out loans to go to Mauritius. More likely than not, these foreign workers have not made enough money to make up the cost and will therefore return to their native country and families with nothing to show for their hardships.

## **Novel Announces Shut Down**

Although unfortunate in terms of their jobs, Novel Garment workers will no longer have to endure harsh working conditions, as Novel Denim has announced that it will close down operations in Mauritius. Troubles began for Novel in Southern Africa with a report of a net sales loss in November 2003 mostly due to losses accrued from its South Africa

factories due to lower than expected performance results and increased costs resulting from the appreciation of the South African rand against the United States dollar. The Cape Town factory was finally shut down in February 2004.

Meanwhile, without any progression, the Artisan and General Workers Union in Mauritius continued to push for negotiations to gain union recognition at Novel Garments. Novel refused to accept a recommendation from the Industrial Relations Commission for Novel to recognize the union.

The announcement that Novel would shut down its Mauritius operations came in May 2004. Three of its units at Saint Felix in Chemin Grenier, Grand Bois and Montagne Longue will be shut down while the fourth will be acquired by an Italian group, Italdenim and Ian Espitalier-Noel. These developments will make 6000 workers redundant. Of these 6000, 1000 of the workers are Chinese.

In response to the factory shut down announcement, the AGWU met with the Minister of Labour and Industrial Relations in order to set out demands regarding the dismissal of the 6000 workers. The AGWU's demands included, 1) that all workers be informed in writing about the shut down, 2) that according to law, workers should be paid compensation equalling 15 days salary for every year worked, 3) that workers be given three months notice, 4) that in the event that the company closed down before the three months, workers are to be paid for the remaining days of the notice period, 5) that workers must be refunded outstanding balances for annual and sick leave in a prorated basis, 6) that workers are paid an end of year bonus in a prorated basis, 7) that workers are redeployed in other enterprises, 8) that redundant workers receive training in any other fields that may facilitate in getting them another job, and 9) that workers be given preference for employment with the Italian group even though they have already been paid compensation and given other benefits.

According to a letter dated July 16, 2004, a month following the factory closings, AGWU informed the International Textile Garment and Leather Workers Federation of the accommodations that were made for the workers, along the lines of what AGWU demanded in May. These included payment of two weeks salary for every year of service, a refund of local and end of year bonus on a pro-rata basis, and payment of notice as per law. Management also gave workers from Saint Felix, Montagne Longue and Grand Bois training in several fields such as handcrafts, hotels and restaurants and running small enterprises.

## **Increasing Trend Away from Mauritius?**

The recent developments at Novel were not completely unexpected. Advantages that once existed making Mauritius a competitive manufacturing center are now beginning to disappear. Wages have become higher, competition with other AGOA countries is increasing, and at the end of 2004 Mauritius will lose its exemptions from MFA quotas when it is phased out. These changes have caused investors to move operations to Madagascar, or like Novel, to Asia, where especially low labour costs create an attractive manufacturing environment.

## Garment Factory Closures in Southern and East Africa

Throughout Southern and East Africa, there have been massive job losses in the garment sector as factories close down. More than 52 000 workers in seven countries are without work and unable to meet their basic needs and those of their families.

On top of the stress workers face during these closures, they are often told that the factory is closing because they are unproductive and cannot match the skills of workers elsewhere; they are told that they have been lazy and are responsible for the closures. In some cases, the trade union has been blamed for frightening off investors when all they are doing is fighting for workers rights and refusing to allow workers to be exploited. It is not only companies that point the finger, often governments and the media join in blaming workers and trade unions in an effort to weaken labour's fight at a time when we need to be strong.

This trend started in the latter part of 2004 during the uncertainty of the extension of the Third Country Provision, allowing those considered Less Developed Countries (LDC) in terms of AGOA to use fabric sourced from outside Africa in garments exported to the US. The job losses worsened from the start of 2005 at the end of the Multi Fibres Agreement, which allows for increased garment exports to Europe and the US from Asian countries particularly China.

By focusing on export orientated development that is dependent on foreign investment, African governments have failed to protect its workers from the changes in global trade. Despite the attractive investment packages offered to garment factories, many have come to Africa, exploited her workers, reaped large profits and then left to pursue better trade offerings and exploitable workers elsewhere. Trade unions in these African countries have been fighting the onslaught, often finding out too late about closures as factories close overnight, sometimes leaving owing wages to workers and with large debts to pay. Unable to stop the closures, trade unions have been doing their best to negotiate retrenchments.

In May 2005, trade unions reported the following job losses due to factory closures and retrenchments:

Mauritius: 16 830 jobs  
Kenya: 13 463 jobs  
Tanzania: 1 200 jobs  
South Africa: 4 065 jobs  
Lesotho: 13 000 jobs  
Malawi: 2 511 jobs  
Namibia: 1 600 jobs.

Campaign actions are needed that challenge their governments to ensure better job security, respect for worker rights and adoption of industrial development policies that serve to empower its citizens.



Unemployed workers wait patiently outside the entrance to a factory in Maseru. Thousands of workers have lost their jobs due to closures in garment factories in Lesotho

# Preparing For A Campaign On Wal-Mart

## Introduction

In the last few years, Wal-Mart has received increasing negative publicity regarding working conditions and environmental issues in countries that have factories manufacturing products for Wal-Mart, such as Honduras, Nicaragua, Bangladesh, and Eastern and Southern Africa. These issues have sparked a number of anti Wal-Mart campaigns across the world where Wal-Mart is present. The campaigns are cross-cutting issues and country borders. Workers, unions, and non-profit organizations are coming together into coalitions in order to create a grass-roots movement that reveals Wal-Mart's wide spread abuses. .

## Poor working conditions widespread at Wal-Mart supplier factories in Southern Africa

Research conducted by the Clean Clothes Campaign and the Centre for Research on Multinational Corporations, in cooperation with unions and civil society organizations in Southern Africa, indicates that Wal-Mart has a number of garment suppliers in the Southern Africa region. In mostly Asian owned factories, workers in Swaziland, Lesotho, Malawi, and Madagascar for example, produce mostly t-shirts and jeans for export to Wal-Mart stores in the United States; trade that has been facilitated by the African Growth and Opportunity Act allowing several African countries to export textiles and other products to the United States duty free.

Factory visits and further interviews with workers and unions revealed that working conditions in factories that supply to Wal-Mart and other foreign companies are less than adequate. One of the greatest obstacles for improving working conditions are obstacles to the freedom of organization and the right to collective bargaining. Those unions that are recognized are often denied access to factory premises and workers are harassed or even fired for union activity.

Working conditions at these factories are unbearable. Common complaints from factories supplying to Wal-Mart include long working hours, low pay, restricted leave, unhealthy working environment, injuries due to lack of protective equipment, sexual, physical and emotional harassment, and so on.

This situation has at times lead workers to strike, with little improvement in their plight afterwards. Governments have also not been facilitating in upholding national labour laws as many officials are afraid that strict labour laws will drive investors, and subsequently jobs, away and prevent new investment from coming in.

## Current research

ITGLWF Africa with the efforts of Southern and East African affiliates has been collecting information to be used in a campaign targeting Wal-Mart. Numerous requests have been made to Wal-Mart to ensure that it's Code of Conduct complies with the international labour standards and is enforced at factories where its goods are produced but these have fallen on deaf ears. There was no response from Wal-Mart to an appeal by Clean Clothes Campaign on behalf of LECAWU that Wal-Mart on working conditions at Wal-Mart Supply Factories.

At a Trade Workshop held for Southern and East African affiliates in September 2004, one of the areas identified for immediate action within the broad strategic framework was a buyer targeted international campaign focusing on Wal-Mart. The main aims of the campaign are 'to pressure the company to maintain its sourcing in Africa, in the light of the current MFA phase outs and to improve the working conditions and labour rights for African workers in the companies producing for Wal-Mart to be in compliance with the internationally accepted norms and principles'.

It was noted that Wal-Mart is the largest retailers sourcing garments from the region but it undermines workers and human rights. Wal-Mart was also identified as the target because a campaign on this retailer has the potential to send a strong signal to other buyers and producers that African workers will not accept abuse of their worker rights. While the production in Africa represents less than 3% of Wal-Mart's overall sourcing for garments, the impact on the African labour market is significant, especially as in some of countries the garment industry is representing the largest source of manufacturing jobs.

It was therefore resolved that a research should be conducted as the first phase of the campaign on Wal-Mart to ascertain their production and where they are sourcing. ITGLWF-Africa was therefore mandated to pursue this campaign and has begun to collect information on working conditions at these factories. The information would be used in international campaigns against Wal-Mart. This research project is part of the Sweatshop Campaign work of the Solidarity Centre Durban office.





## Wal-Mart Wins Public Eye Award For Labour Rights Abuses In Their Garment Supply Factories

In Switzerland in January 2005, The Public Eye on Davos, Wal-Mart received a 'shame' award for labour rights abuses, with particular acknowledgement of the struggles of African garment workers. This award was later presented to ITGLWF and workers at the workshop in Swaziland in May 2005.

The nomination was for Wal-Mart's blatant refusal to take any responsibility for working conditions in its garment supply chain. After years of informing Wal-Mart of labour conditions in its supply chain and urging the multinational to take responsibility for and change its policy, amend its code of conduct and make sure its code is implemented, Wal-Mart has hardly ever responded to allegations and has hardly taken any action to correct terrible labour conditions. They lag far behind many other companies in this regard. As the world's largest retailer, Wal-Mart should be amongst the companies taking the lead on improving labour conditions in its supply factories. Not only has it failed to take the lead, they are nowhere in sight!

The supporting cases for the award were appeals that were made to Wal-Mart by the Clean Clothes Campaign on behalf of LECAWU to take responsibility for conditions at Wal-Mart supply factories, an appeal on the right to organise at three factories in Kenya and one on responsibility for workers that had lost their jobs through the closure of Thailand's Par Garments. The award acknowledged the experiences of trade unions in Southern and East Africa working with workers in Wal-Mart supply factories, gathered as part of the work of the Regional Office of the ITGLWF. Also acknowledged were the many job losses due to factory closures, many of these being factories that produce for Wal-Mart.

Globalisation has hugely strengthened the negotiating hand of retailers and brand companies. Wal-Mart will go to a factory and dictate the production time and the price it will pay for an order, if the factory does not agree to these terms they just move on to another producer. Under these pressures supply factories respond with excessive hours of compulsory overtime; poverty wages that don't meet workers' basic needs and cutting of corners resulting in health and safety violations. The vast majority of garment workers are women, poor conditions in these factories also result in verbal and physical abuse and sexual harassment; humiliating strip searches; inadequate washroom facilities and restrictions on their use, and unfair treatment of pregnant workers. In order to maintain these sweatshop conditions at factories, employers violate workers' rights of freedom of association and work very hard at keeping trade unions out. Workers are often victimised, sometimes even dismissed for union activities. Unions are denied access to workers and put through lengthy and cost crippling legal wrangles over recognition.

Last year, at the Congress of the ITGLWF, the African office called on other regional offices to join in an international campaign to improve working conditions at factories producing for Wal-Mart. Local initiatives have sprung into regional initiatives that continue to grow into global initia-



tives to bring in line the biggest and baddest bully in big business. Chief Executive Lee Scott said of the criticism his company has faced: "I liken it to being nibbled to death by guppies". That's exactly what we want Mr Scott... power to the workers! Together, if we all take a nibble, we can force transformation of the multinational giant, Wal-Mart.

### ITGLWF Africa Resolution on Wal-Mart

Noting that severe violations of labour conditions in the factories in the African countries producing for Wal-Mart include unsafe working conditions, long working hours, non-payment of overtime, repression of unions and non-compliance with labour laws.

Noting that Wal-Mart's code of conduct is lacking internationally accepted labour standards such as the right to organise and collective bargaining.

In view of the above we call on all campaigning organisations and trade unions globally to demand of Wal-Mart:

To compel their suppliers to recognise the unions in Lesotho, Swaziland, Kenya, Mauritius, Madagascar and in any other country where they operate.

To immediately take actions to improve the labour conditions in the factories where they are sourcing, in cooperation with the representative regional organisations and the trade unions in the industry in the countries concerned.

To upgrade its code of conduct to include the labour standards as is formulated in international accepted codes of conduct such as the ICFTU base code and the code of conduct of the Clean Clothes Campaign, which are seen as the minimum standard for labour conditions in production facilities such as the Wal-Mart supplying facilities in the African region.

To ensure compliance of such a code of conduct by an enforceable mechanism of independent monitoring and verification including representative regional organisations and trade unions in the industry in the countries concerned.

## **Workshop Input: Kenya Human Rights Commission Report On Sri Lankan Apparel Companies in Kenya**

Seven Sri Lankan companies have invested in recent years in EPZs in Kenya to export garments to the U.S. under AGOA. These companies provide a test case of the sustainability of the garment industry as quotas are eliminated and duty free rules of origin tightened under AGOA after 2007. Sri Lanka itself is the 11th largest exporter of clothing to the U.S. (2002).

The outlook is not encouraging. The "big three" of the Sri Lankan industry are MAS Holdings, Brandix, and Hidramani. Each is making substantial investments in Sri Lanka to backwards integrate and to form strong relationships with branded clothing ranges and large retailers in order to stay competitive as remaining quotas are lifted in 2005. This process has been under way for several years. Meanwhile, many other garment producers in Sri Lanka have shut down and some have relocated. None of the big three has invested in Kenya, even though it was short listed by one of the companies, which eventually invested in Madagascar. Another of the big three has also invested in Madagascar. Kenya has attracted smaller Sri Lankan companies that are undertaking cut-make-trim of imported fabric for AGOA exports. It is doubtful if any have the management and financial capacity to achieve the two key requirements of sustainability beyond 2007:

- Investment in the production of fabrics and accessories, entailing tens of millions of dollars of investment.
- Creation of strong relationships with major brands and retailers.

On the contrary, it is estimated that a single intermediary buys 70 percent of the garments assembled by Sri Lankan companies in Kenya. Building backward integration and strong customers relationships takes many years. It appears that Kenya has started too late and too small to build an integrated industry. Substantial fabric production has not commenced. The accessories investors have not been established and Kenya has not attracted the major apparel investors needed to create an integrated industry.

Even under the current AGOA regime, the Sri Lankan-owned garment producers are facing competitive pressures. One has shut down and two have amalgamated. One of the more successful Sri Lankan producers in Kenya is considering expanding but is likely to locate the expansion in either Tanzania (which has lower labour costs than in Kenya) or Ghana (which has lower labour costs and is offering a package of concessions). Nevertheless, the expansion will only be for garment assembly and no commitment beyond 2007 is being made.

**Shop stewards in Kenya's Athi River EPZ attend a weekend meeting to learn more about Multinationals and share experiences.**





Clean Clothes Campaign activists getting signatures from the public in The Netherlands to support a campaign targeting sport shoe brands

### Section 3

Asian

Experiences and  
Action

# The History of Export Orientated Development and Labour Struggles in Taiwan

Taiwan is a small island country east of southern mainland China with a population of approximately 23 million. From 1895 to 1945, Taiwan was a Japanese colony. After that, Taiwan became involved in China's civil war and in 1949 the Kuomintang, the China Nationalist Party, retreated to this island. Following the Korean War in 1950 and the Cold War period, Taiwan began to move up the ladder of modernization and economic development. The label "Made in Taiwan" became the symbol of its economic miracle.

## Constructing a "miracle"

This so-called miracle was built on an international division of labour in which labour intensive processes were transferred to developing countries while high-end technical innovation, trademarks, patents, research and development operations, distribution, and marketing remained in western countries. Accepting and in turn reinforcing such an international division of labour, which included exploitation throughout the supply chain, was the basis of Taiwan's miracle.

The country's first export-processing zone (EPZ) was built in 1966, it was also the world's the first EPZ, and so became a model for EPZs in developing countries. EPZs became a window for foreign investments in Taiwan and the engine promoting the country's export-oriented economy.

## The misery within the miracle

it was the workers, toiling in bad working conditions, that gave Taiwanese industries their competitive edge. Sadly the economic miracle they helped build required workers to pay with bloodshed and even their lives. In the past 40 years more than 50,000 Taiwanese workers have been killed and 200,000 workers suffered permanent injuries in industrial accidents. During the 1990s, an average of 1,500 workers were killed each year, and an additional 6,000 per year had limbs amputated. The industrial accident rate in Taiwan is five to 10 times higher than Japan.

## Meeting world market demands

Entering the world market in the 1970s, Taiwanese industries benefitted from Cold War politics and favorable trade policies with the United States, Taiwanese exports enjoyed access to a relatively stable market.

During the '80s, Taiwan out competed other so-called Tiger economies (South Korea, Hong Kong, and Singapore) in terms of original equipment manufacturing in a number of industries such as footwear, bicycles, and electronics. As more developing countries entered the market in the 1990s, competition created pressure to cut production and labour costs, encouraging Taiwanese capital to seek new outlets.

## Restructuring Taiwanese enterprises

The Taiwan miracle and the success of Taiwan's export-oriented industries was due to these numerous family workshops, complex sub-contracting systems, and self-sufficient supply networks. Small capital, low mecha-

nization, patriarchal management, unstable working hours, informal contractual relationships, and minimal labour regulation characterize Taiwanese industries and companies.

The majority of Taiwanese companies are small to medium sized (in terms of the number of employees they have in Taiwan), co-existing with the underground and informal industrial sector. These subcontracting chains, as elsewhere, are characterized by increasing levels of worker exploitation the further they stretch away from the original company placing the order. As elsewhere, homeworkers are found at the bottom of Taiwan's subcontracting chains.

When the pressure hit in the late 1980s to seek cheaper labour, Taiwanese suppliers who decided to relocate their manufacturing bases contributed to the blossoming of Taiwanese investments in first and foremost other developing countries in Asia, especially southern China. While these Taiwanese manufacturers acquired multinational characteristics as they built new or subsidiary factories in other EPZs in Asia, they were at most "regional multinational manufacturers." But now they are visible in group-investments in Asian and, recently, Latin American and African countries, where they manufacture and supply products to western multinational companies, such as Nike, Reebok, and Levi Strauss, who own the product trademarks and patents but rely on networks of suppliers to carry out manufacturing.

The position that the Pou Chen Group, a Taiwanese company, fills in Nike's international manufacturing network is a typical example of the role Taiwanese companies play today in international supply chains. Pou Chen, Nike's biggest supplier, employed at last count more than 170,000 workers in Southern China. The world's biggest jeans supplier, Nien Hsing Corporation, based in rural Taiwan, has two small factories with a total of approximately 700 workers in Taiwan, however, it employs more than 20,000 workers in Central America and thousands of workers in Southern Africa. What were previously only small and medium-sized companies in Taiwan have grown into huge multinational corporations as had previously been the case at home, again cheap labour with high levels of exploitation facilitated this new phase of "miraculous" growth for Taiwan's enterprises.

## Taiwanese management suppressing workers overseas

Taiwanese companies have a history of shirking their responsibilities in terms of improving working conditions and in relation to other workers' rights. At home in Taiwan, quasi-military and patriarchal management patterns were effectively used to oppress Taiwanese trade unions. Now these skills are being duplicated in many Taiwanese-owned factories producing textiles, garments, and sport shoes in China, South Asia, Central America and Africa.

Labour rights activists in Taiwan believe that due to their reputation for successfully "taming" workers in

Taiwan, Taiwanese companies have come into favour with brand-name multinational corporations who believe they will be adept at managing workers in other countries so that orders are on time and in accord with quality standards. As a result, say activists, Taiwanese companies are allotted more and more orders.

Often, the experiences of Taiwanese men (military service is compulsory for all men in Taiwan) in the army have been applied in the management systems they use in their factories (the managerial structure in most Taiwanese factories is generally male). Their quasi-military management techniques tend to exclude input from workers and repress workers rights. Clearly, many Taiwanese factories regard trade unions as an affront to their paramount management power.

### **Why the Taiwanese invest outside China**

The average wage for a garment worker in China is cheaper than, for example, the average paid in Central America, why then are Taiwanese suppliers choosing to invest outside of China? There are other considerations for investors other than labour costs such as proximity to large markets and preferential trade arrangements.

The Taiwanese government also takes interest in promoting Taiwanese investment outside of China, as the current political climate causes the government to fear that the huge investment in mainland China could jeopardize Taiwan's national security. The Taiwanese government believes that mainland China will use the economic interdependence and cooperation between Taiwanese companies/investors and local authorities or companies in mainland China to force the Taiwanese government to accept the political agenda of re-unification. Moreover, the Taiwan government fears that such economic interdependence will reduce their bargaining power and swing public opinion in favour of re-unification. In short, the more economic interdependence, the less political space for Taiwan. Therefore, the Taiwanese government actively provides support, including direct financial support, tax reductions and subsidies, for enterprises investing in other regions. When Nien Hsing invested in Nicaragua in 1993, the company received more than US \$370,000 in support from the Taiwanese government, subsequently Nien Hsing has also invested in Lesotho and received similar benefits.

Moreover, the Taiwanese government, which is effectively marginalized worldwide uses "dollar diplomacy" to pursue diplomatic relations with countries, using Taiwanese investment as leverage to establish official diplomatic ties with a country and the Taiwanese government will help this country establish the infrastructure that will attract Taiwanese enterprises.

### **Building a movement**

Discouragingly, most workers in Taiwan have been passive in their resistance to factory or capital relocation. The connection between the labour rights abuses of workers in other countries and their own problems generally is not yet visible to them. Trade unions on the island have so far failed to propose a more constructive agenda that would engage Taiwanese workers in placing their own struggles in a more global context, with a connection to labour rights struggles overseas, and taking action to pressure local employers as well as their

international clients.

However, the fate of workers in Taiwan has, inevitably, been affected by the trends of globalization. And in some instances when the state failed to provide for compensation for victims of labour rights abuses in the context of international supply chains, Taiwanese workers have taken action at the international level.

### **International Solidarity**

In 2000, some labour NGOs in Taiwan including Asia-Pacific Labour Update, the Cool Loud Web, and other activists formed the organization "Taiwan Solidarity for Nicaragua Workers" to protest the labour abuses reported at Nien Hsing's Nicaraguan factory, Chentex, and to support the Nicaraguan Chentex workers. The group went to Nien Hsing's headquarter in Taipei to protest and burned a pair of jeans manufactured by the company. This was the first international solidarity action for workers abroad whose rights had been violated by a Taiwanese company. In order to continue their solidarity work, "Taiwan Solidarity for Nicaragua Workers" launched an e-mail campaign, inviting the main national trades unions to join. Next, the solidarity group participated in the Nien Hsing's investors' and shareholder's meeting and disclosed the realities of labor rights abuses and union-busting at Chentex. The accusation got the attention of the media and investors, who pressed Nien Hsing in relation to wage issues, charges of union repression, and unfair dismissal of union leaders. To counteract the negative media attention, Nien Hsing accused Taiwan Solidarity for Nicaragua Workers of using faulty information to hurt Nien Hsing's image and defame the company's director. The campaigners responded by staging a protest at Nien Hsing's headquarters and the Ministry of Foreign Affairs in Taipei.

After a year long legal struggle and campaigning, not only in Taiwan, but quite extensively in the United States where the Chentex jeans were destined to be sold, and supported by the CCC in Europe, the Chentex workers won an important legal victory. The Managua Court of Appeals ruled that union leaders and members who had been fired due to their organizing activities should be reinstated. While the Nien Hsing campaign in Taiwan succeeded in bringing together Taiwanese labour rights activists and NGOs. They raised their own level of understanding regarding union-busting, labour rights abuses linked to Taiwanese overseas investment. Importantly, they also learned about the importance of international solidarity from this campaign experience and to see more clearly that the globalization of capital has a similar impact on workers both inside and outside Taiwan.

*Taiwanese Suppliers: Supporting the Big Brands contributed by Yi Chi Chen, editor of the Asia-Pacific Labour Update . Clean Clothes Campaign Newsletter 16, February 2003*

## Workshop Input: Ching-Jen Labour Health and Safety Service Centre

Tsai Chih-Chieh presented on the work of his organization called the Ching-Jen Labour Health and Safety Service Centre. Tsai expressed the feeling that the Taiwan labour movement face many of the same challenges as the labour movement in Africa and that it was important to share these experiences. He identified three activities that Taiwanese groups could develop to support the trade unions and workers in Africa. Firstly, identifying the owners of Taiwanese factories that are investing in African countries and gather information on the company; secondly, mobilizing the Taiwanese workers of the parent company, through the union if they are organized, if solidarity action is needed; and thirdly, organising joint campaigns, such as protest activities in Taiwan.



## Workshop Input: Taiwan Federation of Synthetic Fibres Trade Union

In this session we heard a presentation from Lue Teh-Ming, from the Taiwan Federation of Synthetic Fibres Trade Union, on the state of the garment industry in Taiwan. He explained that especially after Taiwan joined the WTO, Taiwan garment companies began to move out of the country to seek out cheaper labour elsewhere. The strong labour movement at the time also facilitated the exodus as pressure on the government resulted in better implementation of labour law. Those companies that remained began instituting harsher conditions including lower pay, longer hours, and more temporary or casual work agreements. Migrant workers often face even worse conditions. Their pay for instance is generally even lower than Taiwanese workers. Migrant workers are also harassed more than Taiwanese workers. This situation is not much unlike what is happening in Africa.

There is union activity in Taiwan, however, it is organized differently. Whereas trade unions in Africa are organized industry wide, trade unions in Taiwan are factory based. Thus if a factory closes down in Taiwan, then theoretically so does that union. Unions are beginning to think about how to develop industry based agreements and cooperate regionally.

Efforts to improve conditions in the Taiwanese garment industry are generally weak. Currently, workers are mostly middle age and do not want to risk their jobs at the cost of their retirement benefits. This makes them unlikely to engage in activities such as strikes.

The relocation of Taiwanese companies to Africa countries, makes it important for the trade unions in Taiwan to seek more collaboration with trade unions in the countries where they are relocated. Taiwanese organizations can also play an important role in identifying owners, collecting information on them, and putting pressure on the company headquarters and government in Taiwan.



## Workshop Input: ATNC Monitoring Network

Dae-Oup Chang from the AMRC and the network in Hong Kong gave a presentation on trends in the Asian garment industry and the current efforts of his network to create solidarity between workers and labour movements across regions. Asia has seen a shift of capital from East Asia to South-East Asia, mainly China, especially in the labour intensive industries. The movement of Asian companies has significant consequences for labour relations in developing countries. When capital was exported, so was the whole system of labour management. This system of labour management however tends to reflect the old system before the labour movement improved conditions in their own countries. These companies feel like they can get away with the oppressive old system in their new host developing countries where the attraction of investment and jobs is given

more importance than fair implementation of labour laws and principles.

In the past, Asian labour movements did not cooperate with one another to deal with these issues. The network is in the process of changing this and trying to unite Asian labour movements in solidarity. In terms of the Asian network's role and cooperation with Africa, there are other possibilities like using the OECD Guidelines and national laws for leverage against companies. There is also the opportunity for cooperation surrounding the issue of migrant workers in Africa coming from across Asia due to many African governments' leniency on immigration laws in order to attract more foreign investment.

## Report On The Asian Transnational Corporations Monitoring Network

Since 2002, the Asian Transnational Corporations (ATNC) Monitoring Network has been working to build a regional network through which labour organisations in different Asian countries can pursue concrete solidarity actions to improve working conditions in ATNCs. During 2004, all organisations in the network had many opportunities to join together in various training and education programmes, campaigns, research, and publication projects to promote labour rights and publicise the issues of labour under the ATNCs. As the project is implemented by a network that consists now of 16 organisations with different specialities, we were able to cover many different issues, such as automobile and garment industries, women workers, as well as different aspects of monitoring activities, including research, campaigning, education, organising, and publication. Training and education workshops have been organised, focusing on a specific aspect of capacity that is needed to monitor labour conditions and assist organising attempts of workers in ATNCs. Training provides the necessary skills for organising campaigns, including company investigation, publicity, grassroots organising of workers in firms with labour disputes, international networking, and web-based campaign skills. A workshop on women workers' rights in the context of the growing globalisation of supply chains was held in June 2004 for workers from Asian garment and leather producing firms in the mid-Java area of Indonesia.

ATNC partners also play a role in bringing other labour organisations into the network's activities, expanding the basis of the ATNC network in each country. Researchers in the ATNC Monitoring Network have recently completed a project aiming to achieve more comprehensive understanding of ATNCs. The result of this research has been published as 'ATNC Outlook 2004: Asian TNCs, workers and the movement of capital', which theorises ATNCs by providing a general picture of capital movement from Asia, the

impact of Asian investment on labour in different countries, and how workers and the labour movement cope with the increasing movement of ATNCs through various concrete case studies.

Through our three years of experience in building a network, we have engaged with workers, campaigners, unionists, and researchers in various fields and countries. One major lesson we've learned is that a sustainable way of regulating TNCs in defence of workers' basic rights can be achieved only with the empowerment of workers in workplaces and workers' communities. Accordingly, the concept of 'monitoring' has been widened, from mere 'watching' to a more comprehensive one incorporating research, education and training, campaigning, and publications. This move is based on our understanding that existing 'external' monitoring activity does not necessarily lead to general improvement of labour rights; we need to organise pressure from and within the workplaces.

We also realised that we needed to widen contact with workers and grassroots organisations through various programmes that are designed to assist worker organising. Our emphasis on the workers organising themselves to defend their rights at work and communities have been reflected well through our involvement in the global labour campaign, in particular 'the Play Fair at the Olympics Campaign', through which we attempted to develop new relations with global campaigning groups in Asia and Europe as well as a partnership with a grassroots workers' organisation.

Our involvement in campaigning and advocacy is related closely to the major motivation in establishing the ATNC network: to compensate for the limits of the current forms of external solidarity driven by the consumer movement,

in which the development of a workers' movement was increasingly dependent on external pressure on the basis of corporate codes of conduct while local organising initiatives took second priority.

The phase out of the Multifibre Arrangement and the disunited reaction from many labour unions with arguments based on national interests rather than worker interests alerted us to the importance of building a firm network of labour groups. In the ATNC Monitoring Network's annual conference in August 2004 and a post-Olympics evaluation among the network members, many reflections regarding the ATNC network's role in a global campaign emerged, emphasising building a labour movement in the region, through which 'grassroots activism' can turn into a 'solidarity-based campaign' and vice versa, rather than strengthening the existing campaign mechanism, prioritising horizontal solidarity within Asia.

Now we are moving into the second stage of network building, in which we have to develop more stable co-operative relations between member organisations and partners as well as to enhance the quality of our network activities in all aspects. In particular, we are working towards new and creative forms of solidarity between labour organisations, including trade unions, in developing countries to boost grassroots organising, as well as concrete methods to develop stronger support between labour organisations in Asia's capital importing and exporting countries. The second stage of network building was initiated in 2005 by launching a series of workers' and organisers' exchange programmes in which we share organising initiatives in each country as well as a systematic way of bilateral and multilateral co-operation between different countries in the network. In the first exchange in the Philippines, unions and other labour organisations had a chance to compare organising methods

in the face of swiftly changing labour relations in the region. This will continue with focus on organising workers in the context of the growing unstable form of capitalist work and increasing capital mobility in the region.

As the network developed clearer aims and strategy, we succeeded in incorporating an increasing number of organisations in Asia and elsewhere. Now we have 16 member organisations in Asia, including: AMRC (Hong Kong), Center for Workers Education and Leadership Training (Philippines), Centre for Education and Communication (India), Ching-jen Labor Health and Safety Service Center (Taiwan), Documentation for Action Groups in Asia (Hong Kong), Labour Action China (Hong Kong), Korean House for International Solidarity (Korea), National Coalition for Protection of Workers Rights (Philippines), Protest Toyota Campaign (Japan), Sedane Institute for Labour Information (Indonesia), Solidarity of Cavite Workers (Philippines), Thai Labour Campaign (Thailand), Women's Agenda for Change (Cambodia), Workers Assistance Center (Philippines), Young Chi Oo Workers Association (Thailand), and YAWAS (Indonesia).

Indeed, we need more partnerships with local, provincial, and national labour unions and NGOs, as well as other prominent networks of labour organisations on the basis of transparent and fraternal relationships. We have been developing close working relations with 11 other organisations, including trade unions, grassroots workers organisations, and international NGOs. These partners include, Committee for Asian Women (Asia region), Transnationals Information Exchange – Asia (TIE Asia, Asia region), Redmaque (Central America region), War on Want (UK), Oxfam Solidarity (Belgium), KASBI (Indonesia), SPN (Indonesia), Alliance of Democratic Trade Unions (Thailand), Working Women United (Thailand), Clist (Thailand), and Coalition of Cambodian Apparel Workers Democratic Unions (Cambodia). We expect many of them to be long-term partners and members of the network in the coming years.



Dae Oup explains the challenges of networking Asian NGOs working with labour



## Workshop Input:

### HKCIC



HKCIC is an organization that began its involvement in labour struggles through its support for the formation of independent trade unions. Its work has shifted to supporting efforts in China since 1995 when China's open door policy began and many companies were privatized, resulting in the loss of jobs and benefits and also the privatization of social welfare.

Monina Wong from the HKCIC presented the current situation of garment workers in China. She emphasized that it is important to look beyond the common perceptions of Chinese workers as being cheap labour. In reality, the minimum wage in China is actually higher than in some other countries but the labour is still considered cheap. This is only because costs have been shifted to the individual worker through temporary contracts, no payment for maternity leave, no payment for injury, lack of implementation of labour laws and no pensions.

An animated Monina Wong challenges the portrayal of Chinese workers by the media

## Background Information On The Garment Sector In China

### The Chinese EPZ Model

The Open Door Economy Policy was adopted by China in 1979, after the devastation of the Cultural Revolution resulting in low economic productivity, political instability and the accumulation of a huge surplus labour supply both in the rural and the urban cities. It was designed to attract much-needed foreign capital, technology and management skills. China opened up certain regions and areas strategically to prioritize export processing and labour intensive industries and legalised the construction of a Capitalist market economy within the Socialist system. Strategic measures were taken to attract foreign investors, favourable economic policies included tax exemption for imports of machinery and materials, preferential income tax rates, free and open foreign exchange transactions, concessions on land use etc. Regulation over labour management was minimal allowing for complete privatization of labour relations. Substantive labour standards were not provided at all for wages, employment and dismissal as well as other working conditions.

The language on the regulation on labour protection was weak. Chinese Labour Law was only reviewed in 1995 and the old labour law written in the 1950s when state-owned and public enterprises were the only economic sectors in China was almost not applicable to the Capitalist industrial relations within the foreign invested enterprises. So for 15 years, China provided a haven for foreign investors to exploit its young and cheap labour "liberated" from the poor rural without any legal or proper state institutional regulation. By the 1990s, the government opened about 40 coastal cities in the northern, middle eastern and the southern coastal area of China for export processing industries. These zones are administered by the local governments who are ready to grant even a greater degree of flexibility to the investors as they to compete for foreign investment by offering competitive concession policies. As a result there has been widespread undermining of state regulation of labour standards

## The Garment and Textile Industry in China

The Open Door Policy has changed the ownership structure of the garment and textile industry in China which used to be dominated by the state-owned enterprises. By 2002, the total number of textile and garment enterprises reached 23 600, 20 877 were non-state-owned enterprises. The non-state-owned enterprises include collectives, private and foreign invested enterprises and estimated to employ 5.7 million workers in 2002. The value of export processing in 2002 was 35% of the total industrial output of the sector in 2002.

In terms of market share, China is the world's largest exporting country in textile and garment products, taking up 14% of total world production, reaching USD61.69 billion in 2002-2003. The biggest markets for textile and garment products from China are the EU, US and Japan in 2002 and total exports of Chinese textile and garment products was USD 61.77 billion. The production of garment products constitutes 67% of the export value of the country's textile and garment products and China is also the largest textile fabric exporting country in the world. With the liberalization of the internal fabric market in China which lifted the tariffs on imported fabrics, as well as the phase out of the Multi-Fibre Agreement in 2005, it is expected that the fabric export of China will increase.

### Working Conditions in Chinese Garment Factories

Typical working conditions in garment supplier factories in China are characterised by:

low piece rate income which is below the local legal minimum wage;

long working hours in the peak season reaching up to 13 hours per day with no rest days and no or poor compensation for overtime;

high seasonality and thus fluctuating work and income level in the low season; short term contracts or the absence of labour contracts and legally binding industrial relations;

even if the contracts of workers are written in compliance with the labour law, there are no enforcement mechanisms to ensure that they are implemented; and,

the absence of social security provisions as required by law and lack of safety and health protection, despite labour law that requires the workforce to be covered with old age, industrial injury, maternity and medical insurance this is commonly not the case.

Another problem is the inadequacy of private labour rights monitoring via buyers' code of conduct for suppliers. Work place safety and health is always a problem. Ventilation is often bad and machines can be placed too close together leading to high room temperatures. In the absence of protective clothing and safety gear, workers can suffer skin allergies and respiration problems. The other major source of

health hazards commonly found in the garment industry is ergonomical relating to long working hours, non-adjustable working tables and chairs and repetitive strain injury. Commonly no protective equipment and no safety and health training is provided and often emergency procedures such as fire drills are inadequate.

It is common to find foreign invested enterprises providing dormitories for the migrant workers. Some would contract out the catering service and provide food at the factory canteen while paying food subsidy to the workers inadequate to meet the canteen prices. In the dormitories, workers are congested, have no privacy and have to share wash facilities resulting in hygiene problems. The expenditures on food and lodging become a problem in the low season when the piece rate workers do not have stable income and are not protected with the minimum wage provision, so after food and lodging deductions they can hardly survive on the remains of the income.

Whilst order placement from the international buyers is not stable and there is much competition, China factories survive by transferring the costs of this to workers. They use piece rates, sometimes even based on unit price they receive from buyers, and 'flexibility' that it forces on workers when orders are low, resulting in periods of no work or income, to achieve this. With China's cheap and abundant labour and the lack of enforcement of labour laws, workers are easily exploited.

Millions of young people leave their home in the rural villages to the industrial cities in the coastal areas to find work at the EPZs where a high proportion of export-oriented, labour intensive industries such as the garment, footwear, toys and electronic factories are found. Chinese workers have paid with their sweat and blood for the economic boom of the country and the acquisition of the "competitive edge" of the foreign investors in the globalised Capitalist economy. Their lives, their labour, their aspirations and their everyday struggles with their work deserve acknowledgement and respect.



# The Life Story Of Xiao Qing A Young Chinese Garment Worker



Xiao Qing, a young woman born in a poor village, Hubei province in central China in 1982, is a typical female migrant worker recruited into the “army of migrant workers” driven by poverty at home. She has an elder brother and her parents are subsistence farmers and part of their crops are paid to the state as tax. Xiao Qing’s family was living on tight household income. Education and health costs were difficult to meet and worsened when her mother became seriously ill in 1994. The family spent a few thousand yuan on medical treatment. Xiao Qing quit school and false identification papers were arranged as she was only 14 years old so that she could seek work in Dongguan city in Guangdong province.

The first factory Xiao Qing went to was a Hong Kong owned garment factory that exported to the western market. She picked up sewing there and worked for more than 6 months as a sewing worker in the factory. Working long hours and over time is the typical life of a sewing worker and it makes no difference for a child worker of 14 like Xiao Qing. Like other child and teenage workers in the same factory, Xiao Qing worked 13-14 hours a day and earned US\$70 a month.

When she could not take it any more, she moved to a Hong Kong owned plush toy factory in the second half of 1996. Using the same false identification paper, she got a job in the sewing department of the toy factory. Xiao Qing lived in the dormitories and her life was dictated by the factory discipline rules. She would be penalized and had to copy the discipline rules twenty times if she was found to have violated the rules.

Xiao Qing’s days were nothing special working an average of 10 hours a day in front of her sewing machine and sometimes getting skin irritation caused by the fabric dust. “Some important people” would sometimes come to the factory and asked workers questions about their working conditions. Xiao Qing knew that they were the buyers but she did not know what exactly they were doing and how things would be different after all the questioning. Yet she liked

their visits, not because of the possibility of changes that would have brought to her life as a worker, but because the factory management would let her, as well as other young-looking workers, take leave so that the “important people” would not be able to spot her out and ask her age.

In October 1998, after working in the toy factory for two years, Xiao Qing went to the hospital and found that she had kidney problems. The factory did not have medical insurance for the workers and Xiao Qing had no idea if and how that was related to her work.

In ordinary times the factory management would not approve of any resignation from the production line workers during the peak season. Workers that wanted to quit their jobs had to sacrifice their one-month back wage to leave the factory. It was different this time. Xiao Qing’s resignation was quickly approved and her back wages was settled. She went back home and rested for a year.

In June 1999, Xiao Qing was 17 years old, she came to Guangdong province again to work in a Hong Kong owned hat manufacturing company supplying baseball hats for the universities in the US as well as other European and Japanese brands and retailers. Having worked for 2 years as a sewing worker, Xiao Qing was a skilled worker now. The plant that she was working in had unstable order placement and her monthly income was unstable as well. The factory did not subsidize food and lodging, Xiao Qing tried hard to make sure that she did not spend much and send money home. The order placement became unstable in the second half of year 2000. Xiao Qing was always sitting idle in front of her sewing machine and not earning a penny. The supervisors arranged for her to do packing and other odd jobs. Although she was working overnight, her income remained low. Xiao Qing could not stand the low income and the overnight work anymore.

In December she quit and went home again losing the November back wage. Xiao Qing came back to her previous employer, the Hong Kong owned toy factory, in March 2001. She was happy, this time the factory delivered personal protective equipment such as masks and working aprons to the production line workers. Workers that had diagnosis proof from the hospital could also claim medical subsidy from the factory. Xiao Qing still had to work 11-12 hours and although her wages were low and depended on the factory orders, Xiao Qing knew at US\$97 a month that this was probably a standard wage in the foreign investment factories in Guangdong province as a skilled sewing worker.



Clean Clothes Campaign  
activists getting signatures from the public in The Netherlands  
to support a campaign targeting sport shoe brands

## Section Four

Support For  
International

Solidarity  
Action

# International Campaigning and Research

Whilst international support is no substitute for effective grass roots unionism, regional and international exposure and support adds a strong strategic advantage to these efforts. Therefore one can argue for the strategic necessity for expanding struggle and awareness of issues beyond the borders of the country.

Pressuring Asian manufacturing multinationals to take responsibility for their role in respecting workers rights can present special challenges. Because many of these companies are not "brand name" companies they are less visible. This means that labour rights advocates will get less leverage from the threat of tarnishing brand image, something which holds considerable value for brand name companies. However, including in the strategy the pressuring of retailers these manufacturing multinationals produce for, can yield results. Attempts to seek better compliance with labour laws, international labour standards, and voluntary codes of conduct will need to consider the role these important actors play in shaping labour practices throughout global garment supply networks. Campaigns, that have utilised an approach that mobilises stakeholders at the various levels of the garment industry supply chain for example, where the clothes are produced, where the production multi-national is based, and where the garments are sold have demonstrated a potential to open up space for workers to successfully voice their demands.

The trade unions in some of the African countries who in many cases had seen a radical decline during the shift in industrial policy were poorly resourced and ill prepared to deal with the wave of sweatshops that mushroomed in response to the AGOA. Whilst ITGLWF Africa set about a drive to address some of the organizational crises that beset the labour movement, research played a major and integrated role in the strategy developed by ITGLWF and the affiliates to reverse the downward trend in conditions in the region.

The research in all African countries in the last 4 years has been conducted in close partnership with the local union and the ITGLWF. The research has been useful in capacitating local unionists in the process of collecting information, as well as educating unionists on the issues around Codes of Conduct, monitoring labour conditions and the process of global campaigning. These processes have effectively begun to link consumer markets in the North with workers in the South.

For example, research was used selectively to target major abuses by suppliers. The initial case was that of China Garment Manufacturers in Lesotho, which was investigated at the request of the ITGLWF Africa, after a number of workers had been killed during an industrial action in an attempt to organise the plant. The research was published as a popular booklet and distributed (informally) at an ILO conference, serving to severely embarrass the Lesotho government, which had been colluding heavily with investors to the extent of harassing and arresting union leaders. This initial strategy forced the government of Lesotho to begin to enter into dialogue around some of the excesses being

perpetrated by investing multinational manufacturers. The consequence of this was to force the company to grant some organizational rights to the union and the settling of the outstanding dispute that had seen many workers dismissed after the industrial action. This initial research was followed by more detailed sector research in Lesotho and other countries. The ITGLWF Africa has been using the research findings to work with the union on building membership. Despite militant action there was little progress in securing recognition for the union organising the garment workers in Lesotho, LECAWU, particularly in Asian owned companies.

In general, targets for campaigning have included retailers, producers and governments. It is through linking production realities with consumers, activists, workers etc in the North, through organizations like the CCC, that a major impact has been made. This is due to the fact that retailers are sensitive to public image and can exert immediate influence over producers, given the extreme power imbalance that exists in retail driven supply chains. In Lesotho for example, a follow up research concerning specific conditions at plants producing for a Canadian retailer was used to put pressure on the buyers, by a Canadian campaigning organization, and support the organizing efforts of the union. Most of the work lies with the workers and unions to pressure the factories into change. International solidarity can support efforts from workers but the push must come from workers and unions.

It is important to support these efforts through pressuring the international brands and retailers as the real downward pressure on wages and conditions as well as the volatility of investment as a result of changing sourcing decisions lies very squarely at their door. Initial campaigning efforts have led these groups to formulate Codes of Conduct in order to alleviate some of the damage caused to their public image. The opportunity exists to demand of the retailer or brand to make good on its word and make sure the situation improves at the producer. Often codes are cosmetic and it is important to have them implemented and verified. Another difficulty is that it is the very sourcing practices and the nature of the demands for low prices and fast deliveries that cause many of the practices in the producing factories. It therefore also makes sense to address these issues when campaigning on the factories and buyers to improve the conditions.

Increasingly, more research is being done to understand and assess the role of Asian manufacturing multinationals in global supply chains and in the regions where they operate. Identifying patterns of ownership in the region and linking ownership across borders can be key in developing international campaigning, for example around the Taiwanese multinational Nien Hsing and illustrating this with evidence of particular factory abuses where ownership links had been established. The growing importance of manufacturing multinationals from such countries as Taiwan, South Korea, and Hong Kong, has led to a need for more information including tracing production chains. Also needed are campaigns on such manufacturing multinationals, based on links between regions. Asian research partners have also now been drawn into the process to assess ownership structures in the producer's home countries.

# The International Textile Garment and Leather Workers Federation

The International Textile, Garment and Leather Workers Federation is an International Trade Secretariat bringing together 217 affiliated organisations in 110 countries, with a combined membership of over 10 million workers.

The aims of the ITGLWF are to:

- \* draw up policy guidelines on important issues for unions in the sectors and coordinate the activities of affiliates around the world;
- \* act as a clearing house for information of relevance to the daily work of unions in the sector;
- \* undertake solidarity action in support of unions in the sector whose trade union rights are being denied;
- \* run a programme of education and development aid to assist unions in developing countries in organising workers and educating their members to play an active role in their union;
- \* lobby intergovernmental organisations and other relevant institutions to ensure that the interests of workers in the sectors are taken into account in decisions made at international level.

The ITGLWF is funded by subscriptions from its affiliated organisations. Education and development aid programmes are funded by donor organisations.

The decision-making authority of the ITGLWF is vested in its governing bodies, which are representative of union membership worldwide. While the overall priorities and policies of the ITGLWF are handled at global level, regional activities and relations are covered by the regional organisations. The regionals operate as an integral part of the ITGLWF, though each has its own decision-making bodies and conducts its own activities. FITTVCC/ORI, the Americas' regional organisation, is based in Venezuela. ITGLWF/ERO, the European regional organisation, is based in Belgium. TWARO, the Asian regional organisation is based in Japan. ARCC, the African Regional Consultative Council, is based in South Africa.



Doug Miller from the ITGLWF London Office presents a global picture of the clothing industry to workshop participants

## Workshop Input: Thinking Globally Acting Locally Support From ITGLWF For Organising In MNCs

National unions within SADC are realising how crucial it is to take an internationalist perspective in their approach to organising. Meeting local opposition from factory owners in EPZs in such countries as Mauritius or Lesotho has forced trade unions to take the struggle to the headquarters of the suppliers in Asia as well as the headquarters of the merchandisers in the USA.

Such an approach requires considerable international co-ordination. This is where the ITGLWF at both regional and headquarters level has a particular role to play. Firstly, we can put the factory into a global context by assisting with research on the company in question. In the case of Ramatex in Namibia we discovered that the Malaysian multinational had garment factories in South Africa, which were organised. By putting the union organisers in Namibia in touch with SACTWU they are now armed with vital bargaining information when dealing with the company and representing their new members.

Because some of the US prime contractors have track records of being socially irresponsible multinationals in their choice of suppliers, they have attracted widespread global criticism for operating supply chains, which continue to drive wages and conditions to the bottom. In an effort to deal with this criticism, these multinationals have sought to publish what are known as codes of conduct. These are statements of what the multinational merchandiser or retailer expects from its suppliers in terms of its treatment of workers. Although such codes have not been negotiated and are deficient in some cases in their exclusion of key employment standards e.g. on freedom of association and the right of trade unions to collectively bargain on behalf of their workers, they can nevertheless be used as norms in negotiations with the supplier companies.

Knowing whom you are producing for is thus a crucial piece of information in a union organising drive. The ITGLWF can assist affiliates in undertaking the necessary research. Links to workers in the same company located elsewhere in the world can be created. LECAWU found it necessary to forge links with workers at Chentex in Nicaragua and Nien Hsing in Mexico to negotiate a recognition agreement with Nien Hsing and CY Garments in Lesotho. Their success in achieving an agreement with a notoriously difficult Taiwanese employer was in no small measure due to the international pressure which these links had mobilised. The ITGLWF can establish and maintain such international coordinating structures.

- So if you are planning an organising drive in the export sector make sure you have done some homework on the company before you start. The ITGLWF both internationally and regionally can help you here both in building an overview of the company's operations but also in establishing who the major multinational clients are.
- Once your recognition campaign starts it is likely that at some point your trade union's rights will be violated in some way. Such violations constitute infringements of globally recognised trade union rights and therefore require a global response – again contact the ITGLWF regional/head office.
- Finally to be effective you need to consider yourself as part of a Global Union Federation – the ITGLWF can put you in touch with your counterparts where they exist in other parts of the same company's global operations.

Thabo Tshabalala of ITGLWF Africa, Doug Miller of ITGLWF and Esther De Haan for SOMO and CCC, discuss their presentations on support for actions on MNCs on the ground.



## **ITGLWF Resolution on MNCs**

Multinational companies are becoming stronger than nation states. Generally, these international corporations are immune from the democratic controls which often limit the actions of national governments. The UN has noted that more than half of world trade is produced by multinational companies and more than one third of world trade is composed of goods transfers within different branches of the same multinational corporations. Two thirds of all international transactions in goods and services combined are dependent on multinational company operations.

The increasingly free movement of capital allows corporations to transfer production without regard to national boundaries to wherever costs are low. Often production is outsourced or subcontracted to ever smaller units of production. Some of the largest and most powerful corporations have very few direct employees but they are able to maintain the required quantity and quality of production by franchise or subcontract arrangements around the world. It is at this level that the worst employment practices are found.

The ITGLWF will:

- promote cooperation between affiliates dealing with the same multinational enterprises;
- build an organising strategy throughout the operations of selected multinationals operating in the sector, including European, US, Taiwanese and Korean companies, which covers the operations in importing countries, as well as contracting, subcontracting and licensing operations;
- in conjunction with its regional organisations, develop a dialogue with multinational enterprises with a view to concluding international framework agreements relating to trade union organisation and collective bargaining as well as to information and consultation rights;
- promote the creation of world-wide company councils within individual multinational corporations;
- encourage affiliates to make use of framework agreements and codes of conduct as a tool for organising workers and improving working conditions;
- campaign to reduce the number of codes of conduct in operation, to ensure they are firmly grounded in the main Conventions of the ILO, are managed on a multi-stakeholder basis and are applied with the same intent as the ILO Conventions and that they include a system of implementation, internal monitoring and viable independent verification, with regular impact assessments;
- campaign to ensure that codes of conduct are not used as a substitute for effective labour legislation, nor as an alternative to union organisation;
- demand that companies externally sourcing their production provide full disclosure of their suppliers worldwide;
- campaign to make merchandisers and retailers responsible for the conditions under which goods they market are produced;
- campaign for changes to national and international company legislation which would require companies to take into account and publicly disclose their social, environmental and economic impacts with a view to securing a legally binding international framework on corporate responsibility.

## **ITGLWF Resolution on Free Trade Zones**

Millions of textile, clothing and leather workers around the world are employed in Free Trade Zones, special economic zones designed to attract foreign investment and promote export-led industrialisation. Today, there are 43 million workers employed in such zones, of which the majority are in China's ever-growing Special Economic Zones.

The ITGLWF deplores the exploitation of workers in many of these zones, where trade union rights are often ignored.

The ITGLWF will:

- continue to promote awareness of international standards concerning trade union rights among all parties involved in Free Trade Zones;
- continue to implement a coordinated organising and global solidarity strategy involving in-depth research and based on strategic pressure on targeted Free Trade Zone companies;
- encourage governments to integrate Free Trade Zones into their national economies, ensuring that national labour and social legislation is respected;
- support pressure on governments to enter into detailed tripartite consultations before the establishment of any further Free Trade Zones, and to create tripartite advisory committees on industrial relations as an integral part of FTZ management structures;
- encourage the governments of exporting countries to cooperate at regional level in establishing and adhering to international minimum standards in all parts of their countries, including Free Trade Zones.





## Workshop Input:

# Clean Clothes Campaign

Esther De Haan of SOMO and Clean Clothes Campaign tells participants of the urgent Appeal System

The CCC is a consumer campaign, and harnesses the power of consumers to push for positive social change. We gather information and present it to consumers in a variety of ways (educational programs, demonstrations, ads, debates, books, rallies, internet) so that they know the truth about how clothes are produced (low wages, long hours, repression of trade union rights, sexual discrimination, etc.). Armed with this information we encourage consumers to pursue a variety of ways to take action to improve conditions. Generally, the CCCs in each European country will inform consumers about the practices of the specific brands that dominate the market in their country.

### Pressuring companies to take responsibility

#### What is the Clean Clothes Campaign?

The Clean Clothes Campaign (CCC) began its work in 1989 in The Netherlands and is now active in 11 other European countries. The Clean Clothes Campaign (CCC) has built into a global coalition of NGOs and trade unions that work together to push for better working conditions in the garment industry and for the empowerment of garment workers. In addition to putting pressure on companies to take responsibility for the entire chain of production, to ensure that the garments they sell are produced in decent working conditions the CCC also raises awareness among consumers by providing information about working conditions in the global garment and sportswear industry, in order to mobilise citizens to use their power as consumers. Furthermore they are supporting workers, trade unions and NGOs in producer countries by supporting them to improve labour conditions, for example through urgent appeals, pressure towards companies, research.

#### What does the CCC do?

The CCC has four broad categories of activity that ultimately aim to move us closer to our main goals -  
- improving working conditions in the industry and empowering workers.

These areas of activity are:

#### Raising awareness & mobilizing consumers

Multinational corporations (MNCs) spend millions of dollars each year on advertising and marketing campaigns to get consumers to buy the products they are selling. For them getting the attention of consumers is worth this huge amount of money. Brand name companies compete intensely for consumer loyalty, and therefore consumers can influence how these companies operate.

The campaign puts pressure on companies to take responsibility to ensure that their products are made in decent working conditions. We also pressure them to adopt ethical buying practices - for example in relation to pricing and scheduling - otherwise their suppliers will not be able to enforce requests to improve work place conditions. The CCC believes that companies at the top of the garment industry supply chain have to act upon this responsibility at all levels of their supply chains. Such supply chains, i.e. all workers involved in producing clothes for the international market, can span the globe and include workers wherever they are based - from homeworkers, to those informally employed, and those working in factories. The CCC makes demands for structural improvements and also pressures companies to take action on individual instances of labour rights violations. This is through our urgent appeals system. With this system we receive, verify, disseminate, and follow up on specific requests for assistance in cases of labour rights violations. The demands that we publicise and pursue are those made by the workers themselves - they take the risks (in terms of safety and loss of jobs) therefore the CCC believes that they should set the strategy and make the decisions about if and how their case is presented to the brand name companies involved, the public, and the media.

#### Solidarity actions

The urgent appeals system is also an example of the solidarity work that the CCC does to support workers, trade unions, and NGOs. We also organize research and exchange programs and international seminars that help create spaces where international strategies to improve working conditions can be debated and developed. Both the solidarity work and the CCC's work with consumers are supported by our function as a clearinghouse for relevant information.

## Lobbying and legal action

Most recently the campaign is exploring legal possibilities for improving working conditions (that includes for example investigating the possibilities for lawsuits against companies in their home countries for violations of labour rights in other countries) and lobbying for legislation that would promote good working conditions. The CCC believes that government has an important role in ensuring that good labour standards are enforced (in many countries where garments are produced there is good legislation, but enforcement is lax). The CCC does not promote a link between trade agreements and labour standards (ex. inclusion of social clauses in such

agreements). The campaign is actively lobbying for laws that would compel governments to become ethical consumers. Governments – at the local and national levels – spend millions on uniforms, for example, and the CCC believes that these should all be produced in workplaces that respect workers rights. The CCC recognizes that states are under pressure (for example from the World Bank and IMF) to create an atmosphere (tax breaks, repression of union rights, low wages) that is attractive to foreign investors, but that does not mean they should ignore their responsibilities to their people.

## The CCC Urgent Appeals

The Clean Clothes Campaign is committed to carrying out direct solidarity action to support garment workers in their struggle to see that their rights are respected. The campaign informs consumers in 11 European countries about the conditions in which their garments are produced. The campaign puts pressure on companies to take responsibility for the entire chain of production, to ensure that the garments they sell are produced in decent working conditions.

Developing and circulating appeals for urgent action (called “urgent appeals” for short) is one way that the CCC supports garment workers in specific cases where their rights have been violated. A CCC urgent appeal contains a request from workers or their organizations that people take action, for example, to write a letter of protest to a factory owner, to demonstrate support for workers’ demands in a situation where their rights are not being respected. The CCC frequently receives appeals from workers producing garments and sports shoes for companies that are part of the international supply chains of major multinational brand name companies. These brand name companies are vulnerable to public opinion regarding conditions at their suppliers, therefore concern expressed by activists and the public can have an impact on the action such companies take in relation to these cases.

Urgent appeals activities include writing letters of protest to companies or public authorities, launching large-scale public e-mail and fax campaigns to pressure companies or governments to take positive action, writing letters of solidarity to workers and their organizations, and carrying out a variety of awareness-raising events (speaker tours, press conferences, demonstrations) to draw attention to cases of rights violations, both among the general public and the media.

Examples of cases the CCC has worked on publicly in recent years include the Matamoros Garment case, in which a Mexican factory producing for a major European sportswear



ccc activists at Christmas time raising consumer awareness dressed as angels

brand denied workers their right to freedom of association; the Gina Form Bra Company case in Thailand, where union leaders were unjustly fired after trying to negotiate for better working conditions at a factory producing for various North American brands and retailers; the case of Jaqalanka Ltd., a factory in Sri Lanka where workers producing garments for major U.S. brands faced a tough anti-union campaign; and a request to support garment workers working for many foreign companies in Kenya’s export processing zones, on strike and demanding a range of improvements to working conditions. There are also numerous cases that never make it to the public; instead at the request of the workers or their organizations the CCC works behind the scenes to help create a space so that workers’ concerns are heard by local management, public authorities, brand-name garment companies and retailers, and others who have a responsibility to ensure compliance with good labour standards throughout international garment industry supply chains. For more information on current appeals: <http://www.clean-clothes.org/appeals.html>

# Example of Urgent Action: Wal-Mart Appeal for Lesotho Garment Workers

Serious worker rights violations in 21 factories producing for Wal-Mart in Lesotho, 6 Jan 2003.

The Lesotho Clothing and Allied Workers Union (LECAWU) has released information on serious worker rights violations in 21 factories producing for Wal-Mart in this small Southern African country. Sweatshop abuses include:

- excessive hours of compulsory overtime;
- poverty wages that don't meet workers' basic needs;
- verbal and physical abuse and sexual harassment;
- humiliating strip searches;
- unfair treatment of pregnant workers;
- inadequate washroom facilities and restrictions on their use;
- health and safety violations; and
- violations of freedom of association;

To lessen the possibility of Wal-Mart cutting and running from specific factories linked to specific abuses, LECAWU has requested that we not name the factories. LECAWU is calling on its supporters around the world to demand that Wal-Mart take immediate steps to ensure, and provide verifiable evidence, that all its suppliers in Lesotho are complying with the Lesotho Labour Code and the Conventions of the International Labour Organization (ILO).

Recently, LECAWU sent a letter to Wal-Mart protesting the inadequacies of that company's current factory monitoring program. According to LECAWU, the personnel director at one Wal-Mart supply factory acted as the translator for worker interviews during a social audit of the factory commissioned by Wal-Mart. Workers can not be expected to tell the truth about working conditions in the presence of factory management.

Tell Wal-Mart to not cut and run from Lesotho, but to stay and work with suppliers to fix the problems, in consultation with LECAWU. More information below and this information can also be found at the website from Maquila Solidarity Network at [www.maquilasolidarity.org](http://www.maquilasolidarity.org) including a sample letter that can be send to Wal-Mart and at the website of the Clean Clothes Campaign. For your information, Wal-Mart is getting more and more into the European market and has now stores under its own name in Germany, and ASDA in the UK.

## Report on Abuses at Wal-Mart Supply Factories in Lesotho

The following information is based on interviews with workers at Wal-Mart supply factories in Lesotho carried out by the Lesotho Clothing and Allied Workers Union (LECAWU) and the Africa office of the International Textile, Garment and Leather Workers Federation (ITGLWF).

### 1. Hours and Overtime

Normal working hours at most Wal-Mart supply factories are 10 hours a day from 7:00 am to 5:00 pm, with compulsory overtime of up to four additional hours, totaling a 14-hour

workday. In heavy production periods, several factories require employees to work night shifts of up to 14 ½ hours. There are extreme cases of workers in some factories being forced to work double shifts around the clock from 7:00 a.m. until the following morning. It is common for workers not to be notified until near the end of their normal work shift that they must stay and work overtime hours. When employees must work on Sundays, they are not notified until late Saturday afternoon. The vast majority of workers are women, many with families and children. Compulsory and unannounced overtime makes it impossible for women workers to adequately care for their children. The right to attend funerals is an important issue for workers, since most funerals are scheduled for Saturdays and Sundays, which workers are often required to work. There is widespread confusion about whether the overtime rate is being paid correctly. Some workers complain that their pay slips do not specify how much overtime is being paid. Workers at one factory said that they were not allowed to clock in on Sundays, because the managers "were afraid of losing their orders" if buyers saw that the Code of Conduct was being violated.

### 2. Poverty Wages

Most workers at Wal-Mart supply factories in Lesotho receive wages of US\$54 a month. These poverty level wages cover less than half the costs of the basic needs of a family of four.

### 3. Verbal and Physical Abuse and Sexual Harassment

Workers in most factories described the working atmosphere as tense. Verbal abuse is widespread. Supervisors often yell at workers, use profanity and insults. Physical abuse is also reported. Workers at one Wal-Mart supply factory charged that managers hit them with shoes, scissors and fabric punchers. Workers at another factory reported being beaten by supervisors. A worker at a third factory was severely beaten by supervisor in April 2001. Worker testimonies also reveal instances of sexual abuse by management personnel of some companies. A supervisor at one Wal-Mart supply factory reportedly demanded sexual favours and arranged "special appointments" to meet with female workers in his office. This person reportedly recruited other supervisors to put pressure on women workers who are reluctant to attend these special appointments. It is a common practice for supervisors to take bribes when recruiting new workers. Supervisors at two Wal-Mart supply factories are known to demand bribes of between M250.00 (US\$27) and M400.00 (US\$44) for hiring workers.

### 4. Employee Searches

Research revealed that most workers are searched at lunch and before leaving at the end of the day. The actual method of searching varies from factory to factory. Most common is for workers to be lined up and patted down by supervisors. Workers at three Wal-Mart supply factories must undergo strip searches, in which they are required to remove their

clothing. At one factory, male supervisors are present during the searches and lift up the dresses of women workers; the workers described this practice as humiliating. At another factory, menstruating women are forced to show their sanitary pads during the searches. Managers claim that searches are necessary in order to catch thieves.

### 5. Pregnant Women

Pregnant women are not given any special consideration, and are not transferred to less physically demanding tasks.

### 6. Health and Safety

Workers complained that factories are bitterly cold in the winter and stiflingly hot in the summer, because most companies do not have adequate insulation or heating or air conditioning systems. Workers at one factory said the factory is equipped with heaters, but management refused to turn them on, claiming, "It's not cold enough".

Most workers said they did not receive protective gear, such as facemasks. However, workers at one factory said they were given masks, but the cost was deducted from their wages. Workers at another factory told of an incident in the Packing Department, where a worker suffered a deep cut from a tape cutter. Her supervisor refused to allow her first aid, so instead, a colleague wrapped up the wound with toilet paper. Workers are also concerned for their physical safety when leaving the company premises. Two workers at another Wal-Mart supply factory were raped near the factory when they left at 6:00 pm and were not provided transport.

### 7. Washroom facilities

Workers at all factories surveyed complained that there were not enough washrooms. One Wal-Mart supply factory reportedly has only three washrooms for its 900 workers. At many factories, pass systems are used to limit how often workers can use washroom facilities. Workers at one factory were searched whenever they used the washroom. At other factories, access to washrooms was limited to certain times of the day. Most factories do not make toilet paper available. Workers at one Wal-Mart supply factory said they must use scraps of fabric "off cuts" to wipe themselves, which they then discard on the floors. The water that flushes the toilets at another Wal-Mart supply factory is pumped in from the dirty laundry water used by the Asian managers who live on the company premises.

### 8. Freedom of Association

Despite the fact that LECAWU has signed up more than 50% of the workers at some of the Wal-Mart supply factories, none of the employers have been willing to negotiate a collective agreement. Factory managers of many Wal-Mart suppliers are openly hostile to LECAWU members and union shop stewards. Although the Lesotho Labour Code requires companies to work with union shop stewards, whether or not the union represents the majority of workers in the factory, most Wal-Mart suppliers refuse to deal with union. At one factory, management established a Disciplinary Committee, which usurped the duties of the LECAWU shop stewards. At another factory, management transferred the shop steward to a production division where there were no union members.

#### Sample Letter

Please write your own and send a copy to the Clean Clothes Campaign

Wal-Mart: Fax: ++ 1 479-273-4329; email: hlscott@wal-mart.com

H Lee Scott, CEO  
Wal-Mart  
702 SW Eighth St.  
Bentonville, AR,  
72716 USA

Dear Mr Scott:

I am writing concerning disturbing reports I have received of serious worker rights violations at over 20 factories producing for your company in Lesotho. Reported abuses include compulsory overtime that stretches workdays to up to 14 hours, poverty wages that don't meet one-half the basic needs of a family of four, verbal and physical abuse and sexual harassment, humiliating strip searches, and violations of workers' right to freedom of association.

I was also disturbed at reports that the personnel manager at one Wal-Mart supply factory was allowed to act as the translator for worker interviews during a Wal-Mart factory audit. Surely, your company does not believe workers will tell the truth about factory conditions in the presence of the personnel manager.

I urge your company to take immediate steps to ensure that all of your supply factories in Lesotho are in compliance with the Lesotho labour code and accepted minimum labour standards of the International Labour Organization of the United Nations, and I strongly urge you to consult with the Lesotho Clothing and Allied Workers Union (LECAWU) about violations of Lesotho law and the Wal-Mart code as part of that process.

I look forward to receiving a report on what actions your company is taking to use your considerable influence to help clean up sweatshop abuses in your Lesotho supply factories. I strongly urge your company to not cut and run from Lesotho, but to stay and be part of the solution.

Yours truly,

## Other Participating International Support Organisations

### Kenya Human Rights Commission

Kenya Human Rights Commission is a non-governmental, independent organization established in 1992 in response to serious human rights abuses by the government of Kenya. The KHRC believes that for Kenya to become a human rights state, protection and promotion of human rights should include civil and political rights that are essential rudiments of political democracy and economic social and cultural rights, which are the critical building blocks for social democracy. From 1999, the KHRC focus on human rights work broadened to incorporate economic, social and cultural rights. The KHRC began to engage more intensely with communities and in industries and sectors to strengthening the capacities of the communities and workers to deal with pressing human rights problems in their contexts.

The KHRC has conducted extensive research on working conditions in garment factories located in the EPZs. It is participating in international campaigning on improving the labour conditions. Whilst the objectives for the Kenya Labour Campaign addresses national labour rights concerns, it is reinforced by international campaigning objectives and are pressuring national governments to respect and implement internationally endorsed core labour standards as set by the ILO. They are participating in campaigns to change buying practices of global brands in order to lift barriers for core labour rights and standards to be respected and implemented (among the workers, mostly women, in the global supply chains in garment and fresh produce industries). In the interest of furthering these objectives, Steve Ouma participated in the workshop. He shared with participants some of the research conducted by the KHRC and his knowledge of the Eastern African experiences and actions.

### International Labour Rights Fund

ILRF is an advocacy organization dedicated to achieving just and humane treatment for workers worldwide. ILRF advocates for and with working poor around the world. The organization believes that all workers have the right to a safe working environment where they are treated with dignity and respect, and where they can organize freely to defend and promote their rights and interests. It is committed to overcoming the problems of child labour, forced labour, and other abusive labour practices. The ILRF promotes enforcement of labour rights internationally through public education and mobilization, research, litigation, legislation, and collaboration with labour, government and business groups. The ILRF has done several projects in Africa in the past, most recent are those centred on child labour and women worker issues in Kenya.

Natacha Thys from IRLF was in Southern Africa working on issues of migrant labour in the region and participated in the workshop. Much of her contribution was on current work by the ILRF in the US on Wal-Mart, she is investigating the corporation's supply contract, which includes its code of conduct and supplier standards, to assess if obligations to factory workers are being upheld. The ILRF is working with trade unions and campaign organisations in China, Indonesia, Nicaragua, Bangladesh, and Swaziland to collect this information.



## Solidarity Centre

The Solidarity Centre's mission is to advance and strengthen the rights of workers around the world and to foster the development of free, independent unions. This mission has never been more important as governments and corporations fail to enforce internationally recognised labour standards, undermining the principles of democracy and social economic justice.

Solidarity Centre programmes promote and protect basic human and worker rights - such as the freedom to form a union and to bargain collectively as well as prohibitions against child labour, forced labour and discrimination. A crucial programme component is encouraging and equipping women to take their places as leaders in their unions and their workplaces. Working openly and transparently with thousands of unions and community partners through field offices located in every region of the world, the Solidarity Centre provides millions of workers with information about their rights, helps them to gain the skills to enforce those rights, and seeks union based solutions to end abuse and exploitation.

In Africa, the Solidarity Centre is fighting to strengthen workers' voice at the bargaining table, protect workers, end child labour, and stop the global spread of HIV/AIDS. In the last few years, the programs have focused on organising textile and garment workers, ensuring fair and democratic elections through voter education and get-out-the-vote campaigns, speeding up the legal process, and ensuring a safe and comfortable retirement for workers.

Much of the work done with trade unions organising textile and garment workers in Southern Africa has been done through the Durban Office of the Solidarity Centre. This work has been done together with the Africa Office of ITGLWF. Solidarity Centre has provided a wide range of services to support ITGLWF programmes in areas of research, education, mentorship, organising and recruiting, collective bargaining and solidarity. Whilst several of these programmes have been organised on issues affecting several unions such as trade, a great deal of work has been done to meet individual needs of the trade unions, especially in Swaziland, Lesotho, Namibia and Malawi.

Several people from Solidarity Centre participated in the workshop; Andreas Cluver and June Hartley from the Durban Office and Molly McGrath from Washington, USA. They also provided information on the Wal-Mart campaign, part of which is a programme that has included research on working conditions in supply factories in Africa. Their experiences of working with participating trade unions contributed to seeking areas of work for the Asia-Africa Network.

June Hartley, Solidarity Centre and Steve Ouma, Kenya Human Rights Commission, get to know one another over a cup of tea.

## The GUF Forum

The Global Union Federation (GUF) Forum brings together several of the African offices of GUFs. Common to all the members is their commitment to build working class unity and strengthen trade unions in Africa. The GUF Forum shares experiences of their regional work, seeks to harmonise GUF policy implementation and strategies on worker and trade union issues and develop joint activities that support GUF programmes.

The Forum acts as a coordinating, information, knowledge and skills resource to GUFs and their affiliates and looks for ways to maximise the use of scarce resources and to avoid duplication of efforts. It aims to strengthen the working class political and economic voice in the region. In addition to their collective efforts, the purpose of the Forum is also to cooperate with other regional initiatives and organisations that progress a working class agenda and improve the donor recipient interaction in the interests of developing the regional working class agenda.

Crecentia Mofokeng, Africa Desk Officer of the International Federation of Building and Wood Workers, joined the workshop as she was in Swaziland on other work.



# Contact List for Participating Organisations

## **International Textile Garment and Leather Workers Federation ITGLWF- Head Office**

8 rue Joseph Stevens, B1000 Brussels, Belgium  
tel: +32 2 512 2606 fax: +32 2 511 0904  
email: office@itglwf.org  
website: www.itglwf.org

## **International Textile Garment and Leather Workers Federation ITGLWF - Africa Region**

503 Charter House, Brand Road, Durban  
PO Box 18235, Dalbridge 4014, South Africa  
tel: +27 31 201 0719 fax: +27 31 201 0323  
email: admin@itglwf-africa.co.za  
website: www.africalabournet.org.za

## **Artisan and General Workers Union Mauritius**

AGWU Emmanuel Anquetil Labour Centre, James Smith Street-  
G.R.N.W, Port Louis, Mauritius  
tel and fax: +230 212 0553  
email: gheerish@intnet.mu

## **Lesotho Clothing and Allied Workers Union LECAWU**

PO Box 11767, Maseru 100, Lesotho  
tel and fax: +266 22 320958  
email: lecawu@lesoff.co.za

## **Namibian Food and Allied Workers Union NAFU**

PO Box 816, Oshakali, Windhoek, Namibia  
tel: +264 61 218213 fax: +264 61 263714  
email: nafau@mweb.com.na

## **Textile Garment and Leather Security Services Workers Union TG&LSSWU Malawi**

PO Box 5094, Limbe, Blantyre, Malawi  
tel and fax: +265 1 641233  
email: textilegarmentunion@yahoo.com

## **Southern African Clothing and Textile Workers Union SACTWU**

3rd Floor James Balton Hall, 127 Gale Street, Durban,  
South Africa  
tel: +27 31 3011351 fax: +27 31 3051039  
email: sbun@sactwu.org.za

## **Swaziland Manufacturing and Allied Workers Union SMAWU**

PO Box 2379, Manzini, 1481 Nhlanguano, Swaziland  
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email: smawu@realnet.co.sz

## **Tanzania Union of Industrial and Commercial Workers TUICO**

PO Box 5680, Ilala -Shariff Shamba Area, Dar Es Salaam, Tanzania  
tel: +255 22 286 6910/ 286 6960 fax: +255 22 286 6911  
email: tuico2004@yahoo.com

## **Uganda Textile Garment Leather and Allied Workers Union UTGLAWU**

PO BOX 1354, Jinja, Uganda  
tel: +256 43 122476 fax: +256 43 121322  
email: textilsunion@lycos.com

## **Tailor and Textile Workers Union TIWU Kenya**

P.O. Box 72076, City Square, Nairobi  
tel. + 254 224 3877  
email: tailorsunion@todays.co.ke

## **Centre for Research on Multinational Corporations SOMO**

Keizersgracht 132, 1015CW Amsterdam, The Netherlands  
tel: +31 20 639 1291 fax: +31 20 639 1321  
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website: www.somo.nl

## **Clean Clothes Campaign CCC**

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website: www.cleanclothes.org

## **American Centre For International Labour Solidarity -Solidarity Centre**

1925 K-Street, Suite 300 NW, Washington DC, 20006-1105  
tel: +1 202 778 4678 fax: +1 202 778 4525  
email: mmcgrath@solidaritycenter.org  
website: www.solidaritycenter.org

## **Solidarity Centre - Durban Office**

502 Charter House, Brand Road, Glenwood, Durban,  
South Africa  
tel: +27 31 201 2058 fax: +27 31 201 2059  
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## **International Labour Rights Fund ILRF**

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email: natacha.thys@ilrf.org  
website: www.laborrights.org

## **Kenya Human Rights Commission KHRC**

P.O Box 41079, Gitanga Road, Valley Arcade, Nairobi,  
Kenya  
tel: (254-722) 264-497; 254-2-576063/4/5/6  
fax: 254-2-574997  
email: admin@khrc.or.ke

## **Civil Society Research and Support Collective CSRSC**

237 Glenardle Road, Brighton Beach, Durban, 4032,  
South Africa  
tel & fax: +27 31 467 0408  
email: labrat@dbn.stormnet.co.za  
website: www.csrsc.org.za

## **HKCIC**

Rm 529, Star House, Tsim Sha Tsui, Kowloon, Hong Kong  
tel: +852 236 658 60  
email: monina@cic.org.hk

## **Asia Monitor Resource Center**

18-B Hollywood Centre, 233 Hollywood Rd, Sheung Wan,  
Hong Kong  
tel: +852 233 1346  
email: chang@amrc.org.hk

## **Ching-Jen Center**

NO.2 Lane 175, Ta-Li St. Taipei City 108, Taiwan  
tel: +886 223 043 217  
email: cjlhassc@ms39.hinet.ne

## **Taiwan Federation of Synthetic Fibers Trade Unions**

5F, No.12, Zhen-Pingst, Ping-Zhen City, Tao Yuan County 324,  
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GLWF - Head Office

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fax: int 32 2 511 0904  
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 **Clean Clothes Campaign**