

## MEETING WITH MAQUILA SECTOR WORKERS REPORT

### INTRODUCTION

A meeting was held on 18 September 2004 in San Salvador with workers from the *maquila* (export processing) sector, members of the Adidas-Salomon team, observers from different non-governmental organizations (NGOs), and members of the *Grupo de Monitoreo Independiente de El Salvador* (GMIES- Independent Monitoring Group of El Salvador). This meeting was designed to be a roundtable discussion among the workers in order to learn their opinions on diverse issues.

The basic objectives of the meeting were to learn maquila workers' opinions on current conditions in the factories where they work and to gather information on the degree of knowledge and understanding they have about codes of conduct and multinational brands' compliance programs, as well as the ways these programs have contributed to improving labor practices in the maquilas.

It was decided that participation in the roundtable would include 15 male and female workers from different factories, who would provide the information sought. Four local institutions or NGOs and members of the Adidas-Salomon team would also be present to act as observers of the meeting and to ensure transparency in the information gathering process. Furthermore, the GMIES team would be in charge of logistics and facilitating the meeting with the goal of creating a trusting atmosphere among the workers that would enable them to share their experiences without fear of reprisals from the different companies where they work.

The event's agenda was designed to address issues that would help to discover the level of knowledge and comprehension about codes of conduct and compliance programs in El Salvador. The following items were included:

- Codes of conduct
- Multinational brands' compliance programs
- Labor conditions in the textile industry
- Labor relations – communication channels
- Freedom of association
- Good labor practices

This report includes each of the issues addressed, along with logistical aspects important to the running of the meeting and that would determine whether or not the expectations of Adidas-Salomon would be met.

### I. PRE-MEETING LOGISTICS

One aspect essential to the success of the roundtable discussion was the invitation to the workers who would participate, since information would be gathered from them that Adidas-Salomon needs for improving its compliance programs in the region of the Americas.

GMIES began a search for these individuals through direct contacts with workers with which it has previously collaborated, as well as through several NGOs and local workers' groups, which, due to the nature of their work, have direct contact with individuals in the maquila sector. On this point, it is important to underline that, in inviting the workers, it was necessary to ensure them

that their names and the name of the factory where they work would be kept strictly *confidential*. Initially they were very fearful of participating in the roundtable because they felt that they could lose their jobs if the information obtained in the meeting were divulged.

The following criteria were used for selecting roundtable participants:

- The individual is currently employed and working in the maquila sector.
- The individuals come from different departments in the company.
- The company where they work is devoted to garment manufacture for multinational brands.
- The individual is willing to share his or her experiences as an employee in the factory.

Eventually, 16 individuals were contacted who were eligible to participate in the meeting, as they met all the previously mentioned requirements. However, only ten of them attended the meeting. The other six did not attend for varying reasons:

- Two individuals did not attend the meeting because, when attempting to invite other workers in the factory where they work, the company found out that the roundtable discussion was going to be held and decided to send them home on Friday afternoon and call them in to work Saturday and Sunday.
- Two individuals declined the invitation because, despite having stressed that their identity would be kept confidential, they felt they would be subject to negative repercussions in the company if they attended.
- Two individuals decided to not attend since they felt that even if they talked about the situations that arise in the factories where they work, no changes would take place there. This was an example of the prevailing apathy among maquila sector workers.

In addition, different NGOs and local trade unions were invited to attend, who would act as observers of the roundtable with the objective of validating the information received from the maquila workers. Initially GMIES contacted 2 women's organizations, 2 local unions, and a workers' advocacy group. However, the worker advocacy group did not come to the meeting and one of the local garment unions excused itself as they had a general assembly the same day to elect their new board of directors.

Meeting participants were brought to the meeting in two taxis and a small bus that were hired to transport those who live outside the capital (San Salvador) and came from Olocuilta, Santiago Nonualco and San Juan Opico. A hotel in San Salvador was the site chosen for the roundtable since it is centrally located, facilitating attendance by people coming from around the country.

Methodology employed in the event: The facilitator chose to start off with an icebreaker to introduce participants and create a trusting environment among them. The second item was a technique using a collage where participants could express their concept of labor practices and the positive and negative aspects of these practices. Following these two exercises, the facilitator felt the group of workers was ready to talk about their work experiences and their knowledge of multinational brands' codes of conduct and compliance programs, which they did for the remainder of the roundtable discussion.

## **II. PROFILE OF ROUNDTABLE PARTICIPANTS**

The ten individuals who attended as active participants in the meeting were almost all women, with the exception of one man. This was the case because the maquila sector is overwhelmingly

female; very few men are employed there. All of the participants had broad experience in maquila work, having worked a minimum of three years and a maximum of ten years in the sector. They therefore were well informed of working conditions in the factories, and were able to provide an objective picture of these conditions. The participants also came from different maquilas, not all of which manufacture apparel for Adidas-Salomon, making it possible to discover the level of knowledge of different codes of conduct and different compliance programs. Finally, all of the individuals were currently employed and working in maquilas.

The observers who attended the event were two representatives from the two local women's organizations invited, and two from organized labor. It should be mentioned that in the case of organized labor, the representatives actively participated in the meeting since they are currently working in maquilas as factory workers, and not in administration. They contributed valuable information about labor conditions in the maquilas.

### **III. THE ROUNDTABLE DISCUSSION**

The roundtable discussion with maquila sector workers started off with the icebreaker in which participants introduced themselves and said what they liked and disliked about their jobs. Then, the workers and observers were divided into groups and led in an exercise with the objective of explaining their concept of the good and bad labor practices that take place in the company where each one works, using the technique of making a collage. This exercise was also used to open discussion about the different topics on the roundtable agenda. Following are the comments and concerns that were expressed by the workers themselves.

#### **A. LABOR CONDITIONS IN THE TEXTILE INDUSTRY AND GOOD LABOR PRACTICES**

Participants broke down into four groups, one of which was made up just of observers, to report on existing labor conditions in the textile industry.

The first group, calling itself "*Los Mixtos*," felt that good labor conditions are based on a pleasant, stable working environment; well-maintained machinery and ventilation systems; and on creating a secure environment near the factory, since they often leave work late and fall victim to the unsafe conditions in the country. This group's members also mentioned that there should be greater production incentives and that they should earn higher wages, free from the pressure to reach certain goals. They did not say what they feel are inappropriate labor practices, and did not make any suggestions for improving factory conditions.

The second group, "*Lucha y Justicia*," said that they feel that good labor conditions are supported by the appropriate use of protection equipment, such as ergonomic mats, face masks, ergonomic seating, etc. They also listed inappropriate labor practices occurring in the companies, which included verbal abuse from factory managers and supervisors, inappropriate use and lack of protection equipment, unsafe conditions for handling toxic materials, repetitive movements affecting workers' health, and environmental contamination caused by the companies. One of the group members also mentioned that poor labor conditions include denying workers permission to go to the doctor at the social security clinic or to take their children. This group, like the previous one, mentioned the lack of security around the free trade zones and that the lack or poor location of pedestrian overpasses has led to the death of several people. Following these ideas about appropriate and inappropriate labor conditions in the companies, the group's members made several suggestions to improve factory practices toward workers, which were a fair wage for work done, creating a pleasant environment in the company to motivate personnel, implementing the use of incentives, and providing transportation for factory workers.

The third group, "*Las Chicas Inteligentes*," stated that poor labor conditions in the companies include missing or inappropriately used protection equipment. As an example they mentioned the face masks provided in the maquilas to protect workers from the lint that is generated. They are often insufficient or inadequate because they cause skin allergies, fit too loosely and the dust filters through. Another substandard situation seen in the maquilas is the lack of control over hygiene in the cafeteria and in the food prepared there, leading to frequent gastrointestinal ailments in the people who buy their meals there every day. This group also felt that managers and supervisors express themselves inappropriately, since, on many occasions, they get to the point of verbal abuse. Finally, they made suggestions that they feel could improve factory practices. These were the creation of industrial safety and hygiene committees, holding drills and teaching people about the emergency exits and fire extinguisher use, improving manager and supervisor behavior to prevent abusive treatment in the company, and granting workers permission to go to the social security clinic or to take their children.

The fourth group, "*Las Cuatro*," limited itself to making suggestions about situations that should be improved in the factories. These were having employers acknowledge, compliment and motivate workers for the work they perform; allowing personnel who work standing up to sit at times and to start using ergonomic mats; and to provide and use personnel protection equipment.

Following the workers' and observers' presentations, we listed the main ideas that came out of the proposals:

- Provide and use personal protection equipment.
- Create industrial safety and hygiene committees.
- Hold evacuation drills and training on fire extinguisher use in the company.
- Grant additional benefits beyond those required by law and comply with legally established benefits.
- Create a safe environment near the factory.
- Improve treatment by factory supervisors and managers.
- Adequately maintain work machinery.
- Adequate industrial safety and hygiene in the company.
- Create incentives for workers, and pay a fair wage for work performed.
- Hygiene in the dining hall and kitchen areas.

A summary was done of the suggestions made by workers to improve labor practices in the companies:

- The company should supply appropriate personal protection equipment.
- Optimal ergonomic working conditions.
- Provide all benefits required under Salvadoran law.
- Create industrial safety and hygiene committees to enable implementing a program to prevent adverse events from occurring in the company.
- Hold programs on preventing and reducing hazards due to accident or disaster.
- Improve supervisor and plant manager behavior to prevent verbal abuse in the factories.
- Payment of a fair wage for work performed.
- Creation of incentives that motivate workers to work more efficiently.
- Security outside the factory and transportation for workers.

## **B. CODES OF CONDUCT**

After the workers presented the adequate and inadequate labor practices in the companies, they were asked where all of these issues mentioned by them are found in the company. Only one

worker responded that these issues were discussed in the company where she works in the Occupational Health and Safety Committees, made up of her coworkers, and that through these committees they have managed to get improvements in the company by making suggestions. They were also asked if they had seen the multinational brands' codes of conduct posted on the company's walls. Everyone responded affirmatively, and they also acknowledged that the previously mentioned issues are included in the codes of conduct.

Participants were asked what they thought of the multinational brands' codes of conduct and how these influenced the labor practices employed by the companies where they worked, which prompted the following responses:

- The codes of conduct just decorate the company walls, since in practice they are not observed.
- They are only used when the brands are going to make a visit to the factory, since workers are notified over the public address system that an interview will be done and that when the brands interview them to remember what the codes of conduct set forth.
- In general, company personnel are unaware of code of conduct content, since there is no incentive for the company to have them know what it includes.
- Many people think they are standards for behavior and how to perform the work of the factory.
- The people who know the contents of the codes of conduct are afraid to demand the rights they set forth, because if they do they are threatened with dismissal.
- Only one worker, stated that in the factory where she works when they are hired they are given a copy of the codes of conduct of the brands for which they make apparel. For this reason, she is aware of the contents, although she acknowledges on the other hand that most people do not read them and therefore, do not know what they say.
- In some cases, the codes have been positive and have contributed to settling labor disputes because the brand that backs the code of conduct has helped enforce the rights set forth therein.

Once the workers had expressed their opinion on codes of conduct, they were urged to make suggestions about how these documents could be truly effective and have a direct impact on behavior and labor practices in the factories:

- The brand should have a greater presence in its suppliers' factories and should be constantly monitoring that the rights and restrictions set forth in the codes of conduct are observed.
- Raise the awareness of company personnel about the existence of the codes of conduct and about the rights and obligations that they establish, through information campaigns by the workers themselves, the company, or the brand.
- The brands should make surprise factory inspections, which will enable them to effectively verify observance of the codes of conduct by the companies and prevent companies from coaching workers before the visit.
- The brands should visit all the factories they place orders with, because in some where they do not, even though codes of conduct exist, violations by the company of workers' labor rights occur.
- Enforce the contents of the codes of conduct and get them to be used by factory personnel as effective tools for demanding their rights.

### **C. LABOR RELATIONS AND COMMUNICATION CHANNELS**

The next issue addressed during the meeting was channels of communication inside the factories. By way of introduction, the workers were asked to state to whom they turned when faced with a labor problem in the company or when they wished to assert a right established by the codes of conduct.

The first response brought forth two contradictory points of view – probably because they referred to two different factories. On the one hand, a worker told us that she could go directly to the human resources department to discuss her problem. However, another worker said that she preferred to keep the problem to herself because if she mentioned it she could get fired.

Regarding communication, all the participants told us that, in general, there is little or no communication between the workers and supervisors in the company and that virtually every day there are cases of supervisors verbally abusing workers in the factories, which is why they thought it was interesting that there are only a few supervisors in the other factory. They also told us that communication between the factory managers and supervisors is also little or nonexistent, since if the supervisors want to defend the workers or assert a right established in the codes of conduct they are also dismissed. Furthermore, they said they do not have adequate communication with plant managers, since many workers do not know who runs the factory and there are no opportunities to meet and talk with them. With regard to this situation, the participants stated that they would like the managers to come to the factory more frequently and to be more aware of the labor conditions for their personnel, with the objective of making treatment more personal and keeping workers from becoming just another number to them.

The participants feel that these situations occur in the companies because there is no prior training for supervisors in personnel management and human relations. For this reason, they feel that if supervisors were trained before starting their job, these problems could be prevented to some extent. Another factor influencing poor communication between administrative personnel and workers in these companies is language. This causes a communication barrier and means that to meet with company managers the workers have to use a translator. Furthermore, it should not be ignored that the managers and supervisors are usually in a bad mood. This means that often workers' complaints are not well received, and is why, when managers visit the plant they do not communicate with the personnel and even appear to be annoyed to have to see them.

When participants were asked how relations are between workers in the companies, most of them told us that they are poor because there is neither time nor space for communication and due to the fact that selfishness and competition gets between them, whether they work on assembly lines or in production modules.

Finally, the workers present were asked to comment a bit on their relationship with the auditors from the multinational brands. Everyone stated that relations are good and this enables them, on some occasions, to assert their rights. However, everyone felt the auditors should have a greater presence in the factories due to the fact that, even though there are codes of conduct, the company does not respect the rights and obligations set forth therein.

#### **D. FREEDOM OF ASSOCIATION**

To start off the discussion about the freedom of association with regard to labor unions (*libertad sindical*) and freedom of association in a broader sense (*libertad de asociación*), participants were asked to explain briefly what each term means and what the difference is between them.

However, even though participants had previously shown that they knew both terms, they were not able to differentiate between them and acknowledged that they did not know what the differences were.

When directly asking the maquila workers about the freedom of association with regard to unions in the companies where they work, everyone said – including the union representatives – that in the factories, generally, they are not allowed to form labor unions, and that this is openly expressed by the companies. However, in most cases, workers are allowed to associate through other kinds of organizations. One example is the industrial safety and hygiene committees made up of workers, who are in charge of safeguarding the safety of company personnel and airing grievances with management. The participants feel that this state of affairs occurs in factories because companies are fearful and suspicious of the coverage and legal strength unions have under Salvadoran law. This is why they prefer allowing the creation of other types of organizations that are not protected by this legal framework. This enables them, on the one hand, to dismiss, with no legal hurdles, those workers who form part of the committee and who demand too many rights for company personnel, and, on the other hand, to prevent collective bargaining that would favor the company's workers.

Furthermore, participants told us that the degree of duress the freedom of association is subject to within the companies is of such a magnitude that people who previously belonged to unions are not allowed to work in the factories. A concrete example of this was given by one of the workers who told us that in the company where she works two people came to work there who demonstrated extensive ability to carry out the work. Nevertheless, after working at the factory for two weeks, they were fired because the company found out, when checking references from previous jobs, that they had belonged to a union. With regard to this situation, all the participants stated that this happens because the companies have a database that has the employment histories of individuals who have been part of unions in the maquilas or who have tried to create this type of organization inside their companies. When these individuals, on their application forms, list the factories where they previously worked, their background is checked by the companies through this database. This database is known among maquila sector workers as the blacklist because the people who are on it have a very hard time finding work in other factories.

Given all the incidents mentioned, the participants feel that the freedom of association in the factories with regard to unions does not exist, even though, in some cases, there is freedom to associate through other forms of organization. They believe that this fact constitutes a violation, by the companies, of the codes of conduct developed by the multinational brands. This is why the brands should take firmer steps to allow union organizing in the factories and to keep those who decide to join them from being dismissed, as has happened up until now.

#### **E. CHANGES IN THE TEXTILE INDUSTRY IN THE LAST FIVE YEARS AND THE DIRECTION IT IS TAKING**

When we broached this subject about the maquilas, the workers at the roundtable immediately told us that orders from the multinational brands and, therefore, work had dropped off considerably this year.

This turn of events has been felt by maquila workers, and they explained how. The companies where they work have reduced shifts and they work only in the morning. Production lines have been shut down, a one-month shutdown occurred due to lack of orders, they have been sent on early vacation, and an enormous number of maquila workers have been laid off, supervisors as well as operators.

This instability in the labor situation has caused, according to those present, decreased compliance with the rights and obligations established in the multinational brands' codes of conduct. Several concrete examples were provided during the meeting: Workers from one company have been laid off and given severance pay to prevent accumulation of labor severance payment liabilities. The people were then rehired as temporary workers, meaning they have to sign a new contract every month and are not covered by the social security health system.

When asked why they thought this situation was occurring, the participants told us that foreign investors were pulling out of El Salvador and moving to countries where labor costs are lower. They referred to Asia, since, even though our country is closer to the United States, production costs are lower in that region. Regarding the role played by the Salvadoran government to palliate this situation, participants said that the Ministry of Labor was not concerned with ensuring compliance with labor rights in the country, and that it is incompetent in its role as workplace inspector. An example of the preceding is the fact that the Government of El Salvador was the main opponent of a wage increase for the maquila sector, which is why the increase for this sector ended up being very low.

The workers made the following comments regarding proposals for becoming sufficiently competitive with Asia and preventing the flight of foreign capital:

- Production quality should be tied to a demand for larger orders from the multinational brands since, in many cases, even though the workers, along with the company, are concerned with providing a better quality product, orders shrink.
- Guarantee good labor conditions for maquila workers, which in turn will generate commitment toward the company from the workers, increasing production and quality.
- A greater commitment from the multinational brands to ensure compliance with labor rights and company obligations in the factory.
- Greater accountability from workers in doing their jobs.
- The government of El Salvador should assume the role of protecting workers' rights, guaranteeing for its part, foreign investment in the country.

#### **IV. CONCLUSIONS**

This roundtable discussion allowed us to learn about what working conditions are really like in the maquilas, since the workers at this workshop are the ones who face this reality on a daily basis.

Through the four hours of discussion we heard their opinions, concerns and concepts on certain issues that are basic to the multinational brands' compliance programs and for monitoring them. It is also important to use what we have heard in retooling the strategies to be used in implementing these programs. Because, even though many actions have been taken up until now in an attempt to improve working conditions for maquila workers, it can be seen that these actions have not been internalized and applied by company owners in the factories themselves.

It is also important to take note of the current concern in the maquila sector due to the employment instability generated in the past year from the flight of several factories and because of certain changes taking place at the global level. An example of these changes is the finalization of the Multifiber Agreement and the signing of CAFTA with the United States.

With regard to all the aforementioned, we feel that it is incredibly important to hold events of this nature. They enable factory workers to express their point of view about how the codes of

conduct are being implemented and what kind of effect the multinational brands' compliance programs are having so that the effort is not in vain, and truly influences the improvement of labor practices in their supplier companies.