

### Exchange *Codes of conduct are good, solidarity is better!*



**Eliza Begum** is a 24 year-old semi-skilled seamstress. She has worked at a sewing machine in a garment factory in Dhaka, the capital of Bangladesh, for the past 6 years. Eliza sews the seams on the necks of t-shirts and on shirt collars for Swedish retail company H&M. She sometimes works 7 days a week and earns a monthly wage of 27 euros – without the presence of a trade union in the factory to represent her interests. She is a member of the NGFW (National Garment Workers Federation), a union that is trying to organise the workers in Bangladesh's garment industry.

**Katrin Henning** has worked for 9 years as a shop assistant at H&M in Berlin. In 2003 she became a member of the works council in her branch and a member of the nationwide works council of H&M in Germany. H&M is an extremely successful company that is continually expanding its operations. Its recipe for success is to offer the latest in young fashion at very reasonable prices, advertised using top models in extravagant advertising campaigns, and displayed in smart shops in expensive city centre locations. H&M sources a large proportion of its product range from Bangladesh.

**Agneta Ramberg** has been a trade union representative for H&M workers in the Swedish city of Uppsala for many years. One aspect of her work involves being on the



All pictures are from the exchange to Bangladesh and the NGFW protests concerning the factory collapse, both reported in this issue.

supervisory board of the parent company in Stockholm. Almost 90% of H&M workers in Sweden are organised in trade unions. Co-determination and worker participation are an almost taken for granted part of the company culture.

These three women met one another through the **ExCHAINS** project and shared their experiences and ideas on how international solidarity can be made real. »Direct

Developing and strengthening links between workers from Asia and Europe, working along the subcontracting chain of garment production, is the main objective of the **ExCHAINS** project. These links are vital to the global fight against the exploitation of workers and for the eradication of poverty.

In the **ExCHAINS** project, TIE (Transnationals Information Exchange) is collaborating with three regional unions:

✓ Free Trade Zones and General Services Employees Union (FTZ&GSEU, Sri Lanka)

(former Free Trade Zones Workers Union, FTZWU)

✓ National Garment Workers Federation (NGWF, Bangladesh)

✓ Vereinte Dienstleistungsgewerkschaft (ver.di, Germany)

We want:

✓ to raise awareness concerning the international production chain in the textile, garment and retail sector;

✓ to establish concrete solidarity between workers along the supply chain;

✓ to support freedom of association and the right to organise;

✓ to support concrete campaigns;

✓ to pressure big retail companies to name their suppliers and to support

the right to organise at their suppliers.

This newsletter is being published regularly in Bangladesh, Sri Lanka and Germany, containing information about working conditions in the respective countries, as well as information about ongoing campaigns. We hope this will provide an opportunity for information exchange and raise awareness about the connections between the different countries and unite workers' demands.

#### For more information:

Website

[www.tieasia.org](http://www.tieasia.org)

[www.exchains.verdi.de](http://www.exchains.verdi.de)

[www.tie-germany.org](http://www.tie-germany.org)

E-mail

[tieasia@tieasia.org](mailto:tieasia@tieasia.org)

[ngwf@aitlbd.net](mailto:ngwf@aitlbd.net)

[ftzunion@diamond.lanka.net](mailto:ftzunion@diamond.lanka.net)

[tie.germany@t-online.de](mailto:tie.germany@t-online.de)

contacts between workers along the production chain of the textile and garment production and the retail trade« – this was the fundamental idea of the project, and in the case of H&M it has already produced some very concrete results.

One important part of this, of course, is the public pressure that trade unions and critical consumers are able to put on European companies that allow exploitative conditions to exist in their supplier factories in the developing countries. And this is the reason why many companies have now been more or less forced to set out the principles of their »social responsibility« in so-called »codes of conduct« – rules for upholding certain minimum social standards, to which a company's suppliers are contractually obliged to adhere. However, even the best code of conduct is useless unless consequent and independent monitoring takes place to assure that it is continually implemented in the factories.

### International Solidarity In Action

One of the first concrete steps in the ExChains project, then, was to find out which garment factories in Sri Lanka and Bangladesh were producing garments for which outlets in Germany. This is something that is kept strictly confidential by most companies. German retail workers collected the labels that are sewn into the garments. These were sent to our partner unions in Asia and shown to the workers in the factories. This enabled us, as a start, to find 5 suppliers for H&M in Bangladesh. NGWF activists documented the working conditions in these factories and noted several violations of national labour law, as well as violations of the principles set out in H&M's code of conduct.

- The workers' major demands are:
- ✓ implementation of the right to organise
  - ✓ implementation of one day off every week
  - ✓ employment documents/contracts



At a joint seminar in Germany in November 2004 Eliza and two activists from the NGWF told their colleagues from Sweden and Germany about the working conditions in Bangladesh's garment factories. After this meeting the group travelled together to Sweden. They met with representatives of the CSR (Corporate Social Responsibility) department of H&M, who are responsible for implementing the company's code of conduct. H&M is very concerned about having a positive public image and so it has developed a code of conduct that sets out the rights mentioned above, among others. During the discussions in Stockholm the company acknowledged that problems did exist and promised to make efforts to clarify the situation. Specifically, H&M agreed to

- ✓ open up a channel of information between H&M and the NGWF,
- ✓ arrange regular meetings between the NGWF and H&M's production office in Bangladesh, and
- ✓ pursue the cases of code of conduct violation brought to their attention and inform the Swedish and German unions/workers of the outcomes.

In February 2005 German workers from H&M, WalMart and the textiles sector travelled to Bangladesh, in order to put further pressure on the company. The delegation visited several garment factories and the national garment employers' associa-

tion (BGMEA), held discussions with workers and were able to learn about the union activists' work in the residential areas of the workers and their families. They also visited H&M's production office in Dhaka and three supplier factories.

One of the most important outcomes of the trip was that H&M agreed to open a line of communication with the NGWF. The company agreed

- ✓ that it would follow up on violations of national labour law and of its own code of conduct at its suppliers, as brought to its attention by the NGWF;

- ✓ that it would support the union if workers in supplier factories were discriminated against or fired because of engaging in union organising activities.

### Code of conduct alone is not sufficient

The company confirmed some of the violations found by the union and presented a schedule of measures that it had agreed with the suppliers concerned. Overall, however, it became clear that making sure the code of conduct is implemented is not sufficient.

Although the delegation certainly got the impression that H&M is seriously concerned about implementing its code of conduct, it is still true, even in the case of complete compliance with the code and national labour laws, that women and men are working in the factories for a monthly wage of 12.50 € (unskilled helpers) or 28 to 34 € (experienced seamstresses). Even in Bangladesh, no one can lead a life in dignity at those wages. The delegation visited a number of workers in their residential areas (see pictures). Here they are paying between 8 and 30 € for a room of 10-15 square metres, including cooking facilities, a water pump and a toilet shared between 150 women and men.

This makes perfectly clear: making sure the code of conduct is upheld is not sufficient. It is necessary to fight for a living wage that enables workers a life in dignity, and to ensure that union organising can take place freely. Only then can workers stand up

for their rights themselves and struggle to change their situation.

In the **ExCHAINS** project, solidarity is made real. Workers from very different countries, such as Sweden,

Germany and Bangladesh, have got to know one another as equals, as fellow workers who have had similar experiences despite the differences in their living and working conditions:

experiences of humiliation, but also of the search for dignity and for the recognition of their rights. Thus, all of them have already benefited through the project. ■

Sri Lanka

## Union busting in Sri Lanka



120 women and 80 men make energy-saving bulbs in the factory of Ceyenergy Electronic Company (Pvt) Ltd. in Colombo. In November 2004 four-fifths of the workers turned their back on the company's union organisation, which was controlled by the management, and became members of the independent union FTZ&GSEU.

Since then, the harassment by the management never stopped: people have been fired or moved to other jobs, bonus payments have been cut completely, wage adjustments have been stopped, and so on. The tragic culmination was a brutal attack carried out by hired thugs on several union activists in their boarding house on 1st February 2005, where they were just preparing some banners for a protest rally. Five of the workers who were attacked had to be treated in hospital. Those workers at the company who are active in the union now fear for their lives. Even the chairman of the new company union doesn't dare to go into work anymore for fear of further maltreatment.

In March, the factory was suddenly closed down for some time, management claiming they were facing a drop of sales due to unfavourable terms of trade between India and Sri

Lanka. In the meantime, the management applied to the Labour Ministry for permission to terminate all those workers who had started work in the factory after 2002. This affects 138 workers, 136 of them members of the FTZ&GSEU, which would mean only 3 union members left in the factory.

The union protested strongly against this crude attempt to break the branch union and called on the Labour Ministry to refuse permission to terminate the union members. Pro-

ceedings continue.

The union asks its friends, allies and all those in solidarity with it to write letters of protest to the chairman of the company. The impact of such letters could be strong in this case, since the company's owner Deshamanya Lalith Kotalawela is a famous businessman in Sri Lanka and is very concerned about his image as a humanitarian and the image of his company – for example, he has done self-promotion by placing large advertisements in the press about his support for tsunami victims. ■

For information, contact [ftzunion@diamond.lanka.net](mailto:ftzunion@diamond.lanka.net)

### Long-term support for tsunami victims

*House construction project by the FTZ&GSEU and Women's Centre*

Sri Lanka was one of the countries most severely affected by the aftermath of the undersea earthquake in the Indian Ocean in December 2004. As one can imagine, this disaster hit the workers of the garment industry especially hard, given that their livelihoods are already under threat with the ending of the Multifibre Arrangement on 1st January 2005. Many of them and their families have lost family members, their health and even their possessions.

Since the international community, organisations and governments quickly provided considerable sums of money for immediate emergency aid, the FTZ&GSEU and the Women's Centre jointly decided in January to provide long-term reconstruction support to the workers affected and their families by building houses and collecting dona-

tions for this purpose. The union asked all its members to support the aid project in the month of January with a day's wage, and sent a call for donations to friends and allies to be disseminated more widely.

The original idea was to build 50 houses, starting with houses for the families of two members who were killed in the disaster who worked at the National Paper Mill in Valachenai in the Eastern Province. This plan was quickly adjusted to cope with the immense demand, but also with the overwhelming generosity of the donors: the number of houses to be built was increased to 100. Moreover, in addition to erecting the basic structure of the homes, they can now also be connected to the infrastructure (water supply, drainage system and electricity network). A large part of the funding for this has already been secured at this time. Further donations for the »Helping Hands« house construction project, which is aimed at long term reconstruction, are welcome.

For information, contact [ftzunion@diamond.lanka.net](mailto:ftzunion@diamond.lanka.net)

## The struggle continues !

In our last newsletter we reported on two labour struggles being fought by the FTZ&GSEU in Sri Lanka, which seemed to turn out successful for the workers involved – not least on account of joint activities and international exchanges and pressure on the companies involved in the context of the **ExCHAINS** project.

The garment factory Jaqalanka Ltd. eventually became the first ever factory in Sri Lanka's Free Trade Zones to recognize the union as a partner in collective bargaining. In October 2004 the workers were able to celebrate the first anniversary of the founding of their independent union at their workplace, and messages of congratulation were read out from friends and supporters throughout the world who had shared in and helped to bring about this success.

The situation is quite different at North Sails. As a result of many kinds of activities and massive international support, the company had come under pressure to negotiate with the FTZ&GSEU and to reach an agreement, which we reported on in detail in the last newsletter. However, it seems that the company's main concern had only been to get through the period of intense public interest without too much damage, because once things had calmed down, it returned to its old stal-

ling tactics. Although North Sails has taken on more than 90 new workers since then, for example, the company has made no offer to reinstate the union members who had been fired unjustly. Because there has been no indication from the company that it intends to implement the agreement with the union, the Clean Clothes Campaign (CCC, see [www.cleanclothes.org](http://www.cleanclothes.org)) has since decided to re-launch the campaign against the behaviour of North Sails that it had put on hold when the agreement was signed.

Both cases illustrate that international solidarity is a long-term affair.

Whether a campaign succeeds or fails, it is only an ongoing commitment to practical solidarity that enable successes to be secured in the long term and setbacks to be coped with or even turned around. ■



Bangladesh

## From dawn until breakdown.... Garment factory collapse



As widely reported in the media worldwide, a 9-storey building containing the garment factory Spectrum Sweater Industries Ltd., located near the Free Trade Zone Savar just outside the Bangladeshi capital Dhaka, collapsed during the night of 11th April 2005. Among other companies,

the German mail order firm Necker-mann (part of the Karstadt/Quelle group) also sourced garments from Spectrum.

76 bodies have since been recovered, but many people are still missing. It didn't help that the building collapsed at 1 o'clock in the morning:

as so often happens in Bangladesh's garment factories, an order deadline was fast approaching and so there were several hundred workers in the building at the time – despite the fact that, for women at least, night-time work is prohibited by law in Bangladesh.

After the relevant authorities had tried to put the disaster down to the tragic consequences of a boiler explosion (along the lines of »these kinds of bad accidents can never be avoided completely«), it turned out that the huge building had been erected three years ago on unsuitable, marshy ground and that planning permission had been given for a 4-storey building and not at all for a building that was more than twice as high and had now collapsed. It is now obvious that nobody in the last three years had cared to notice this simple fact: nei-

ther the authorities responsible, nor the state inspection authorities, nor the employers' association, nor even the inspectors employed by the companies that ordered the garments manufactured here.

Our partner union in the **ExCHAINS** project, NGWF, had 39 members in the factory, of whom 5 were killed and 12 injured. Immediately after the disaster occurred, the union saw to it that the bodies of the dead were handed over to their families for burial, and that the best possible medical provision was made available for the injured. At the same time it gave press conferences and organised demonstrations by way of a spontaneous expression of protest.

NGWF activists have since developed an action plan for placing this protest on a more systematic basis. The

ference has already cost the lives of hundreds of Bangladeshi garment workers and ruined the health of thousands more, even before this most recent disaster.

In order to break this deadly spiral at last, the NGWF, in connection with its activities following the Spectrum disaster, presents the following demands:

1. The owners of Spectrum Sweater Industries Ltd. must be arrested and held to account for the disaster.
2. A committee of inquiry, including union representatives, should be set



with overtime from February, March and April.

6. All the workers must be granted job security with regular payment, or legal compensation according to the Termination Law.

7. A committee consisting of representatives from government, the employers' association and the unions must be set up to carry out inspections in all garment factories, in order to guarantee the safety of the workers and to improve working conditions.

Of these demands, only the first one has been met so far. The two owners of Spectrum Sweater Industries Ltd. have so far failed before the court in their application for release on bail.

This case goes to show once again how crucial it is that independent trade unions such as the NGWF in Bangladesh support the workers and give them the opportunity to fight for their own rights. ■



plan involves protest actions at all the offices of those (government, business associations, buyers etc.) who could have probably prevented the disaster from happening by taking more consequent action against long known problems and safety violations, instead of ignoring them. Such actions, organised by the NGWF and allied trade unions, are currently taking place almost daily throughout the country and include demonstrations, human chains, blockades, press conferences and rallies, handing over demands to the bodies responsible, and a symbolic one-hour hunger strike.

The fatal downward spiral of inhuman greed, ruthless pressure on prices and deadlines, and arrogant indif-

fer to examine the causes of the collapse.

3. The families of those killed must be adequately compensated (according to the »Fatal Accident Act«).

4. Those injured must receive appropriate medical treatment.

5. Any wages still outstanding from March and April must be paid, along



Photo: The Independent, Bangladesh, April 12, 2005.

## Police fire into crowd of protesting workers

It was an incident that went largely unremarked, having been overshadowed by the disaster that happened on 11th April in the immediate neighbourhood: one day prior to this, a violent confrontation took place between locked-out workers of a garment factory and the police in the Free Trade Zone of Savar near Dhaka. The police first used batons against the workers and then

proceeded to shoot into the crowd with live munition. 20 workers were hit by bullets. 6 of them were still in a critical condition a day later.

On the morning of 10th April 2005 the workers of the company Honorway Textiles Et Apparels (Pvt.) Ltd. came to work and found themselves facing locked factory gates. They went to the office of the Free Trade Zone authority, BEPZA, in order to find out why the factory was closed, but were prevented from entering the building by security guards. The scuffle

with the security guards that followed escalated when workers from other factories and the police came to support their respective sides. Finally, the police apparently found it necessary to fire at random into the crowd of protesting workers.

The cause of the conflict was most likely linked to an ongoing court battle between the company and its recently dismissed managing director. The latter has been accused of embezzling 30 million Taka (more than 400,000 euros) from the workers' provident fund. ■

Germany

## Neckermann: Saving for the "Rescue Plan" ✓

Europe's largest department store and mail order corporation Karstadt/Quelle has been making headlines for several months due to a financial crisis that threatens its very existence. The corporation, which has high debts, has faced the final curtain more than once during this time. Even now there is no certainty that it will survive.

What is less well known, though, is that the mail order company Neckermann – itself in quite a »healthy« condition before – will not remain unscathed by the painful consequences of the corporation's crisis. Founded after the Second World War as a family business (»Neckermann Textil-Versand AG«), the company was bought by Karstadt in 1977.

In these difficult times that affect the entire corporation, a »contribution towards securing the future« is being asked of the 4,000-odd workers at Neckermann's main branch in Frankfurt. The union ver.di had been faced with choosing between two evils at the end of last year: accept layoffs or else consent to a new »rescue contract«. Since securing jobs was the union's top priority, it »chose« negotiations about a new contract.

The »rescue contract« at Neckermann was concluded for a period of 3 years (starting from 1st January 2005) and does away completely with some of the »old« gains won by the workers. It contains, among others, the following arrangements:

- ✓ Workers will forfeit their right to

a negotiated wage increase for the duration of the agreement (3 years).

- ✓ Weekly working hours will be reduced from 37.5 to 35 hours and wages will be cut accordingly.
- ✓ Bonuses will be cut.
- ✓ Overtime can no longer be paid but only taken as time off.
- ✓ Holiday pay will be cut completely.

These measures represent a »contribution« of several millions in savings

shifted to contracted workers or abroad, new discussions are underway to expand these shifts. Decisions are not made yet, but in the most extreme case this could mean that all Neckermann workers except a mere 1,200 would lose their jobs in the parent company.

Since the beginning of the year, as well, sales at Neckermann have been somewhat low. Whether this is a



from Neckermann workers to the rescue of Karstadt/Quelle.

Also in the context of the group's rescue plan, discussions are being held about outsourcing even more work than has happened already. While a number of jobs in the logistics and call centre section have already been

symptom of the bad press in connection with the Karstadt/Quelle crisis, or an expression of a general drop of sales – the workers' situation is characterised by constant fear for their livelihoods and by the uncertainty of how long they will still be able to make a living from their work at Neckermann. ■