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INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS

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New ICFTU report highlights labour abuses in EPZs

Miyazaki, Japan, 7th December 2004: Competition amongst developing countries to attract foreign investors is forcing their governments to employ tax breaks and a liberal labour policy with the result of a fast-track to escalating labour abuses, said the ICFTU at the launch of a special report on the second day of its 4 yearly Congress. The report (<http://www.icftu.org/www/PDF/EPZreportE.pdf>

<<http://www.icftu.org/www/PDF/EPZreportE.pdf>>) is being launched today as part of the international labour movement's focus on globalisation at the ICFTU 18th World Congress (<http://congress.icftu.org>

<<http://congress.icftu.org>>) taking place in Miyazaki, Japan from 5- 10 December 2004. The situation of workers in export processing zones illustrates the negative effects globalisation is having on workers and the report highlights the importance of international trade union solidarity to deal with these spin-offs.

In the report entitled "Behind the brands - working conditions and workers' rights in export processing zones", the ICFTU lifts the lid on a catalogue of violations which characterise working conditions in the zones (EPZs) across the world.

The report presents a series of case studies on countries including Bangladesh, China, the Dominican Republic and Madagascar and highlights the growing tendency of countries hosting the zones sacrifice even the most basic workers' rights to draw investors in the search of cheaper and more docile labour.

Today almost 42 million people, mainly women, work in export processing zones - a rapid rise from the 1970 figure of a few thousand. This increase in the centrality of EPZs to the economies of several developing countries is matched by a weakening of protection for workers in EPZs, who usually have no choice but to accept poverty wages, excessive working hours and abusive conditions as EPZ employers are often either exempt from employment and other legislation or benefit from lax enforcement.

The report shows that whilst EPZs are often in countries which have in theory ratified the International Labour Organisation's (ILO) core labour standards - in practice these standards are regularly flouted in the zones. Denying workers the right to join and form trade unions - a common violation in EPZs - is a flagrant violation of international labour standards. Bangladesh's 6 EPZs, for example, are currently exempt from the country's major laws which protect the freedom of association and the right to bargain collectively - therefore no trade unions are allowed in its zones. As a result, international labour standards are contravened - paid overtime is denied, child labour is used and minimum wage laws are ignored.

Dismissals are routinely used in Central American EPZs to get rid of workers who attempt to form unions and in the United Arab Emirates where 85% of the workforce are migrants - mostly from Asia - workers risk expulsion if they try to form trade unions.

In Egypt, trade unions report that most workers in the "Tenth of Ramadan City" zone are forced to sign letters of resignation before beginning employment so that they can be fired at the employers' convenience.

Women workers in the zones, often face a number of barriers at work including discrimination in hiring, wages and benefits and sexual harassment. Cases of women workers in the zones being forced to take pregnancy tests are also well-documented. For example, pregnancy tests have been imposed on new recruits in the maquilas (or EPZs) of Central America.

The ICFTU argues that whilst EPZs have been set up in the hope of attracting investors and generating hard currency earnings by promoting non- traditional exports, the reality is that returns are short-term.

"EPZs will not make a long-term contribution to the development of host countries unless workers' rights are better respected - something that can only be guaranteed by the presence of free and independent trade unions" says the report.

The phase-out of the quota system in the textiles and clothing sector is set to further drop the level of working conditions in EPZs as firms look to invest in countries where labour costs are low and labour legislation is weak. For instance, in the run-up to the phase-out of quotas in the textiles and clothing sector, the Philippines and Mauritius textiles industries have already lost to China with its virtually boundless capacity, very cheap and compliant labour force and repression of attempts to establish independent workers' organizations. The trend of losing business to China is set to worsen after 1 January 2005 when the quotas finally end.

The importance of trade unions is demonstrated in one case study outlined in the report. In September 2003, the ICFTU released a video to coincide with the World Trade Organisation's (WTO) ministerial conference in Cancun, denouncing the physical mistreatment and verbal abuse inflicted on workers at the Corazon Apparel factory in

Honduras. Six months later, the same workers celebrated the signing of their first- ever collective agreement, following a long grassroots struggle backed by international trade union solidarity (video on the Corazon Apparel factory case: <http://congress.icftu.org/displaydocument.asp?Index=991220927&Language=EN> <<http://congress.icftu.org/displaydocument.asp?Index=991220927&Language=EN>>). In addition to a wage increase, the agreement brought substantial improvements to working conditions. "There is no more abuse, they finally treat us like human beings, like fully - fledged employees" says one worker at the factory.

The ICFTU has produced 3 videos charting the experiences of workers in export processing zones in the following countries:

- The Philippines (video in English)
- Madagascar (video in French plus English transcripts)
- The Dominican Republic (video in Spanish plus English transcripts)

These can be accessed here:

<http://congress.icftu.org/displaydocument.asp?Index=991220859&Language=EN>
<<http://congress.icftu.org/displaydocument.asp?Index=991220859&Language=EN>>

The ICFTU represents 148 million workers in 234 affiliated organisations in 152 countries and territories.

ICFTU is also a member of Global Unions: <http://www.global-unions.org> <<http://www.global-unions.org>>

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