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Spotlight on Ignacio Hernández H. (FEDOTRAZONAS - Dominican Republic). "Freedom of association means nothing here"

Brussels, 29 November 2005 (ICFTU OnLine): Whilst thousands of workers are left on the shelf as a result of the crisis hitting the Dominican Republic's export processing zones, employers are taking advantage of the situation to step up union repression. In this interview, Ignacio Hernández, the secretary general of the Dominican Federation of Free Trade Zone Workers (FEDOTRAZONAS), explains how Dominican and Haitian unions are currently forging transnational solidarity links with a view to developing joint counter-attacking measures.

2005 was not a good year for Dominican free zones. Thousands of jobs were lost, above all in the clothing industry. What triggered this crisis? Was the end of the Agreement on Textiles and Clothing (ATC) the only cause?

The present situation was caused by various factors. International brands have reduced their orders following the decline in sales of their products. Some companies in the Dominican Republic's free zone sector were worse affected than others, with major concerns like Grupo M, one of the leading consortiums in Latin America which offers a 'full package' service (ranging from design to logistics), being particularly hard and shutting down an entire cloth factory due to structural and financial problems.

In addition, in November and December 2004, many small companies exclusively involved in assembling very low-quality clothing products closed down altogether owing to the cost of this labour, which is higher than in other places in Asia and some Central American countries where wages are even lower. All this was in addition to higher electricity and transport costs. Another factor that prompted the closure of small companies employing fewer than 300 workers was the end of the ATC and its preferential quotas. This situation became apparent throughout 2005 in various companies throughout the country.

Estimates of the number of jobs lost since the end of last year vary between 8,517, according to the central bank, and 30,000, according to the Dominican Association of Free Zones (ADOZONA). What is your opinion as a workers' representative?

Since mid-2004, some 15,000 to 20,000 workers must have been laid off. Admittedly, ADOZONA cites a very high number because it has to convince the government to boost its support for the sector. Yet the number of workers laid off definitely exceeds the central bank's estimate of 8,000. Indeed, at least 4,000 jobs were lost merely in those factories where we have organised unions. So the total number of jobs lost throughout the country will definitely exceed 15,000.

In addition to redundant workers, there are also all those workers who have been told to down tools, who do not figure in the various estimates, but are also unemployed and face the same consequences.

How did the Dominican trade union movement respond to workers being laid off or told to stop work? What kind of proposals has FEDOTRAZONA put to the government in a bid to meet workers' requirements and make the free zone sector more dynamic?

Via the President of the Economic and Social Committee, FEDOTRAZONA has suggested that the government draw up a plan to help the suspended workers, who are suffering economic difficulties following the reduction of their incomes and are not being taken into account since they are not included in the unemployment figures. The initiative concerning food sales to the public could meet the basic needs of workers based in the free zones, since it would provide them with food at affordable prices. However, the government has failed to act on this proposal. We have also suggested arranging medical care, via the Dominican Social Security Institute (IDSS), at centres where medication could officially be sold at low prices. At present, such centres exist in the Dominican Republic's towns, but not in its industrial estates.

Another idea was for the government to set up cheap canteens in industrial estates, where the dish of the day would cost 5 pesos (€0.13), compared with the 60 pesos per plateful that workers currently have to pay. We submitted this proposal within the framework of a tripartite committee comprising employers, workers and government representatives, which was set up in 1997 to develop economic and social projects to benefit workers employed in the country's free zones. It is a Presidential decree. Unfortunately, the government has not provided any funding whatsoever to get such projects off the ground, and the employers merely hide behind the lack of political will and make no effort either. When all is said and done, it is the workers who suffer from this status quo, with no alternative but to struggle on.

Has the increasingly precarious nature of the remaining jobs further limited the possibilities for workers in free zones to join a union and organise themselves freely? Has the situation regarding freedom of association deteriorated?

Here, the term 'freedom of association' is devoid of meaning. It merely exists on paper in the law and in the Republic's Constitution, but not in practice. Any worker who makes a fuss and starts making demands, is immediately sacked under some other pretext. All companies, ranging from those least opposed to the unions to their fiercest enemies, are exploiting the sector's critical job losses to disrupt the unions and sack any workers affiliated to them. When a company with 10,000 workers sacks 100 people, 50 of whom are unionised and 50 of whom are not, this is a clear attempt to launch an anti-union campaign. And it's extremely worrying, because

this year many companies have drastically reduced the number of union affiliates, which is why the Dominican unions are currently so very weak.

What's more, companies punish unionised workers by reducing their wages and benefits. Consequently, many workers don't want to join a union because it could do them more harm than good. This situation is seriously affecting workers' potential to engage in collective bargaining. Currently the three federations active in the free zones have just four collective agreements, covering barely 3,000 workers in the clothing industry. Another conflict stems from the fact that sometimes companies do not wish to respect the collective agreement they have signed. However, our main concern is the anti-union feeling fomented by employers in a bid to prevent workers joining a union, because this makes it extremely difficult to obtain the majority required to start negotiations.

In 2004, the Dominican union movement tried to get wages hiked by 60% in response to high inflation. Did you win this battle? Did your efforts in the tripartite National Wages Committee pay off?

Under Dominican law, workers must be involved in wage negotiations. Yet such participation only exists in theory. The only truly essential condition that needs to be met to enable the National Wages Committee to support a resolution aimed at increasing wages or forestall a demanded wage increase is that two out of the three parties must agree. Consequently, if the government and the employers vote in favour of a resolution, it becomes pretty obvious that the workers' vote counts for virtually nothing. During the last wage negotiations that took place in 2004, we backed a demand to increase wages by 60%. With an exchange rate of 50 to 1, workers' wages had been reduced to less than \$15 per week. In the end, the employers agreed to only a 25% increase.

The worst thing is that they did not consent to raise wages immediately. Instead, they agreed to increase them in two stages, the first raise being applied when their staff returned to work in January, and the second three months later. In early 2005, businesses again called on the National Wages Committee to postpone the start date for the remaining 10% of the agreed wage increase. So only the 15% increase was applied, the remaining 10% hasn't, though it is theoretically due to take effect in January 2006. Consequently, we're hoping to see the pay rise effected in January, assuming that the employers play along. The speculative approach adopted in the commercial sector, the indifference shown by the government which is not monitoring the situation at all, and the reduction in wages imposed by the employers in the sector mean that the workers have switched from being merely poor to becoming destitute. Workers' wages are so low that they cannot afford to eat three meals a day.

In view of the crisis in the sector, the main Dominican textile manufacturing companies have decided to transfer some of their activities to the Republic's neighbour, Haiti, which pays the lowest wages on the entire American continent. Do Dominican workers feel threatened by such relocation plans?

What worries us is to see employers leaving a country where they are already paying extremely low wages, to go to Haiti and pay even lower salaries. Wages in Haiti are a mockery. If two or three companies set up businesses in Haiti but at the same time other companies come to the Dominican Republic, bringing major investment and high technology, I don't think the danger is that great. But if companies simply leave this country and go to Haiti to find cheap labour and continue their clothing assembly business by exploiting the workers, that is worrying.

If these trends intensify, the government will have to seek ways of bringing about a change in production in the country's free zones, so that other types of industry can set up shop here. Why can't we produce cars? Why can't we step up our production of electronic equipment? And if we decide to make trousers or clothes, we must do so under conditions radically different from those applying in the 'full package' approach. Two industrial buildings for textile manufacture (Sara Lee and Guindan) are currently being erected. But the Dominican Republic is capable of manufacturing other types of product.

Efforts have also been made in other non-textile sectors, e.g. in the shoe industry and regarding data digitisation, but it hasn't been easy. In fact, it's virtually impossible to get into most companies located in private industrial estates because their private police force does not let in anyone without authorisation from the management.

Transnational cooperation has begun between the Haitian union SOKOWA and the Dominican union SITRAFMIN, as well as within the same consortium: Grupo M. What is there to gain from establishing links of solidarity between the Dominican and Haitian trade union movements?

There has never been any coordination, alliance or indeed relationship of any kind. When we found out that Grupo M was planning to set up the CODEVI industrial park in Ouanaminthe, our initial concern was that all the jobs would be outsourced to Haiti. Then we realised that Grupo M was not looking to transfer its factories in their entirety, but was instead trying to give itself a chance to ensure that its activities remained viable.

We joined forces with the trade union organisation Batay Ouvriye in Puerto Principe, whose representatives came to visit us in the Dominican Republic. Then we started exchanging ideas. SOKOWA has gained a foothold Grupo M in Haiti and SITRAFMIN in Grupo M in the Dominican Republic. We have engaged in constant exchanges on working conditions ever since. Haitian workers became aware of the large wage differential between them and us, of the aim of production and also of the issue of working hours, theirs being far longer than they are here. They had an inkling that wages were higher here, but didn't really know for sure. The workers in both two companies have met up to exchange information on the production system and on working conditions. We are still coordinating our efforts and exert pressure together. We have held joint meetings with Grupo M both in the Dominican Republic and in Haiti. Here the consortium didn't take us seriously and took advantage of the split in the Dominican trade union movement to thwart FEDOTRAZONAS's actions within Grupo M. This made it harder for us to secure a collective agreement, since the company

took on and paid a small group of people, who subsequently organised themselves into a trade union centre, to avoid collective bargaining and prevent the workers from unionising themselves within Grupo M.

Interview by Laurent Duvillier.

Further reading:

The Trade Union World Briefing "Export Processing Zones in the Dominican Republic and Haiti: Grupo M caught in the act":
<http://www.icftu.org/displaydocument.asp?Index=991223136&Language=EN>

Interview with Yannick Etienne (ESPMBO - Haiti) "International solidarity has constantly followed the workers' demands"
<http://www.icftu.org/displaydocument.asp?Index=991223116&Language=EN>

Watch the video of Georges, a factory worker in the Haitian free zone of Ouanaminthe: "Georges has hopes":
<http://www.icftu.org/displaydocument.asp?Index=991223109&Language=EN>

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