Working for Scrooge:
Worst Companies of 2010 for the Right to Associate

December 10, 2010
December 10th is recognized as International Human Rights Day in honor of the anniversary of the adoption of the Universal Declaration of Human Rights at the United Nations. In addition to affirming a range of universal rights for workers, the Declaration recognizes the right of workers to form and join trade unions. As people around the world celebrate International Human Rights Day, workers continue to see their right to organize denied. Intimidation, mistreatment, and violence against trade unionists continue to be common tactics used by major multinational corporations, who protect their profits at the expense of workers’ fundamental human rights. From spreading anti-union propaganda among workers, to firing labor rights advocates and hiring strike-breakers, to using threats or actual violence, companies around the world use a range of tactics to deny workers their right to unionize. In fact, in its most recent survey of violations of trade union rights, the International Trade Union Confederation reports at least 101 unionists were killed globally as a result of their organizing efforts in 2009, a number that is up by 30% from 2008.

ILRF’s “Working for Scrooge” highlights corporations that violated workers’ freedom of association in 2010. Selected on the basis of their ties to suppressing workers’ right to organize, this year’s top offenders include:

- Bangladesh Garment Manufacturers and Exporters Association (BGMEA)
- Chiquita
- Dole
- Del Monte
- R.J. Reynolds Tobacco Company

As the global economic crisis continues, many labor advocates fear that companies are using the crisis as a pretext for cracking down on unionized workers and instituting employment schemes that reduce the number of workers guaranteed union protections.

You can contribute to the end of Scrooge-like companies such as the ones discussed in this report by taking action and telling them to protect workers’ right to organize online:

http://action.laborrights.org/p/dia/action/public/?action_KEY=984

Keep reading to find out why they made the list and help protect workers’ rights worldwide!
Background
Two Scrooge-like manufacturers in Bangladesh are the Envoy Group and Nassa Global. The Envoy Group is a US$100 million apparel conglomerate, operating 14 apparel assembly factories. The company’s owner and managing director, Abdus Salam Murshed, is also the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Current Envoy buyers include Walmart, JC Penney, Sears, Kohl’s, VF Corporation, and Russell Corporation. The US$210 million Nassa Global is the second largest factory group in the country with 33 factories. Nassa supplies apparel items to Walmart, Tesco, JC Penney, H&M, Sears, Asda, Carrefour, and the Boy Scouts of America.¹

Violations
Bangladesh
Bangladesh employs 3.4 million garment workers in 4,200 ready-made-garment (RMG) factories that produce US$12.59 billion in export earnings, representing 78 percent of the country’s total. Bangladeshi workers are subjected to extremely low wages. Labor leaders argue that the minimum wage should be increased to 5,000 taka per month. The wage board met on January 24, 2010 and announced on July 29 that the new wage structure would be 3,000 taka (US$43) effective November 1, 2010, which advocates consider a “malnutrition wage.”

Both the Envoy Group and Nassa Global are notorious for paying low wages. The Bangladesh Center for Worker Solidarity (BCWS) found abuses at an Envoy facility including: compulsory 13-hour daily work shifts; verbal and physical abuse of workers; refusal to allow workers to leave the worksite when they fall ill; failure to provide workers with legally required compensation for compulsory weekend labor; failure to provide first aid to injured workers; and failure to conduct fire drills and provide fire safety training.
At Nassa in 2008, the Clean Clothes Campaign found: compulsory 14-hour shifts, seven days a week; denial of the right to take personal leave or decline to work on legal holidays; and verbal and physical abuse so frequent that workers described it as a “regular daily matter.”

BCWS held a series of training workshops with workers from April to June 2010 to inform them about their rights. Nassa management responded by telling workers to refrain from any interaction with BCWS. Nassa workers have also actively voiced their demand for higher wages. On June 20, 2010, an uprising of tens of thousands of workers in the Ashulia industrial area began with 7,000 workers at a Nassa factory demonstrating for a 5,000 taka minimum wage. The following day, police filed charges against 3,000 to 4,000 workers. Nassa management brought separate charges against Babul Akhter and Aminul Islam of BCWS and dozens of workers. This initiated the government’s and the BGMEA’s targeting of BCWS.

On June 3, 2010, the NGO Affairs Bureau cancelled BCWS’s NGO registration, revoked its permit to receive foreign donations, and ordered its property to be seized and its bank account frozen. On June 16, the government accused BCWS and its leaders of inciting riots and labor unrest in the garment sector. Aminul Islam was detained and tortured by officers of the National Security Intelligence in an effort to extract a confession that BCWS leaders, Babul Akhter and Kalpona Akter, had fomented riots among workers.

After weeks of constant threats, Kalpona and Babul were arrested on August 13, 2010. This repression was undertaken by Bangladeshi government agencies, police, and security forces at the behest of the two major garment factory groups. On September 10, the labor activists were released on bail. Despite their release, all charges remain against them and the government continues to claim that they have evidence against Kalpona, Babul, and Aminul. If the charges are not dropped, it will signal to the industry that the way to deal with human rights defenders is to throw them in jail and torture them, forcing them to give up their protest against terrible working conditions. The charges will also contribute to spreading fear among labor rights and worker advocacy organizations.

**Take Action!**

**ACT NOW:** Help us send a loud and clear message to the Bangladeshi government and major apparel brands:

Background

Chiquita sells many fruit products such as pineapples, grapes, melons, and avocados. Their main product is bananas. Chiquita sells its fruit under both the Chiquita brand and under the Fresh Express brand. It has 23,000 employees and operates on six different continents. In 2000, Chiquita incorporated SA8000’s labor standards into its Code of Conduct and certified all of its Latin American farms through Rainforest Alliance.

Violations

Guatemala

Chiquita’s subsidiary in Guatemala, Cobigua, has been using a combination of threats and intimidation to repress its banana farm workers for years. In fact, the Guatemalan banana unions have records of Cobigua’s use of blackmail dating back to 2003. The unions have stated that in the past twelve years only two fair and valid collective bargaining agreements have been reached between the workers and Cobigua management. Since 2007, 43 union members and leaders have been killed in Guatemala for their affiliation.

Cobigua has sub-contracted some of its workers to conceal labor ties to the company; it has employed temporary workers, ruining worker stability; it has actively tried to suppress any union membership increases; it has changed the workers’ IBM identification system which alters the workers’ quotas and social security information; and it has distributed homework affecting approximately 40% of the workers’ salaries. In addition, Cobigua has not paid minimum wage, has not given the workers access to social security, has withheld the labor dues from the workers, neglected to provide a nursery at work centers, repressed union activity, and failed to provide safe and clean working conditions.

Based on information reported by the Consejo Político del Movimiento Sindical, Indígena, y Campesino Guatemalteco (MSICG) the Guatemalan state has been a passive actor through the abuses, letting Cobigua management get away with many labor violations. On February 8, MSICG and six banana unions involved with Cobigua asked for a meeting with Ministry of Work and Social Prevision to try and discuss the violations, but the Ministry did not support them.

Because they were unable to receive assistance from the government, the workers went on strike April 5, saying that they would not go back to work unless management and the union representing the six smaller banana unions, UNSITRAGUA, could reach a fair and just agreement. On the same day, two anonymous men in an openly anti-union act threatened Leonel Pérez Lara, a member of the Executive Committee of the Workers Union of the Campo Verde farm, the Financial Coordinator for UNSITRAGUA, and a mem-
ber of the Political Council for MSICG. The MSICG is very concerned for Lara’s safety because management continues to be openly hostile towards the union.9

Chiquita has also requested that Cobigua suspend more than 1,140 work contracts, and since October 2, more than 627 of those workers have been suspended from farms in Chinook and Quicapu. This suggests that Chiquita wants to weaken the plantation to pressure the workers and the union. After 27 days of suspension, the union leaders met with the company to settle the outstanding salaries for the suspended workers. However, the company did not agree to meet the union’s request.10

Most recently, the workers tried to re-negotiate their contract with Cobigua. They met on November 3 with company representatives: Alfredo Villa Vicencio, Jorge Madrid, and Martin Vargas. They told the union representatives that they want to extend the collective agreement for 30 months, keep wages the same or lower them, and look for other ways to reduce costs such as taking away some of the workers’ benefits. Additionally, the company has threatened that if the workers don’t agree to these conditions, they will move production elsewhere and leave them with nowhere to work.11

Take Action!

The Guatemalan banana farmers are asking you, the consumer, for your solidarity as they fight for fair and just working conditions under Chiquita. You can write a letter to CEO Aguirre demanding he take action in support of the Cobigua farm workers. For more information click here:

http://www.colsiba.org/NOTICIA%20SINDICAL/39%20cobigua%20chiquita%20trabajadores%20se%20niegan%20a%20producir.htm
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Background
Dole Food Company, Inc., based in Westlake, California, is both one of the world’s largest producers of bananas and pineapples, and a leader in packaged fruit products, packaged salads, and fresh vegetables. Dole is the second largest global marketer of fresh pineapples, growing and selling more than 34 million boxes in 2009. Dole’s facility in the Philippines is the largest integrated pineapple plantation, cannery, and packaging complex in the world, shipping 25 million cases of processed pineapple to global markets every year. Almost 6,000 men and women work full-time at the Dole facility. Dole also employs an estimated 12,000 contractual employees who are not union members. This is the third year in a row that ILRF has highlighted Dole as one of the top labor rights offenders in its Scrooge Report.12

Violations
Philippines
Dole Philippines, Inc. has been engaged in systematic violations of its workers’ right to organize since 2006. From 2001 to 2005, the Amado Kadena-National Federation of Labor Unions-Kilusang Mayo Uno union (AK-NAFLU-KMU) enjoyed growing support among the workers and a collaborative relationship with Dole management. Beginning during the 2005 union election campaign and the subsequent collective bargaining negotiations in 2006 and 2007, Dole implemented policies and practices intended to undermine the union leadership. The shake-up occurred when Kevin Davis replaced Damko Stambuck in 2005 as Dole Vice President and Director for Dole Philippines. Davis and other managers openly opposed the AK-NAFLU-KMU (KMU). Davis asked the union leaders to disaffiliate from the KMU, citing allegations by the Philippine government that the KMU is a front for the New People’s Army. The union leaders refused management’s demands to disaffiliate.

Dole collaborated with UR-Dole (a company union) to replace KMU leaders with UR-Dole leaders on February 13, 2010. The management accused the KMU of corruption and theft. UR-Dole also used threats and intimidation to try to convince workers to support their attempt to take over the union.

On February 18, 2010, Dole management recognized UR-Dole as the workers’ representative. To justify its actions, Dole explained: More than 71% of the membership participated in the Special General Assembly (SGA), though there is no record of the vote count; The union had been unable to secure a restraining order, though a hearing was set for February 19; The union hadn’t protested to management what they thought was a sham General Assembly, ignoring Dole’s direct dealings with Mr. Gales in the lead-up to the Assembly; Lauding the exercise of people power revo-
olution as a pillar of democracy and feigning respect for the “Rule of the Majority,” not rule of law, Dole management also asserted that they have unilaterally determined the will of the majority before, so it can do so again; and Dole management simply asserted that they will not return recognition to KMU since the results of SGA are a matter internal to the union implying that returning recognition to KMU would improperly interfere with internal union affairs.

Dole supervisors verbally reprimanded several workers for not attending the SGA. Dole management also transferred non-compliant workers to other sections of the Dole plantation where the work is more physically arduous. Dole has also refused to provide the union president with reasonable access to the worksite; refused to grant union leave for union officers; and refused to remit the union dues on time. Many union officers have been fired and many union members fear retaliation from management if they are caught supporting KMU.

The current CBA between the union and Dole management expires on February 11, 2011 when the workers will also have an election to choose their representatives. Despite the sustained campaign against the union, KMU will be running again. Before the union certification election is held in February, measures must be in place to ensure free and fair elections, which will also require addressing past violations.\(^{13}\)

**Colombia**

In Colombia, the country considered the most dangerous for union organizing, Dole stands accused of making regular payments for at least a decade to the paramilitary United Self-Defense Force of Colombia (AUC) to intimidate and attack banana workers and small farmers organizing for their rights. Several AUC commanders have come forward stating that they received payments from Dole, as well as other multinational corporations.\(^{14}\) A lawsuit was filed in California on behalf of 51 men who were allegedly murdered by the AUC for union organizing or attempting to prevent Dole from taking their land.\(^{15}\)

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**Take Action!**

**ACT NOW:** Help us send a loud and clear message to Dole Food Company, Inc. and its subsidiary Dole Philippines, Inc. by sending an email to Kevin Davis expressing your outrage with the treatment of his workers!
Background
Founded in 1916 in San Francisco, California, Del Monte produces fruit, vegetables, juices, beverages, snacks, and desserts with its most important product being pineapples. The company sources from farms in Costa Rica, Brazil, Colombia, Cameroon, Chile, the Philippines, Guatemala, Kenya, Ecuador, Germany, and the United States. Del Monte, currently run by CEO Mohammad Abu-Ghazaleh, was also highlighted in ILRF’s 2008 Scrooge report as a top labor offender.

Violations
United States: Philadelphia
This past Labor Day, between 400 and 500 Longshore (ILA) workers in Philadelphia boycotted Del Monte’s decision to leave their pier for a non-unionized pier operated by Holt Logistics. The workers at Holt pier are paid as little as $10.50 per hour without benefits whereas the ILA workers are paid anywhere from $17.00 to $24.50 per hour. Del Monte’s move to Holt pier will cost the ILA between 200 and 300 jobs and up to 400,000 labor hours.

On September 28, 2010, 3,600 Longshoremen from New York, New Jersey, and Philadelphia brought the East Coast’s biggest port to a halt, disregarding a federal injunction that they continue working. The New York and New Jersey workers honored the picket line set up by the Philadelphia ILA in a show of solidarity. Philly Local 1291 was further supported in Baltimore where 1,000 members also closed their port.

To break up the strike, management threatened to send ships to the non-unionized pier in Philadelphia. The ILA members returned to work on September 29, after major shippers agreed to enter into negotiations in Philadelphia regarding Del Monte’s use of non-union labor.

United States: Hawaii
Del Monte has also acted against unionization in Hawaii, moving its pineapple production to areas where the labor is cheaper. After 90 years in Hawaii, the fruit company announced that it would close operations after its 2008 crop was harvested. In January 2007, Del Monte shut down and left the island, destroying the existing crop in the process and leaving about 550 workers jobless. Previous to closing its production in Hawaii, a labor contractor that Del Monte used, Global Horizons Manpower Inc., was accused of failing to pay migrant temporary workers.
Costa Rica

On Del Monte’s plantations in Costa Rica, union leaders have been systematically fired and laid off to eliminate any union presence in pineapple production. Company management has installed ‘Permanent Committees,’ or company-selected worker representatives, to replace union leaders.

Strong anti-union tactics include: massive lay-offs; preventing union representatives from moving freely in the workplace; only negotiating with Permanent Committees and refusing to recognize unions; preventing workers from joining unions and undertaking anti-union campaigns; refusing to relocate sick workers, or relocating them to areas with inferior working conditions; and harassment of female workers.

Take Action!

Don’t let Del Monte continue to get away with this unacceptable behavior! Continue to support the ILA Local 1291’s right to union work and to receive strong wages and benefits!

To see what else the ILA is doing regarding the Del Monte boycott, click here (http://www.ilaunion.org/).

To learn more about what ILRF is doing regarding food and agriculture workers’ rights, click here (http://www.laborrights.org/creating-a-sweatfree-world/sweatshops-in-the-fields).
Background

The second-largest tobacco company in the United States, R.J. Reynolds, produces approximately one third of the cigarettes purchased in America and has annual profits of over $2 billion. According to the Farm Labor Organizing Committee (FLOC), North Carolina is the state with the highest level of tobacco production. The farmers harvest more than 166,000 acres and produce 378 million pounds of tobacco.

Workers in the tens of thousands migrate to NC every year to work in fields producing for Reynolds. Unfortunately, their average salary of $8,000 per year is three times less than the federal poverty level for a family of four, making it impossible for them to properly feed their families. According to FLOC, 38% of the farm workers’ housing is inadequate or unfit for people to inhabit and only 10% reported that they had health insurance.

Violations

United States

Reynolds’ farmers live in poverty, suffer from racism, harassment, lethal pesticides, nicotine poisoning, and lack labor and human rights. Green Tobacco Sickness, or nicotine poisoning, is a serious consequence of tobacco farming as the workers absorb toxic chemicals through their skin. It causes weakness, nausea, vomiting, dizziness, abdominal cramps, headaches, difficulty breathing, and increases dehydration sickness as it raises the body’s temperature. Some workers who have reported nicotine poisoning have been deported back to Mexico. In the last couple of years, nine workers have died while working in North Carolina’s fields.

Although Reynolds does not hire its workers directly, it decides the terms under which the laborers work, directly impacting their living and working conditions. This means that Reynolds is responsible for ensuring the workers’ health and safety. However, none of Reynolds’ huge profit margin has been used to improve workers’ conditions in the fields. FLOC President Baldemar Velazquez has requested to meet with the Reynolds’ CEO several times over the past three years to discuss ways to improve workers’ lives in North Carolina’s tobacco fields, but the company has consistently refused a meeting.

Take Action!

Send a letter to Reynolds CEO Daniel Delen, asking him to meet with the Farm Labor Organizing Committee to discuss ways to improve conditions for tobacco farm workers in North Carolina!
1 SweatFree Communities, “Enemies of the Nation or Human Rights Defenders?: Fighting Poverty Wages in Bangladesh,” SweatFree Communities (2010).
2 SweatFree Communities, “Enemies of the Nation or Human Rights Defenders?”
8 Coordinadora Latinoamericana de Sindicatos Bananeros, “Cobigua – Chiquita.”
9 Coordinadora Latinoamericana de Sindicatos Bananeros, “Cobigua – Chiquita.”
12 Campbell, “Petition for Dole.”
14 The legal complaint is available online: http://www.laborsrights.org/end-violence-against-trade-unions/colombia/resources/10806.
21 “‘The Sour Taste of Pineapple.’
24 National Farm Worker Ministry. “Background and History:”
25 “Demand Justice in Tobacco Fields.”
26 “FLOC Reynolds Campaign Toolkit.”
The International Labor Rights Forum (ILRF) is an advocacy organization based in Washington, DC dedicated to achieving just and humane treatment for workers worldwide. ILRF serves a unique role among human rights organizations as advocates for and with working poor around the world. We believe 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.

This report is part of ILRF’s Freedom at Work campaign which works to empower workers to act collectively to protect their basic rights.