

Meeting report
“Consultation on Codes of Conduct with Workers of the
Export-oriented Textile Industry”

EMIH- ADIDAS

San Pedro Sula, Honduras
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Introduction.-

This report is based on the consultation held with workers of different factories and municipalities in the northern area of Honduras, as solicited of the Independent Monitoring Team of Honduras (EMIH) by the company **ADIDAS**. This consultation, based on the need to involve stakeholders in processes of evaluating the impact of implementing Codes of Conduct in the factories which manufacture **ADIDAS** products, took place with the purpose of improving the compliance programs of this company.

In order to develop the consultation, EMIH contacted male and female workers from different factories, resulting in the participation of a total of 16 people, mainly women and all without experience in this type of activity. In order to balance the lack of information of the workers, representatives of labor unions and non-governmental organizations which develop work in the area of the maquila were invited as observers.

One of the requirements previously established by **ADIDAS** in regard to the consultation was to involved workers from different factories, not only those which produce for **adidas**. As such, other trademarks were also represented as can be seen in Appendix 1. The workers who attended came from different municipalities: El Progreso, Choloma, San Pedro Sula and Potrerillos. Two of the workers who participated came from factories that manufacture for **ADIDAS**.

The observers included representatives from the Center for Women’s Rights (*Centro de Derechos de Mujeres CDM*), the Jesuit-based Reflection, Research and Communication Team (*Equipo de Reflexión, Investigación y Comunicación ERIC*) and a trade union organization, the Independent Federation of Honduran Workers (*Federación Independiente de Trabajadores de Honduras FITH*). These persons were involved in different stages of the consultation, in terms of formulating questions to be asked of the workers or making comments related to the consultation topic. Care was taken so that their interventions would not influence the responses of the workers. Two auditors from **ADIDAS** also participated.

Introductions.-

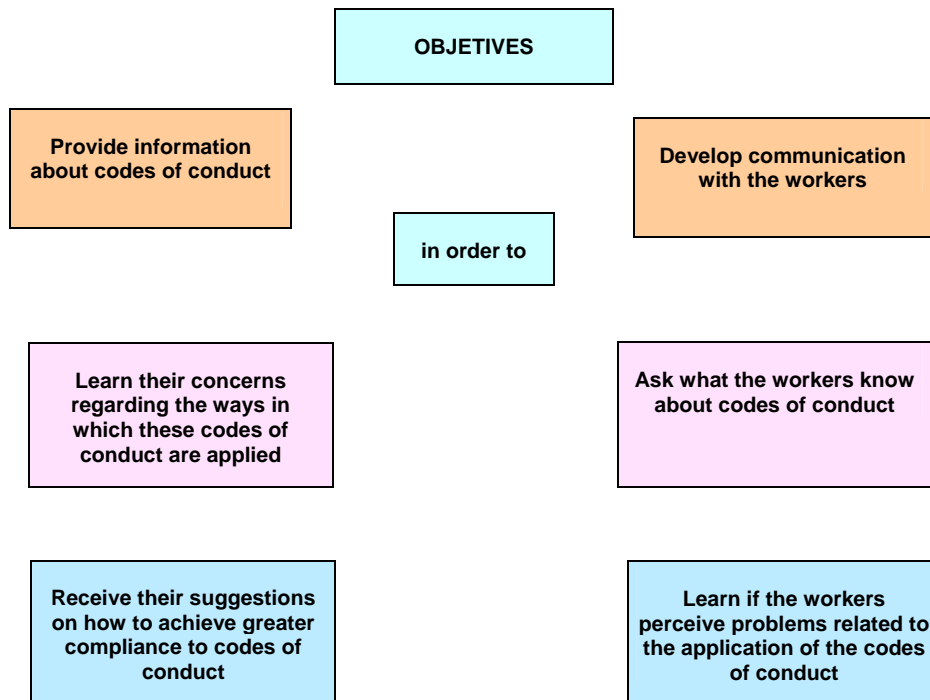
In order to promote better communication, a participatory technique for introductions was designed so that the workers would develop trust from the outset. A technique for introductions called “Refrains” was used: pairs of two individuals shared information which was then used for introductions of the entire group. In this participatory exercise, the representatives of NGOs and trade unions also participated, as well as the auditors from **ADIDAS**.

Sixteen of the workers who participated in the consultation came from four municipalities located in the province (*departamento*) of Cortés. Those municipalities are in fact the areas with the greatest concentration of maquila workers. Most of the participants in the consultation have worked less than one year in the factory, followed in number by those which have worked from three to four years. Two former maquila workers also participated. 12 of the participants are single and 8 participants do not have children.¹

¹ See Appendix No. 1

Objectives of the Consultation

The next step consisted of the presenting the objectives of the workshop, developed according to the terms established with **ADIDAS**, with modifications which responded mainly to the need to be appropriate to the participating population, specifically workers without experience in this type of activity



Knowledge of Codes of Conduct

In order to establish the level of existing knowledge on the part of the workers regarding Codes of Conduct, a series of questions were given to the workers to be answered in couples. The following results were obtained:

Knowledge of Codes of Conduct

No. Couple	Have you heard of codes of conduct?	Who spoke of the codes?	Have you seen one?	Do you know the content of the codes?	Do you know the adidas code?	For whom are the codes useful?
1	Yes, in my company ²	Engineers and professionals	No	-Chemical security -About a secret number to call the USA in order to report misconduct of the engineers (middle level)	No	For workers
2	Yes, in the company where I work ³	The personnel who are in charge of the interview	The Nike Code	It is for seeing that the employees have a good work environment in which they feel secure	No	For workers
3	Yes, in EMIH ⁴	The monitors	No	In textual terms, no	No	For workers
4	No	No one	Yes, but in favor of the company	No	No	For us, the workers
5	We are not sure because at some	No one. We don't relieve that the				We consider that a code of conduct should

² El Porvenir Manufacturing and Bestform

³ A former worker from Sula Apparel

⁴ EMIH – Independent Monitoring Team of Honduras

No. Couple	Have you heard of codes of conduct?	Who spoke of the codes?	Have you seen one?	Do you know the content of the codes?	Do you know the adidas code?	For whom are the codes useful?
	times there are documents which are read, but we aren't sure if they are codes of conduct; we have also seen some rules and prohibitions for workers	codes of conduct are emphasized, as is the subject of security	No	No	No	be like a law which establishes benefits for the workers and as such should be useful to workers.
6	No	No one	Si	No answer	No	We do not know because we don't know these codes
7	The company where I work	The professional and the engineer	No	No	No	For the workers so that they can have better communication with their bosses
8	No	No one	Never	No	No	Not known

During this stage of the consultation it was clear that the workers have a very vague idea of what a code of conduct is, though 4 couples expressed that they had heard of codes. The few workers who referred to the content of the codes made reference to chemical security, a secret number to call the United States and only one couple referred to improvements in the work environment, though without deepening the subject. One couple which had not seen any code of conduct indicated that they must be *similar to a law which establishes benefits for workers*, and as such considered that they could be useful.

Upon consultation in terms of who benefits from the conduct codes, the majority expressed that the workers do, though two couples were sincere in saying that they do not know who benefits as they do not know these codes. Those who affirmed that they have heard about the codes identified engineers, professionals and people who interviewed them upon entering the factory as those who had at some point spoken to them of codes of conduct. This is explained by the fact that engineers are usually in charge of healthy and security measures in the company and those who conduct interviews are usually responsible, along with other professional staff, for orientation programs in which workers are informed of the existing rules in the factory.

In the large group session, other ideas were shared which had circulated among the workers, among them that the codes had to do with Social Security, transportation and good treatment. One of the workers identified Nike's Code of Conduct which is implemented in the factory in which he works.

As a next step, the consultation moved into the facilitation of an exercise in which the workers had the opportunity to decode the content of codes of content. In this way, two objectives were achieved: that the workers, via this workshop, could receive training on this aspect as well as provide information about the level of understanding that they have upon reading the content of a code of conduct. This permitted determining needs which must be met before a culture in which workers demand compliance to codes can be consolidated and thus render greater compliance with the code of conduct.

Decoding the content of a Code of Conduct

Procedure

Each participant receives a card on which one aspect of the adidas Code of Conduct or another code is written. 5 minutes are given for reading/thinking about the card and then, in a large group session, each participant explains what he/she understands from what is written. Then the facilitator, using chart, asks each worker to rank each element in terms of its importance for workers.

Once the workers have decoded the words which were given to them on the card, they move into the large group session in which each one shares his/her interpretation of the phrases on the wall chart.

Large group session

The workers understand these terms in the following ways →

- 1- **Compliance with the law:** Is related with the work contracts which must conform to the requirements of the law

- 2- **Child labor:** Minors should not work unless they are granted certain time provisions.
If minors do work, they should work less time and earn the same amount.

- 3- **Forced labor:** This is when a worker is required to work overtime and given a high production quota.

- 4- **Discrimination:** Identified with mistreatment.

- 5- **Hygiene and safety:** This refers to clean restrooms, comfort for working.

- 6- **Hours worked:** This refers to a law which was established that defines the maximum number of hours on a shift as 8 hours; no more time should be worked.

- 7- **Disciplinary practice:** This is identified as good discipline and a good relationship between the owner and the worker.

- 8- **Security and hygiene:** This refers to people who are authorized to clean and the existence of extinguishers in the case of fire.

Consultation with the observers

In this stage, the observers asked some questions in order to deepen the decoding process.

√ **What is least respected?**

Workers replied:

- Work schedules
- Intensity of the work
- When there is no work, workers are dispatched without receiving salary
- Discrimination in the treatment of some people

√ **What is understood as forced labor?**

Workers replied:

- When we are obliged to work overtime
- When we must fill high quotas and when we are reprimanded for not reaching them.
- When overtime is demanded or going to work on Saturday to work because the quota wasn't met
- When we are required to work on Saturday, even though we met the quota

√ **Do you believe that you know all of the rights that workers have?**

Workers replied:

- There is no time to read them and therefore we do not know those rights.

√ **What is understood as disciplinary practice?**

Workers replied:

- Respecting work hours
- Respecting the authorities at work
- Not running when it is time to leave

√ **Work hours**

- Shift from 7:00 am to 4:30 pm every day
- Not having to work extra hours on Saturday

√ **Collective bargaining**

Workers replied:

- When benefits are negotiated
- Collective contracts
- Association within the company
- Reaching agreements about payment when one resigns

Once some of the contents were discussed more deeply, we moved into filling a chart with the participation of the workers, recording a rank assigned to each subject of the Code of Conduct by the workers. In this process, the most important issues for working people were: surpassing the salary; payment of benefits; forced labor. These were areas in which all of the workers expressed the need for greater attention or protection.

One important conclusion on the part of the worker, once the results of the prioritizing were analyzed was that *All of the elements of the Code should exist and should be respected be all are necessary*. Once the ideas on the content of a Code of Conduct were clarified, the positive aspects of using a code were identified, as well as the problems that could be generated by their use.

The most outstanding comments included:

Regarding positive aspects

- √ The violations committed against the working population have been made known.
- √ Upon including the prohibition of child labor in the Labor Code, minors are not being abused.
- √ The codes of conduct constitute a way of pressuring for compliance with rights in another way.

Regarding the problems

- √ Minors can no longer work.
- √ There is a risk of juvenile delinquency when child labor is prohibited. Even the work of young persons has been eliminated. √ They can weaken the internal mechanisms for compliance with rights.
- √ They demand no overtime but overlook the principal problem of low wages.

Compliance and Vigilance

In order to approach the subject of compliance, one of the facilitators made reference to the presence of the auditors who verify or watch over compliance with the codes of conduct as a way of guaranteeing compliance. In the same way, at different times during the consultation and in an informal way, the workers stated that visitors arrive at the company at different times and they suppose that they are these auditors. A general perception is that the visits provoke temporary changes in the factory, such as soap and paper supplied to the restrooms, but that this usually only happens when the auditors arrive. Other workers expressed that at times there is no trust in speaking with these people because once there were reprisals, which included making an example of a female worker who was dismissed for speaking with an auditor. Since that time there is apprehension about speaking with auditors. In order to achieve greater effectiveness in compliance as well as in vigilance, the workers proposed their own suggestions:

SUGGESTIONS

- √ Visits at the time of a conflict
- √ Regular visits, more often and unannounced
- √ Requiring the company to give each worker a copy of the code of conduct
- √ Not advising the company of the time that a visit will be made
- √ More communication with the trade unions and with NGOs
- √ Permanent communication with the Labor Ministry
- √ When the auditor visits, s/he should enter the factory, select the employee with whom s/he wishes to speak and not allow the management to choose
- √ That there be freedom of expression
- √ That the cafeterias be audited
- √ That all of the trademarks unite to establish an office where workers can issue complaints
- √ Have the possibility of associating with other groups in different countries
- √ Have frequent meeting and in that way share our ideas
- √ The trademarks should investigate working conditions on a permanent basis
- √ That there be visits every two months
- √ That the trademarks form alliances with the unions, the state and other organizations
- √ That they [auditors] speak with employees during breaks and lunchtime when there is more freedom of expression
- √ That there be dialogues with workers outside the factories
- √ What the workers actually know about conduct codes should be observed
- √ Demands should be made so that there is compliance with the codes of conduct

- √ Demand good treatment of the workers
- √ That the trademarks stay on top of compliance with the codes of conduct
- √ That they coordinate with organizations dedicated to working with the maquila
- √ Monitoring must be confidential
- √ Trademarks should demand protection for workers at the time they are interviewed
- √ Trademarks should not permit discrimination
- √ Middle-level management should be trained on codes of conduct

WORKING GROUPS

In the last stage of the consultation, working groups were organized with the purpose of hearing the workers' opinions on three subjects:

- a. Perceived changes in the maquila
- b. Communication channels
- c. Freedom of association

Results from Group No. 1

Changes in the Maquilas:

Regarding changes which have been perceived in the last 5 years, the workers mentioned:

- √ Minors are not accepted as employees
- √ There is better treatment in certain maquilas
- √ Only personnel with experience is hired
- √ No changes have been observed
- √ There are problems with wages
- √ High levels of quality are demanded
- √ Many overtime hours are demanded without the consent of the worker

Regarding the improvements observed in factories where codes of conduct are implemented

In this regard the group concluded that major improvements are the existence of alarms and fire extinguishers. On the other hand they expressed that mistreatment, one of the problems most strongly felt by workers, continues. There is a lack of regulations and a lack of knowledge on codes of conduct which contribute to the current status.

What it means to have good labor relations

Workers have different ideas in regard to what constitutes good labor relations, which span from way in which the worker-management relationship develops to physical aspects of the company. Their ideas in terms of good relations are, at some point, connected to the concept of LABOR CLIMATE which is used by auditors from different agencies or companies:

- √ Good treatment and
- √ A good salary
- √ Hygiene and safety
- √ Good nutrition
- √ Work equipment in good conditions

Responsibilities in the promotion and existence of good labor conditions

- √ All administrative personnel
- √ Management
- √ State via governmental ministries

The contribution of the trademarks in terms of improving the labor conditions

- √ Ordering good treatment for workers
- √ Equal treatment for everyone
- √ Conducting unannounced audits
- √ Demanding compliance with the codes
- √ Demanding protection of equipment

In terms of good relationships, an observer consulted whether or not there is respectful communication when workers are reprimanded. The participants expressed the following:

- √ Workers are called to the production office where they are told in what respect they are failing but if they repeat the same mistake they are called to the personnel office to sign a warning statement
- √ Another worker expressed that in the factory where s/he works, there has never been time to listen to the workers; workers are not respected and moreover they are shouted at
- √ In Hugger⁵ they demand good treatment of the operators and even give them paper for writing complaints
- √ Others voiced the opinion that the treatment of the worker has to do with the personalities of the superiors in management

Results of Group No. 2

⁵The adidas code of conduct is applied here.

Communication channels:

> Personnel whom workers seek out immediately when there is a problem:

Supervisors, engineers, and those directly in charge are the persons who receive complaints immediately when a problem occurs.

> Forms of communication with supervisors

Dialogue occurs at the workplace. (in the line, work unit) with supervisors, but if this fails or if permission is denied, then one seeks out the plant engineer.

> Way in which the supervisors communicate with workers

Experiences differ since for some workers, communication is good, taking into account that if they are failing in their work, the supervisor comes to their machine and informs them, with good manners, of their shortcomings. When the matter is not resolved, the worker is taken to the production office to sign a warning sheet. In another factory, when the quota is not met, the supervisor meets with workers the next day and identifies some workers as mediocre because they did not meet the quota. Moreover, there are others who tell the workers that they are robbing the factory, as they continue to receive their complete salary.

> Negative or incorrect experiences in the communication with top and middle level superiors

Among the experiences which were shared included: heads of personnel who like to joke and do not take seriously the complaints which the workers present, thus contributing to the lack of resolution of problems; difficulties in not being able to receive permission to study, while instead burdening the workers with overtime.

> Positive experiences in the communication with the management and superiors

Very few persons contributed to this subject. However, two participants expressed that they had a good experience related to the attitude toward permission for studying or carrying out professional internships as these kinds of permission were granted.

Results of Group No. 3

Freedom of association:

How is freedom of association envisioned?

The group was discussed this subject stated that freedom of association is linked with freedom of expression. For these persons:

- √It is opening the space to be able to claim one's rights
- √It is being in a labor union.

On exercising the right to freedom of association in the factory where you work or in others

The workers stated that freedom of association does not exist, that the person who participates in the organization of unions is “marked’ or put on a “black list.” Generally s/he cannot get work in other factories when this happens. Among the participants one stated that he was dismissed from the factory Gildan for expressing her rights.

How to assure exercising the right to freedom of association

The workers considered that this can be obtained when there is support from the support of some national organizations.

CONCLUSIONS

1. There is a general lack of knowledge on the legal instruments which define the rights of people in general and of workers in particular, as was expressed by the workers. Nonetheless, in the consultation it could be observed that by making use of appropriate educational methods, the workers can understand the basics concepts and principles in a very solid way, despite their own perceptions and shortcomings. In the case of the workers who participated, this new understanding is relevant because they are currently not linked with any organizations or educational processes on the subject.
2. The codes of conduct are not known and the knowledge of them on the part of the workers is very limited. They identify them with certain rules in the factory, but never as an instrument which can help in the task of creating a culture of compliance.
3. The salary, payment of benefits and the situation related with forced labor are among the themes of most interest to the workers for attention by auditors.
4. It was established in the consultation that information is fundamental for better compliance, as workers are among the primary stakeholders in watching over legislation and codes of conduct. Among the suggestions, the following were expressed as priorities: the necessity of placing importance on all those activities which will help to widely inform workers of the content of the codes; educational processes which permit the greatest proximity of those responsible for overseeing their compliance to the workers themselves; information and education of middle-level management since they can either contribute to ensuring greater compliance or

become a stumbling block in the putting into practice the rights established by law and the Labor Code.

5. For the workers it is fundamental that the trademarks become aware that the dissemination of the code of conduct is a demand that must be made of their suppliers, and not simply as a formality (placing it at the entrance of the factory). Rather knowledge of the code must be promoted in a systematic and adequate way. It would be considered to be positive if a copy of the code of conduct were given to each worker at the time s/he begins to work for the company.
6. The process of the consultation was regarded as a way of approaching and opening a space to acquire new knowledge about the code and the right of those people who work in the factories.
7. More frequent and unannounced visits were prioritized as a mechanism for the implementation of code of conduct, in order to avoid that those visits are perceived as a mere formality in order to guarantee orders for the trademarks, but rather as instruments which will contribute to improve work conditions.
8. The security of the worker who is interviewed by auditor or monitors is a subject which was considered important since, when the auditors leave, there are reprisals against those workers. Many times there is no possibility of the worker reporting this to the person who interviewed him/her since s/he has already been dismissed or sanctioned by the time that person returns. This intimidates workers in such a way that they prefer not to speak with the auditors.
9. The selection process of those who are to be interviewed in an audit or an inspection must be a very careful one, according to those who were consulted. Recommendations included not permitting the intervention of the company's management or other personnel in the selection process as there should be freedom for the auditors to choose the person whom they will interview. There should be other ways of consultation developed which would protect the identity of the workers, for example interviews in places other than the factories or via other actors.
10. In order to avoid the risk that the code of conduct will be perceived as a substitute for internal laws, the links that the trademarks establish with NGOs, labor authorities and labor unions are of fundamental importance. Developing in a better way aspects relative to compliance with national legislation is of fundamental importance in order to avoid this risk.
11. In the consultation it became clear that there is a long way to go in the area of internal communication and in relation to rights which are clearly established by Honduran law, as is the case with freedom of association which in labor relations is nothing more than the right to form a union and to collective bargaining. Even those workers who participated in the consultation and had not been involved in

organizing processes were clear that they could not the right to forming a union since they would run the risk of been dismissed or of being black-listed.

12. For EMIH, another important aspect of the consultation is related to the sustainability of the changes, which is achieved only to the extent that there is real and conscientious involvement of the authorities who are responsible for overseeing the compliance of the law and of civil society. This does not diminish the important effort which is made via codes of conduct since they have an important tool in achieving change via the pressure that can be applied on the suppliers. From there it is fundamental to facilitate processes in which, in a joint way, economic pressure can be united with the pressure that should be recognized and properly exercised via governmental bodies.

Appendix I

RESULTS OF THE INTRODUCTIONS

I

FACTORIES AND TRADEMARKS

Factories	F	Trademarks
Factory 1	2	Old Navy, Tommy
Factory 2	1	Nike
Factory 3	2	Rider, Wrangler
Factory 4	1	Fruit of the Loom
Factory 5	1	Vanity Fair
Factory 6	1	Tommy
Factory 7	1	Docker
Factory 8	1	Kimberly Clark
Factory 9	1	Gap
Factory 10	1	Adidas, Nike
Factory 11	1	Adidas, Delta, Nike
Factory 12	1	Gap, Reebok, Seroc
Factory 13	1	Champion
Factory 14	1	Gildan
Total	16	

II. Place of residence

Municipality	F
El Progreso	7
Choloma	2
SPS	5
Potrerillos	2
Total	16

III. Years of Service

Amount of time worked	
Less than 1 year	7
1 – 2 years	2
3 – 4 years	5
5 – 7 years	2
More than 7 years	1
Former workers	2
Total	16

IV Civil Status

Civil Status	F
Single	12
Free union	3
Married	1
Total	16

V. Family Responsibilities

Number of children	F
None	8
1 – 2	4
3 – 4	4
Total	16