Working for Scrooge:
Worst Companies of 2009 for the Right to Associate
December 10, 2009
Introduction

“Everyone has the right to form and to join trade unions for the protection of his interests.”

-Universal Declaration of Human Rights, Article 23, Section 4

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 of 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 a union. In fact, in its most recent survey of violations of trade union rights, the International Trade Union Confederation reports at least 76 unionists were killed globally as a result of their organizing efforts in 2008.

Working to protect the rights of trade unions, the International Labor Rights Forum’s “Working for Scrooge” highlights corporations known for violating workers’ freedom of association and right to organize. Selected on the basis of their ties to violence against trade unions and suppression of the universal right to organize, this year’s top offenders include:

- Dole
- Kohl’s
- Kraft
- Nestlé

As the global economic crisis spreads, 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. At the same time, workers and their supporters around the world are fighting back – and winning important victories for workers.

For example, in our “Working for Scrooge” report last year, we highlighted Russell as one of the worst global companies based on their decision to shut down a plant in Honduras shortly after the workers formed a union. After a global campaign, primarily led by US college students in collaboration with the Honduran workers, an agreement was reached with Russell in November 2009. Russell will rehire 1,200 workers who lost their jobs after the factory closing, make a contribution to a social welfare fund and has agreed to respect freedom of association at all Russell and Fruit of the Loom facilities in Honduras, among other improvements. Hundreds of ILRF supporters took part in this campaign by e-mailing Russell to demand that the company respect the union rights of workers in Honduras after last year’s report was released. We look forward to continuing our work to ensure successful resolutions to the union struggles highlighted in this year’s report.

You can take action and tell these companies to protect workers’ right to organize online:
http://www.unionvoice.org/campaign/Scrooge09

Keep reading to find out why they made the list and help protect workers’ rights worldwide!
Background

As the world’s largest producer and marketer of fresh fruit, Dole operates in over 90 countries and manages some 45,000 employees. The company’s most expansive project is in pineapple production, which spans from Ecuador to the Philippines. Unfortunately, it is no coincidence that only 2% of pineapple workers are unionized. Due to threats against trade unionists and the mistreatment of workers seeking to organize, Dole has the fewest trade unions in Latin America. The company has been accused of ties with military violence against trade unionists, with instances of killings and disappearances of union leaders.

Violations

PHILIPPINES
Dole’s Philippines subsidiary, Dolefil, employs 1400 of its 5900 workers on a contract basis. These employees work at the world’s largest pineapple processing facility and surrounding plantations. Regular workers are gradually being replaced by contract workers who have no direct employer, and are consequently denied many of the rights enjoyed by regular workers. Small farmers must produce pineapples under Dole’s contract terms only, without being given the opportunity able to properly negotiate their concerns. This has lead to poverty and income insecurity amongst small growers as they are subject to Dole’s rules and regulations. Dolefil has assisted the Armed Forces of the Philippines to employ egregious intimidation tactics to threaten Dole’s independent union members. In total, there are over 45 cases of abuse stemming from the hostile environment created by Dole and the Armed Forces of the Philippines. Dole has also allowed the Philippine military to conduct anti-union “symposiums” or information sessions during work hours. Additionally, Dole’s Philippines subsidiary provides preferential treatment to an organization of workers, known as UR-Dole, which was established for the express purpose of conducting a daily campaign to undermine the elected leaders from the independent union representing of Dole’s workforce.

COSTA RICA
Dole has invested heavily in pineapple and banana operations in Costa Rica, where labor laws fail to uphold ILO recommendations on ILO Convention 87 on freedom of association. Dole has supported anti-union “schools” such as the John XXIII Social School (run by solidarist organizations) and “permanent committees,” which are not democratically elected by workers, and have severely restricted rights for workers to freely organize and join democratic unions. No banana or pineapple supplier plantation in Costa Rica has had a collective bargaining agreement with a union for the last two decades, despite immense international pressure to urge Dole to support union rights. Dole has also divested from surrounding Central American countries with stronger labor unions.

COLOMBIA
More than 70 Colombian plaintiffs filed a lawsuit in 2009 under the Alien Tort Claims Act demonstrating that union activists were systematically killed and threatened by illegal paramilitary organizations supported by Dole. Many of the Dole workers who were assassinated had unresolved labor disputes pending with Dole’s suppliers. Including broader human rights violations on farmers and civilians, the lawsuit charged that Dole has been responsible for the death of over 1,000 Colombians. While Chiquita Brand International and its executives came forward to ultimately pay $25 million in fines in a precedent case, Dole Food Company has been enjoying full impunity for its
alleged role in similar murders and has yet to admit responsibility for such murders.

Starting in 2004, Dole’s subsidiary, Dole Fresh Flowers waged a multi-year battle to undermine the independent union, Sintrasplendor, composed of cut-flower workers on its Colombian plantations. Dole only negotiated a Collective Bargaining Agreement with a separate company-friendly union, Sinaltralflor, which failed to improve conditions for its workers, despite ILO recommendations that it also negotiate with Sintrasplendor. Dole shut down its facility, El Corzo, where the independent union was strongest and most persistent. Last spring, Dole sold its flower operations all together, giving up on a relationship with Sintrasplendor.

**ECUADOR**
In 2009, over 30 workers were fired at two Dole banana suppliers in Ecuador for their efforts to form trade unions. These recent rounds of dismissals follow firings going back to 2005 aimed at undermining independent worker organization at Ecuadorian suppliers for Dole. As a result of the ongoing targeting of union leaders and members, most Dole suppliers in Ecuador have no representative organizations for workers. Slow progress is being made to reverse the intimidation of union activity and improve conditions for workers on plantations producing for Dole, but most of the positive steps are due to changes in government in Ecuador.

**CAMEROON**
In Cameroon, Dole operates through Compagnie Fruitière to produce bananas. The company has been accused of giving workers low pay and shifts in excess of 12 hours, taking land from local populations, using toxic pesticides and withholding taxes from the government.

**TAKE ACTION!**
Send an e-mail to Dole here: [http://www.unionvoice.org/campaign/Scrooge09](http://www.unionvoice.org/campaign/Scrooge09)
As a well known home goods and clothing retailer, Wisconsin based Kohl’s Department Store is a common fixture in many communities across the United States. Kohl’s operates a complicated supply chain spanning across the globe with store product offerings covering common brands such as Bissell and Lee as well as brand names such as Croft and Barrow only offered through Kohl’s. Kohl’s has developed and integrated a variety of environmental friendly initiatives over the years and received in 2007 and 2008 the Green Power Leadership Award from the Environmental Protection Agency for its extensive purchasing of green power.\(^5\)

Unfortunately Kohl’s focus on sustainability hasn’t spilled over to the labor rights of its workers. Kohl’s has been connected to a number of sweatshops over the past two decades and yet hasn’t taken the necessary steps to implement its code of conduct (called the Terms of Engagement) which includes freedom of association. To this day, Kohl’s has yet to take any concrete action to make it’s supplier conform with it’s code even though its own Terms of Engagement indicate that “Kohl’s will work with the Business Partner to remediate the violation if at all possible.”\(^6\)

## Violations

**TURKEY**

Menderes Tekstil, a textile factory located in Denizili, Turkey, provides bed linens to Kohl’s and other leading retailers. Workers began to affiliate with TEKSIF, the textiles workers’ union in Turkey, in response to unsafe working conditions in the factory that led to numerous injuries and the death of four workers. One incident which took place on November 20, 2008 resulted in the death of an employee when he fell into the funnel of a coal boiler. After the tragic accident management ordered three workers to climb into the funnel in order to retrieve their slain colleague. They were all severely injured in the process.\(^7\) Shortly thereafter, in 2009, only a year after unionization started, it was brought to the attention of the Clean Clothes Campaign (CCC) and the International Labor Rights Forum that Kohl’s had violated its own Vendor Terms of Engagement established several years ago that requires suppliers to commit to things like no child labor or forced overtime. In addition their Terms of Engagement for Kohl’s Business Partners states that, “Kohl’s will only do business with Business Partners whose workers are treated fairly and who in all cases are present voluntarily, not put at risk of physical harm, fairly compensated, and allowed the right of free association and not exploited in any way.”\(^8\) Yet the workers at the Menderes factory were being stifled in their attempts to form a union and had, for some time, been working under extremely dangerous conditions. According to the workers at the factory the management has repeatedly threatened workers whom they suspect of being union members, forcing them to leave of the union or to sign documents
indicating voluntary resignation. Management at the Menderes factory has gone so far as to threaten the families of known or suspected union members. There were 12 court cases filed against Menderes Tekstil by workers for unjustified termination. Despite Kohl’s own high moral standards and repeated calls for action, it continues to avoid comment or action since these events were brought to light.9 It is time for Kohl’s to actively enforce its Terms of Engagement and implement its freedom of association standard for its workers in Turkey.

NICARAGUA
Similarly, a textile factory in Nicaragua owned and operated by the Korean company SEA-A Tecnotex, provides textiles to numerous U.S. retailers, among them Kohl’s. In mid-2009 ILRF was contacted by Tecnotex factory employees belonging to the Union Workers Confederation “Jose Benito Escobar” (CST-JBE) who detailed numerous violations of both national law and international labor standards. On July 21, 2009, the Augusto Cesar Sandino union was created and in a matter of days, 32 employees affiliated with the union were fired. In response to an official complaint filed by CST-JBE the Department of Labor in Managua deemed the layoffs unjust. By August the employees were legally allowed to return to work but were violently barred from doing so when they arrived at the workplace. As with the case in Turkey, Kohl’s has yet to take any concrete action concerning these events and in response to an ILRF letter calling on them to take action, Kohl’s only cited on-going court cases which they claim prevent them from taking any further steps in the matter. In this case, it is clear that Kohl’s is deflecting responsibility which has continued negative consequences for the workers fired since they have yet to find new jobs since they have now been labeled as union supporters. Kohl’s has a responsibility to make sure the workers are rehired with backpay and that no further discrimination exists at Tecnotex in response to workers taking a stand against unjust working conditions.

These two cases are only the most recent in what has become a shameful tradition of neglecting to protect freedom of association in Kohl’s sourcing factories.

Contact Kohl’s to demand that it ensures fair working conditions and respect labor rights throughout all of its suppliers at http://www.unionvoice.org/campaign/menderes

Send an e-mail to Kohl’s here: http://www.unionvoice.org/campaign/Scrooge09

For more information:
• Read a profile of the Menderes factory: www.laborrights.org/creating-a-sweatfree-world/sweatshops/factory-profiles/menderes-tekstil
• See CCC’s webpage: www.cleanclothes.org/urgent-actions/ikea-and-household-retailers-abet-union-busting
International Labor Rights Forum

Kraft

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Chicago-based Kraft Foods is the largest food company in the US and the second largest in the world (after Nestle S.A.). It has recently fired workers for protesting health conditions at a Kraft factory in Argentina and has expressed its support for the coup in Honduras.

Violations

ARGENTINA
The Americas Program of the Center for International Policy issued a report\textsuperscript{10} stating that 160 workers were fired by Kraft Foods in Argentina in retaliation for worker protests. According to the Americas Program, the workers’ protest emanated from the company’s inadequate response to the swine flu outbreak in Argentina last July. Taking a cue from the health ministry guidelines issued to workplaces, the workers demanded anti-bacterial soap, alcohol gel, and paper towels for increased hygiene and paid leave for pregnant women (who are known to be more susceptible to the disease). When these precautions were not forthcoming, workers staged a work stoppage and later demonstrated outside the factory’s administrative offices. The management responded by dismissing 160 employees (Kraft says the number was 156).

Kraft issued a report\textsuperscript{11} claiming it had met all the health precautions save for the closing of the factory, a demand coming from delegates of the government’s Internal Division. Kraft also claims that the workers were threatening management, something the workers deny. Such claims might be taken with a grain of salt, as according to Marie Trigona of the Americas Program pressing criminal charges against activist-workers to bust unions is common in Argentina.

During protests in September 2009, workers report that police officers beat activists and even open fire with rubber bullets and tear gas on protesters.\textsuperscript{12} Reports have also claimed that union delegates have been blocked from entering the factory which violated Argentine labor law.

Despite Kraft’s initial actions and refusal to rehire “criminal” workers, some dismissed workers have been rehired. The company calls this an act of “good faith,” rather than “responding to legal and consumer pressure by backtracking on its infringement of workers’ freedom of association.” However, workers are continuing to protest and even block the Pan American Highway due to the company’s refusal to comply with a decision from the Ministry of Labor that the company must reinstate fired workers.

The Americas Program report gives further reasons to be suspicious of the veracity of Kraft’s claims – workers claim that plans to restructure and dismiss part of the factory’s employees were already in the works. This restructuring would eliminate a shift by implementing two 12-hour shifts in the place of
three 8-hour shifts and dismissing the extra workers. If this is the case, the protests would have provided an opportunity for Kraft to dismiss union members and jump start its restructuring while disingenuously placing the responsibility on the workers.

CHINA
In China, Kraft has been criticized for violating the country’s new Labor Contract Law by not appropriately consulting workers when the company relocated its headquarters from Shanghai to Beijing. Over 300 employees were affected by the company’s decision. Eventually, the workers were able to negotiate for severance pay, but the fact remains that it took public attention for Kraft to recognize that they violated the law by not consulting workers about a major company decision.

HONDURAS
Kraft has unfortunately decided to support the recent coup in Honduras, which ousted the democratically elected Manuel Zelaya. Zelaya’s pro-working class agenda, which included the raising of the Honduran minimum wage, drew the ire of many foreign companies. It was therefore no surprise to see that the supporters of the coup include the Honduran American Chamber of Commerce, which in addition to Kraft includes large US-based corporations such as CitiBank and Wal-Mart.

UK AND ELSEWHERE
Workers around the world are also currently watching closely as Kraft attempts a hostile takeover of Cadbury. In November 2009, Kraft issued a proposal to shareholders to buy Cadbury. The largest union in the UK, Unite, has raised concerns about Kraft’s refusal to dialogue with unions about the impact of the deal on workers. Unite has asked Kraft to guarantee “that jobs and terms will not be hit, including no site closures and no compulsory redundancies in UK and Ireland for five years, no erosion of terms and conditions for five years, no increase in pension contributions for five years and a commitment that the company will fund any pension deficit.” An initial meeting between Unite and Kraft failed to lead to any guarantees or more specific information related to Kraft’s plans for the chocolate makers’ workforce. Unite has reason for concern as Kraft closed down a chocolate orange production facility in the UK and shifted production to Eastern Europe after purchasing Terry’s. Additionally, Kraft has stated that they expect hundreds of millions of cost savings which raises suspicions about plant closures. In September 2009, Kraft announced 8 plant closures which eliminated 4,700 jobs while the company CEO enjoyed a 50% total compensation increase last year. Another concern is that Cadbury has taken a leadership role among major confectionary companies in supporting Fair Trade cocoa while Kraft works with a certification program with weaker labor standards. Those concerned with child labor in the cocoa industry and the growth of cooperatives and other representative bodies for cocoa farmers fear that a Kraft takeover could weaken Cadbury’s ethical cocoa policies.

TAKE ACTION!

Send an e-mail to Kraft here: [http://www.unionvoice.org/campaign/Scrooge09](http://www.unionvoice.org/campaign/Scrooge09)

Join the “Say No To Kraft” group on Facebook: [http://www.facebook.com/group.php?gid=124299898146](http://www.facebook.com/group.php?gid=124299898146)
Across the globe Nestlé, the world’s largest food company, has hampered workers’ efforts to act collectively even as they claim to support their workers’ right to organize, according to the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers (IUF). Workers who have challenged the management’s hypocrisy have faced harassment, wage deductions and suspension. While Nestlé claims to promise “good food, good life,” the company’s actions around the world have resulted in serious human rights abuses.

INDONESIA
Nestlé’s most popular product worldwide is Nescafe. At the Nescafe factory in Indonesia, the local union has been requesting negotiations to update the collective bargaining agreement, but for years now the company has rejected the demand and continues to deny workers the opportunity to negotiate wages insisting that determining wages is under the control of management. Workers even have a very limited freedom of association. All of this suggests Nestlé’s complete disregard for both international standards and Indonesian law.

ILO Convention 98 and Indonesian law recognize the right of trade unions to negotiate wages. At Nestlé Indonesia, demands by the Union of Nestlé Indonesia Panjang Workers (SBNIP), the local union and IUF affiliate at the factory, seemed to fall on deaf ears, as the company heeded none of the requests but instead created a fake union, pressuring workers to join it. Company representatives visited workers in their homes to encourage them to join the company “union” and there have been reports that the company even forged some workers’ signatures on resignation letters from SBNIP. Members of the company-backed organization, FKBNI, receive benefits such as education allowance for their children while SBNIP members’ applications for such amenities are denied for “administrative reasons.” The company has also been accused of discriminating against union activist for example by transferring or reassigning them.

SBNIP and supporters rallied against Nestlé’s abuses in front of the factory gates earlier this year and management responded by covering the Nestlé logo with tarpaulin and telling workers inside the factory that SBNIP members were “anarchists” planning to destroy the logo. The company even held a mandatory unannounced training session that afternoon in order to prevent workers from joining the rally after completing their morning shift. Management also filmed and recorded the rally.

Due to the company’s refusal to respect its workers’ union rights in Indonesia, the IUF has filed a complaint to the Swiss government against Nestlé’s violations of OECD Guidelines for Multinational Enterprises. The submission has been accepted and an investigation is underway.

COLOMBIA
On August 21, 2009, Gustavo Gómez was shot and killed at his home in Colombia by assassins. Gómez was
an employee at Nestlé-Comestibles la Rosa S.A. and was a member of the SINALTRAINAL trade union.

HONG KONG
In Hong Kong, workers in the Hong Kong Nestlé Union compelled Nestlé Hong Kong’s management to recognize of their right to bargain after an eight month long struggle. Instead of negotiating in good faith, however, the management then retaliated by suspending the union president, Chan Pong Yin, and another worker. The workers went on strike again and won the pair’s reinstatement. Undaunted, the management followed with yet another vindictive act, this time punishing union members involved in the strike by issuing wage deductions and warning letters. The union protested these actions and the letters and wage deductions were retracted.

Management has meanwhile initiated a new round of hiring focused on bringing in casual workers on short term contracts. Being “temporary” workers, these employees would not be eligible for union membership and would dilute the strength of the union. Moreover, the union cannot distribute leaflets anywhere on the company premises or even to talk to workers about any union-related matters during working hours. The management has promised their employees that unions will be free to organize and recruit more members, but all workers have received is broken promises.

INDIA
Nestlé India workers are demanding the right to negotiate their wages, which have seen their real value plummet in the wake of rising global food prices. Last year Nestlé India raised its own product prices by 15% to compensate for inflation but failed to make similar adjustments to its own workers’ wages. Instead, the company refused to negotiate with the Federation of All India Nestlé Employees, the IUF-affiliated group of unions representing the workers, and unilaterally announced an annual wage increase of just 6%. This was in spite of the hard work of the employees resulting in an almost 30% increase in net profits over the previous 12 months.

In response to the company’s refusal to negotiate wages, four unions associated with the federation filed strike notices to stage a day of protest. Nestlé responded by filing suits for “permanent injunctions” which would prevent any union activity or worker gathering within 200 meters of these four factories. With this move Nestlé has attacked the very freedom of organization that allows these unions to function and is a fundamental right for workers.

TUNISIA
The general secretary of the Nestlé Tunisia Union was another target for harassment amongst Nestlé’s workers. Habib Ben Aifa attempted to talk with management about the workers concerns over the future of their jobs. The answer he received was a demotion to a position where he could be more closely monitored by the company’s management. Ben Aifa’s situation echoed the case of another Nestlé worker and union leader, Eko Sumaryono, president of the Nestlé Indonesia Panjang Workers Union, who was demoted to a function that required him to work under constant CCTV surveillance.

In addition to their similar demotions, both of these workers have been refused union leave to attend IUF meetings on technicalities concocted by their managers.

TAKE ACTION!
Send an e-mail to Nestlé here: http://www.unionvoice.org/campaign/Scrooge09

Contact Nestlé about it’s abuses in Indonesia here:
http://www.iuf.org/cgi-bin/campaigns/show_campaign.cgi?c=442

For more information:
Check out IUF’s Nespressure campaign website: http://www.iuf.org/nespressure/en/
Endnotes and Credits


29 IUF. “Nestle moves to smash union in Hong Kong, restore decades of abusive labour practices.” 20 February 2009. Available online: http://www.iuf.org/cgi-bin/dbman/db.cgi?db=defaul t%20id=5721&view_records=1&ww=1&en=1.

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Layout by Hanh Nguyen

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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.