



Scandal:

Exporting Greed through the Panama Canal

Frontline Briefing 2017



ITUC CSI IGB

International Trade Union Confederation

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ITUC Frontlines Briefing 2017

Re-write the rules of the global economy to end corporate greed

The hidden workforce is a scandal. Ninety-five per cent of the workforce of 25 multinationals with a large footprint in Latin America are hidden workers. Multinational companies knowingly outsource responsibility for the violence, oppression, low wages, and insecure and often unsafe work that drives their massive profits. There are 17 supply chain workers for every one direct employee. These are the hidden workers of Latin America.

“ 95 percent of the workforce of 25 multinationals are hidden workers. ”

Outsourcing responsibility is not an option if the UN Guiding Principles on Business and Human Rights are respected. Due diligence requires companies to assess the risk of human rights violations right through

their supply chains, to provide grievance procedures and ensure remedy.

“ Companies outsource responsibility for the violence, oppression, low wages and insecure and often unsafe work that drives their massive profits. ”

Human and labour rights violations have unfortunately become the foundation of global trade and consequently a dominant model of exploitation that simply fuels corporate greed. The global model of supply chains simply sees too many countries import a business model where profits are built on low-wage, insecure work.

The 25 companies listed in this report could act to change the model of global trade. They have the resources and the reach.

G20 governments endorse the call for due diligence, and the 2017 G20 Labour Ministers communiqué states that “*violations of decent work and fundamental principles and rights at work cannot be part of the competition*”; there must be a global level playing field to stop a race to the bottom on standards, wages and rights.

We must rewrite the rules of the global economy if working people are going to trust that elected governments are holding corporations to account in the interests of their citizens.

And central to this accountability is the urgent need to overcome low wages. In too many cases these are wages on which workers cannot live with dignity. Indeed, the ITUC Global Poll shows 84 per cent of the world’s workers say that the minimum wage is not enough to live on. In Latin America, concerns about the minimum wage are critical, with 98 per cent of Brazilians, 97 per cent of Guatemalans and 91 per cent of Argentinians saying the minimum wage is insufficient to lead a decent life.

“ **The minimum wage is insufficient to lead a decent life.** ”

And the price of the remedy is so insignificant. It would take just three cents on a melon in Honduras to ensure a living wage and less than two cents on a banana in Guatemala to stop the exploitation of the companies in the south of the country. The exploitation is the same from the fishing industry in Panama to the hospitality workers in Costa Rica; from Brazil to Argentina no country can ignore the reality that the world needs a pay rise.

El Salvador has shown the way with a significant minimum wage rise. Now it is time for other countries to follow and for compliance to be strengthened. Wage theft resulting from many employers undercutting minimum wages with exploitative hours through forced overtime or simply not paying legal rates must be stopped. The need for strengthened labour inspectorates backed by powers to impose sanctions

and courts that force compliance are essential measures to guarantee decent work.

It’s a simple recipe:

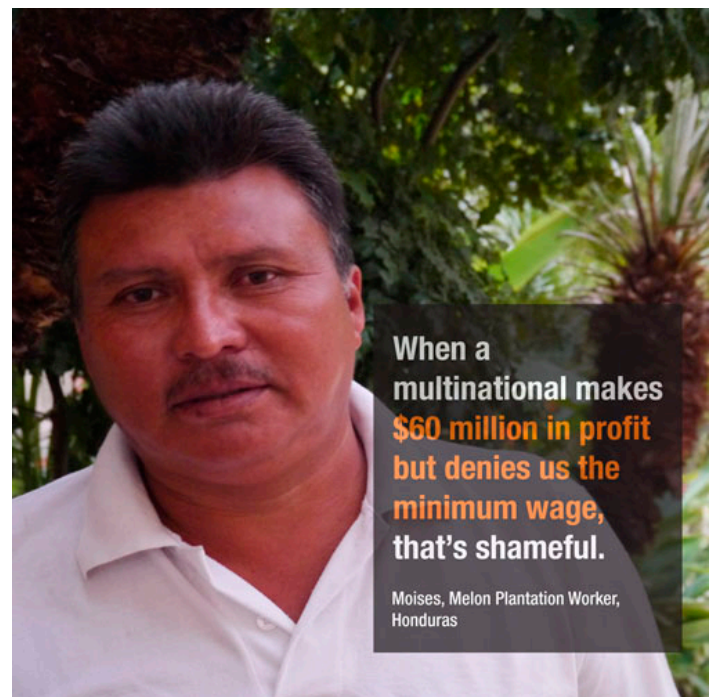
- universal social protection;
- a minimum living wage;
- freedom of association and collective bargaining rights; and
- compliance with strong, independent, legal systems.

The ITUC Global Poll shows that 85 per cent of people say it’s time to re-write the rules of the global economy. The testimony of workers from Guatemala, Honduras and Panama tells the story of the hidden workers behind the global supply chains, and the daily choices families have to make between putting food on the table, having clothing and school supplies for their children and paying the bills. We have to rebuild trust in our economic and social future, but it requires a determination from governments, companies and consumers to end corporate greed. Rights violations, denial of freedom of association, violence against trade union members and leaders and exploitation must end. Informal work and modern slavery cannot be accepted. Governments must accept responsibility for rights, secure work and just wages.

Sharan Burrow

General Secretary,

International Trade Union Confederation



How the world's largest companies built a global business model on low wage workers, with few rights in unsafe workplaces.

25 multinationals with a footprint in Latin America (El Salvador, Panama, Costa Rica, Brazil, Argentina) have a workforce of 4 million people and a hidden workforce of 70 million people.

95 percent of the workforce of 25 multinationals with a footprint in Latin America (El Salvador, Panama, Costa Rica, Brazil, Argentina) are hidden workers.

There are 17 supply chain workers for every 1 direct employee from 25 multinationals with a footprint in Latin America.

ITUC recommendations for companies:

- **Supply chain transparency** – know whom you contract with and publish this;
- **Safe work** – inspect sites, fix hazards and recognise workers' right to safety committees;
- **Secure work** – end short-term contracts;
- **Minimum living wages** – pay wages on which people can live with dignity;
- **Collective bargaining** – for decent wages and working conditions.

SUPPLY CHAIN JOBS

16 percent of formal jobs in El Salvador are linked to global supply chains.

25 companies with a footprint in Latin America

A hidden workforce of **70 million people**

Companies outsource responsibility for the violence, oppression, low wages and insecure and often unsafe work that drives their massive profits

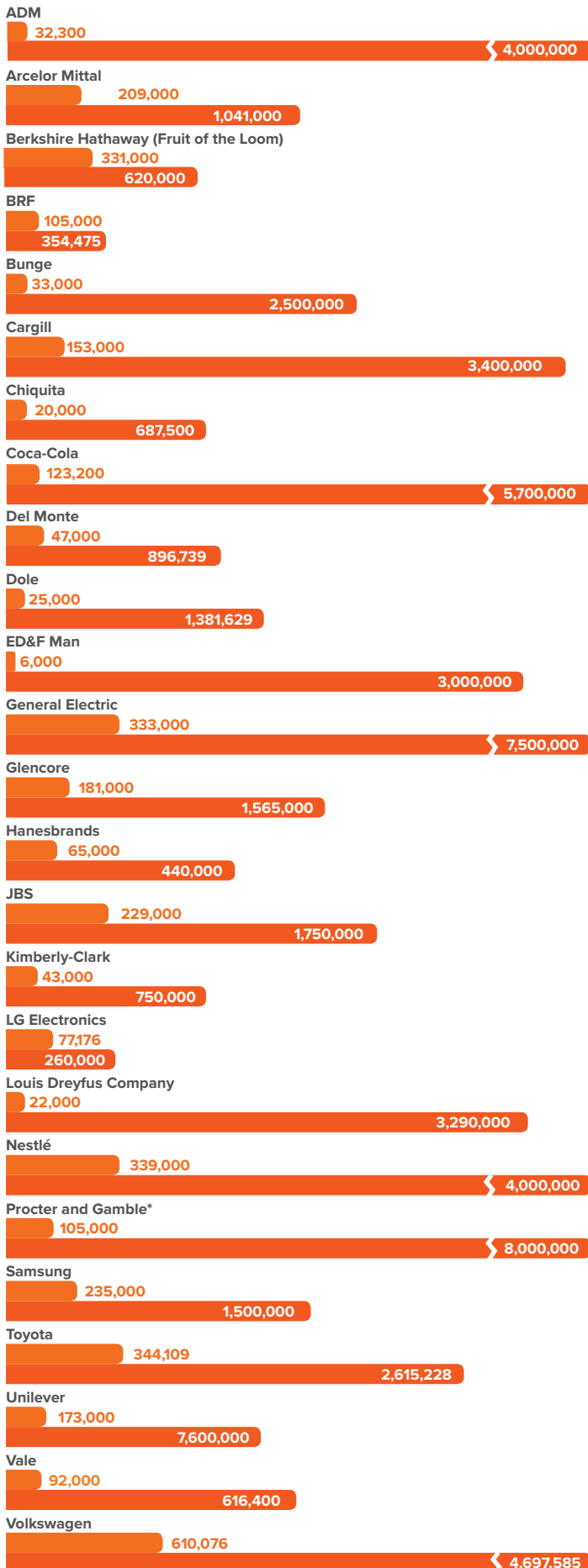


25 Companies with a Footprint in Latin America

Company	Business Sector	Sales (USD M) 2015	Employees	Supply chain workers Est	HQ Country	Region
ADM	Food producer	67702	32,300	4,000,000	USA	USA
Arcelor Mittal	Mining	63,578	209,000	1,041,000	Luxembourg	Europe
Berkshire Hathaway (Fruit of the Loom)	Conglomerate	210,821	331,000	620,000	USA	USA
BRF	Food producer	32,196	105,000	354,475	Brazil	Latin America
Bunge	Food producer	43,455	33,000	2,500,000	USA	USA
Cargill	Food producer	120,400	153,000	3,400,000	USA	USA
Chiquita	Food producer	3,090	20,000	687,500	USA	USA
Coca-Cola*	Beverages	44,294	123,200	5,700,000	USA	USA
Del Monte	Food producer	4,056	47,000	896,739	USA	USA
Dole	Food producer	4,500	25,000	1,381,629	USA	USA
ED&F Man	Commodity trader	8,190	6,000	3,000,000	Switzerland	Europe
General Electric*	General Industrials	117,386	333,000	7,500,000	USA	USA
Glencore	Mining	170,497	181,000	1,565,000	Switzerland	Europe
Hanesbrands	Personal goods	5,731	65,000	440,000	USA	USA
JBS	Food producer	45,775	229,000	1,750,000	Brazil	Latin America
Kimberly-Clark	Personal goods	18,591	43,000	750,000	USA	USA
LG Electronics	Electronic equipment	50,774	77,176	260,000	South Korea	Asia
Louis Dreyfus Empresa	Commodity trader	55,700	22,000	3,290,000	France/Netherlands	Europe
Nestlé*	Food producer	91,829	339,000	4,000,000	Switzerland	Europe
Procter and Gamble*	Personal goods	65,299	105,000	8,000,000	USA	USA
Samsung*	Electronic equipment	177,365	235,000	1,500,000	South Korea	Asia
Toyota	Automobiles and parts	254,351	344,109	2,615,228	Japan	Asia
Unilever*	Personal goods	59,739	173,000	7,600,000	UK/Netherlands	Europe
Vale	Mining	25,609	74098 (92,000 contractors included)	616,400	Brazil	Latin America
Volkswagen	Automobiles and parts	239,207	610,076	4,697,585	Germany	Europe
			3,840,861	68,165,556		

Six multi-nationals Coca-Cola, General Electric, Nestle, Procter and Gamble, Samsung, Unilever were profiled in the 2016 ITUC Scandal report of 50 multinationals with a footprint in Asia.

Estimated hidden workforce



■ Employees
■ Hidden workforce

CEO pay of companies with large supply chains

Berkshire Hathaway (Fruit of the Loom)

500,000

Chiquita

2,000,000

Arcelor Mittal

3,800,000

Toyota

6,300,000

Volkswagen

8,300,000

Del Monte

8,400,000

ADM

9,400,000

Unilever

10,400,000

Bunge

10,800,000

Hanesbrands

11,900,000

Procter and Gamble

14,400,000

Coca-Cola

14,600,000

Kimberly-Clark

15,400,000

General Electric

33,000,000

SUPPLY CHAIN PROFITS

Coca-Cola's "Gross Margin" means that after paying all their suppliers for the ingredients that go into their products like sugar and water, the company earns 60 cents for every dollar of sale.

Company	Gross Margin
Coca-Cola	61%
Nestlé	50%
Procter & Gamble	50%
Unilever	42%
Samsung	38%
Hanesbrands	37%
Kimberly Clark	36%
BRF	31%



2. Company profiles: A look inside 5 companies and their global supply chains in Brazil, Costa Rica, El Salvador and Panama

Chiquita

Business: Food producer

Products: Bananas, pineapples

Headquarters: Switzerland

Revenue (2014): \$3 billion

Country of equivalent value: Burundi

Cash holdings (2014): \$48 million

Cash returned to shareholders (2015): Private company

Company employees: 20,000

Supply chain workers: 687,500 (estimate)

CEO pay: \$2 million¹

Tax avoidance: New Brazilian owners allegedly relocated headquarters from the USA to Switzerland for fiscal reasons².

Chiquita has a longstanding presence in Central American countries – its presence predates 1897. The company was Panama's 2nd Costa Rica's 3rd agricultural exporter (25th exporter) in 2015. It also controls 22 percent of the world's trade in bananas.³

In January 2015, a venture made up of Brazil's Cutrale and Safra Groups acquired 100% of US-based Chiquita for \$1.3 billion. The company recently relocated its headquarter to Switzerland. Brazil-based Cutrale is the world's largest orange-juice producer.⁴ The company is owned by Brazilian billionaire Jose Luis Cutrale, also known as the orange king.⁵ Safra Group is headed by Joseph Safra, a Brazilian who is the world's richest banker and worth an estimated \$14.5 billion.⁶

One third of the company's banana production is produced by subsidiaries on owned farms (eg: Bocas Fruit Company in Panama and COBAL in Costa Rica) while the remainder is sourced by third parties. The company has signed an International Framework Agreement with the International union of Foodworkers and it cites that social responsibility standards are included in long-term purchase agreements with growers. However, its effective implementation under the new ownership has been uncertain: in August 2015, the Panaman banana worker union, SITRAIBANA, went on strike over new work modalities required by Chiquita's new owners. The union ultimately signed an agreement with the company after mediation from the Ministry of Labour but SITRAIBANA denounced the intimidation tactics of the company. The company allegedly fired 40 workers involved in the stoppage.⁷ In Costa Rica, a collective bargaining agreement was signed in September 2015 between Sintracobal and Chiquita after hard fought negotiations. The company tried to eliminate key clauses, including clauses relating to the recognition of the International Framework Agreement but those were safeguarded by Sintracobal.⁸



Fresh Del Monte Produce Inc.

Business: Food producer

Products: Bananas, pineapples

Headquarters: USA

Revenue (2015): \$4 billion

Country of equivalent value: Togo

Cash holdings (2014): \$25m

Cash returned to shareholders (2015): \$130.3 million

Company employees: 38,000

Supply chain workers: 897,000 (estimate)

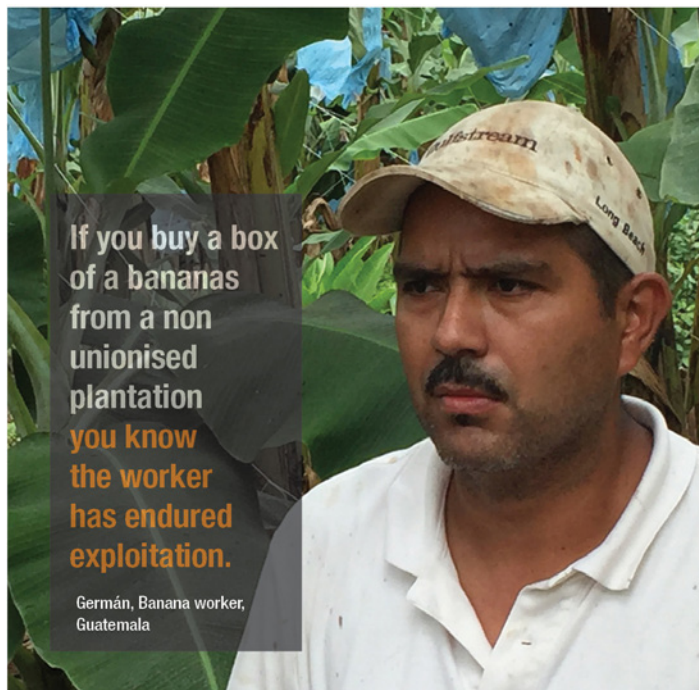
CEO pay: \$8.4m

Tax avoidance: Company's effective tax rate (average rate at which an individual or corporation is taxed) is 5%.

Fresh Del Monte Produce Inc. is the world's largest marketer of fresh pineapples and third largest marketer of bananas. The company was created in 1892 and its products are sold on the shelves of the world's largest retail outlets such as Wal-Mart, Tesco and Costco. Del Monte is the largest exporter in Costa Rica.⁹ The company's deal with the government of Panama in 2016 to reactivate banana plantations means that Del Monte will figure among the largest exporters in Panama in the coming years.

In Costa Rica, the banana industry – with Del Monte being the largest player – generates approximately 40,000 direct jobs

– approximately 6 percent of the country's employed workers – the pineapple industry generates 25,500 direct jobs¹⁰ and both industries generate more than 100,000 indirect jobs.¹¹ Del Monte has a long history of tense relations with banana plantation workers. In January 2015, when the lease contract between Del Monte and the Corporacion Bananera Nacional of Costa Rica expired, Del Monte ceased employing the 600 workers that were represented by the Sindicato de Trabajadores de la Empresa Pública y Privada (Sitepp) while it kept non Sitepp-affiliated workers on board.¹² According to the Sitepp, one day after the collective agreement expired, Del Monte created an employer controlled union to sign a new collective agreement.¹³ The Costa Rican presidency even had to step in to find employment opportunities for the workers after scale of the protests. Furthermore, in September 2016, the 3rd US Circuit Court of Appeals in Philadelphia revived six lawsuits from banana workers accusing several companies, including Del Monte, of using DBCP, a toxic pesticide that causes severe health damage such as sterility, kidney failure and birth defects. The workers were exposed to the chemical from the 1960s to the 1980s. Most uses of the DBCP were banned in 1977 in the US.¹⁴





Fruit of the Loom (Berkshire Hathaway)

- Business:** apparel manufacturer
- Products:** Fruit of the Loom, Russell Apparel
- Headquarters:** USA
- Revenue (2015):** \$210.8 billion
- Country of equivalent value:** Portugal
- Cash holdings (2015):** \$187 billion
- Cash returned to shareholders (2015):** \$1.7 billion
- Company employees:** 331,000
- Supply chain workers:** 620,000
- CEO pay:** \$500,000
- Tax avoidance:** \$10.4 billion held offshore indefinitely

Berkshire Hathaway, is led by American billionaire Warren Buffett and has a sizeable employment footprint in El Salvador. The apparel division of the company, which includes brand names such as Fruit of the Loom, Russell and Spalding, was the country's second largest industrial exporter in 2014 (\$175m)¹⁵. The company owns and operates knitting, cutting and sewing factories and factories located in El Salvador. These sites supply the North American market: approximately 41 percent of Berkshire Hathaway's apparel sales in 2015 were to Wal-Mart.

The company's decision to locate manufacturing sites in El Salvador was based on a key factor: low labour costs.¹⁶ The company employs nearly 10,000 workers and has seven suppliers in the country.¹⁷



The company's code of conduct and supplier due diligence has a number of positive features such as a recognition of freedom of association, a maximum workweek of 48 hours and health and safety committees composed which include workers at the factory level. This is backed by unannounced audits¹⁸ and corrective action plans.

FOTL factory audits conducted by the Fair Labor Association in El Salvador in 2014 found 20 violations to the FLA Workplace Code of Conduct. Violations included a lack of policy on compensation and hours of work and workers who continued to work during their breaks to reach production targets.¹⁹ Audits by the FLA continue to be problematic because of the lack of worker voice in the organisation's governance – a feature that would add to the claim of independent audits.



JBS

Business: Food producer
Products: Meat
Headquarters: Netherlands (executive offices: Brazil)
Revenue (2015): \$46 billion
Country of equivalent value: Tunisia
Cash holdings (2015): \$5 billion
Cash returned to shareholders : \$0.8 billion
Company employees: 229,000
Supply chain workers: 1,750,000 (estimate)
CEO pay: Undisclosed
Tax avoidance: Hidden

Brazil's JBS is the world's largest meatpacker, leather producer and second largest food company. Products mainly include beef, pork, poultry and processed foods with brands, such as Seara, sold in 150 countries. The company has production facilities in more than 15 countries and it relies on more than 80,000 suppliers, notably for the provision of livestock.²⁰ The company is Brazil's 5th largest exporter and it supplies the likes of McDonald's, Kentucky Fried Chicken, Wal-Mart and Sysco foods.

The company has a mixed record regarding the treatment of its workers and those of its suppliers. In 2016, the US Department of Labor fined the company after an inspection of worksites surveyed 3 serious health and safety violations.²¹ In 2015, there were

12 fatalities in the company's Brazilian operations. JBS is also subject to numerous claims by the Brazilian Ministry of Labour (MPT) for labour rights violations: in July 2016, the MPT opened an investigation for working conditions analogous to slavery based on more than 3,550 cases of work days exceeding 10 hours (14 hours work days were common)²²; in 2015, the MPT called on the company to pay R\$50 million in compensation for workplace accidents and excessive work hours at the company's Sao José dos Campos plant.²³



Worker rights' abuses are regularly reported in the company's vast supply chain. The company's due diligence processes has resulted in the termination of commercial relationship with 112 suppliers for their use of labour analogous to slavery. In April 2016, the company was ordered to pay R\$ 2m by the MPT for using contractors that utilised child labour, including during night shifts.²⁴

The company's controlling shareholders, the Batista family - via J&F Investimentos, their holding company - has been named in at least five investigations in Brazil in 2016, among which, financial crimes.

In March 2017 Brazilian police raided JBS premises in a crackdown on alleged bribery of health officials in a probe known as "Operation Weak Flesh".²⁵

Samsung Electronics

Business: Electronic goods

Products: Smartphones, tablets

Headquarters: South Korea

Revenue (2015): \$177 billion

Country of equivalent value: Romania

Cash holdings (2015): \$63 billion

Cash returned to shareholders (2015): \$7.2 billion

Company employees: 325,000

Supply chain workers: 1,500,000 (estimate)

CEO pay: \$9 million

Tax avoidance: Executives of the Samsung Group are suspected of having established paper companies in tax havens. Top-level executives at the Samsung Group are under formal investigation in 2015 over allegations of insider trading.

Samsung has the largest share in the global smartphone market.²⁷ The company accounts for a 20 percent of Korea's economy and it has a network of more than 159 subsidiaries that operate across the world.^{28,29} Samsung Electronics has the largest market value on the Korean Stock Exchange. The company's dominant role in the electronics good industry results in a significant supply chain footprint.



In Latin America, the company's largest supply chain footprint is in Brazil: it is the country's second largest importer of goods. The company's plant, the third largest in the Manaus industrial pole after LG and Honda, employs more than 2300 employees.^{30,31} The 10 thousand square meter plant is responsible for the production of tablets, smartphones and appliances.³² These goods are sold across South America.

In August 2013, the Brazilian labour ministry filed a lawsuit against Samsung, alleging dangerous and precarious working conditions imposed on employees at the Manaus manufacturing facility. Federal prosecutors alleged that Samsung was subjecting employees to the risk of disease by repetitive activity and intense pace of work on the assembly line.³³ Some of the violations reported by the Ministry of Labour included working shifts of up to 15 hours, 27 days of work without interruption, lack of seats on the production line, lack of breaks as well as harassment in the workplace in its Manaus plant. The Ministry and company settled the prosecution in December 2014. The company committed to providing 10 minute breaks every 50 minutes for production line workers, to limit work days to 12 hours and to provide compensated weekly work breaks.³⁴



3. Testimony: Wages vs Profits

ITUC Global Poll 2017

Argentina



Say it's time to rewrite the rules of the global economy.

92 percent of people agree it's time to re-write the rules to promote growth and shared prosperity.

83 percent of people want their government to put in place new rules to end abuse of workers in supply chains.

92 percent of people want their government to take a stand against corporate abuse of the rule of law.

91 percent of people say the minimum wage is not enough to live a decent life.

Brazil

Should your government take a stand against corporate abuse of the rule of law ?

94%

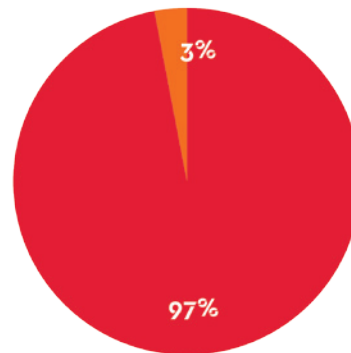
88 percent of people agree it's time to re-write the rules to promote growth and shared prosperity.

83 percent of people want their government to put in place new rules to end abuse of workers in supply chains.

94 percent of people want their government to take a stand against corporate abuse of the rule of law.

98 percent of people say the minimum wage is not enough to live a decent life.

Guatemala



With the heading 97 % of Guatemalans say the minimum wage is not enough to live a decent life.

98 percent of people agree it's time to re-write the rules to promote growth and shared prosperity.

94 percent of people want their government to put in place new rules to end abuse of workers in supply chains.

97 percent of people want their government to take a stand against corporate abuse of the rule of law.

97 percent of people say the minimum wage is not enough to live a decent life.

You either work sick or you don't go to work.

The melon seasons lasts for six months. I've been working the same six months for 25 years. We have never got holiday pay. We have never got any social security. We only get our paycheck and that's it. We buy our own gloves and shoes to work. You either work sick or you don't go to work. I get paid \$136 (3,196 Lempira) for 12 days work, we get less than the minimum wage. I walk three kilometres to get to work each day, and at least fourteen kilometres a day in the planation.

Edwina, Melon worker, Honduras



The company pay less than \$10 a day, it's below the minimum wage and not enough to cover basic needs.

Women do the hardest work on this plantation, and their jobs generate the most profits for the company. Growing a melon takes 62 days, from planting the seeds to harvest, Women do most of the work, they care for the fruit, clean it, remove the bad fruit until it's time to harvest.

You can't always see how people are treated, people keep it hidden, they don't want to talk about it because they are afraid. The company has a tight grip on them, and let them know that. If they speak out for themselves there will be problems. Everyone that works with the company lives with that fear. We won the fight with the company to get portable bathrooms for the women workers in the fields, but there is no toilet paper, people have to buy their own toilet paper.

A few days ago the government approved the minimum wage but only with pressure will the company little by little bring the wage up to the minimum wage. It's a hollow victory, a salary of \$9.50 (228 lempiras) is not enough to cover even basic needs. You have to set aside money for medicines, for school, for clothes, food, and it's very little.

Moises, Melon worker, Honduras



I've been working on the melon plantations for 28 years, with nothing to show for it.

I've been working on the melon plantations for 28 years, with nothing to show for it. We have suffered in the melon fields. If you don't have your own equipment, you don't work. We give the melons a quarter turn, Melons need to be turned three times to ripen right.

A lot of the women who have to turn the melons walk around with the fingers rubbed raw from the vines because they work without gloves. The company doesn't want people to use gloves. If we used gloves, the boss would come and say, "take it off, you can only touch the melon with your hands." They said we had to buy shoes with our own money. The boss said he could pay us all with what he made from the slice of melon. We break our backs, he has the money and we don't.

Maria, Melon worker, Honduras



There was almost nothing left for what was needed at home because it was a small salary.

It's always been hard work. They have never treated us well. We worked in the rain, if it was hot, they never put up a tarp to give us cover. They said they were going to pay us for overtime, but they never did. They don't let us drink water. They would even get mad if we went to the bathroom. We were treated worse than cattle. We used to tell the company, we need shoes, we need gloves. But the company said, "no get to work, buy shoes on pay day". If we didn't buy shoes the shoes they didn't let us work. We had to buy two pairs of shoes, because if we had a hole in our shoes, or they were torn, they wouldn't let us go like that. We used to say that we worked to buy shoes. There was almost nothing left for what was needed at home because it was a small salary. We signed a contract for six months, but we only got work for two months, and they told us there was no more work. I am a single mother with eight children. We got less than \$1.70 (40 Lempira) an hour, but we had to kill ourselves working for it. The bosses insulted us, they said we were lazy. Never, I have never backed down from work. Sometimes you have to speak the truth, and stand up for your rights.

Hilda, Melon worker, Honduras



With my wage, you can't get much between food and clothing.

I make about \$350 (8600 Lempira) a month, because I work Saturdays and Sundays. There is no overtime. You can't get much between food and clothing. Most of the time we buy what poor people buy - rice, beans, vegetables. It's the basics for anyone with no money, for someone that is poor. There are other expenses that we have to cover, and sometimes we don't have enough to cover them. Mostly for transportation. If you pay for transportation then you might not have enough left for a glass of water. Things affect you more when you're poor. The cost of basic staples never goes down, it only goes up, and that has a big effect on a small salary. If I do my job conscientiously our employer should also be conscientious. To get by, I pretty much have to work the land, or look for work in construction. What we do is till the soil and sow beans, just to survive.



Hermes, Honduras



Name	What people say about wages in Honduras	Wage per month	National Minimum Wage Per Month
María	We got less than 40 L an hour	6000	5870-10168 lempira (US\$250 - \$433)
Moisés	Melon workers get 228 L per day	5472	
Edwina	I was paid 3196 L a fortnight	6392	
Hermes	1100 L a month would be enough to live off		

Guatemala

If you buy a box of a bananas from a non unionised plantation you know the worker has endured exploitation.

Our shift starts at six in the morning. Cutting banana clusters is a fairly hard job with a lot of wear and tear, but you get used to it. The truth is, thanks to the negotiations with our union the conditions here have improved a lot. Our salary may not be what we hoped for, but it is enough to live on, to support our families. If you buy a box of a bananas from a non unionised plantation you know the worker has endured exploitation.



Germán, Banana worker, Guatemala

In those places where there is no union, they cannot defend their rights.

If we are disrespected at work here, if the boss shouts at us we go to our union leader and they take it up until the problem is resolved. In those places where there is no union, they cannot defend their rights. And the salary is not the same in non-union workplaces. I have family in the South of Guatemala, and they don't make much. My sister was paid 1000 quetzales (\$136) for working in the South, we can make 4000 quetzales (\$545) every fourteen days.

Aurelian, Banana worker, Guatemala



A union box of banana is \$7, an exploitative box of bananas is \$5

Things are different in the south of Guatemala. The workers are badly treated. Employers have told workers if they organise themselves into unions they will close the farms and fire them. Imagine leaving your house at 4:00 in the morning and returning at sixteen hours later 8:00 or 9:00 at night to make 92 quetzals (\$12.50) a day. People in Europe and the US buy bananas from a store like Walmart, Tesco or some other big supermarket but they aren't aware of the conditions under which that banana. The banana, as we say in Guatemala, reeks of blood when working conditions are not respected. Workers receive and sign a pay slip. That pay slip has the minimum wage and maybe a little more. But the pay slip that they actually keep does not have the name of the company on it, or the employer number. Just the person's salary which is less than the minimum wage. A union box of banana is \$7 where workers are paid a decent wage with good conditions, an exploitative box of bananas with pay below the minimum wage is \$5. That profit goes to the multi-nationals it doesn't stay with the people in Guatemala.

Noel, General Secretary, SITRABI



Name	What people say about wages in Guatemala	Wage per month	National Minimum Wage Per Month
Unionized banana worker	We make 4000 quetzal a fortnight.	8000	2,418 – 2,643 quetzales mensuales (308-337 USD)
Non-unionized banana worker	My sister made 1000 quetzal a fortnight.	2000	
Non-unionised banana worker	Remuneración diaria de 98 quetzales por 16 horas de trabajo,	2400	

Panama

Work at sea is not easy, it's hard. But either way, as a worker, a person and a man we have to go out and find a way to support our family.

I'm deckhand on a fishing boat off the coast of Puerto Caimito in Panama. We get up at five in the morning and head out to work at six am. It takes us four to five hours to get to the fishing area. We fish for Pro Marina directly, and they pay us depending on how many tons of fish we catch.

The salary we are looking for is a base salary of \$200 – 250 plus 0.78 cents for each ton of fish. We usually work somewhere between sixteen and thirty-six hours but we only get paid for eight hours of work a day. The \$98 base salary I currently make is not enough to support my family. School supplies are expensive, we need money for the bus, for breakfast, lunch and dinner.

Work at sea is not easy, it's hard. But either way, as a worker, a person and a man we have to go out and find a way to support our family.

Joel, Deckhand, Panama



It's dangerous work and if you have an accident they take you off the pay roll.



I work day and night in the small boat in front of the fishing boat to look for fish. My salary is about 84 cents an hour, and I have to be out on the small boat day and night. I have to scrape and scrounge to pay my children's college tuition. I've been doing this for 30 years now. We fish for six months for sardines and herrings which is processed into powdered fishmeal for cattle food. After that it's closed season for six months so the fish can reproduce. It's dangerous work and if you have an accident they take you off the pay roll. Then you have to figure out what to do. If you have saving you're good, if not you're in trouble. The company doesn't help at all.

Ariel, Fisherman, Panama

We have to work overtime even if we do not want to.

The Panama Canal Authority employs about 10,000 people in different types of job, from administrators, to line handlers, locomotive engineers, captains and sailors. The Panama Canal has its own labour law. This allows the Panama Canal Authority to implement its own laws. There are workers who are hired as temporary employees for several years and have no job stability. We have to work overtime even if we do not want to. As Tugboat Captains we are given our schedule for the week, but still have to work the overtime hours requested on top of this. So we may have to work 12 – 14 hours a day. Overtime pay doesn't get kick in until we work past 40 hours in the week.

Agustin, Tugboat Captain, Panama Canal



An accident with the equipment we work with can have catastrophic consequence for the canal.

Our job as tugboat captains is to help the safe and efficient transit of ships that cross the Panama Canal. We have long shifts, and long hours of work, and now with the expansion of the canal we have a lack of personnel. With the new canal locks we still have the same number of sailors, line handlers, tug boat captains – those numbers have not increased but the workload has. We are forced to work long hours and long shifts. It's not uncommon for the line handlers to work 16 hours straight. Before the new canal locks my shift as a tugboat captain didn't go above 9 hours, not it's not uncommon to work 14 – 16 hours in a shift. This causes stress and fatigue, an accident with the equipment we work with can have catastrophic consequence for the canal. The Canal zone is under a special labour regime, and they limit many of the ILO standards that Panama has signed up to. For example, canal workers do not have the right to strike, but nor do we get the dialogue required to make sure our rights are respected.

Ivan, Tugboat Captain, Panama Canal



We fought to get the Canal for the people, and today it's not for the people it's for the millionaires and politicians.

The canal distributes a lot of wealth to Panama. A lot of money goes to the government. Yet canal workers are on short term contracts with no stability. The lowest paid workers in the canal must at the very least have job stability. Here in Panama we fought to get the Canal for the people, and today it's not for the people it's for the millionaires and politicians. The Canal manager makes \$1000 a day, compared with the lowest wage paid worker who makes \$32 a day. We have only received a salary increase of 83 cents over the last 15 years.

Manuel, Tugboat Captain, Panama Canal



4. ITUC Global Rights Index

2017

Key findings on conditions for working people in Argentina, Brazil, Guatemala, Honduras, El Salvador, Panama, Costa Rica in the ITUC's 2017 global rights index of human and trade union rights.

Argentina

Argentina is rated in category 4 this year whereas last year it was rated in category 3, mainly due to a spike in incidents of violent repression by the state and private security forces. For example, on 15 July 2016, in the province of Jujuy, sugar workers belonging to the Sindicato de Obreros y Empleados del Azúcar del Ingenio Ledesma (SOEAIL-CTA) were brutally attacked by members of the National Gendarmerie and private security guards whilst taking part in a march within the framework of an indefinite stoppage called to press for better pay and working conditions. Over 80 workers were injured by rubber bullets and several were arrested. Furthermore, on 24 August 2016, during a dispute that had brought El Tabacal sugar mill in the province of Salta to a standstill, police used rubber bullets to put an end to a roadblock, under orders of the governor, Juan Manuel Urtubey. With harvesting at a standstill, renewed negotiations had been scheduled to take place the day before between representatives of the management and the workers. Representatives from the company failed to show, causing uproar among the sugar workers, who decided to set up a complete roadblock. Moments later, riot police decided to disperse the protesting workers. The force used was so disproportionate that 30 workers were injured in the operation.

Brazil

Brazil has moved from a rating of category 2 to a rating of category 4 in a year in which there was significant labour exploitation in the build up to the 2016 Olympic games. Brazil's labour ministry cited organisers of the Olympics over labour conditions for about 600 temporary workers brought in to repair housing for athletes. In addition, eleven people died while working on Olympic facilities or Games-related projects between January 2013 and March 2016, according to a report released by Rio de Janeiro's Regional Labour and

Employment Office. The new administration in Brazil, since August 2016, has started to carry out legislative changes which will have a severe impact on workers' rights. A bill was approved allowing for broader use of outsourced workers by private companies and government agencies. Amendments are also planned for capping pension benefits and raising the retirement age. In addition, a major shake-up of the Consolidated Labour Laws is being discussed by the administration, which could be detrimental to fundamental rights such as freedom of association and collective bargaining.

Murder of woman trade unionist and rural workers' activist

Twenty seven farm workers' federations and more than 4,000 rural workers' unions in Brazil demonstrated to express their anger at the brutal murder of Francisca das Chagas Silva, 34 years old, a rural social worker from the Mirando do Norte union, who was killed with extreme cruelty and sexual violence in the early morning of 1 February 2016, in Miranda do Norte, Maranhão. Francisca had played an active part in the Trade Union Study Group (GES Women) and other activities organised by the Rural Workers Trade Union Movement (MSTTR) in 2015. In August 2015 she took part in the "margarita march", a feminist campaigning march held every four years in Brasilia to commemorate the murder of Margarida Maria Alves, a workers' rights activist in Paraíba. The 2015 march was attended by over 100,000 women demanding a Brazil and a world based on sustainable development, democracy, justice, autonomy, equality and freedom.

Violent police intervention against iron and steel workers

A protest against the possible dismissal of 4,000 workers at an Usiminas iron and steel plant in the city of Cubatão ended in a clash with the police who fired tear gas to disperse the participants. The protest was organised by several unions and was supported by a number of political leaders in Cubatão, a coastal town in São Paulo State, to oppose the temporary closure of part of the factory by Usiminas, a major iron and steel company whose shareholders include the Argentinian group Techint.

The company called on the police to intervene claiming that the demonstrators were preventing freedom of movement. The police used tear gas and rubber bullets to disperse some 300 people gathered in front of the factory. After the clash, one person required medical attention and another was arrested by the police.

Guatemala – One of the Ten worst country for workers ITUC Global Rights Index

Guatemala retains its notorious reputation for violence against workers with further evidence in June 2016 of trade unionists being targeted through the murder of a union leader, Brenda Marleni Estrada Tambiento. The atmosphere of repression continues to be pervasive with workers vulnerable to systematic physical violence, intimidation, kidnapping and death threats, which severely undermines freedom of association. The government has failed to address the culture of impunity and the justice systems remains dysfunctional and under-resourced. Not only has the government failed to provide prompt and adequate protection to trade unionists who have received death threats but the public prosecutor has failed to effectively pursue the many historic cases of murders of trade unionists.

The ITUC condemned the assassination of trade unionist Brenda Marleni Estrada Tambiento, which took place on 19 June 2016. She was the deputy coordinator of the Legal Advice Commission of the Unión Sindical de Trabajadores de Guatemala. The trade unionist was followed on the way back from a bus station, where she had left her father, trade union leader Jorge Estrada y Estrada, who was assisting with the negotiation of collective agreements in one of the banana plantations in the department of Izabal.

Dismissals for forming union at Bimbo de Centro América S.A.

On 30 June 2016, a group of 13 workers at Bimbo de Centro América S.A. decided to organise. Less than four hours later the company dismissed them all. The company then went on to dismiss another 22 workers, on 2 and 6 July, on the pretext of “staff restructuring”. In spite of these anti-union reprisals, over 100 workers decided to relaunch the initiative and, 20 days later, presented the Labour Ministry with all the paperwork required to establish the Sindicato de Trabajadores y Trabajadoras de Bimbo de Centro América S.A. (Sitrabimbo). They also submitted a copy of the list of demands for future collective bargaining at the seven branches across the country. The company responded by firing dozens of workers on the spot at its various plants in Guatemala. On 8 September, the Second Labour and Social Security Court ordered Bimbo to reinstate 75 unfairly

dismissed workers, but the company refused to comply with the decision and continued to brandish the threat of dismissals and factory closures.

On 26 December 2016, following publication in the Official Gazette that Sitrabimbo had been listed in the Public Register of Trade Unions, Bimbo de Centro América S.A. issued a communiqué in which it recognised the trade union organisation and committed to respect the workers’ right to organise.

On 17 January 2017, however, the Second Chamber of the Labour and Social Security Appeal Court give notice of a decision made on 25 December 2016 quashing this decision and lifting the protection decreed by the Labour Court against Bimbo de Centro América S.A., leaving over 250 workers dismissed for having formed the union.

Honduras

Fyffes Union Leader Escapes Murder Attempt

On 15 April 2017, Moises Sanchez, a trade union leader for STAS, representing workers of melon plantations in Honduras, was kidnapped, beaten and threatened with death if he continued the union work. Sanchez has been demanding improvement of labour conditions for workers employed by Fyffes, a fruit multinational.

Trade union rights violations by multinational Fyffes

The Sindicato de Trabajadores de la Agroindustria y Similares (STAS) denounced the persistence, throughout 2016, of anti-union dismissals, blacklisting and death threats at the hands of the multinational Fyffes. A new case was registered on 16 February 2017 when unionised security guards were dismissed from its plantations.

In addition, the branch leaders of the union were attacked and threatened by members of the company’s private security force, in an attempt to make them leave the union. Its leaders, Nelson Núñez and Patricia Riera, received anonymous death threats. Several organisations, including Britain’s general union, GMB, have been pressing the multinational to improve working conditions at the plantations and to put an end to the systematic persecution of trade unionists.

Peasant farmers systematically persecuted by agribusiness corporation Dinant

Peasant farmers in Valle del Bajo Aguán denounced attacks, killings and abuses at the hands of the private security forces employed by the Dinant Corporation, the owner of large-scale palm oil plantations in the

north of the country. The corporation is receiving financing from the International Finance Corporation (IFC) of the World Bank, which has prompted the farmers to sue the international organisation.

The plaintiffs are seeking compensation for the murders, torture, assaults, beatings, trespassing, unjust enrichment and other acts of aggression committed by the company as part of a systematic campaign of persecution to intimidate the small farmers and force them to sign over rights to the land that Dinant wants to control.

The farmers have lodged complaints with international human rights organisations and have filed proceedings with courts in Honduras. The owner of the Dinant Corporation, Miguel Facussé Barjum, has, in addition, been accused of having links with drug trafficking organisations and allowing his property to be used as a transit point for planes carrying drugs.

Parallel trade unions, discriminatory treatment and anti-union dismissals at Azucarera del Norte S.A. (AZUNOSA)

In June 2016, the sugar producing company Azucarera del Norte S.A. (AZUNOSA), a subsidiary of the British multinational SABMiller, launched a campaign of discrimination, through its subcontractors, SURCO, ARAME and SODEMEM, against members of the Sindicato de Trabajadores de la Agroindustria y Similares (STAS).

In 2016, the company withdrew benefits from STAS members, such as bonuses and holidays, whilst leaving them in place for the workers belonging to a parallel union serving the company's interests. Although SURCO and ARAME both signed collective agreements, neither of them have complied with the terms set out therein. The workers have reported that the companies deploy the same discriminatory strategy when providing protective gear.

On 30 November 2016, SURCO unfairly dismissed several members and leaders of the STAS, including Jorge Luis Alas, secretary of agricultural and campesino affairs on the Central Executive Board of the STAS, despite him being legally protected against dismissal as a trade union leader. According to the workers, the dismissals were made in retaliation for their membership of the union.

The STAS has been trying to visit the company with an inspector for the last three years to look into the violations and systematic anti-union practices, but has been categorically denied access.

Panama

Union-busting by DHL in Panama and other countries

DHL has, for years, been pursuing a policy of labour and trade union rights violations. A report published in March 2016 by the trade unions representing DHL workers in Panamá, Colombia and Chile, following the acceptance of a complaint filed by ITF and UNI Global Union with the OECD in 2013, revealed acts of intimidation, inadequate safety standards, recurrent accidents at work, a lack of training, arbitrary management, clientelism, non-respect for fundamental rights and labour rights, insults, frame-ups and aggressive and systematic union-busting.

Strike at Minera Panamá

In October 2016, workers at the Donoso, Minera Panamá, copper mine, affiliated to the Sindicato Único de Trabajadores de la Construcción y Similares (Suntracs), staged a strike in protest at pressure from the company to alter their working conditions by increasing working hours and cutting wages and benefits. The company persisted with its refusal to allow access to the trade union leaders, who were supporting the protest. The company hired foreign workers in large numbers, establishing unequal pay and conditions, violating, in some instances, minimum levels of protection and, in others, providing them with more favourable terms than the unionised workers. The striking workers finally secured an agreement following the intervention of the Labour Ministry.

Binding arbitration award at Cervecería Nacional

On 27 April 2016, an arbitration tribunal issued a decision putting an end to the labour dispute between Cervecería Nacional S.A. (CNSA), owned by SABMiller, and the two trade unions at the company – Sindicato Industrial de Trabajadores de la Fabricación y Comercialización de Refrescos, Bebidas, Gaseosas, Cervezas, Licores y Similares (Sitrafcorebgascelis), and Sindicato de Trabajadores de la Industria Cervecera de Panamá (STICP). On 1 June 2015, the trade unions had initiated joint collective bargaining, uniting to sign a single collective agreement. The company rejected this alliance, reacting strongly to the trade unions' aspirations and refused to negotiate. Following an 18 day strike, the Labour Ministry ordered the establishment of an arbitration tribunal, which finally recognised the agreement covering the workers' main demands.

Costa Rica

A series of provisions were introduced in Costa Rica intended to increase the effectiveness of protection against anti-union discrimination. The new Act establishes a new system of evidence involving special burdens of proof for the employer when there is no agreement on certain aspects, such as the reasons for the termination of a contract. The objective is to make judicial procedures relating to acts of anti-union discrimination more expeditious and effective. Accordingly, Costa Rica has maintained a rating of category 2 in the Global Rights Index.

El Salvador

El Salvador increased its minimum wage by 102 percent – in a country where the average salary for a textile worker is US\$211 a month and the estimated monthly cost of living is \$590, this increase could make a difference to hundreds of thousands of workers.

“As El Salvador increases its minimum wage, big business increase the pressure to reduce workers gains”, Equal Times <https://www.equaltimes.org/as-el-salvador-increases-its#.WXDZR9PyuF0>

ITUC Global Rights Index 2017

Country	Ranking	Murders of Trade Unionists	2016-2017 Ranking
Argentina	4- Systemic violations of rights		Moved from 3-4
Brazil	4- Systemic violations of rights	Workers killed for trade union activities	Moved from 2-4
Costa Rica	2 – Repeated violations of rights		
El Salvador	3 – Regular violations of rights		
Guatemala	5 – No guarantee of rights	Workers killed for trade union activities	
Honduras	5 – No guarantee of rights	Workers killed for trade union activities	
Panama	4 – Systemic violations of rights		



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