



## WORKER RIGHTS CONSORTIUM

### **Case Summary: Sunman Group of Companies (Bangladesh)**

October 15, 2009

The WRC has worked with leading global apparel brands, one of Bangladesh's largest garment manufacturers, and that country's first independent garment workers' union to make significant progress in remediating freedom of association violations at the Sunman factory in Chittagong, Bangladesh.

The legal and factual issues were straightforward – in late May 2009 the factory had transferred or terminated five workers who were the founding officers of a union that the factory's workers had formed, while the union's application for registration was then pending with the Ministry of Labor – something which is explicitly prohibited under Bangladeshi labor law. The issue was particularly timely because Bangladesh recently has returned to democratic governance, after being ruled by a military-backed "caretaker" regime, under which freedom of association was significantly restricted. This case also represented the first complaint brought to the WRC by members of the Bangladesh Independent Garment Union Federation (BIGUF), the first non-politically-aligned, women-led, trade union to be established in Bangladesh's apparel sector.

Fortunately, the apparel brands that workers identified as doing business with Sunman – Phillips Van Heusen (PVH), Gap, Inc., and H&M – were ones which have records of engaging constructively with suppliers and worker rights advocates on code of conduct issues. Additionally, to its credit, Sunman's management, while initially resistant to reinstating the terminated workers, has maintained a willingness to engage in continued dialogue with the WRC to resolve the issues at hand.

From July through early September, Sunman managers and WRC representatives exchanged memoranda discussing the issues in the case and met face-to-face in multiple meetings hosted by the local office of PVH. Both WRC representatives and Sunman managers also separately communicated regarding the case with local and regional representatives of Gap and H&M. These conversations culminated in an agreement reached on September 7, which was acceptable to both Sunman and the BIGUF and makes substantial progress in resolving the issues in dispute.

Most positively, Sunman management agreed to, and has since, reinstated and provided back-pay to three of the fired worker leaders. Accordingly, these worker leaders agreed to withdraw litigation that they had pending against the company. The company already had agreed to rescind the transfer of the fourth worker, and return him to his original

position. The fifth worker leader previously had accepted severance benefits and elected not to pursue reinstatement.

While the reinstatement of the worker leaders is a key step in improving the environment for exercise of freedom of association at the factory, some significant obstacles remain. The company continues to pursue a challenge to the union's registration, despite the WRC's recommendation that it cease this effort as part of an overall settlement. In the meantime, however, the company has pledged to respect and not interfere with the union's activities at the factory while its challenge is pending.

The progress made at Sunman is, in the words of PVH Senior Vice President Marcela Manubens, "a good, positive example of dialogue, understanding, preventing conflict and finding viable solutions." It demonstrates that even disputes concerning respect for freedom of association – often viewed as the most contentious issue in labor rights monitoring – can be addressed in a non-conflictual manner if, as here, the parties involved are committed to a resolution that vindicates fundamental worker rights, and to dialogue and mutual agreement as the necessary means to that end.

Key to the result obtained here was Sunman management's willingness to recognize that achieving progress toward a resolution meant reinstating the affected workers and making them whole through back-pay – thus meeting the basic remedial requirement in such cases. The WRC will continue to monitor the situation at Sunman to ensure that the important progress the parties have made so far can be built upon and sustained.