

**To:** WRC Affiliate Colleges and Universities  
**From:** Scott Nova and Vincent DeLaurentis  
**Date:** November 25, 2019  
**Re:** Labor-management dialogue resolves issues at Thai factory

Recent developments at Thai Garment Export, a factory in Thailand supplying licensed university apparel to Cutter & Buck and Peter Millar, provide a case study in how ensuring respect for freedom of association can create a climate in which potential university code of conduct violations can be promptly addressed at the factory level, reducing the need for university or licensee intervention.

### **Initial WRC Freedom of Association Intervention (2006-2007)**

The WRC first engaged with Thai Garment Export, which is owned by the Hong Kong-based manufacturer TAL Group, in 2006. That year, the WRC received a complaint from workers alleging that factory management had (1) engaged in retaliatory behavior, including firings, against workers who exercised their associational rights and (2) failed to provide proper accommodation to pregnant workers, as required by Thai law. Following an investigation of the factory, the WRC concluded that the evidence corroborated worker complaints and released a report detailing findings in December 2007.<sup>1</sup>

Before publishing this report, the WRC engaged with factory management to ensure a return to compliance with university codes of conduct. To their credit, factory management fully implemented the WRC's recommendations and, in addition, took the initiative to implement a labor rights training curriculum for all lower and mid-level managers at the factory. This training played a key role in the development of a positive relationship between factory management and the workers' newly-formed union.

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<sup>1</sup> See, "WRC Assessment re Thai Garment Export (Thailand: Findings, Recommendations, and Status Report," December 21, 2007, [https://www.workersrights.org/wp-content/uploads/2019/08/Thai\\_Garment\\_Export\\_Report\\_12-21-07.pdf](https://www.workersrights.org/wp-content/uploads/2019/08/Thai_Garment_Export_Report_12-21-07.pdf).

## **Productive Labor-Management Engagement (2018-2019)**

The long-term impact of this engagement has been evident in four recent instances in which workers were able to proactively address problems they faced at Thai Garment Export. The WRC has not investigated or reached findings regarding the incidents below; in each case, the workers and their union reported the issue to the WRC but were able to resolve the issues directly instead of formally requesting a WRC investigation.

The fact that workers were able to raise their concerns and that management responded by addressing the issues in a collaborative fashion, rather than with the retaliation that is all too common in the garment industry, is notable. Workers reported that they were able to resolve these issues with factory management to mutual satisfaction and ensure the protection of workers' rights under law. These individual cases therefore did not require the intervention of the WRC, licensees, or universities. The developments at Thai Garment Export are demonstrative of the important role that mature labor-management relations grounded in respect for workers' fundamental right to freedom of association can play in achieving sustainable compliance with university codes over time.

The four instances of issues being resolved through direct dialogue are as follows.

### *1. Worker Injury in August 2018*

On August 21, 2018, workers report, a Burmese worker in the dipping department of the factory severely burned her hand operating a machine during her shift. Due to the severity of the burn, she required a surgery that involved removing skin from her hip and grafting it onto the damaged part of her hand.

One of the injured worker's coworkers, who is a leader in the factory union, reported to the WRC that workers felt that the company's initial response to the injury was inadequate. The workers, through their union, took their concerns to management. The company then began working to ensure that the worker received compensation through the Workmen's Compensation Fund.

In November 2018, the worker returned to the factory. She no longer works with the machine that caused her injury.

### *2. Worker Injury in January 2019*

On January 12, 2019, workers report, a worker at the factory was injured during her lunch break. After eating lunch, she had sat on the floor near her workstation to rest before resuming work.

Her back hit a fire extinguisher, which fell on top of her, severing one toe and a portion of a second toe.

After the accident, the workplace Committee on Occupational Health and Safety, which was comprised of five union members, ensured that the worker received proper treatment and helped her to navigate the compensation process. In addition, the Committee interviewed the worker to corroborate claims made by the factory in its own investigation of the incident.

The worker was able to return to work in April 2019. The union and factory management worked together to ensure she received proper compensation from the Workmen's Compensation Fund, which was ultimately paid in June 2019. The worker received approximately 70,000 Baht, or more than US\$2,000.

### *3. Migrant Worker Access to Child Allowance Benefits*

In early February 2019, a Burmese worker approached the union with a complaint concerning access to a financial child allowance benefit provided by the Social Security Office, which is under the Thai Ministry of Labor.<sup>2</sup> While the worker had been able to access the funds in 2018, the Social Security Office denied her reapplication in 2019. This prevented the worker from continuing to access a 600 Baht (US\$19.50) per month benefit that she relied on to support her family. This benefit corresponds to almost two days of wages per month, and thus was not insignificant for the worker.

In response to the discontinuation of the worker's payments, the union sent a letter to the Social Security Office to inquire about the worker's denied application. After receiving the letter, representatives of the Social Security Office went to Thai Garment Export to meet with the worker, factory management, and the union. As a result, the Social Security Office restored the worker's access to Child Allowance Benefits.

### *4. Addressing Possible Pregnancy Discrimination*

In late March 2019, according to worker testimony, a worker approached the union with a pregnancy discrimination complaint. She had begun employment at Thai Garment Export on February 11 and was still in her probationary period when, one month later, on March 11, she found out she was pregnant. On the following day, she informed her supervisor of her condition. Less than two weeks later, she was told by her supervisor that she had not passed her probation

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<sup>2</sup> See, Social Security Office, "history." available at [https://www.sso.go.th/wpr/main/general/%E0%B8%9B%E0%B8%A3%E0%B8%B0%E0%B8%A7%E0%B8%B1%E0%B8%95%E0%B8%B4%E0%B8%AA%E0%B8%B3%E0%B8%99%E0%B8%B1%E0%B8%81%E0%B8%87%E0%B8%B2%E0%B8%99%E0%B8%9B%E0%B8%A3%E0%B8%B0%E0%B8%81%E0%B8%B1%E0%B8%99%E0%B8%AA%E0%B8%B1%E0%B8%87%E0%B8%84%E0%B8%A1\\_singleview\\_detail\\_1\\_22\\_0/1\\_1](https://www.sso.go.th/wpr/main/general/%E0%B8%9B%E0%B8%A3%E0%B8%B0%E0%B8%A7%E0%B8%B1%E0%B8%95%E0%B8%B4%E0%B8%AA%E0%B8%B3%E0%B8%99%E0%B8%B1%E0%B8%81%E0%B8%87%E0%B8%B2%E0%B8%99%E0%B8%9B%E0%B8%A3%E0%B8%B0%E0%B8%81%E0%B8%B1%E0%B8%99%E0%B8%AA%E0%B8%B1%E0%B8%87%E0%B8%84%E0%B8%A1_singleview_detail_1_22_0/1_1)

and on March 29, she was called to meet a member of the human resources staff, who told her to sign a resignation letter that stated that her last working day would be April 25. This was unusual, as the worker had completed less than half of her probationary period and was forced to resign rather than being dismissed.

The fact that this unusual constructive termination occurred after the worker informed factory personnel of her pregnancy caused the union to be concerned that the dismissal was due to her pregnancy and thus violated Thai law. The union proceeded to represent the worker through a series of labor-management discussions, which resulted in management providing a written confirmation on April 19, 2019, that the worker would be able to continue her employment at Thai Garment Export.

## **Conclusion**

In each of these cases, workers' confidence that they could raise concerns with management without retaliation, and management's willingness to hear and address workers' concerns, resulted in prompt remedies for workers in vulnerable positions. Whether the perceived problem arose from a third party (such as the Social Security Office) or from the dynamic between management and the workers, the workers and factory management were able to find a solution without the need for escalation or disruption.

This positive dynamic arose from workers' courage in forming their union, from the WRC's intervention, and from factory management's decision to respect freedom of association and provide rights training to managers.