

Case Study: Freedom of Association A Positive Result in Haiti

Levi Strauss & Co. (LS&CO.) strongly supports a worker's right to freedom of association and our Terms of Engagement (TOE) require suppliers to respect this fundamental right. Failure to respect or recognize a worker's right to freely associate is a zero-tolerance violation under TOE. This means that a contractor who fails to meet our Freedom of Association TOE requirement may face business consequences such as reduced orders or full disengagement unless they act swiftly to correct the violation

LS&CO. began production at a facility in Ouanaminthe, Haiti in July 2003. In March 2004, LS&CO. was notified by workers' rights nongovernmental organizations that 31 workers had been allegedly discharged for attempting to form a union. LS&CO. investigated, found the allegations to have merit, and worked with factory management, the Worker Rights Consortium (WRC) and the International Finance Corporation (IFC – funder of the Ouanaminthe Free Trade Zone project) to address the TOE violation. The workers were reinstated in April 2004.

After the workers' reinstatement, NGOs continued to make allegations of rights violations while factory management claimed that workers were violating company policies. During this period, productivity declined. The factory could not fulfill LS&CO. production orders and as a result, we reduced orders to a level that the factory could meet. Factory management laid off approximately 250 employees while it focused on rebuilding productivity.

The layoffs and the initial labor dispute attracted widespread attention and criticism of both factory management and LS&CO. from labor and human rights organizations.

LS&CO. maintained its commitment to the factory, but made it clear that continued business would be contingent on the facility's efforts to comply with our TOE. We also challenged the NGOs and IFC to work with factory management to find solutions for compliance with the TOE – emphasizing freedom of association provisions.

To further demonstrate our commitment to the community, the Levi Strauss Foundation financed the launch of a local branch of an international micro-lending program that helps women start small businesses and develop stable incomes for themselves and their families.

By February, 2005, factory management and the newly-formed union had come to an agreement. Factory management recognized the workers' group as a union and the union agreed to abide by the rules put in place by management. Productivity at the factory improved, allowing LS&CO. to increase orders and enabling the factory to attract additional customers and rehire workers.

In December 2005, the union and factory management concluded negotiations for the first freely negotiated collective bargaining agreement in Haiti outside of Port-au-Prince. The agreement went into effect in January 2006.

