

## **FLA-WRC Joint Statement on the Severance Process at BJ&B**

The FLA and the WRC both attended the meeting in Santo Domingo on May 8 and 9 concerning the closure of BJ&B. The meeting was organized by the International Textile, Garment and Leather Workers' Federation and chaired by its General Secretary, Neil Kearney. Also present were representatives of BJ&B, of the BJ&B union (13 of the 16 members of the Executive Committee), of the union's parent confederation—Fedotrazonas, and of Nike. The agenda for the meeting consisted of five points: (1) background of the closure; (2) closure process; (3) prospects for re-opening the BJ&B facility; (4) stabilizing the garment industry in the Dominican Republic; and (5) handling closures.

While the FLA and the WRC do not agree on all aspects of the issues surrounding the closure, both organizations were able to gather significant additional information through the meeting and have decided to issue the following joint statement and recommendations concerning the question of severance for the BJ&B workforce.

- 1) There were significant flaws in the severance process at BJ&B and the process fell well short of best industrial relations practices in the industry.
- 2) A collective negotiation over severance for the BJ&B workforce did not take place; there were severance negotiations between management and the union, but they applied solely to union leaders and pregnant workers.
- 3) Management also did not give advance notice to the union and workers, or engage in a process of consultation with the union, something that is required by ILO and OECD guidelines, and is recommended by the FLA Guidelines of Good Practice and by the WRC.
- 4) Consistent with ILO and OECD policy guidance, it would be appropriate for the customers of BJ&B, and of its parent company, Yupoong, to strongly encourage the company to take the following steps:
  - A) Promptly review severance payments to ensure that they were properly computed in accordance with Dominican law and correct any errors.
  - B) Enter into a dialogue with the BJ&B union, and its parent federation, as soon as possible to reexamine the overall severance package of workers. Both organizations believe that collective bargaining is the proper framework for conducting this dialogue.
- 5) We are hopeful that such a process will take place and that it will redress some of the flaws associated with the closure and result in additional benefits for the BJ&B workforce.

Questions or comments concerning this statement and recommendation may be directed to either organization.

As evident from the agenda, a number of other issues were discussed at the meeting in Santo Domingo. This joint statement does not preclude either organization from issuing its own statements, findings and recommendations in these other areas.