

Verité Works: reports and reflections on the global workplace

VERITÉ



Advancing Women's Rights and
Social Responsibility:
Capacity Building in Mexico

Verité engages with governments, corporations, investors, factories, civil society organizations, and workers in more than 60 countries to make systemic changes in the workplace and to support human rights and labor standards through training and education for all stakeholders.

Verité Works aims to contribute to the discussion around best practices and approaches for ensuring that people everywhere work under safe, fair, and legal conditions. In this, the second of an ongoing series of reports and updates, we focus on a grassroots effort to improve the working lives of women in Mexico by building capacity among a range of local stakeholders, particularly nongovernmental organizations (NGOs), to concretely and collaboratively support sustainable practices. The program is an outgrowth of Verité's Advancing Women Initiative, launched in 2006, to illuminate workplace dangers and abuses that women face and to advocate solutions through research, education, and training. We are engaging governments, multinational corporations, factory managers, investors, trade unions, and workers. With our Mexico project we aimed to plant the seeds for large-scale change that will reduce women workers' vulnerability to hazards and exploitation.

Advancing Women's Rights and Social Responsibility: Capacity Building in Mexico

In this issue of Verité Works we share experiences from a multi-stakeholder capacity building effort in support of women's rights in Mexico. Our program demonstrates that workplace rights can be better protected by collaborative efforts that involve workers, their factories, global brands, and local NGOs. Long-term gains will require the expansion of mutual respect, dialogue, and commitment among these and other critical stakeholders. Tackling obstacles to understanding and collaboration between these key actors in as complex a context as the Mexican *maquilas* is essential for "supplier ownership" to lead to sustainable business practices. Our report reflects on pathways to scaling gains.

The Need

Women make up 70 percent of the world's poor. In Mexico, most women live in poverty, with a large portion living in severe poverty. Violence at home is common, and so is violence in the workplace.

Worldwide, women account for over 85 percent of the workers in the apparel and footwear sectors. While such factory work can offer women an avenue by which to escape poverty, its practical benefits are severely limited by lack of respect for their workplace rights. Verité has found that women's low level of awareness about their rights in the workplace, the strain of unsafe and illegal working conditions (including sexual harassment and other kinds of harassment), chronically low salaries, and inability to calculate wages and expenses to save money, keep them from breaking out of poverty.

Maquiladoras, foreign-owned assembly plants with low-tariff benefits, have been a key element for the Mexican government's export-led economic development strategy. These thousands of plants employ over a million workers, the majority of them young women

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More than 4,500 *maquiladoras* employ some 1.3 million workers, 75 percent of them young women between the ages of 16 and 24.

between the ages of 16 and 24. Many of these women migrate from other states or from impoverished rural areas to work in the factories. Being far from their homes and social networks, they are particularly vulnerable to exploitation both inside and outside the factory walls. Hundreds of women working in the *maquiladoras*, for example, have been murdered on their way home from work.

Compounding the pressure on these workers, jobs at the *maquilas* are highly unstable. The intensity of international competition has created enormous pressure on the factories to reduce costs and increase productivity. The business and

employment environment is one of continual openings, closings, sales, and mergers of companies, and job insecurity for workers often translates to having to endure dangerous and illegal conditions.

Verité's social monitoring in Mexico's *maquiladoras* over the past ten years has consistently revealed critical labor and human rights abuses including child labor, gender discrimination, illegal restrictions on freedom of association, inadequate health and safety protections, excessive working hours, and underpayment of wages. Verité's most recent audits in Mexico found:

- **Women are forced to work extensive overtime** or risk losing their jobs. In violation of Mexican labor law and international labor standards, they often work more than 12 hours in a day with no breaks and no additional overtime pay. Besides the danger to their own health, their children are at risk as a large percentage of these workers are single mothers without access to reliable childcare.
- **Pregnancy-related discrimination in factories** is common. Women are often asked about their pregnancy status or required to take a pregnancy test when they apply for a job, are commonly transferred on returning from maternity leave to lower-paid jobs, and are generally denied ergonomic accommodations if they are working while pregnant.
- **Violations of health and safety regulations** are widespread and inspections are infrequent. In many factories workers do not have access to personal protective equipment or lack the training to use such equipment properly.
- **Sexual harassment up to and including sexual assault** is a grave problem in Mexico. Our auditors found numerous cases of unwanted touching, threats, and sexual assault. The National Institute for Women (INMUJERES) reports that 46 percent (15 million) of women employed in the formal economy suffer from some type of sexual harassment; approximately 25 percent of these women are subsequently dismissed from their jobs and 40 percent are forced to quit. INMUJERES reported that in 2007, approximately half of all women, especially those between the ages of 23 and 42, suffered from some type of workplace harassment.
- **Women exhibit very low self-confidence** due to conflicts in the workplace and widespread culturally-ingrained beliefs that they are inferior to men.



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1 Instituto Nacional de las Mujeres Mexico (INMUJERES). Comunicado de Prensa, October 2004.

2 *Agencias de Noticias*. "Sufre acoso sexual 1 de cada 2 mujeres en México." May 2, 2007. <http://www.todito.com/paginas/noticias/Salud/215588.html#>.

The Model – Verité's Approach

In response to this need, we designed a program to embed corporate social responsibility (CSR) into employment practices, for the benefit of women workers and the businesses that employ them. Our approach was to build bridges of communication, mutual understanding, and trust among workers, the local NGOs that serve them, and factories.

Key components included:

- Training to empower women workers by giving them knowledge and skills related to their rights and labor law, sexual harassment, wellness and reproductive health, and financial self-sufficiency.
- Consultations with factory managers to improve their management capacity to address women's rights issues specifically and workers' rights in general.
- Engagement with local NGOs designed to enhance their capacity to advocate effectively for women's rights in the workplace over the long term.

There was an especially strong, mutual mistrust between factory managers and labor rights NGOs at the outset. On the one hand, managers were fearful that NGOs would advance an agenda that would lead to worker unrest. On the other, the NGOs shared a belief that mediation or negotiation with management was hopeless because of what was perceived as a clear conflict of interest. NGOs also feared that workers who shared information about poor factory conditions would suffer retaliation from their employers.

Verité's program combined needs

assessment, training, coaching, and mediation aimed at building trust, awareness, buy-in, and practical skills among the groups. We saw important changes in outlook, practices, and behaviors among all the participants. With Verité's facilitation, the factory managers were able to understand how gaps in factory human resources management systems lead to code of conduct violations, and to take steps to concretely address problems. Improvements included the development of anti-harassment policies, strengthening of grievance procedures, and systematic follow-up of worker complaints.

Workers developed an understanding of legal standards relating to their rights and saw concrete changes on the shop floor. In the words of one worker: "Since you came last time, they are not forcing us to do involuntary overtime."

In the course of the program, participating NGOs expressed new understanding of the potential for cooperative engagement with factories in conflict resolution, objective assessment of working conditions as professional auditors, and training. At the end of an in-factory management workshop, one NGO partner commented on the openness of the

dialogue that she "would not have believed it if she had not participated in the process."

Another participant said recently that since the NGO training, he had come to embrace the value of "wearing the other person's shoes, understanding where they were coming from" and that "giving up in order to gain more was always in [his] mind."



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Context and Challenges for CSR in Mexico

Training programs that aim to build responsible workplaces in Mexico must take into account several specific cultural, business, and political challenges that Verité faced, including those described below.

Mistrust of NGOs

This program was conceived and launched in a context where factories have widespread and deep mistrust of NGOs and fear that an organized workforce will lead to unrest. Verité had difficulty recruiting factories for the program, because factories said that NGOs are seen as 'aggressive' and politicized, and training of workers would lead to the organization of trade unions. One factory pointed to the experience of a nearby company, which reportedly participated in a worker training program that resulted in the formation of an independent union.

Factory Buy-in

Factories see little reason to participate in 'social responsibility' initiatives. Factory managers only weakly – if at all – perceive benefits from integrating social responsibility into business functions. This is especially true among those suffering the effects of 'manufacturing flight' to Asia.

In almost all cases, a factory's participation was secured only through the encouragement of its customer, an international brand. Even though the training costs were sponsored by foundation and corporate support, factories with low production volume or weak commitment on the part of the brand customer did not find a business case for participating. In two instances, factories withdrew their participation after the brand that had urged them to join the project stopped placing production orders. For factories not averse to training per se, most were

initially resistant to scheduling sessions during working hours, especially during an economic downturn and in the absence of a perceived link between CSR training and long-term productivity.

Significant advance groundwork was required in all cases to allay concerns about the risk of conducting the trainings and to shift mindsets to view the trainings as an opportunity for enhanced competitiveness, production efficiencies, and greater workforce stability.

Access to Workers

Winning support for on-site training during working hours was seen as critical if workers were to be involved, given their long shifts, irregular production schedules, and family responsibilities. This was particularly the case for women who are heads of households. With the support of multinational brands, training schedules that facilitated worker participation were eventually approved. However, in most cases the time allotted for these sessions remained limited.

Role of Mexican NGOs

In Verité's experience, compared to other working populations in Latin America, Mexican workers are

generally more aware of their rights. However, the enforcement mechanisms of the legal system and poorly-resourced Ministry of Labor are notoriously weak. This vacuum is exacerbated by the complicated role of the unions. Workers' ability to advocate for themselves is undermined by the presence of controversial "white unions" (company-controlled unions) and constraints on organizing independent unions, including many factories' willingness to close rather than accept the establishment of an independent union. Mexico is widely seen as needing to undergo a profound transformative process before the role of unions is properly fulfilled.

In the absence of these traditional institutional protections, there is clearly a role for Mexican NGOs to mediate, bridge communication gaps, and provide capacity-building support to stakeholders. Currently, though, labor NGOs in Mexico are widely perceived by factory owners and managers as radical and combative. NGOs themselves are intensively focused on the wellbeing of workers, historically viewing direct negotiation with management as limited in effectiveness at best, and impossible

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at worst. In Verité's experience, grassroots NGOs often lack an appreciation for the challenges managers and business owners face in a global economy at both the macro-economic and production levels.

Verité designed an awareness- and skills-building program to bridge the gap of understanding between these stakeholders. Our dual intent was to enhance factories' ability to resolve their labor issues and to clear the way for local NGOs to serve as an ongoing resource for supporting a CSR agenda collaboratively after the project concluded.

The trainers introduced strategies that led them to appreciate that they could achieve their objectives through horizontal relationships, based on team work and collaboration.



Pathway to Sustained Change

Sustained improvements for workers require participation from the full range of workplace stakeholders. Training is an important part of building the skills needed to enable communication and to facilitate implementation of socially responsible policies and practices. Several factors determine whether training can be successful.

The relationship between the supplier and its corporate clients significantly affected the chances for success of our interventions with the factories, especially in regard to worker training. It is always hard to build and promote transparency and commitment from suppliers - in any country - without transparency and commitment from brands.

Suppliers lack incentives to invest in potentially costly improvements. Managers feel frustrated if they are asked to make these improvements without being able to count on a financially sustainable relationship with customers, and are especially de-motivated if instead of being rewarded for improving CSR performance by a longer-term commitment, a brand client reduces or removes production. Managers see little benefit in being transparent, and workers - who know that changes are more difficult to implement without the pressure of a committed international brand - feel vulnerable reporting compliance problems.

On the other hand, it is critically important for suppliers to understand a brand's need to remain competitive in the global marketplace, and what that means for its business relationships with its vendors. Verité's training emphasized that CSR is not a short-lived trend. Rather, if facilities want to remain competitive in a global market, they will benefit by embracing CSR independently of their relationships with individual customers. Suppliers need to look for the business sense of building a positive workplace, by strengthening management systems, and building CSR understanding and skills among owners, managers, supervisors, and workers. External stakeholders, including brands and regulators, need to support incentives for suppliers to own CSR outcomes.

The Advancing Women Initiative Mexico program, which was supported by the Levi Strauss Foundation, General Services Foundation, and several global brands, succeeded in equipping participating factory managers, supervisors, workers, and NGOs with tools and knowledge to improve workplace conditions, especially for women workers. Participating factories reported benefits from capacity-building training, saw the impact of improved communication between management and workers, developed a more nuanced view of the role of NGOs and opportunities for collaborating with some of them, and

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requested additional follow-on training. Workers were empowered to advocate for themselves with a clearer understanding of their rights and responsibilities. Supporting brands reported concrete improvements on the factory floor. Participating NGOs expressed keen interest in entering the CSR space that encompasses collaborative capacity building on workers' rights, global supply chain challenges and solutions, and social auditing.

To build on the initial successes of the model, the scale of the program needs to be expanded to include additional activities and involve more factories, workers, grassroots groups, as well as multinational brand and government actors.

Verité's recommendations include:

- With true "vendor ownership" of CSR still more ideal than reality - especially in a difficult economy - top down, brand-driven commitment to CSR standards remains an essential engine to the wide-scale adoption of good CSR practices. Brands must take responsibility for ensuring their suppliers understand the potential of good relations with NGOs and worker groups, and should actively support follow-on programs like those described here.
 - Workers have a vital, practical role to play in building and maintaining healthy CSR systems in factories. Funding must be made available by brands or donors to demonstrate and scale worker and NGO training in Mexico. Additional curricula should be introduced that provide examples and pathways for more directly engaging workers in an assessment, feedback, and other collaborative capacity. Online learning programs should be explored to provide relatively easy and inexpensive access by large numbers of workers to key knowledge and skills.
 - The Mexican NGOs involved in this project all expressed a strong desire for more training and the development of strategies for interacting effectively with all stakeholders to improve working conditions and workers' lives. Funding is needed for convening an NGO practitioners network that would reinforce this perspective and provide momentum for ramping up grassroots organizations to work effectively in this space.
- The NGOs also expressed an interest in developing competencies for social auditing specifically. Verité recommends foundation, public, and business support for additional knowledge and technical skills training that will enable NGOs to participate more concretely in assessments of working conditions.
 - Factory managers would clearly benefit from a deeper understanding of the importance, feasibility, and how-to of integrating CSR systems to maintain competitiveness and improve functioning and CSR performance in the workplace. Brands, buyers, and suppliers themselves must provide incentives or direct funding to support this investment in capability expansion. Incentives can include increased transparency in the client relationship, longer-term business commitments, larger orders, and other financial rewards.
 - While brands will continue to have an important role in driving social responsibility, especially for worker training, the "mainstreaming" of CSR standards into normal business practices in Mexico will ultimately need to derive from the business case – that socially responsible enterprises can not only survive but thrive. The Mexican private sector, trade associations, and government should sponsor forums for the sharing of case studies, strategies, innovations, and lessons learned, to help build awareness nationally and across industries for the business case for CSR.



The benefits of multi-stakeholder, collaborative, and transparent efforts to improve workplace conditions are clear. What is needed is a broad-based commitment from all stakeholder groups to grasp the opportunities that exist, which can lead to real ownership by all parties.

Curriculum

Worker Sessions

Approximately 450 workers attended the workshops. Each session included foundational concepts on CSR standards, labor law, and strategies for helping to build a positive workplace environment. A second session was designed based on the assessed needs of the facility. Throughout the training workers identified and discussed examples of noncompliance with international and legal standards.

Worker Training Modules

- Corporate Social Responsibility & Labor Rights (foundational session)
- Federal Labor Law and Workers' Rights
- Basic Communication/Conflict/Stress Management
- Conflict Resolution/Support Groups/Grievance
- Discrimination Against Women and Women's Rights
- Women's Health and Safety
- Management of the Household Economy

Overall, the workers received the workshops positively. They were engaged, expressed interest in, and appreciated the content, especially information directly related to their rights as workers.

Typical questions from participants included:

"Are you sure they need to pay us all OT hours? Because when we don't finish the production quota they ask us to stay, but they pay us only if we reach the quota. The quotas are very high, we almost never reach them."

Management & Supervisor Sessions

The program trained over 150 management and supervisory staff on integrating Social Compliance Management Systems (SCMS) into existing business policies and practices as well ways to support workplace rights for women throughout the

employment lifecycle. The sessions focused especially on how to implement more transparency in grievance and disciplinary procedures, and how to achieve more effective communication between management and workers. These can lead to a more positive working environment and ultimately to greater productivity.

The core curriculum that emerged focused on workers' rights and responsibilities, communication strategies, and tools for conflict resolution as components for building a positive workplace. With adjustments for each facility's actual experience, the modules focused on systems failures in the employment life cycle that result in outcomes to which women are especially vulnerable, including discrimination and health and safety hazards.

The management sessions typically began with the business case for adopting CSR standards. The goal of this module was to help management develop an understanding of both the short and the long term benefits of strong CSR performance and an appreciation of how embedding CSR into existing systems can create and sustain a more positive and productive working

"Supervisors always push hard - almost force us to stay for overtime. I thought they had the right to do it. Are you saying that all overtime should be voluntary?"

The other topic of particular interest was discrimination against women and women's rights. Workers shared with trainers that they had never thought about harassment as a real problem and that they tended to "normalize" the various kinds of harassment they experienced, including sexual harassment. One worker said that she thought that being sexually harassed by both her supervisors and her peers was "just part of being a female working at the *maquila*."

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environment. The team focused on the need for fundamentally strengthening management systems rather than a short-term “fix” as is often adopted to pass an audit.

Another thrust of the session was to make the case that adopting CSR principles was important for remaining competitive in the global economy. Management staff shared that it was useful for them to understand the big picture and to see that in the highly competitive global economy even their multinational clients were challenged. They also gained understanding of the reasons why some brands were requiring social improvements, which they had seen as unfair. In the words of one manager: “At the beginning, only quality and price mattered.”

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Verité designed customized sessions that were relevant to current management issues in each facility. Verité conducted on-site needs assessments and discussed the objectives and content of the curriculum with the factory management and the supporting brand. The modules included a focus on addressing specific women’s rights issues. The facilitators introduced such topics as equal employment opportunity and how common practices, such as categorization of “male” and “female” jobs, were discriminatory. Participants were sensitized to the spectrum of harassment, and especially how sexual harassment, even in its subtle forms, impacted female workers’ performance.

The trainers rooted theory in actionable practical issues gathered from workers, as well as their own observations of conditions during the factory visits. Depending on the openness of management, the team either provided practical coaching on strategies to solve the main issues identified or engaged in informal mediation between management and workers to air and address grievances and to seek practical and cost-effective solutions.

Workshops for supervisors demonstrated how using CSR principles to achieve a healthier working environment could make their factories function more effectively. The training strategy with supervisors – who are typically blamed for both

production and harassment and other HR problems – was first to emphasize the importance of their role and to acknowledge the challenges they needed to manage on a daily basis. The facilitators then worked to shift the standard view of a factory being governed only by vertical, hierarchical relationships. With the greatest concern of supervisors’ being the loss of control, the trainers introduced innovative communication and negotiation strategies, and led the supervisors to appreciate that with these they could achieve their objectives through horizontal relationships based on team work and collaboration.

Factory Management Training Sessions

- The Business Case of SR and the Benefits of a Positive Working Environment
- Management Systems and SR
- A Working Environment Free of Harassment and Abuse
- SR and the Role of the Supervisor
- Supervision and Leadership
- Discrimination Against Women, and Women’s Rights
- Grievance Procedures
- Women’s Health and Safety
- Health and Safety and Women’s Well-Being

Factory Supervisor Training Sessions

- SR and the Role of the Supervisor
- Supervision and Leadership
- Grievance Procedures
- Women’s Health and Safety
- Conflict Resolution



Engagement with Mexican NGOs

Verité has worked in collaboration with *Mujeres Trabajadoras Unidas A.C. (MUTUAC-MAS)*, a Mexico City-based nonprofit founded in 1984 by a group of women trade unionists, feminists and academics, with the aim of supporting and promoting the rights and organization of working women through legal aid and psychological counseling to improve their everyday lives. Together we identified 16 Mexican NGOs that have been working on locally focused labor issues but not in the context of CSR in the global supply chain. Nine groups ultimately were able to participate.

The program involved them at two levels: first a working partnership was formed with MUTUAC and one other NGO to introduce technical engagement and training models for factory workers and managers. The second activity was a two-day worker's rights practitioners' workshop focused on CSR in the global supply chain, negotiation and mediation, and building a foundation for future steps.

NGO Partnerships in Factory Trainings

MUTUAC partnered with Verité on the development and delivery of a series of worker training sessions and participated in the delivery of sessions that Verité developed for managers and supervisors. The program strategy was to engage at least one NGO in a training partnership that would encompass module development through on-site workshop delivery. Two key objectives were to expand the local partner's factory-based training capacity – with a focus on communication and mediation - and to raise its profile as a future resource for both management and workers on CSR issues.

The worker-focused curriculum developed by Verité and MUTUAC reflected the Mexican NGO's in-depth understanding of worker needs, local practices, and nuances of the legal, social, and cultural context. Verité contributed broader perspectives on sustainability, and its expertise building CSR capacity in the supply chain and facilitating cooperation between often oppositional stakeholders, including buyers, suppliers, factory management, supervisors, workers, and their advocates.

Representatives from the NGO *Colectivo Raiz* also participated in the training program in Aguascalientes, attending as observers to gain a better understanding of the application of CSR principles and systems to improving working conditions. The observers had never worked with supervisors and reported that the experience enriched their understanding of the underlying issues that trigger harassment and other communication and system breakdowns, and raised their interest in building their capacity for CSR training for managers.

NGO Workshop

The two-day NGO capacity building workshop, held in Mexico

City in August 2008, was designed for NGOs that engaged directly with workers and had significant background in labor and human rights, but had less experience in the field of social compliance and CSR in the manufacturing context. The Maquila Solidarity Network (MSN) was instrumental in facilitating the networking that led to the participation of nine Mexican NGOs. The objective of the highly participatory workshop was to build on the experiences, successes, and lessons learned of all the practitioners, and to facilitate forward-looking discussion on new avenues for active involvement in improving working conditions.

The workshop provided for an open dialogue on the potential for negotiation and mediation in labor relations at the Mexican *maquilas*. At the outset, most of the participants expressed skepticism that negotiation between the stakeholders was possible or even advisable, and felt that the concept of a "win-win" negotiation did not apply. The "distribution of power," as participants described it, was a cornerstone issue.

As discussion progressed over the two days, there was a noticeable lessening of skepticism as the workshop achieved understanding of the terms "mediation" and "negotiation." As one participant summarized: "For many NGOs and unions the term negotiation implied giving up some of the right to demand improvements in workers' conditions. Because of the assumption of extremely opposite interests between managers and workers it seemed that without strong pressure it would be impossible for workers to achieve their goals."

Participants were challenged to identify common interests among stakeholders, as without common interests negotiation is impossible. The group turned from focusing on the obstacles to negotiation to envisioning strategies for advocating for workers in ways that reframe positions, identify common interests, and make it possible to arrive at a mutually beneficial outcome. As a means to this end, several workshop modules focused on practical communication and negotiation skills.

By the end of the workshop, the Verité facilitators achieved a basic shift in perspective on the potential for collaboration and negotiation. Activities led the group to explore and ultimately embrace the importance of establishing mutual respect and accountability as a foundation for productive engagement, the benefits and opportunities for effective interaction among stakeholders, strategies for maximizing good outcomes, and specific circumstances under which negotiation is possible.

At the conclusion of the workshop, participants expressed a strong desire to continue the dialogue and for more technical training on approaches to interacting and negotiating with