

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHAKA5506 1620701-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
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**LINE4:** FM AMEMBASSY ANKARA  
**OSRI:** RUEHAK  
**DTG:** 110701Z JUN 98  
**ORIG:** AMEMBASSY ANKARA  
**TO:** RUEHC/SECSTATE WASHDC 1627  
**INFO:** RUEHC/DEPT OF LABOR WASHDC  
RUEHGV/USMISSION GENEVA 0109  
RUEHBS/USEU BRUSSELS  
RUEHIT/AMCONSUL ISTANBUL 1047  
RUEHDA/AMCONSUL ADANA 0866  
**SUBJ:** DEPT OF LABOR STUDY ON WORKING CONDITIONS IN THE APPAREL  
INDUSTRY - TURKEY

**TEXT:**

UNCLAS ANKARA 005506

STATE FOR EUR/SE, DRL/IL  
ALSO DOL/ILAB FOR JORGE PEREZ-LOPEZ

E.O. 12958: N/A

TAGS: ELAB, EIND, ETRD, PHUM, SOCI

SUBJECT: DEPT OF LABOR STUDY ON WORKING CONDITIONS IN THE APPAREL  
INDUSTRY - TURKEY

REF: STATE 93338

1. THE FOLLOWING RESPONSE TO DEPT OF LABOR INQUIRES ON WORKING  
CONDITIONS IN THE APPAREL INDUSTRY IN TURKEY AS OUTLINED IN REFTEL  
FOLLOWS. SUMMARY RESPONSES WERE DRAWN FROM LOCAL ILO OFFICE,  
GOVERNMENT OFFICIALS, AS WELL AS WORKER AND EMPLOYER ORGANIZATIONS.

2. A) TURKEY HAS NO LAWS, POLICIES, INITIATIVES, OR ENFORCEMENT  
STRATEGIES SPECIFICALLY DIRECTED AT REGULATING WORKING CONDITIONS  
IN THE APPAREL EXPORT SECTOR. TURKISH LABOR LAWS ARE DESIGNED TO  
COVER GENERAL WORKING CONDITIS IN ALL SECTORS.

B) CONTACTS WERE NOT AWARE OF ANY EFFORTS BEING UNDERTAKEN TO  
STRENGTHEN ENFORCEMENT OF LABOR LAWS, TO FOCUS ENFORCEMENT  
RESOURCES ON THE APPAREL INDUSTRY, OR TO CHANGE LABOR LAWS.

C) NGO REPRESENTATIVES KNEW OF NO SIGNIFICANT PARTNERSHIPS WITH  
LOCAL NGO'S, OR WHICH INVOLVE INTERNATIONAL INITIATIVES TO IMPROVE  
WORKING CONDITIONS AND THE TREATMENT OF WORKERS IN THE APPAREL  
INDUSTRY OR TO ELIMINATE SWEATSHOP CONDITIONS.

3. A) ACCORDING TO GOVERNMENT OFFICIALS, THERE IS BASICALLY NO

INFORMATION AVAILABLE IN THE MINISTRY OF LABOR NOR THE STATE INSTITUTE OF STATISTICS (SIS) THAT QUANTIFIES THE RESULTS OF THE LAWS, POLICIES, INITIATIVES, ETC. REFERRED TO ABOVE, I.E., SUCH INFORMATION IS NOT COLLECTED.

B) ACCORDINGLY, SUCH INFORMATION DOES NOT CORRESPOND TO CURRENT LABOR DEPT REPORTING CATEGORIES ON "SWEATSHOP" CONDITIONS WITHIN THE U.S. GARMENT INDUSTRY.

4. A) TURKISH GOVERNMENT, LABOR, AND NGO ORGANIZATION OFFICIALS ARE AWARE OF NO ACTIONS BEING UNDERTAKEN IN THE NON-GOVERNMENTAL SECTOR (SUCH AS THE DEVELOPMENT OF CODES OF CONDUCT) THAT COULD LEAD TO IMPROVED CONDITIONS FOR APPAREL WORKERS.

5. CONDITIONS IN THE APPAREL EXPORT SECTOR GENERALLY CONFORM TO THE WORKING CONDITIONS DESCRIBED IN PART 6 (WORKER RIGHTS SECTION) OF THE "COUNTRY REPORT ON HUMAN RIGHTS PRACTICES FOR 1997."

6. COMMENT: TURKISH OFFICIALS WHO DEAL WITH LABOR ISSUES CONTEND THAT, IN PART DUE TO THE EXISTENCE OF NUMEROUS "HOMEWORK" OPERATIONS, "SWEATSHOP" CONDITIONS IN THE APPAREL SECTOR ARE NOT AN ISSUE IN TURKEY. ADDITIONALLY, OFFICIALS SAY THAT CURRENT TURKISH LABOR LAWS, INCLUDING TURKEY'S RATIFICATION OF SEVEN ILO CONVENTIONS TO PROTECT WORKERS MAKE IT UNNECESSARY TO FOCUS ON THE APPAREL SECTOR. ILO CONVENTIONS, ONCE RATIFIED BY PARLIAMENT WITH THE CONCURRENCE OF THE EXECUTIVE BRANCH OF GOVERNMENT, ARE CONSIDERED TO HAVE THE FORCE OF DOMESTIC LEGISLATION.

PARRIS

**SECT:** SECTION: 01 OF 01

**SSN:** 5506

**TOR:** 980611030953 M3330083

**DIST:**

SIT: NSC

# Cable

**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHSNA2432 1632222-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 122222Z JUN 98  
**LINE4:** FM AMEMBASSY SAN SALVADOR  
**OSRI:** RUEHSN  
**DTG:** 122222Z JUN 98  
**ORIG:** AMEMBASSY SAN SALVADOR  
**TO:** RUEHC/SECSTATE WASHDC 6585  
**INFO:** RUEHXI/LABOR COLLECTIVE  
 RUMIAAA/USCINCSO MIAMI FL  
**SUBJ:** DEPARTMENT OF LABOR STUDY ON THE APPAREL  
 INDUSTRY - EMBASSY EL SALVADOR RESPONSE

**TEXT:**  
 UNCLAS SECTION 01 OF 02 SAN SALVADOR 002432

E.O. 12958: N/A  
 TAGS: ELAB, EIND, ETRD, PHUM, EAID, SOCI, ES  
 SUBJECT: DEPARTMENT OF LABOR STUDY ON THE APPAREL  
 INDUSTRY - EMBASSY EL SALVADOR RESPONSE

REF: STATE 93338

1. THE RESPONSES BELOW FOLLOW THE FORMAT OF PARAGRAPH 6 OF REFTEL:

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 RESPONSES TO SECTION A  
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2. EL SALVADOR DOES NOT HAVE LAWS, POLICIES, INITIATIVES NOR ENFORCEMENT STRATEGIES SPECIFICALLY AND EXCLUSIVELY DESIGNED TO REGULATE WORKING CONDITIONS IN THE APPAREL EXPORT SECTOR. THERE ARE SOME POLICIES FOCUSING ON THE MUCH BROADER IN-BOND ASSEMBLY SECTOR (MAQUILAS, THE VAST MAJORITY OF WHICH PRODUCE APPAREL FOR EXPORT AND WHICH REPRESENT ONE OF THE LARGEST SEGMENTS OF SALVADORAN EXPORTS). THE SALVADORAN LABOR REGULATORY SYSTEM DEALS WITH THE LABOR SECTOR AS A WHOLE AND FOCUSES ON TRDITIONAL WORKER RIGHTS - BASED ON ILO CONVENTIONS. IN GENERAL, SALVADORAN LAWS RECOGNIZE AND ROTECT ALL CORE WORKER RIGHTS. HOWEVER, GOVERNMENT ENFORCEMENT OF LAWS AND REGULATIONS, WHILE IMPROVING, IS STILL INADEQUATE. STILL, THE EXPORT APPAREL INDUSTRY (ESPECIALLY THE FREE TRADE ZONE MAQUILA SECTOR) IS ONE OF THE SECTORS UNDER CLOSEST SCRUTINY (BY THE GOES, NGO'S, MEDIA, AND INTERNATIONAL PLAYERS) AND HAS MUCH BETTER THAN AVERAGE WORKER RIGHTS PROTECTION AND WORKING CONDITIONS.

3. SINCE 1993, THE MINISTRY OF LABOR HAS DEVOTED A SIGNIFICANT PART OF ITS LIMITED RESOURCES TO IMPROVE THE PROFESSIONALISM OF ITS STAFF, INCREASE THE REACH AND DEPTH OF ITS INSPECTIONS; PROVIDE MORE COVERAGE FOR, AND GREATER ACCESSIBILITY TO, WORKERS; AND TO REDUCE CORRUPTION. IN THESE EFFORTS TO IMPROVE THE MINISTRY OF LABOR, THERE IS NO PARTICULAR FOCUS ON EXPORT APPAREL COMPANIES OR MAQUILAS. HOWEVER, IN THE ACTUAL ENFORCEMENT OF THE LABOR CODE, THERE HAS BEEN, AND CONTINUES TO BE, SPECIAL ATTENTION PAID BY THE GOES TO THE MAQUILA SECTOR, THE LARGEST PRODUCER OF NEW EMPLOYMENT AND A VITAL SOURCE OF HARD CURRENCY INCOME.

4. THE GOES REFORMED ITS ANTIQUATED LABOR CODE IN 1995, MAKING MANY IMPROVEMENTS IN THE PROTECTION OF CORE WORKER RIGHTS. THIS REFORM WAS PROMPTED IN PART BY PRESSURES TO IMPROVE WORKER RIGHTS PROTECTION IN THE MAQUILA SECTOR FOLLOWING INTERNATIONAL LABOR AND NGO CONDEMNATIONS OF SECTOR-WIDE WORKER RIGHTS ABUSE IN EL SALVADOR. THE MINISTRY OF LABOR IS CONSIDERING PROPOSING A SECOND REFORM OF THE ENTIRE CODE TO MODERIZE MANY OF ITS OUTDATED PROCEDURES. THIS SECOND REFORM DOES NOT/HAVE ANY APPARENT SPECIAL FOCUS ON THE EXPORT APPAREL OR MAQUILA SECTOR.

5. A LARGE NUMBER OF NGO'S (BOTH DOMESTIC AND INTERNATIONAL) AND THE AFL-CIO, AS WELL AS THE INDEPENDENT OMBUDSMAN'S OFFICE FOR THE PROTECTION OF HUMAN RIGHTS, MONITOR WORKER RIGHTS PROTECTION IN EL SALVADOR. NONE OF THESE ORGANIZATIONS WORK EXCLUSIVELY IN THE EXPORT APPAREL INDUSTRY. THERE ARE TWO "PARTNERSHIPS" FUNCTIONING, AND ONLY ONE OF THESE SPECIFICALLY COVERS AN EXPORT APPAREL COMPANY: THE "INDEPENDENT MONITORING GROUP." THIS ORGANIZATION WAS CREATED IN 1996 THROUGH NEGOTIATIONS AMONG THE GAP COMPANY, MANDARIN LTD. (A FREE TRADE ZONE MAQUILA), TWO PLANT LABOR UNIONS, AND SEVERAL NGO'S TO MONITOR THE RESPECT FOR WORKER RIGHTS AMONG MANDARIN EMPLOYEES WORKING ON THE GAP CONTRACTS. THE SECOND PARTNERSHIP IS THE FORMAL TRIPARTITE ORGANIZATION (GOES, MAQUILA OWNER/OPERATORS, LABOR) FUNCTIONING UNDER THE AUSPICES OF THE MINISTRY OF LABOR AND DESIGNATED TO PROMOTE LABOR HARMONY AND ASSIST IN SETTLING DISPUTES IN THE MAQUILA SECTOR.

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RESPONSES TO SECTION B  
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6. WE ARE NOT AWARE OF ANY QUANTIFIABLE INFORMATION OF THE TYPE REQUESTED COVERING THE APPAREL INDUSTRY. SOME QUANTIFIABLE GENERAL INFORMATION EXISTS FROM WHICH A LITTLE EXPORT APPAREL DATA COULD BE EXTRAPOLATED. HOWEVER, SUCH DATA WOULD COVER INDIVIDUAL CASES OR COMPANIES, WITHOUT SUFFICIENT VOLUME, BROAD ENOUGH COVERAGE, OR CONTROLLED SAMPLING TO APPLY TO THE SECTOR AS A WHOLE. WE NOTE THAT FOR ALL HUMAN RIGHTS ISSUES,

THERE IS SCANT QUANTIFIABLE DATA, AND THAT WHICH EXISTS IS OF UNEVEN ACCURACY. VIRTUALLY NONE OF THE DATA WOULD APPLY TO THE EXAMPLE IN REFTEL PARAGRAPH 4. THE FOCUS IN EL SALVADOR IS ON WORKER RIGHTS, NOT "SWEATSHOP" CONDITIONS.

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UNCLAS SECTION 02 OF 02 SAN SALVADOR 002432

E.O. 12958: N/A  
TAGS: ELAB, EIND, ETRD, PHUM, EAID, SOCI, ES  
SUBJECT: DEPARTMENT OF LABOR STUDY ON THE APPAREL INDUSTRY - EMBASSY EL SALVADOR RESPONSE

REF: STATE 93338

RESPONSES TO SECTION C  
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7. MOST OF THE MAJOR U.S.-BASED CONTRACTORS USING OR OPERATING LOCAL MAQUILAS TO ASSEMBLE APPAREL IMPOSE STRICT CODES OF CONDUCT COVERING RESPECT FOR CORE WORKER RIGHTS. IN THE LAST FIVE YEARS, THESE CODES HAVE BECOME THE NORM FOR THE MAQUILA INDUSTRY HERE AND OUR EXPERIENCE IS THAT BOTH THE CONTRACTING COMPANIES AND PRODUCTION PLANTS TAKE THESE CODES SERIOUSLY. OUR VISITS TO MAQUILA PLANTS AND FREE TRADE ZONES, AS WELL AS OTHER INFORMATION WE HAVE DEVELOPED, INDICATE THAT THE VOLUNTARY CODES HAVE IMPROVED THE PROTECTION OF WORKER RIGHTS AND IMPROVED WORKING CONDITIONS THROUGHOUT THE MAQUILA INDUSTRY, AND ESPECIALLY IN FREE TRADE ZONES. IN ADDITION, THE SALVADORAN ASSOCIATION OF THE ASSEMBLY SECTOR (ASIC - WHOSE MEMBERSHIP INCLUDES THE VAST MAJORITY OF MAQUILA PLANT OWNERS AND OPERATORS) IS IMPLEMENTING ITS OWN VOLUNTARY INDUSTRY-BASED (AS VERSUS COMPANY-BASED) CODE WHICH INCLUDES SECTIONS COVERING WORKER RIGHTS. THERE ARE NO QUANTIFIABLE RESULTS AS TO THE IMPACT OF THESE CODES, AND THERE IS UNLIKELY TO BE ANY RELIABLE, QUANTIFIABLE, DETAILED DATA AVAILABLE IN THE NEAR FUTURE.

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RESPONSES TO SECTION D  
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8. IN THE MAQUILA EXPORT INDUSTRY, THE RESPECT FOR WORKER RIGHTS IN GENERAL, AS WELL AS AVERAGE WORKING CONDITIONS, ARE MARKEDLY BETTER THAN THE STANDARDS OF THE NATIONAL SALVADORAN PRIVATE SECTOR. THIS IS REFLECTED IN THE 1997 HUMAN RIGHTS REPORT FOR EL SALVADOR.

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COMMENT  
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9. POST IS CONSIDERING THE LONG-TERM IMPLICATIONS OF THE DEPARTMENT OF LABOR'S MANDATE TO FOCUS ON

SWEATSOPS AND ITS IMPACT ON LABOR REPORTING IN THE  
CONTEXT OF LIMITED EMBASSY RESOURCES. WE WILL COMMENT  
ON THESE ISSUES IN SEPTEL.

PATTERSON

**SECT:** SECTION: 01 OF 02  
<^SECT>SECTION: 02 OF 02

**SSN:** 2432  
<^SSN>2432

**TOR:** 980612192137 M3333750  
<^TOR>980612192138 M3333753

**DIST:** SIT: DELAURENTIS DESOUZA DOBBINS HOFMANN LAWSON ORFINI PICCONE  
SIT: NSC

# Cable

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**PREC:** IMMEDIATE  
**CLASS:** UNCLASSIFIED  
**LINE1:** OAAUZYUW RUEHEGA5587 1651510-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH (CCY TEX)  
**LINE3:** O 141510Z JUN 98 ZDS  
**LINE4:** FM AMEMBASSY CAIRO  
**OSRI:** RUEHEG  
**DTG:** 141510Z JUN 98  
**ORIG:** AMEMBASSY CAIRO  
**TO:** RUEHC/SECSTATE WASHDC IMMEDIATE 6152  
**INFO:** RUEHBS/USEU BRUSSELS  
RUEHGV/USMISSION GENEVA 0081  
**SUBJ:** EGYPT: APPAREL INDUSTRY DATA  
**TEXT:**  
UNCLAS CAIRO 005587

C O R R E C T E D C O P Y - P A R A 9 - T E X T

STATE FOR DRL/IL  
PASS TO LABOR FOR DOL/ILAB-JORGE PEREZ-LOPEZ

LONDON FOR TUELLER; PARIS FOR LEAF

E.O. 12958: N/A  
TAGS: ELAB, EIND, ETRD, PHUM, EG  
SUBJECT: EGYPT: APPAREL INDUSTRY DATA

REF: A) STATE 93338 B) CAIRO 4984 C) CAIRO 1818

1. SUMMARY: THE USE OF SWEATSHOPS IN THE PRODUCTION OF APPAREL FOR EXPORT TO THE UNITED STATES DOES NOT APPEAR TO BE COMMON IN EGYPT. A RECENT INSPECTION OF 25 FACTORIES BY A U.S. TEXTILE PRODUCTION VERIFICATION TEAM FOUND NO SWEATSHOP CONDITIONS. EGYPTIAN LAW DOES NOT SPECIFICALLY ADDRESS THE APPAREL EXPORT SECTOR. WE ARE UNAWARE OF ANY NGO ACTIVITY IN THIS AREA.

2. IN GENERAL, LABOR STATISTICS ARE DIFFICULT TO OBTAIN AND OFTEN OUTDATED. OUR EFFORTS TO RESPOND TO THE DEADLINE IN REF A WERE CONSTRAINED BY THE FACT THAT MOST OF THE APPROPRIATE GOVERNMENT OFFICIALS ARE CURRENTLY ATTENDING AN ILO MEETING IN GENEVA. ADDITIONAL POST REPORTING WOULD BE REQUIRED TO AUGMENT THE INFORMATION IN THIS REPORT. END SUMMARY.

3. FOLLOWING IS THE INFORMATION AVAILABLE TO US, KEYED TO DOL/ILAB'S INQUIRIES AS OUTLINED IN REF A:

4. LAWS/POLICIES/INITIATIVES/ENFORCEMENT: EGYPT'S LABOR LAW -- LAW 137 OF 1981 AS AMENDED IN 1982, 1987, 1988, AND 1991 -- DOES NOT INCLUDE PROVISIONS THAT

SPECIFICALLY ADDRESS WORKING CONDITIONS IN THE APPAREL INDUSTRY. IN GENERAL, THE EGYPTIAN LABOR LAW APPLIES TO ALL SECTORS, INCLUDING THOSE LOCATED IN THE FREE TRADE ZONE. THE LABOR LAW REGULATES WORKING CONDITIONS IN ALL FIELDS AND INDUSTRIES. THE LAW ALSO EMPOWERS GOVERNMENT LABOR INSPECTORS -- SOME 2,000 IN EGYPT -- WITH THE AUTHORITY TO INVESTIGATE AND REPORT VIOLATIONS AND SPECIFIES THE PENALTIES FOR VIOLATIONS.

LABOR LAW, CHILD LAW (LAW 12 OF 1996 WHICH ADDRESSES CHILD LABOR ISSUES), AND A NUMBER OF MINISTERIAL DECREES (12/1982, 13/1982, 14/1982, AND 71/1987) COVER THE FOLLOWING: RESTRICT EMPLOYMENT OF CHILDREN UNDER 14, PROHIBIT CHILDREN UNDER 15 AND 17 FROM WORKING IN HAZARDOUS JOBS AND CONDITIONS, AND OUTLINE THE CIRCUMSTANCES AND CONDITIONS UNDER WHICH JUVENILES MAY WORK. WHILE CHILD LABOR IS A PROBLEM IN EGYPT, MOST CHILDREN WORK IN AGRICULTURE IN THE RURAL AREAS. THE MAJORITY OF THOSE CHILDREN WORKING IN URBAN AREAS ARE CLUSTERED IN THE PRODUCTION, AGRICULTURE, AND SALES SECTORS. FOR MORE DETAILS, PLEASE CONSULT REF C.

6. QUANTIFYING DATA: WE HAVE NO GOE DATA ON THE EXPORT INDUSTRY AT HAND. HOWEVER, THE U.S.-EGYPT BILATERAL TEXTILE AGREEMENT SUBJECTS EGYPTIAN FACTORIES TO INSPECTION EVERY THREE YEARS BY A U.S. CUSTOMS TEAM. THE LAST VISIT, IN MAY 1998, INVOLVED A SURVEY OF 25 FACTORIES EXPORTING READY-MADE GARMENTS TO THE UNITED STATES (REF B). THE TEXTILE PRODUCTION VERIFICATION TEAM DID NOT DISCOVER ANY SWEATSHOP CONDITIONS. THE TEAM FOUND THAT ONLY ONE OUT OF THE 25 FACTORIES EMPLOYED CHILDREN. NO OTHER VIOLATIONS WERE REPORTED.

7. IT IS BELIEVED THAT EGYPTIAN MANUFACTURERS IN THE APPAREL INDUSTRY GENERALLY OBSERVE LABOR STANDARDS BECAUSE EGYPTIAN EXPORTERS PRIMARILY DEAL WITH UP-SCALE FOREIGN CUSTOMERS. THESE IMPORTERS REQUIRE CERTAIN MINIMUM STANDARDS WITH RESPECT TO BOTH WORKERS AND THE WORK ENVIRONMENT. EVEN SUPPLIERS TO LOCAL FIRMS TYPICALLY OBTAIN AN ISO CERTIFICATE. THE POLICIES OF THE EU IN THIS REGARD HAVE HAD AN IMPACT IN EGYPT.

8. POST IS UNAWARE OF ANY NGO INITIATIVE IN THIS SECTOR. WE BELIEVE THE CONDITIONS IN THE APPAREL INDUSTRY ARE SIMILAR TO THE CONDITIONS IN OTHER EGYPTIAN INDUSTRIES. THERE ARE 23 TRADE UNIONS IN EGYPT, AND ALL ARE REQUIRED TO BELONG TO THE EGYPTIAN TRADE UNION FEDERATION, THE SOLE LEGALLY RECOGNIZED LABOR FEDERATION. PLEASE REFER TO SECTION 6 OF THE 1997 HUMAN RIGHTS REPORT ON EGYPT.

9. INFORMATION-GATHERING: MOST OF THE COMPETENT GOVERNMENT AND UNION OFFICIALS ARE CURRENTLY ATTENDING AN ILO LABOR CONFERENCE IN GENEVA. WE ATTEMPTED TO CONTACT THE MINISTRY OF MANPOWER AND THE OFFICE OF OCCUPATIONAL HEALTH AT THE MINISTRY OF HEALTH. WE ALSO CONTACTED THE CHAIRMAN OF THE GENERAL TRADE UNION FOR SPINNING AND WEAVING. AHMAD TAWFIQ, AN OFFICER IN THE ILO OFFICE IN CAIRO, TOLD US HIS OFFICE HAD NO

INFORMATION ABOUT SWEATSHOPS IN THE APPAREL INDUSTRY.  
THE DIRECTOR OF THE AMERICAN CENTER FOR INTERNATIONAL  
LABOR SOLIDARITY IN CAIRO, GEBRE GEBREMA TOLD US HE  
IS UNAWARE OF ANY SWEATSHOPS MANUFACTURING APPAREL  
FOR EXPORT IN EGYPT. KURTZER

**SECT:** SECTION: 01 OF 01

**SSN:** 5587

**TOR:** 980614124653 M3334548

**DIST:**

SIT: NSC

# Cable

**PREC:** PRIORITY  
**CLASS:** UNCLASSIFIED  
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**LINE4:** FM AMEMBASSY COLOMBO  
**OSRI:** RUEHLM  
**DTG:** 151035Z JUN 98  
**ORIG:** AMEMBASSY COLOMBO  
**TO:** RUEHC/SECSTATE WASHDC PRIORITY 2687  
**INFO:** RUEHNE/AMEMBASSY NEW DELHI 0422  
 RUEHKA/AMEMBASSY DHAKA 3026  
 RUEL/AMEMBASSY ISLAMABAD 9763  
 RUEHBK/AMEMBASSY BANGKOK 0143  
 RUEHGV/USMISSION GENEVA 0080  
**SUBJ:** DOL STUDY ON WORKING CONDITIONS IN THE  
 APPAREL INDUSTRY

**TEXT:**

////////////////////////////////// INCOMPLETE MESSAGE //////////////////////////////////

UNCLAS SECTION 01 OF 05 COLOMBO 001895

FOR DRL/IL AND SA/INS  
PLEASE PASS DOL FOR ILAB/J. PEREZ-LOPES  
BANGKOK FOR CUSTOMS

E.O. 12958: N/A  
TAGS: ELAB, ETRD, KTEX, PHUM, CE  
SUBJECT: DOL STUDY ON WORKING CONDITIONS IN THE  
APPAREL INDUSTRY

REF: STATE 93338

1. SUMMARY. WORKING CONDITIONS FOR THE 250,000 OR MORE EMPLOYEES IN SRI LANKA'S APPAREL INDU^RY ARE GENERALLY ADEQUATE. SRI LANKA HAS NO SPECIFIC GOVERNMENT INITIATIVES DEALING WITH WORKING CONDITIONS IN GARMENT MANUFACTURING; LABOR LAWS ARE GENERALLY CONSIDERED GOOD, BUT ENFORCEMENT IS CRITICIZED AS WEAK, AND APPEARS PARTICULARLY PROBLEMATIC ON THE ISSUE OF OVERTIME (USUALLY IN CONNECTION WITH MEETING PRODUCTION TARGETS). LABOR ADVOCATES CRITICIZE RULES AND PROCEDURES THAT MAKE FORMING UNIONS IN THE GARMENT SECTOR VIRTUALLY IMPOSSIBLE. ADVOCATES NOTE THAT MANY WORKERS ARE UNAWARE OF THEIR RIGHTS AND ARE THEREFORE MORE INCLINED TO BE EXPLOITED. NGOS ARE WORKING TO RAISE WORKER AWARENESS ABOUT BASIC RIGHTS, TO RAISE WAGE LEVELS, AND TO EDUCATE LABOR AND MANAGEMENT ABOUT

CODES OF CONDUCT. END SUMMARY.

BACKGROUND AND INTRODUCTION  
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2. THE APPAREL SECTOR IS A MAJOR CONTRIBUTOR TO SRI LANKAN EXPORTS, MAKING UP 60 PERCENT OF INDUSTRIAL EXPORTS, AND 44 PERCENT OF TOTAL EXPORTS. ALSO, GARMENT MANUFACTURING IS A DISPROPORTIONATELY LARGE CONTRIBUTOR TO LOCAL INDUSTRIAL PRODUCTION (41 PERCENT). THE GARMENT INDUSTRY ALONE CONTRIBUTES OVER 5 PERCENT TO SRI LANKA'S GDP AND ACCOUNTS FOR DIRECT EMPLOYMENT OF AT LEAST 250,000 PERSONS. AS A RESULT, SOME LABOR ADVOCATES CONTEND THAT THE GOVERNMENT OF SRI LANKA (GSL), FOR ECONOMIC REASONS, GENERALLY FAVORS MANAGEMENT OVER WORKERS IN THE APPAREL SECTOR. THE WORKING CONDITIONS IN THE GARMENT SECTOR GENERALLY CONFORM WITH THE CONDITIONS DESCRIBED IN PART 6 OF THE "COUNTRY REPORTS ON HUMAN RIGHTS PRACTICES FOR 1997."

TWO CATEGORIES OF FACTORIES: BOI AND NON-BOI  
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3. THE 860 GARMENT FACTORIES IN SRI LANKA FALL INTO TWO CATEGORIES: THOSE APPROVED BY THE BOARD OF INVESTMENT (BOI), WHICH NUMBER 445 (76 OF WHICH ARE LOCATED IN THREE EXPORT PROCESSING OR INVESTMENT PROMOTION ZONES -- EPZS -- RUN BY THE BOI) AND THE 415 FACTORIES OUTSIDE THE BOI'S ADMINISTRATION (NON-BOI). BOTH CATEGORIES ARE REQUIRED TO FOLLOW LOCAL LABOR REGULATIONS. IN ADDITION, BOI HAS PUBLISHED LABOR STANDARDS AND REGULATIONS, BASED ON EXISTING GSL REGULATIONS, TO BE OBSERVED BY BOI-APPROVED FACTORIES.

GSL LABOR LAWS AFFECTING APPAREL SECTOR  
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4. THERE ARE NO SPECIFIC LAWS PERTAINING ONLY TO EMPLOYMENT IN THE EXPORT APPAREL SECTOR. THE FACTORY ORDINANCE, WAGES BOARDS ORDINANCE, AND THE EMPLOYMENT OF WOMEN, YOUNG PERSONS, AND CHILDREN ACT ARE THE MAIN LAWS GOVERNING EMPLOYMENT CONDITIONS IN SRI LANKAN FACTORIES, INCLUDING GARMENT FACTORIES. (NOTE: THE VAST MAJORITY OF GARMENT WORKERS IN SRI LANKAN FACTORIES ARE FEMALE; CHILD LABOR, DEFINED IN SRI LANKA AS CHILDREN UNDER 14 YEARS OLD, IS NOT/NOT CONSIDERED TO BE A PROBLEM IN THE GARMENT SECTOR. END NOTE). THE FACTORY ORDINANCE PROVIDES FOR THE SAFETY AND WELFARE OF WORKERS IN FACTORIES AND COVERS ASPECTS SUCH AS CLEANLINESS, NOISE, OVERCROWDING, SANITARY CONVENIENCES, INDUSTRIAL SAFETY, DRINKING WATER SUPPLY, AND REST FACILITIES FOR FEMALE WORKERS. THE FACTORY ORDINANCE ALSO SETS CEILINGS ON WORKING HOURS FOR WOMEN AND YOUNG PERSONS (14 TO 17 YEARS OLD; THOUGH, NOT MANY UNDER-15S ARE WORKING IN GARMENT ASSEMBLY) EMPLOYED IN FACTORIES, RESTRICTING THE MAXIMUM NUMBER OF

REGULAR, NON-OVERTIME HOURS WORKED PER DAY TO NINE, AND HOURS WORKED PER WEEK TO 48. IN ADDITION, THE ORDINANCE PROVIDES THAT A WOMAN OR YOUNG PERSON CANNOT BE EMPLOYED CONTINUOUSLY FOR MORE THAN FOUR AND A HALF HOURS WITHOUT A BREAK PERIOD.

5. NOTWITHSTANDING THESE PROVISIONS, THE ORDINANCE ALLOWS FOR OVERTIME EMPLOYMENT TO MEET WORKLOAD REQUIREMENTS. HOWEVER, OVERTIME EMPLOYMENT BY WOMEN IS LIMITED TO 100 HOURS IN ANY CALENDAR YEAR OR SIX UNCLAS SECTION 02 OF 05 COLOMBO 001895

FOR DRL/IL AND SA/INS  
PLEASE PASS DOL FOR ILAB/J. PEREZ-LOPES  
BANGKOK FOR CUSTOMS

E.O. 12958: N/A  
TAGS: ELAB, ETRD, KTEX, PHUM, CE  
SUBJECT: DOL STUDY ON WORKING CONDITIONS IN THE APPAREL INDUSTRY

REF: STATE 93338

HOURS IN ANY WEEK AND NOT MORE THAN 25 WEEKS IN ANY CALENDAR YEAR. TOTAL HOURS WORKED (INCLUDING OVERTIME, BUT EXCLUDING BREAKS) CANNOT EXCEED TEN HOURS PER DAY, AND THE TOTAL PERIOD OF EMPLOYMENT PER DAY SHOULD NOT EXCEED 12 HOURS PER DAY. THE ORDINANCE SPECIFIES THAT HOURS IN A NORMAL WORKING DAY SHOULD FALL BETWEEN 6 AM AND 8 PM, AND OVERTIME HOURS WORKED SHOULD NOT EXTEND BEYOND 10 PM. THE MINISTRY OF LABOR HAS THE POWER TO GRANT AN EXTENSION OF WORKING HOURS UNDER SPECIAL CIRCUMSTANCES. (NOTE: LABOR MINISTRY SOURCES TELL US THAT TO DATE, THIS AUTHORITY TO GRANT EXTENSIONS HAS NOT BEEN USED. END NOTE.)

6. THE EMPLOYMENT OF WOMEN, YOUNG PERSONS AND CHILDREN ACT PROHIBITS THE EMPLOYMENT OF WOMEN AND YOUNG PEOPLE AT ANY TIME DURING THE NIGHT. HOWEVER, A 1984 AMENDMENT TO THE ACT ALLOWS EMPLOYMENT OF WOMEN ON THIRD (NIGHT) SHIFTS, PROVIDED THAT THE EMPLOYER: A) OBTAINS WRITTEN CONSENT FROM THE COMMISSIONER OF LABOR (OR, IF LOCATED IN A ZONE, FROM THE BOI INDUSTRIAL RELATIONS DIVISION) AS WELL AS FROM THE WORKERS, B) SUBMITS NAMES OF THE WORKERS AFFECTED, AND C) COMPLIES WITH LEGAL PROVISIONS FOR EMPLOYING WOMEN AT NIGHT. THESE PROVISIONS INCLUDE: PAYING AN OVERTIME WAGE OF 1.5 TIMES THE REGULAR RATE; PROVIDING DINNER; ENSURING THAT A FEMALE MATRON OR SUPERVISOR IS PRESENT; AND KEEPING A VEHICLE AVAILABLE TO TRANSPORT SICK OR INJURED WORKERS. IN 1996, THE DEPARTMENT OF LABOR GRANTED APPROVAL TO 25 ENTITIES TO ALLOW NIGHT WORK FOR WOMEN.

7. THE WAGES BOARDS ORDINANCE REGULATES WAGES AND OTHER EMOLUMENTS OF PERSONS EMPLOYED IN 39 DIFFERENT

TRADES AND SECTORS. THE ORDINANCE SETS A SIX DAY WORK WEEK FOR GARMENT FACTORY WORKERS; A NINE-HOUR WORK DAY, INCLUDING A ONE-HOUR BREAK FOR A MEAL OR REST, ON WEEKDAYS; A SIX-HOUR WORK DAY, INCLUDING A ONE-HOUR BREAK FOR MEAL/REST ON SATURDAYS; AND SUNDAY IS A HOLIDAY. THE ORDINANCE ALSO STIPULATES NINE PUBLIC HOLIDAYS, ALONG WITH ANNUAL LEAVE REQUIREMENTS, MINIMUM WAGES AND OVERTIME RATES.

8. WAGES BOARD SALARIES FOR GARMENT MANUFACTURING, USUALLY CONSIDERED TO BE QUITE LOW, WERE INCREASED IN APRIL 1998. THE CURRENT MINIMUM WAGES SPECIFIED FOR THE GARMENT MANUFACTURING TRADE ARE AS FOLLOWS: A) RS. 2,000 PER MONTH FOR LEARNERS AND HELPERS (FOR 156 DAYS OLY; THEN THEY SHOULD BE PROMOTED TO THE UNSKILLED WORKER CATEGORY); B) RS. 2,525/MONTH FOR UNSKILLED WORKERS (FIRST YEAR); AND, C) RS. 2,575/MONTH FOR MACHINE OPERATORS (FIRST YEAR). (NOTE: APPROXIMATELY RS. 64 IS EQUAL TO US\$ 1. END NOTE).

BOI LABOR STANDARDS  
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9. THE BOARD OF INVESTMENT LAYS OUT RULES FOR BOI FACTORIES IN A PUBLICATION ENTITLED "LABOUR STANDARDS AND RELATIONS" WHICH MAKES 18 YEARS THE MINIMUM EMPLOYMENT AGE (IN CONTRAST TO GSL REGULATIONS, WHICH ALLOW 14 TO 17 YEAR OLDS TO WORK) AND REQUIRES EQUAL PAY AND FACILITIES FOR MALE AND FEMALE WORKERS. THE PUBLICATION STATES "LABOUR LAWS OF THE COUNTRY ARE APPLICABLE" IN BOI ENTERPRISES, AND MANY OF THE CONDITIONS LAID OUT IN GSL LABOR LAWS ARE ECHOED IN THE BOI RULES. HOWEVER, THE BOI DOES NOT EXPLICITLY STATE LIMITS TO OVERTIME WORK, THOUGH LIMITS TO NIGHT WORK ARE SPELLED OUT. IN ADDITION, LABOR ADVOCATES CRITICIZE THE BOI FOR MAKING IT VIRTUALLY IMPOSSIBLE FOR UNIONS TO OPERATE IN THE ZONES EVEN THOUGH SRI LANKAN LAW ALLOWS THE FORMATION OF UNIONS. THE BOI'S RULES PROVIDE INSTEAD FOR THE ESTABLISHMENT OF WORKER COUNCILS, BUT THESE LACK THE POWER TO NEGOTIATE BINDING CONTRACTS AND ARE CONSIDERED INEFFECTIVE BY LABOR ADVOCATES.

10. BECAUSE THE WAGES BOARD MINIMUM WAGES WERE LOW IN THE PAST, THE BOI HAS ANNUALLY ISSUED SOMEWHAT-HIGHER MINIMUM WAGE RATES FOR WORKERS IN THE ZONES. THE BOI CONSULTS WITH THE FTZ MANUFACTURERS'  
UNCLAS SECTION 04 OF 05 COLOMBO 001895

FOR DRL/IL AND SA/INS  
PLEASE PASS DOL FOR ILAB/J. PEREZ-LOPES  
BANGKOK FOR CUSTOMS

E.O. 12958: N/A  
TAGS: ELAB, ETRD, KTEX, PHUM, CE  
SUBJECT: DOL STUDY ON WORKING CONDITIONS IN THE

APPAREL INDUSTRY

REF: STATE 93338

IN NON-BOI FACTORIES) PREVENTION OF WORKERS' FORMING UNIONS BY RESTRICTING ACCESS OF UNION ORGANIZERS AND LABOR REPRESENTATIVES TO THE ZONES AND/OR FACTORY PREMISES. FORCED AND CHILD LABOR ARE NOT CONSIDERED TO BE PROBLEMS IN THE GARMENT SECTOR.

REPRESENTATIVES FROM DIFFERENT NGOS ALL SINGLED OUT KOREAN-OWNED OR -MANAGED COMPANIES AS PARTICULARLY PROBLEMATIC. AT PRESENT, EFFORTS BY NGOS ARE RELATIVELY NEW AND THEREFORE NO MEASURABLE RESULTS ARE AVAILABLE YET.

16. A REPRESENTATIVE FROM THE NGO DA-BINDU (SINHALA: "DROPS OF SWEAT") TOLD ECON FSN THAT DUE TO EXCESSIVE OVERTIME AND POOR EATING HABITS, THE HEALTH OF MANY GARMENT FACTORY WORKERS IS VERY POOR--A STUDY CONDUCTED BY THE NGO IN 1994 FOUND 56 PERCENT OF GARMENT WORKERS TO BE UNDERWEIGHT. OTHER PROBLEMS FACED BY WORKERS INCLUDE UNSAFE TRANSPORT, INADEQUATE HOUSING FACILITIES AND POOR MEDICAL FACILITIES. THE DA-BINDU REPRESENTATIVE CONCEDED THAT WORKERS WERE NOT OPPOSED TO OVERTIME WORK, FOR ECONOMIC REASONS--BASIC SALARIES ARE TOO LOW. THEREFORE, DA-BINDU CONTINUES TO PRESS FOR HIGHER BASIC SALARY LEVELS. THE REPRESENTATIVE ALSO MENTIONED THAT CONDITIONS IN FACTORIES OWNED/MANAGED BY AMERICAN AND EUROPEAN COMPANIES ARE BETTER THAN THOSE IN KOREAN-MANAGED FACTORIES. (NOTE: RECENTLY, THE FACTORIES IN THE TWO ZONES IN THE COLOMBO AREA HAVE EXPERIENCED LABOR SHORTAGES, WHICH HAS CAUSED SOME IMPROVEMENT IN WAGE LEVELS AND BENEFITS. END NOTE).

17. THE CENTER FOR WELFARE OF GARMENT WORKERS IN SEPTEMBER 1997 RELEASED A REPORT ON BOI-APPROVED FACTORIES BELONGING TO THE "200 GARMENT FACTORY PROGRAM" (WHICH ENCOURAGED LOCATING FACTORIES IN RURAL SETTINGS AROUND THE COUNTRY, TO PROMOTE ECONOMIC DEVELOPMENT AND CREATE JOBS). REPORT FINDINGS, BASED ON INTERVIEWS WITH 145 FEMALE GARMENT WORKERS, INCLUDED:

- AVERAGE WAGES SOMETIMES FELL BELOW THE LEGAL WAGE;
- 90 PERCENT OF WOMEN STATED THAT THEY PERFORMED NIGHT WORK (BETWEEN 10:00 PM AND 6:00 AM) AND WORKED ON SUNDAYS AND PUBLIC HOLIDAYS ON A REGULAR BASIS TO COMPLETE PRODUCTION TARGETS, WITH OVERTIME WAGES FREQUENTLY PAID ONLY IN PART OR NOT AT ALL;
- WOMEN WERE FREQUENTLY "FINED" THROUGH DEDUCTION OF THEIR ATTENDANCE BONUSES IF THEY TOOK ANNUAL LEAVE THAT WAS DUE THEM OR IF THEY REFUSED TO WORK ON SUNDAYS; AND
- THERE APPEARED TO BE A SEVERE LACK OF KNOWLEDGE AND AWARENESS OF LEGAL RIGHTS AND LABOR REGULATIONS BY THE WOMEN INTERVIEWED.

18. AN EXPAT VOLUNTEER NOW WORKING AT THE THE CENTER TOLD LABOR REPORTING OFFICER (LRO) THAT ALTHOUGH SRI LANKAN LABOR LAWS ARE GENERALLY GOOD, "WITH A FEW GAPS" (SUCH AS NO PROVISIONS FOR SICK LEAVE), THE PROBLEM IS LAX ENFORCEMENT. SHE ALSO NOTED THAT THE BOI HAS EFFECTIVELY PREVENTED THE FORMATION AND OPERATION OF LABOR UNIONS IN BOI FACTORIES, AND THIS IMPEDES THE WORKERS' ABILITY TO BECOME MORE AWARE OF THEIR RIGHTS AND PROTECTIONS UNDER THE LAW. FOLLOWING THE 1997 STUDY, THE CENTER HAS EMBARKED ON AN AWARENESS RAISING CAMPAIGN TO INFORM GARMENT WORKERS OF THEIR RIGHTS AND ENTITLEMENTS UNDER THE LAW.

19. THE AFL-CIO SPONSORED AMERICAN CENTER FOR INTERNATIONAL LABOR SOLIDARITY (FORMERLY, THE ASIAN-AMERICAN FREE LABOR INSTITUTE), BETTER KNOWN AS THE SOLIDARITY CENTER, IN 1995 PUBLISHED "RIGHTS AT RISK," A COMPREHENSIVE REPORT ON LABOR CONDITIONS IN THE ZONES. KEY FINDINGS INCLUDED THAT QUOTA TARGETS, RESULTING IN MANDATORY OVERTIME, ARE THE GREATEST SOURCE OF JOB DISSATISFACTION IN THE ZONES; ALSO, MORE THAN 75 PERCENT OF THE 1,175 WORKERS SURVEYED SAID THAT THEY BELIEVED THAT THE WORKERS COUNCILS DID NOT HELP THEM, AND ABOUT 67 PERCENT RESPONDED THAT THEY WOULD BE INTERESTED IN JOINING A TRADE UNION. (NOTE: HOWEVER, IN A TABLE IN THE 1995 REPORT HEADED "BIGGEST PROBLEM ON THE JOB", 82.6 PERCENT OF WORKERS ANSWERED "NO PROBLEM." END NOTE.) THE SOLIDARITY CENTER'S FIELD REPRESENTATIVE UNCLAS SECTION 05 OF 05 COLOMBO 001895

FOR DRL/IL AND SA/INS  
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BANGKOK FORUSTOMS

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HAS REPEATEDLY TOLD LRO THAT IN ADDITION TO FORCED OVERTIME, INADEQUATE INFRASTRUCTURE AROUND THE ZONES RESULTS IN APPALLING LIVING CONDITIONS AND PERSISTENT PROBLEMS OF SEXUAL HARRASSMENT FOR FEMALE GARMENT WORKERS.

20. THE SOLIDARITY CENTER AND THE CENTER FOR WELFARE OF GARMENT WORKERS ARE TRYING TO IMPROVE AWARENESS AMONG LABOR AND MANAGEMENT ABOUT CODES OF CONDUCT BY DISSEMINATING INFORMATION AND REPORTS. THESE LIMITED ACTIVITIES HAVE NOT GENERATED ANY MEASURABLE RESULTS.

BENEFITS FROM U.S. INVOLVEMENT IN GARMENT SECTOR  
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21. U.S. INVESTORS AND BUYERS IN THE SRI LANKAN GARMENT SECTOR HAVE GENERALLY PROMOTED BETTER LABOR CONDITIONS, AND USUALLY EXCEED LOCAL STANDARDS. FOR EXAMPLE, LIZ CLAIBORNE'S LOCAL LIAISON OFFICE, RESPONSIBLE FOR SOURCING ABOUT USD 75 MILLION OF GARMENTS ANNUALLY, REQUIRES ITS SUPPLIERS TO COMPLY WITH ITS "STANDARDS OF ENGAGEMENT," THE COMPANY'S CODE OF CONDUCT.

22. THE MANAGEMENT OF SMART SHIRTS, ALSO ENFORCES THE CODE OF CONDUCT OF ITS U.S. PARENT COMPANY, KELLWOOD INDUSTRIES. IN ADDITION, IN THE PAST YEAR SMART SHIRTS INTRODUCED PAY INCENTIVES TO ENHANCE PRODUCTIVITY, AND AS A RESULT, WORKERS PRODUCE THE SAME OUTPUT IN LESS TIME, FOR ABOUT THE SAME AMOUNT OF PAY (INSTEAD OF OVERTIME WAGES, THE WORKERS RECEIVE THE INCENTIVE BONUS PAY). THE FACTORY CAN ALSO CLOSE DOWN EARLIER AND SAVE ON CERTAIN OPERATING EXPENSES, AND WORKERS ARE PROBABLY LESS FATIGUED FROM WORKING FEWER HOURS.

COMMENT  
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23. EMBASSY BELIEVES THAT LAWS PROTECTING WORKERS IN THE EXPORT APPAREL SECTOR, ALTHOUGH NOT WELL-MONITORED BY THE GSL, ARE GENERALLY OBSERVED, WITH THE POSSIBLE EXCEPTION ABOUT LIMITSON OVERTIME AND NIGHT WORK. FREEDOM OF ASSOCIATION IN MANY GARMENT FACTORIES HAS BEEN RESTRICTED BY BOI POLICY AND MANAGEMENT PRACTICES. EVEN SO, WE HAVE NOT COME ACROSS EVIDENCE OF WIDESPREAD "SWEATSHOP CONDITIONS" IN THE GARMENT SECTOR; THE MOST TROUBLING ACCOUNT IS THE REPORT BY THE CENTER FOR WELFARE OF GARMENT WORKERS (PARA 17), A COPY OF WHICH WE WILL FORWARD TO DOL AND DRL.

24. WE UNDERSTAND THAT FACTORIES PRODUCING FOR MAJOR U.S. BRANDS AND RETAILERS (THE UNITED STATES TAKES OVER 60 PERCENT OF SRI LANKA'S APPAREL EXPORTS) ARE REGULARLY SUBJECTED TO INSPECTIONS FROM BUYERS AND OTHERS WHO CHECK NOT ONLY PRODUCTION QUALITY BUT ALSO LABOR CONDITIONS, IN RESPONSE TO PRESSURES FROM U.S. CONSUMERS AND THE PRESIDENT'S APPAREL INDUSTRY INITIATIVE AGAINST THE USE OF SWEATSHOP LABOR. IN CLOSING, POST NOTES THAT THE CONGRESSIONALLY-IMPOSED LABOR DIPLOMACY REPORTING PLACES A STRAIN ON LIMITED RESOURCES AT POST, TO THE DETRIMENT OF DISCRETIONARY REPORTING AND INFORMATION GATHERING BY OFFICERS AND FSNS. END COMMENT.

DONNELLY

**SECT:** SECTION: 01 OF 05  
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**DIST:**

SIT: NSC

## Cable

**PREC:** IMMEDIATE  
**CLASS:** UNCLASSIFIED  
**LINE1:** OAAUZYUW RUEHCAA8117 1670203-UUUU--RHEHNSC.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** O 160159Z JUN 98  
**LINE4:** FM SECSTATE WASHDC  
**OSRI:** RUEHC  
**DTG:** 160159Z JUN 98  
**ORIG:** SECSTATE WASHDC  
**TO:** ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS IMMEDIATE  
RUEHIA/USIA WASHC IMMEDIATE 9393  
RHEHNSC/NSC WASHDC IMMEDIATE 3821  
RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 8390  
RUEHGZ/AMCONSUL GUANGZHOU IMMEDIATE 6101  
RUEHSH/AMCONSUL SHENYANG IMMEDIATE 9774  
RUESLE/AMCONSUL SHANGHAI IMMEDIATE 1787  
RUHBBMA/AMCONSUL NAHA IMMEDIATE 1905  
RUEHKON/AMCONSUL NAGOYA IMMEDIATE 1656  
RUEHKOF/AMCONSUL FUKUOKA IMMEDIATE 8236  
RUEHKOS/AMCONSUL SAPPORO IMMEDIATE 6907  
RUEHOK/AMCONSUL OSAKA KOBE IMMEDIATE 4994  
RUEHBN/AMCONSUL MELBOURNE IMMEDIATE 0338  
RUEHDN/AMCONSUL SYDNEY IMMEDIATE 3687  
RUEHPT/AMCONSUL PERTH IMMEDIATE 3401  
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RUEHFR/AMEMBASSY PARIS IMMEDIATE 3646  
RUEHMO/AMEMBASSY MOSCOW IMMEDIATE 7759  
RUEHVEN/USMISSION USVIENNA IMMEDIATE  
RUEHOL/AMEMBASSY BONN IMMEDIATE 4546  
RUEHGV/USMISSION GENEVA IMMEDIATE 0839  
RUEHLE/AMEMBASSY LUXEMBOURG PRIORITY 3585  
RUEHRO/AMEMBASSY ROME PRIORITY 5441  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 4871  
RUEKJCS/SECDEF WASHDC//USDP PRIORITY 1206  
RHHMUNA/USCINCPAC HONOLULU HI PRIORITY  
RUAGAMS/COMUSKOREA SEOUL KOR//CC/BJ /CJ /EJ /PAJ /SJ S//PRIORITY  
RUAGAMS/CHJUSMAG SEOUL KOR PRIORITY  
RHHMHAH/CINCPACFLT HI PRIORITY  
RUEKJCS/JOINT STAFF WASHDC PRIORITY 2925  
RUEAIIA/CIA WASHDC 3513  
RUETIAA/DIRNSA FT GEO G MEADE MD  
**SUBJ:** JUNE 15, 1998 PRESS GUIDANCES FOR THE EAP REGION  
  
ALL POSTS -- ALSO FOR USIS  
SECDEF -- ALSO FOR OASD/PA  
USCINCPAC FOR FPA TEARE  
**TEXT:**  
UNCLAS SECTION 01 OF 06 STATE 108117  
  
USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A  
TAGS: OPRC, XE, US  
SUBJECT: JUNE 15, 1998 PRESS GUIDANCES FOR THE EAP REGION

ALL POSTS -- ALSO FOR USIS  
SECDEF -- ALSO FOR OASD/PA  
USCINCPAC FOR FPA TEARE  
USVIENNA FOR UNVIE  
ROME FOR STORELLA  
BEIJING PASS CHENGDU

1. INDEX

-- INDONESIA: EAST TIMOR (PARAS 2 AND 3)  
-- AUSTRALIA: QUEENSLAND ELECTION (PARAS 2 AND 4)  
-- CHINA SATELLITES: MISSILE SANCTIONS LAW (PARAS 2 AND 5)  
-- UN ARREARS: HELMS URGES FOREIGN GOVERNMENTS TO LOBBY THE  
ADMINISTRATION (PARAS 2 AND 6)  
-- ASIA CRISIS AND SWEATSHOP LABOR (PARAS 2 AND 7)  
-- JAPAN: MACROECONOMIC NEWS (PARAS 2 AND 8)  
-- JAPAN: RECESSION (PARAS 9 AND 10)  
-- ASIAN FINANCIAL CRISIS/IMPACT ON OUR ECONOMY (PARAS 9  
AND 11)

2. THE FOLLOWING PRESS GUIDANCES WERE PREPARED ON 6/15/98  
AND WERE NOT USED BY SPOKESMAN JAMES P. RUBIN DURING THE  
DAILY PRESS BRIEFING. POSTS MAY DRAW FROM THESE GUIDANCES  
FOR USE ON AN IF ASKED BASIS.

3. INDONESIA: EAST TIMOR

CONTEXTz! PRESIDENT HABIBIE HAS GIVEN AMNESTY OR DROPPED  
CHARGES AGAINST 15 POLITICAL PRISONERS, INCLUDING 12 EAST  
TIMORESE INDICTED FOR ANTI-GOVERNMENT ACTIVITY. ON FRIDAY  
JUNE 12, AN ESTIMATED 1300 EAST TIMORESE STUDENTS  
DEMONSTRATED AT THE FOREIGN MINISTRY IN JAKARTA.  
INDONESIAN SECURITY FORCES WITH BATONS WERE CALLED IN TO  
BREAK UP THE DEMONSTRATION. ANOTHER 1000 STUDENTS RALLIED  
AT A PEACEFUL DEMONSTRATION AT THE EAST TIMOR UNIVERSITY IN  
DIII ON SATURDAY. THE STUDENTS ARE DEMANDING SELF  
DETERMINATION FOR THE TERRITORY, AND ARE CALLING FOR A  
REFERENDUM ON INDEPENDENCE.

Q: WHAT IS OUR REACTION TO THE RELEASE OF EAST TIMORESE  
PRISONERS AND ON PEACEFUL PROTESTS BY STUDENTS BEING  
ALLOWED?

A: THE ADMINISTRATION CONSIDERS THE ISSUE OF EAST TIMOR A  
HIGH PRIORITY.

WE WELCOME THE RECENT RELEASE OF TIMORESE PRISONERS AS A  
IMPORTANT CONFIDENCE BUILDING STEP. OTHER PRISONERS  
REMAIN. WE URGE THE GOVERNMENT OF INDONESIA TO RELEASE ALL  
THOSE IMPRISONED FOR THE PEACEFUL EXPRESSION OF THEIR  
BELIEFS.

WE SUPPORT THE RIGHT OF THE INDONESIAN PEOPLE TO CONDUCT

PEACEFUL DEMONSTRATIONS, CONTINUE TO URGE THAT INDONESIAN SECURITY FORCES EXERCISE MAXIMUM RESTRAINT IN FACING PROTESTORS, AND CALL ON ALL PARTIES TO AVOID VIOLENCE.

UNCLAS SECTION 02 OF 06 STATE 108117

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: JUNE 15, 1998 PRESS GUIDANCES FOR THE EAP REGION

AS INDONESIA PURSUES ITS DEMOCRATIC TRANSITION, WE BELIEVE THERE IS A NEW OPPORTUNITY TO ACHIEVE PROGRESS ON ISSUES RELATING TO EAST TIMOR.

WE HAVE URGED ALL CONCERNED PARTIES TO SEIZE THIS OPPORTUNITY AND WORK TO ACHIEVE A JUST, PEACEFUL, AND LASTING RESOLUTION OF THESE ISSUES. WE WELCOME NEW PROPOSALS FOR RESOLVING THE SITUATION IN EAST TIMOR, BUT STRESS THAT TO BE SUCCESSFUL, A SOLUTION MUST BE ACCEPTABLE TO ALL PARTIES.

WE STRONGLY SUPPORT THE UN-FACILITATED INITIATIVE, LED BY THE SECRETARY GENERALVS PERSONAL REPRESENTATIVE JAMSHEED MARKER, BETWEEN INDONESIA AND PORTUGAL TO REACH A SATISFACTORY SETTLEMENT.

(IF ASKED)

WE HAVE NO FURTHER INFORMATION AT THIS TIME ON A POSSIBLE RELEASE OF XANANA GUSMAO.

#### 4. AUSTRALIA: QUEENSLAND ELECTION

CONTEXT: PAULINE HANSON'S RIGHT-WING ONE NATION PARTY STUNNED AUSTRALIA'S MAJOR PARTIES BY TAKING 23 PERCENT OF THE VOTE IN QUEENLAND'S JUNE 13 STATE ELECTION. BECAUSE OF THE COMPLICATED SYSTEM OF PREFERENTIAL VOTING, IT MAY BE A WEEK BEFORE THE DISTRIBUTION OF SEATS IN THE QUEENSLAND PARLIAMENT IS KNOWN. ONE NATION COULD GET UP TO TEN OF 89 SEATS, THE BEST SHOWING BY A MINOR PARTY IN AUSTRALIAN STATE ELECTIONS IN DECADES. MANY HAVE CHARACTERIZED ONE NATION'S POLITICAL VIEWS AS RACIST. IT OPPOSES IMMIGRATION AND HAS EXTREMELY ISOLATIONIST POSITIONS ON INTERNATIONAL ECONOMICS AND POLITICS.

Q: WHAT IS THE U.S. VIEW OF THE APPARENT ELECTION VICTORY BY PAULINE HANSON'S ONE NATION PARTY IN THE QUEENSLAND STATE ELECTIONS IN AUSTRALIA?

A: IN GENERAL, WE DO NOT COMMENT ON LOCAL ELECTI\_ RESULTS.

IF ASKED

Q: SURELY YOU DO NOT ENDORSE PAULINE HANSON'S RACIST VIEWS, DO YOU?

A: AS A GENERAL PRINCIPLE, THE U.S. BELIEVES THAT INTOLERANCE HAS NO PLACE IN POLITICS ANYWHERE.

5. CHINA SATELLITES: MISSILE SANCTIONS LAW

CONTEXT: IN 1994, THE ADMINISTRATION DETERMINED THAT IT WOULD HANDLE THE IMPACT OF THE AUGUST 24, 1993 CATEGORY II MISSILE SANCTIONS ON CHINA DIFFERENTLY FOR SATELLITES LICENSED BY THE STATE DEPARTMENT AND THE COMMERCE DEPARTMENT. AS NOTED ON THE ATTACHED ANNOUNCEMENT FROM THE COMMERCE DEPARTMENT, COMMERCIAL SATELLITES WITHIN THE JURISDICTION OF COMMERCE WERE CONSIDERED NOT COVERED BY THE

MTCR SANCTIONS IMPOSED ON CHINESE ENTITIES. THIS ALLOWED EXPORT LICENSES FOR SATELLITES FROM THE COMMERCE DEPARTMENT TO BE APPROVED. THERE WAS A GREAT DEAL OF PRESS ON THIS UNCLAS SECTION 03 OF 06 STATE 108117

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: JUNE 15, 1998 PRESS GUIDANCES FOR THE EAP REGION

STORY AT THE TIME OF THE INITIAL DECISION. THE SANCTIONS IN QUESTION WERE WAIVED IN NOVEMBER 1994 AFTER CHINA MADE A NUMBER OF COMMITMENTS, INCLUDING NOT TO EXPORT GROUND-TO-GROUND MTCR-CLASS MISSILES.

Q: DID THE ADMINISTRATION MAKE A DECISION TO PERMIT THE LICENSING OF SATELLITES TO CHINA CONTROLLED BY THE COMMERCE DEPARTMENT WHILE CATEGORY TI MISSILE SANCTIONS WERE IN EFFECT, BUT IT DID NOT MAKE A SIMILAR DECISION FOR STATE LICENSES?

A: THE ADMINISTRATION DETERMINED THAT COMMUNICATIONS SATELLITES LICENSED BY THE DEPARTMENT OF COMMERCE WERE NOT COVERED UNDER THE CATEGORY II SANCTIONS IMPOSED UNDER THE MISSILE SANCTIONS LAW.

COMMUNICATIONS SATELLITES LICENSED BY THE STATE DEPARTMENT WERE DETERMINED TO BE COVERED BY THE MISSILE SANCTIONS LAW.

Q: WHY THE DIFFERENCE IN APPROACH?

A: THE APPROACH RECOGNIZES THE DIFFERENCE BETWEEN STATE AND COMMERCE LICENSING PRACTICES AND AUTHORITIES.

THE MISSILE PROLIFERATION SANCTIONS LAW PROVISION FOR CATEGORY II SANCTIONS REQUIRES THAT LICENSES BE DENIED FOR THE EXPORT OF ITEMS ON THE MISSILE TECHNOLOGY CONTROL REGIME ANNEX. SATELLITES ARE NOT ON THE MTCR LIST, BUT SATELLITES TYPICALLY CONTAIN ITEMS ON THE MTCR LIST. SOME SATELLITES ARE LICENSED BY THE STATE DEPARTMENT, AND SOME SATELLITES ARE LICENSED BY THE COMMERCE DEPARTMENT.

UNDER STATE'S "SEE THROUGH" PRACTICES, LICENSES FOR SATELLITES ON STATE'S MUNITIONS LIST CONTAINING MTCR ANNEX

ITEM COMPONENTS ARE TREATED AS LICENSES FOR THE EXPORT OF THE MTCR COMPONENT. UNDER THE SANCTIONS LAW, THOSE LICENSES WERE REQUIRED TO BE DENIED)

UNDER COMMERCE'S PRACTICES, LICENSES FOR SATELLITES ON COMMERCE'S DUAL-USE LIST ARE NOT EVALUATED AS LICENSES TO EXPORT THEIR COMPONENTS. THOSE LICENSES WERE NOT AFFECTED BY THE SANCTIONS LAW.

OF COURSE, THE MISSILE PROLIFERATION SANCTIONS LAW PROVISION FOR CATEGORY ONE SANCTIONS REQUIRES BOTH STATE AND COMMERCE TO DENY LICENSES FOR SATELLITE EXPORTS.

6. UN ARREARS: HELMS URGES FOREIGN GOVERNMENTS TO LOBBY THE ADMINISTRATION

CONTEXT: ON JUNE 10 SENATOR HELMS' STAFF BRIEFED DCMS FROM 10 COUNTRIES TO BLAME THE ADMINISTRATION FOR THE U.S. FAILURE TO ENACT A UN ARREARS PAYMENT PLAN. THIS WAS REPORTED IN TODAY'S NYT. THERE IS NOTHING NEW IN HELMS' CHARGE: HE IS SAYING THE PRESIDENT HAS REFUSED TO COMPROMISE ON "MEXICO CITY" AND IS THEREFORE WILLING TO STIFF THE UN IN ORDER TO PANDER TO "AN EXTREMIST MINORITY OF U.S. ABORTION ADVOCATES."

QUESTION:

WHAT DOES THE ADMINISTRATION THINK OF SENATOR HELMS' UNCLAS SECTION 04 OF 06 STATE 108117

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: JUNE 15, 1998 PRESS GUIDANCES FOR THE EAP REGION

INITIATIVE TO GET FOREIGN GOVERNMENTS TO LOBBY THE ADMINISTRATION TO SIGN THE FOREIGN AFFAIRS AUTHORIZATION BILL THAT HAS PASSED CONGRESS SO THAT THE U.S. CAN BEGIN PAYING UN ARREARS?

ANSWER:

THE ADMINISTRATION HAS HAD EXTENSIVE DISCUSSIONS WITH SENATOR HELMS AND HIS STAFF REGARDING THIS LEGISLATION AS IT HAS MADE ITS WAY THROUGH THE LEGISLATIVE PROCESS. SENATOR HELMS AND HIS STAFF ARE OBVIOUSLY FREE TO HAVE DISCUSSIONS WITH REPRESENTATIVES OF FOREIGN GOVERNMENTS.

WE PURSUE A BROAD RANGE OF NATIONAL SECURITY, POLITICAL, ECONOMIC, AND HUMANITARIAN INTERESTS THROUGH THE UN SYSTEM. WE MUST NOT ALLOW A STALEMATE ON INTERNATIONAL FAMILY PLANNING ISSUES TO UNDERMINE OUR LEADERSHIP IN THE UN.

THE ADMINISTRATION REMAINS UNALTERABLY OPPOSED TO THE LEGISLATION IN ITS CURRENT FORM; IT WILL BE VETOED IF SENT TO THE PRESIDENT.

REGARDING THE "MEXICO CITY" PROVISION IN THE BILL THAT WOULD FORCE A PRESIDENTIAL VETO:

DESPITE CLAIMS THAT THE PROVISION HAS BEEN WATERED DOWN BY ITS SUPPORTERS, THIS BILL WOULD PREVENT ORGANIZATIONS THAT RECEIVE U.S. FUNDING FROM ENGAGING IN THE DEMOCRATIC PROCESS IN THEIR OWN COUNTRY, AND FROM ENGAGING IN LEGAL

ACTIVITIES THAT WOULD BE PROTECTED BY THE FIRST AMENDMENT IF CARRIED OUT IN THE U.S.

THE ADMINISTRATION IS SIMPLY NOT WILLING TO SIGN ON TO THIS ATTEMPT TO STIFLE DEMOCRATIC DEBATE IN FOREIGN COUNTRIES.

V. ASIA CRISIS AND SWEATSHOP LABOR

Q: WHAT IS YOUR REACTION TO THE NYT ARTICLE STATING THAT SWEATSHOP LABOR IS MORE DIFFICULT TO COMBAT AS A RESULT OF THE ASIAN ECONOMIC CRISIS?

A: IN GOOD TIMES AND BAD THE U.S. IS COMMITTED TO THE APPLICATION OF HIGH LABOR STANDARDS AND THE OBSERVANCE OF INTERNATIONALLY RECOGNIZED LABOR STANDARDS.

ALTHOUGH WE CANNOT COMMENT ON THE MANY ASSERTIONS AND PROPOSITIONS CONTAINED IN THE ARTICLE, WE CONTINUE TO URGE U.S. BUSINESSES TO CREATE, INSTITUTE AND MONITOR CODES OF CONDUCT THAT WILL PROTECT THEIR EMPLOYEES, INCLUDING CONTRACT EMPLOYEES, FROM ABUSIVE LABOR PRACTICES.

THE WHITE HOUSE'S " MODEL BUSINESS PRINCIPLES" OFFER AN OUTLINE OF THE AREAS, SUCH SAFETY AND HEALTH STANDARDS, ETC., THAT COMPANIES SHOULD ADDRESS IN THEIR OWN CODES.

WE ARE WORKING CLOSELY WITH THE INTERNATIONAL LABOR ORGANIZATION TO ASSURE BETTER COMPLIANCE WITH INTERNATIONAL CORE LABOR STANDARDS AND ESPECIALLY THE ELIMINATION OF THE MOST EXTREME FORMS OF CHILD LABOR. SECRETARY HERMAN HAS MADE THESE POINTS FORCEFULLY DURING HER ATTENDANCE AT THE CURRENT ILO CONFERENCE.

UNCLAS SECTION 05 OF 06 STATE 108117

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: JUNE 15, 1998 PRESS GUIDANCES FOR THE EAP REGION

WE RECOGNIZE THAT WORKERS NEEDS, ESPECIALLY THOSE OF THE LOWEST PAID, NEED ATTENTION DURING DIFFICULT ECONOMIC TIMES. WE URGE ATTENTION TO SOCIAL AND LABOR ISSUES AS THE INTERNATIONAL FINANCIAL INSTITUTIONS SEEK TO DEAL WITH THE ASIAN CRISIS.

8. JAPAN: MACROECONOMIC NEWS

CONTEXT: THE JAPANESE GOVERNMENT ANNOUNCED LATE FRIDAY THAT THE ECONOMY HAD CONTRACTED BY 0.5 PERCENT IN FISCAL

YEAR 199V (APR 97 - MAR 98). THE YEN IS TRADING AT 145-146 TO THE DOLLAR, ITS WEAKEST SINCE AUGUST 1990. THE STOCK MARKET CONTINUED TO DECLINE: THE NIKKEI INDEX TODAY SANK TO 14,825, ITS LOWEST LEVEL SINCE JANUARY.

Q: WHAT IS OUR RESPONSE TO JAPAN ADMITTING IT IS IN RECESSION? WHAT IMPACT MIGHT THIS HAVE ON THE U.S.?

A: WE ARE CONCERNED WITH THIS WEEKEND'S REPORTS OF JAPAN'S SLOW ECONOMIC GROWTB.

JAPAN IS THE WORLD'S SECOND LARGEST ECONOMY, AND A DECLINE IN GROWTH THERE WILL AFFECT DEMAND FOR EXPORTS FROM THE UNITED STATES AND OTHER COUNTRIES.

9. THE FOLLOWING PRESS GUIDANCES WERE PREPARED BY THE DEPARTMENT OF THE TREASURY ON 6/15/98. POSTS MAY DRAW FROM THEM FOR USE ON AN IF ASKED BASIS.

10. JAPAN: RECESSION

Q: ARE YOU CONCERNED THAT THE RECESSION IN JAPAN IS GENERATING INSTABILITY THROUGHOUT ASIA?

A: JAPAN HAS A CRITICAL ROLE TO PLAY IN HELPING TO RESTORE FINANCIAL STABILITY IN ASIA, BY STIMULATING DOMESTIC GROWTH, STRENGTHENING ITS FINANCIAL SYSTEM, DEREGULATING AND OPENING ITS MARKETS.

WEAKNESS IN JAPAN'S ECONOMY IS NOT HELPFUL FOR RESTORING ECONOMIC GROWTH AND STABILITY IN OTHER ASIAN COUNTRIES.

POLICIES TO HELP RESTART JAPAN'S ECONOMIC GROWTH ARE ESSENTIAL TO REESTABLISHING THE CONFIDENCE THAT IS NEEDED. TOWARD THIS END, WE WELCOME THE GOVERNMENT OF JAPAN'S FISCAL STIMULUS PACKAGE AND URGE RAPID IMPLEMENTATION OF ITS COMPONENTS. IT IS ALSO IMPORTANT TO QUICKLY RESOLVE THE BANKING SYSTEM'S BAD DEBT PROBLEM AND TO MOVE DECISIVELY ON DEREGULATION AND OPENING OF JAPAN'S MARKET.

BACKGROUND:

JAPAN'S WEEK GROWTH CUTS ITS DEMAND FOR IMPORTS FROM THE REST OF ASIA, A BLOW TO THOSE ECONOMIES. 1997 ASEAN EXPORTS TO JAPAN ACCOUNTED FOR AT LEAST 5 PERCENT AND AS MUCH AS 10 PERCENT OF THE ASEAN COUNTRIES' GDP; KOREA'S EXPORT TO JAPAN REPRESENT OVER 3 PERCENT OF ITS GDP. MOREOVER A WEAKER YEN MAKES JAPANESE PRODUCTS MORE COMPETITIVE AGAINST OTHER ASIAN SUPPLIERS, CONSTRAINING THEIR ABILITY TO SELLING IN THIRD MARKETS.

UNCLAS SECTION 06 OF 06 STATE 108117

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: JUNE 15, 1998 PRESS GUIDANCES FOR THE EAP REGION

DOMESTIC DEMAND. IF JAPAN WERE ON A STRONG ECONOMIC TRACK OF DOMESTIC, DEMAND-LED GROWTH, IT WOULD BE A LARGER MARKET

FOR ASIAN GOODS AND SERVICES, A SOURCE OF GREATER BANK CREDIT AND OTHER CAPITAL FLOWS AND A POTENTIAL SOURCE OF CONFIDENCE FOR THE REGION.

FINANCIAL STABILIZATION. FULLY RESTORING CONFIDENCE IN THE FINANCIAL SYSTEM REQUIRES: INSTITUTIONAL REFORMS (IN CONJUNCTION WITH THE INJECTION OF NEW CAPITAL), PROMPT DISCLOSURE OF INSOLVENT INSTITUTIONS, AND TRANSPARENT, TIMELY DISCLOSURE OF BANKING INFORMATION.

DEREGULATION AND MARKET OPENING. DEREGULATION AND MARKET OPENING GO HAND IN GLOVE WITH FISCAL STIMULUS.

11. ASIAN FINANCIAL CRISIS AND IMPACT ON OUR ECONOMY

Q: ARE YOU CONCERNED THAT THE CRISIS IN ASIA MAY BE DEEPENING?

A: OUR ECONOMY IS THE STRONGEST IN THE WORLD, BUT THE CRISIS IN ASIA DOES POSE A THREAT TO AMERICAN JOBS AND EXPORTS, AND WORLDWIDE ECONOMIC STABILITY. WE ZVE ALREADY SEEN EVIDENCE THAT WEAKNESSES IN ECONOMIES THERE ARE HAVING AN IMPACT HERE--CUTTING INTO OUR ABILITY TO EXPORT GOODS TO THE REGION AND INCREASING OUR TRADE DEFICIT.

TO MAKE SURE THAT OUR ECONOMY CONTINUES ON A PATH OF STEADY GROWTH, CONGRESS MUST STEP UP TO THE PLATE AND MAKE SURE THAT THE IMP IS STRONG ENOUGH TO RESPOND TO ANY BROADENING OF THE CURRENT CRISIS. WE SHOULD NOT TAKE RISKS WITH THE FUNDS THAT THE IMP NEEDS TO HELP STABILIZE THE WORLD ECONOMY. AND BECAUSE THE IMP FUNCTIONS LIKE AND INTERNATIONAL CREDIT UNION, PAYING OUR SHARE WON'T COST AMERICAN TAXPAYERS A DIME.

Q: WHY DO YOU NEED IMP FUNDING TO RESPOND TO THIS CRISIS?

A: THE INTERNATIONAL MONETARY FUND (IMP) AND THE OTHER INTERNATIONAL FINANCIAL INSTITUTIONS ARE WORKING TO RESTORE FINANCIAL CONFIDENCE AND STABILITY TO THE TROUBLED ECONOMIES OF ASIA.

EAST ASIA IS A MAJOR CUSTOMER FOR U.S. GOODS AND SERVICES; AND IF THEY CAN'T BUY, WE CAN'T SELL. IF ECONOMIES THERE DO NOT RECOVER, A CHAIN REACTION IS POSSIBLE THAT COULD UNDERMINE ECONOMIES AROUND THE WORLD, INCLUDING OUR OWN. EAST ASIA ICLUDES SOME OF OUR CLOSEST ALLIES AND FRIENDS, INCLUDING KOREA WHE. DEPLOYED. IMP PROGRAMS REQUIRE THAT REIPIENT COUNTRIE)

UNDERTAKE REFORMS THAT REDUC THE CHANCE OF SIMILAR FINANCIAL CRISIS IN THE FTURE. FINALLY, BECAUSE THE IMF ACTS AS A SRT OF INTERNATIONAL CREDIT UNION, ITS PROGRAMS HAVE NOT COST OUR TAXPAYERS A NICKEL.  
ALBRIGHT

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**DIST:**  
SIT: NSC

# Cable

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**PREC:** PRIORITY  
**CLASS:** UNCLASSIFIED  
**LINE1:** PAAUZYUW RUEHKG2127 1672035-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** P 162035Z JUN 98  
**LINE4:** FM AMEMBASSY KINGSTON  
**OSRI:** RUEHKG  
**DTG:** 162035Z JUN 98  
**ORIG:** AMEMBASSY KINGSTON  
**TO:** RUEHC/SECSTATE WASHDC PRIORITY 9310  
RUEHC/DEPTLABOR WASHDC PRIORITY  
**INFO:** RUEHDG/AMEMBASSY SANTO DOMINGO 1471  
**SUBJ:** JAMAICA: LABOR, GARMENT INDUSTRY AND EPZS  
**TEXT:**

UNCLAS SECTION 01 OF 04 KINGSTON 002127

STATE FOR DRL/IL, ARA/CAR, ARA/PPC, EB/ODC  
DEPTOF LABOR/ILAB FOR SAMET  
SANTO DOMINGO FOR FCS AND FAS

E.O. 12958: N/A

TAGS: ELAB, ILO, ETRD, EIND, EAGR, XM, XL, XR, JM  
SUBJECT: JAMAICA: LABOR, GARMENT INDUSTRY AND EPZS

REF: A) STATE 93338; B) JUNE 5 FAX P. PAYNE TO DRL/IL  
R. BOOTH

1. THIS RESPONDS TO REF A AND ELABORATES ON INFORMATION  
PROVIDED BY FAX (REF B).

2. AS POST HAS STATED IN OTHER TRADE AND LABOR  
REPORTING, CONDITIONS IN JAMAICA DO NOT MIRROR THOSE OF  
COUNTRIES IN CENTRAL AND LATIN AMERICA (POSSIBLY AS A  
RESULT OF BEING PART OF THE BRITISH SYSTEM AND CLOSE  
PROXIMITY TO U.S. AND U.S. LABOR ORGANIZATIONS.) THE  
"SWEATSHOP CONDITIONS" REFERRED TO ARE NOT PRACTICED  
HERE IN GARMENT OR OTHER TYPES OF FACTORIES. LAWS  
APPLY UNIFORMLY TO ALL WORKERS INCLUDING EXPORT  
PROCESSING ZONES (EPZS), OR "FREE" ZONES AS THEY ARE  
KNOWN IN JAMAICA. TO POST'S KNOWLEDGE THE WORKER RIGHTS  
SEGMENT OF THE "HUMAN RIGHTS PRACTICES FOR 1997" IS AN  
ACCURATE REFLECTION OF THE GARMENT SECTOR/EPZS AS WELL  
AS WORK CONDITIONS IN GENERAL DUE TO THE FACT THAT THE  
NATION HAS A BROAD-BASED, HIGHLY DEVELOPED ORGANIZED  
WORK FORCE ENVIRONMENT. JAMAICA IS A MEMBER OF THE  
ILO, HAS NUMEROUS PUBLIC AND PRIVATE SECTOR UNIONS, A  
LABOR CONFEDERATION, AND STRONG LINKAGES TO REGIONAL  
UNIONS AS WELL AS TO OTHER LABOR UNIONS  
INTERNATIONALLY. (THE KEYNOTE SPEAKER AT THE SECOND  
CONGRESS OF THE JAMAICA CONFEDERATION OF TRADE UNIONS  
WAS AFL-CIO STAN GACEK.)

3. UNIONS IN JAMAICA ARE NOT ONLY ACTIVE AND POWERFUL, BUT, EVEN BY OUR TERMS, AGGRESSIVE. THIS REFLECTS IN PART THE HISTORICAL LINKAGES OF UNIONS TO THE MAIN POLITICAL PARTIES AND A CORRESPONDING HISTORIC DEPENDENCY BY BOTH LABOR AND THE PRIVATE SECTOR ON GOVERNMENT, HEIGHTENED BY SOCIALISM IN THE 1970S. (RECENTLY, HOWEVER, IN LIGHT OF THE NATION'S SEVERE ECONOMIC PROBLEMS, THE FINANCIALLY STRAINED GOJ IS SENDING CLEAR MESSAGES TO BOTH PARTIES THAT THE UMBILICAL CORD IS BEING CUT.) WHILE THERE ARE NO UNIONS IN THE ZONES, THEY ARE NOT ISOLATED FROM THE PROACTIVE UNION ENVIRONMENT.

4. WAGES AND BENEFITS ARE USUALLY AGREED TO BY TWO YEAR CONTRACT AND HAVE RELATIVELY HIGH LEVELS OF INCREASE BUILT INTO THEM. WAGES THEMSELVES A^D A DECEPTIVE MEASURE OF LABOR COSTS, SINCE, ACCORDING TO INDUSTRY, AMERICAN CHAMBER OF COMMERCE AND SOME LABOR LEADERS THEMSELVES, BENEFITS CAN EQUAL AN ADDITIONAL 50-60 PERCENT OF ACTUAL SALARY (FOR EXAMPLE, TRANSPORTATION AND CLOTHING ALLOWANCES, AND "REDUNDANCY PAY" WHICH IS PART OF THE WORK AGREEMENT, AS THERE IS NO UNEMPLOYMENT COMPENSATION).

5. AMONG THE LAWS THAT WOULD AFFECT THE FREE ZONE ARE:

THE JAMAICA EXPORT FREE ZONE ACT (WHICH GOVERNS OPERATIONS AND GIVES AUTHORITY AND MANAGEMENT OF ALL EPZS TO THE PORT AUTHORITY OF JAMAICA);  
THE CUSTOMS ACT;  
THE FACTORIES ACT;  
THE COMPANIES ACT;  
THE LABOUR RELATIONS AND INDUSTRIAL DISPUTES ACT;  
EMPLOYMENT TERMINATION AND REDUNDANCY PAYMENTS ACT;  
AND THE MATERNITY LEAVE ACT.

6. THERE IS ALSO A MINIMUM WAGE (TRADE) ACT. ACCORDING TO MR. ERROL HEWITT, GENERAL MANAGER OF THE KINGSTON EPZ, GARMENT WORKERS EARN A BASE SALARY OF THE MINIMUM WAGE OF 800 JDOLS PER WEEK (ABOUT USD 22) PLUS JDOLS 100 - 300; ABOVE THAT THEY ARE PAID PER PIECE. ACCORDING TO THE MINISTRY OF LABOUR, SOCIAL SECURITY AND SPORT, IN THE EPZS INDUSTRIAL RELATIONS AND TERMS AND CONDITIONS OF EMPLOYMENT ARE GUIDED BY THE GENERAL LABOR LAWS, AND ADMINISTERED BY THE MINISTRY OF LABOUR. THERE ARE NO SPECIFIC CODES OF CONDUCT FOR EPZS WITH REFERENCE TO LABOR OR THE GARMENT SECTOR; THE EXISTING FRAMEWORK OF LAWS AND REGULATIONS APPLIES TO ALL WORKERS.

7. INFORMATION ON LABOR, EMPLOYMENT AND LABOR LAWS IS AVAILABLE GENERALLY FROM SEVERAL OFFICIAL PUBLICATIONS. HOWEVER, THE GARMENT INDUSTRY TENDS TO BE INCLUDED IN STATISTICS WITH THE MANUFACTURING SECTOR (OF WHICH IT REPRESENTS ABOUT TWO-THIRDS OF THE WORKERS). SOME OFFICIAL INFORMATION DEFINES GARMENT WORKERS UNDER BROADER SEGMENTS SUCH AS MACHINE OPERATORS AND

ASSEMBLERS, WHICH MAKES IT DIFFICULT TO BREAK OUT SPECIFICS (ALTHOUGH SOMETIMES THEY ARE NOTED). THE GOJ DOES NOT NORMALLY INCLUDE DOLLAR AMOUNTS OF? SETTLEMENTS, SPECIFIC RESOLUTIONS, ETC. IN DATA, BUT WILL INDICATE NUMBER OF INCIDENTS, WHICH ECONOMIC UNCLAS SECTION 02 OF 04 KINGSTON 002127

STATE FOR DRL/IL, ARA/CAR, ARA/PPC, EB/ODC  
DEPT. OF LABOR/ILAB FOR SAMET  
SANTO DOMINGO FOR FCS AND FAS

E.O. 12958: N/A  
TAGS: ELAB, ILO, ETRD, EIND, EAGR, XM, XL, XR, JM  
SUBJECT: JAMAICA: LABOR, GARMENT INDUSTRY AND EPZS

REF: A) STATE 93338; B) JUNE 5 FAX P. PAYNE TO DRL/IL SECTOR, TYPE OF DISPUTE (I.E. WAGE, LEAVE, DISMISSALS/SUSPENSIONS, ETC.). DEPENDING ON CIRCUMSTANCES UNIONS MAY PROVIDE SUCH DETAILS.

8. THE NEWS MEDIA, HOWEVER, ACTIVELY COVERS EVERY INDUSTRIAL DISPUTE OR LABOR PROBLEM WHETHER IN OR OUT OF THE ZONE, AND WILL DISCUSS IN DETAIL WHAT IS HAPPENING, WHAT WAS SAID, BY WHOM, AND WHAT AMOUNTS ARE IN DISCUSSION/BEING AWARDED. POST WAS ALSO ABLE TO ACQUIRE SOME EPZ SPECIFIC INFORMATION FROM THE MINISTRY, BUT THIS IS TIME CONSUMING AND NOT NECESSARILY COMPLETE.

THE ECONOMIC ENVIRONMENT AND EMPLOYMENT IN MAJOR SECTORS  
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9. RECENT STATISTICS INDICATE THAT FOR THE PERIOD JAN-SEPT 1997, EARNINGS OVERALL WERE UP (BEYOND INFLATION LEVELS) BUT THE NUMBER OF JOBS ARE DOWN. THE ECONOMY HAS BEEN IN NEGATIVE GROWTH FOR TWO YEARS (1996 MINUS 1.8 PERCENT GROWTH; 1997 MINUS 2.4 PERCENT GROWTH) AND THIS YEAR DOES NOT LOOK PROMISING. SINCE 1996, SERIOUS FALLOUT IN THE FINANCIAL SECTOR, WITH ITS INTERLOCKING BANKS AND INSURANCE COMPANIES, HAS REQUIRED GOVERNMENT INTERVENTION THUS FAR OF APPROXIMATELY USD 1.9 BILLION (NOTE: FOR COMPARISON GDP FOR 1997 WAS LESS THAN USD 6.2 BILLION).

10. OTHER SECTORS OF THE ECONOMY, ALREADY REELING FROM HIGH COMMERCIAL INTEREST RATES (CURRENTLY AT 44 PERCENT) HAVE BEEN HURT BY THE FINANCIAL SECTOR PROBLEMS AND OTHER DIFFICULTIES INCLUDING HIGH OPERATING COSTS AND THE LACK OF "PRODUCTIVE" INVESTMENT. SOME OF THESE, INCLUDING THE GARMENT SECTOR, HAVE REQUIRED GOVERNMENT INTERVENTION AS WELL ("BAILOUTS").

11. UNEMPLOYMENT ("REDUNDANCY") HAS RESULTED IN ALMOST EVERY MAJOR ECONOMIC SECTOR. AS ONE WOULD EXPECT, AREAS EMPLOYING LESS SKILLED/LESS EDUCATED WORKERS HAVE SEEN THE MOST LAYOFFS. AGRICULTURE (ABOUT 23 PERCENT OF

WORKFORCE), WAS A MAJOR SUFFERER LOSING THOUSANDS OF JOBS. WITH RESPECT TO THE THREE "PILLARS" OF THE ECONOMY, BAUXITE/ALUMINA MINING AND TOURISM HAVE GROWN ONLY MARGINALLY, WITH MINING TRIMMING OVER 350 JOBS AT THE END OF 1997, ALMOST 9 PERCENT OF THE 4,000 WORKERS IN THIS HIGH PAID/HIGH SKILLED SECTOR. THE GARMENT/APPAREL SECTOR, BESET BY NAFTA AND BY ASIAN COMPETITION, IS FALTERING SEVERELY. EXACT FIGURES ON SECTORAL UNEMPLOYMENT AND CLOSURES ARE NOT READILY AVAILABLE, BUT APPROXIMATELY TWO DOZEN COMPANIES HAVE CLOSED SINCE 1996, AMONG THEM U.S. COMPANIES JOGTOGS (1997) WHICH EMPLOYED OVER 1,000 AND HANES (APRIL 1998) WHICH EMPLOYED APPROXIMATELY 560.

12. IN 1994 THE GARMENT INDUSTRY EMPLOYED 36,000 PEOPLE AND BY 1996 THE FIGURE WAS ESTIMATE AT 21,000. IN A JUNE 12 CONVERSATION ERROL HEWITT, GENERAL MANAGER OF KINGSTON EXPORT PROCESSING ZONE OPINED THAT THE CURRENT LEVEL OF EMPLOYMENT IN THE SECTOR IS ABOUT 20,000-21,000. THE GARMENT INDUSTRY IS A MAJOR EMPLOYER OF WOMEN WITH LOW SKILLS/LESS EDUCATION, MANY OF WHOM ARE HEADS OF HOUSEHOLD. THE DOWNSIZING OF THE INDUSTRY HAS HAD A SERIOUS IMPACT ON EMPLOYMENT LEVELS IN THE FEMALE WORKFORCE. WOMEN ARE THE MAJOR UNEMPLOYED GROUP WITH RATES MORE THAN TWICE AS HIGH AS THOSE OF THE MALE WORKFORCE.

THE GARMENT SECTOR AND THE ZONES  
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13. THERE ARE THREE MAJOR EPZS: THE KINGSTON FREE ZONE, MONTEGO BAY FREE ZONE AND GARMEX. GIVEN TIME CONSTRAINTS, ECONOFF WAS ONLY ABLE TO CONTACT MR. HEWITT (KINGSTON EPZ MANAGER) BUT HE WAS KNOWLEDGEABLE CONCERNING OPERATION OF THE OTHER TWO ZONES.

14. ACCORDING TO HEWITT, APPROXIMATELY 95 PERCENT OF ALL EMPLOYEES IN THE ZONES (ALL TYPES OF COMPANIES) ARE WOMEN. THE MAJORITY OF THE EMPLOYEES OF EACH EPZ ARE GARMENT WORKERS. THE SMALLEST, GARMEX (IN KINGSTON), HAS 3 COMPANIES: ALL GARMENT (2500 WORKERS). THE MONTEGO BAY FREE ZONE HAS ABOUT 20 COMPANIES, 9 OF WHICH ARE GARMENT: THE OTHER COMPANIES ARE PRIMARILY DATA ENTRY, TELECOMMUNICATIONS AND TELEMARKETING. IN MONTEGO BAY FREE ZONE ABOUT 60 PERCENT OF ITS WORKERS (4500 ARE GARMENT WORKERS). KINGSTON FREE ZONE HAS 18 COMPANIES; 9 OF THEM GARMENT INDUSTRY. IN KINGSTON UNCLAS SECTION 03 OF 04 KINGSTON 002127

STATE FOR DRL/IL, ARA/CAR, ARA/PPC, EB/ODC  
DEPT. OF LABOR/ILAB FOR SAMET  
SANTO DOMINGO FOR FCS AND FAS

E.O. 12958: N/A  
TAGS: ELAB, ILO, ETRD, EIND, EAGR, XM, XL, XR, JM  
SUBJECT: JAMAICA: LABOR, GARMENT INDUSTRY AND EPZS

REF: A) STATE 93338; B) JUNE 5 FAX P. PAYNE TO DRL/IL

FREE ZONE ABOUT 75 PERCENT OF ITS TOTAL WORKFORCE (4600) ARE EMPLOYED IN THE GARMENT INDUSTRY. AND THE GARMENT INDUSTRY REPRESENTS 85 PERCENT OF THE EXPORT VALUE.

15. THE EPZS CURRENTLY HAVE NO UNIONS. MR. HEWITT INDICATES THAT AT ONE POINT ONE COMPANY, LAWRENCE MANUFACTURING (FORMERLY OLD COLONIAL MFR., A U.S. FIRM) CAME INTO THE ZONE WITH A UNION BUT THE FIRM CLOSED SOME YEARS AGO. HE OBSERVED THAT THERE ARE EFFECTIVE WORKER-EMPLOYER COUNCILS THAT CONSULT ON LABOR ISSUES. HEWITT OPINED THAT WORKERS IN THE ZONE ARE LIKELY TO BE VERY COGNIZANT OF THE CONDITION (FINANCIAL AND OTHER) OF THEIR COMPANY (UNLIKE NON ZONE WORKERS) AND ARE THEREFORE VERY ASTUTE IN BARGAINING. HE OPINES THAT ZONE WORKERS PREFER THIS SYSTEM SINCE THE WORKER REPRESENTATIVES ARE ON SITE AND THEREFORE MORE AWARE OF THE SPECIFIC CONDITIONS AND MORE ACCOUNTABLE. HE NOTED (DRL/IL PLEASE CONFIRM) THAT AFTER NAFTA THE AFL-CIO HAD DONE A SURVEY REGARDING UNION/NON-UNION COMPANIES IN OFF SHORE LOCATIONS AND DISCOVERED THAT LAWRENCE MANUFACTURING (THE UNIONIZED COMPANY) ACTUALLY HAD THE LOWEST WAGES.

16. DURING A MEETING MAY 14 WITH MAJOR UNION LEADERS (NATIONAL WORKERS UNION, BUSTAMANTE INDUSTRIAL TRADE UNION, UNIVERSITY AND ALLIED WORKERS UNION AND JAMAICA CIVIL SERVICE ASSOCIATION) THEY STATED THAT IN THE LATE 1980S THE EPZS HAD POOR CONDITIONS. THERE WERE NO UNIONS AND WORKERS HAD TO RESOLVE MATTERS DIRECTLY WITH THEIR EMPLOYERS WHOSE DECISIONS AND ACTIONS WERE ARBITRARY. DUE TO UNION AGITATION IN THEIR SUPPORT, CONDITIONS HAVE MARKEDLY IMPROVED. UNION LEADERS FEEL THERE MAY BE SOME INHIBITIONS AGAINST UNIONS BUT NOTE THE IMPROVEMENTS (WHICH THEY FEEL WERE DONE TO BRIBE WORKERS AGAINST UNION FORMATION). THEY ACKNOWLEDGE THAT AN ECONOMIC ENVIRONMENT WHERE JOBS ARE DISAPPEARING MAY NOT BE THE BEST TO ENCOURAGE INTEREST IN UNION FORMATION.

17. IT IS HARD TO DETERMINE IF THIS IS THE ACTUAL/MAIN CAUSE. THE UNIONS, IN THEIR OWN INTEREST, ARE VIGILANT REGARDING THE GARMENT SECTOR AND EPZS, WHICH MAKES EXTREME VARIATIONS IN CONDITIONS UNLIKELY. IN CONVERSATIONS WITH UNION LEADERS ECONOFF ALSO HAD A SENSE THAT WHILE PUSHING FOR IMPROVEMENTS THEY ACT WITH RESTRAINT, AWARE OF THE FRAGILITY OF THE GARMENT SECTOR AND THE LACK OF JOB ALTERNATIVES FOR THE WORKERS IF MORE FACTORIES CLOSE.

18. ON WORKING CONDITIONS IN THE EPZS, THE MINISTRY ITSELF REPORTS THAT IN THE EARLY PERIOD THERE WERE POOR INDUSTRIAL RELATIONS MARRED BY FREQUENT DISRUPTIONS. IN 1988, AS A RESULT OF LABOUR UNREST IN KINGSTON FREE ZONE, A BOARD OF ENQUIRY WAS ESTABLISHED. BASED ON ITS REPORT IN FEBRUARY 1989 STEPS WERE TAKEN THAT GREATLY IMPROVED WORKER RELATIONS. THE MINISTRY INDICATES THIS WAS FACILITATED BY ESTABLISHING IN-PLANT WORKER AND

MANAGEMENT COMMITTEES TO ADDRESS PROBLEMS IN AN ORDERLY MANNER. FACTORIES HAVE UNITS FROM WHICH THE WORKER REPRESENTATIVES ARE ELECTED BY PARTICULAR GROUPS OF EMPLOYEES. THE COMMITTEES HOLD WEEKLY MEETINGS TO ADDRESS LABOR ISSUES. THE MINISTRE ALSO NOTES THAT INCREASED VIGILANCE BY THE ZONE ADMINISTRATION IN COOPERATION WITH THE GOVERNMENT'S FACTORY INSPECTORATE HAS ALSO HELPED.

19. ASIDE FROM THE COMPLAINTS TO THE MINISTRY, COMPLAINTS MAY BE MADE TO THE MINISTRY'S INDUSTRIAL DISPUTE TRIBUNAL (WHICH IS ALSO USED BY UNIONIZED WORKPLACES). CONDITIONS IN EPZS ARE SIMILAR TO THOSE IN OTHER WORKPLACES. ALTHOUGH UNION LEADERS STATE THAT IN THE BEGINNING (1980S), UNION AGITATION HELPED IMPROVE CONDITIONS IN THE EPZS, CONDITIONS AND WAGES ARE SIMILAR TO THOSE ELSEWHERE IN @MAICA. UNION EADERS ALSO OPINE THAT FEAR OF UNIONIZATIONMAY HAVE INDUCED EMPLOYERS TO GRANT IMPROVED CONDITIONS OVER TIME.

#### REVIEW AND ENFORCEMENT

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20. THE MINISTRY OF LABOUR, SOCIAL SECURITY AND SPORT HAS INSPECTORS WHO DO PERIODIC INSPECTIONS BOTH IN AND OUTSIDE THE ZONE. OF 681 INSPECTIONS CONDUCTED IN 1996 IN WORK SITES OF ALL TYPES (INCLUDING SHIPS IN PORT), A TOTAL OF 8 INSPECTIONS WERE CONDUCTED IN THE GARMENT/TEXTILE INDUSTRY (ZONE AND NON EPZ). INSPECTORS ARE ASSIGNED GENERALLY, NOT SPECIFICALLY TO THE GARMENT UNCLAS SECTION 04 OF 04 KINGSTON 002127

STATE FOR DRL/IL, ARA/CAR, ARA/PPC, EB/ODC  
DEPT. OF LABOR/ILAB FOR SAMET  
SANTO DOMINGO FOR FCS AND FAS

E.O. 12958: N/A  
TAGS: ELAB, ILO, ETRD, EIND, EAGR, XM, XL, XR, JM  
SUBJECT: JAMAICA: LABOR, GARMENT INDUSTRY AND EPZS

REF: A) STATE 93338; B) JUNE 5 FAX P. PAYNE TO DRL/IL INDUSTRY, AND WORK PLACE INSPECTIONS ARE GENERALLY UNANNOUNCED. ACCORDING TO THE MINISTRY OF LABOUR, SOCIAL SECURITY AND SPORTS, JAMAICA'S LABOR LAWS APPLY ACROSS THE BOARD TO ALL SECTORS INCLUDING THE EXPORT PROCESSING ZONES (EPZS. OR "FREE ZONES" AS THEY ARE REFERRED TO HERE. THERE ARE PERIODIC UNANNOUNCED INSPECTIONS OF THE GARMENT SECTOR WHICH INCLUDE THE EPZS TO ENSURE HEALTH AND SAFETY STANDARDS.

21. THE MINISTRY OF LABOUR INDICATES THAT IN 1996 A TOTAL OF 109 COMPLAINTS (87 FEMALE; 22 MALE) WERE RECEIVED FROM THE GARMENT INDUSTRY (BOTH EPZ AND NON-EPZ). THE 1996 ECONOMIC AND SOCIAL SURVEY OF JAMAICA (SEGMENT ON INDUSTRIAL DISPUTES) REPORTS, THAT OF 52 INDUSTRIAL DISPUTES INVOLVING WORK STOPPAGES, 20 WERE IN THE MANUFACTURING INDUSTRY, WHICH INCLUDES GARMENTS,

FOOTWEAR, ETC. THESE INVOLVED 2,443 WORKERS OUT OF THE TOTAL 13,265 INVOLVED IN INDUSTRIAL DISPUTES IN 1996. OF 75 CASES HANDLED BY THE INDUSTRIAL DISPUTES TRIBUNAL IN 1996 (SOME CARRYOVERS FROM 1995), IN 28 CASES AWARDS WERE HANDED DOWN, 11 IN THE MANUFACTURING SECTOR (ANOTHER 13 WERE SETTLED BY AGREEMENT OR WITHDRAWN).

22. COMMENT. ECONOFF NOTES THAT INSPECTIONS ARE APPARENTLY NOT DONE SOLELY BY THE MINISTRY OF LABOUR, SOCIAL SECURITY AND SPORT. EARLY IN JUNE 1998 THERE WERE WORK CONDITION COMPLAINTS AGAINST EAST OCEAN TEXTILES (A KINGSTON EPZ COMPANY) WHICH EMPLOYS OVER 4800 PEOPLE, APPROXIMATELY 400 OF THEM ASIANS ON WORK PERMITS. THE PROBLEMS RELATED TO FOOD (ASIANS) AND TO BROKEN AIR CONDITIONING IN ONE OF THE FACTORY BUILDINGS (ALL WORKERS). A PUBLIC HEALTH INSPECTOR (MINISTRY OF HEALTH AND ENVIRONMENT) WAS CALLED IN AND IS EXPECTED TO MAKE A REPORT. POST HAS QUERIED THE MINISTRY OF LABOUR, SOCIAL SECURITY AND SPORT REGARDING ITS OWN ACTIVITIES AND FINDINGS. THESE WILL BE REPORTED IN A SEPTEL WHEN AVAILABLE. HOWEVER, ACCORDING TO THE EPZ GENERAL MANAGER, THE PROBLEMS HAVE BEEN RESOLVED. END COMMENT.

MCLELLAND

**SECT:** SECTION: 01 OF 04

<^SECT>SECTION: 02 OF 04

<^SECT>SECTION: 03 OF 04

<^SECT>SECTION: 04 OF 04

**SSN:** 2127

<^SSN>2127

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**TOR:** 980616163740 M3337595

<^TOR>980616163756 M3337597

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**DIST:**

SIT: DELAURENTIS DESOUZA DOBBINS HAINES HOFMANN LAWSON LEE ORFINI PICCONE

SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHULA3479 1680642-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 170642Z JUN 98  
**LINE4:** FM AMEMBASSY SEOUL  
**OSRI:** RUEHUL  
**DTG:** 170642Z JUN 98  
**ORIG:** AMEMBASSY SEOUL  
**TO:** SECSTATE WASHDC 1451  
**INFO:** ////  
**SUBJ:** DOL STUDY ON THE TEXTILE INDUSTRY

**TEXT:**  
UNCLAS SEOUL 003479

DEPARTMENT PASS TO DOL/ILAB

E.O. 12958: N/A  
TAGS: ELAB, PHUM, KS  
SUBJECT: DOL STUDY ON THE TEXTILE INDUSTRY

1. (U) THE KOREAN TEXTILE INDUSTRY HAS SHRUNK CONSIDERABLY IN THE LAST DECADE. SO MANY FIRMS HAVE

MOVED PRODUCTION FACILITIES TO LOWER-WAGE COUNTRIES SUCH AS CHINA THAT, ACCORDING TO TEXTILE WORKERS REPRESENTATIVES, UNION MEMBERSHIP IN THE INDUSTRY HAS DROPPED TO AROUND 45,000 COMPARED WITH 170,000 EIGHT YEARS AGO. REPRESENTATIVES FROM THE LABOR MINISTRY, WHICH COLLECTS WBGE DATA FOR FIRMS WITH MORE THAN TEN EMPLOYEES, TOLD POLOFF THAT IN MARCH OF 1998 THE MONTHLY AVERAGE IN THE TEXTILE INDUSTRY WAS 1,059,000 WON (APPROXIMATELY 750 USDOLLARS). THE GOVERNMENT DOES NOT HAVE ENFORCEMENT MECHANISMS AIMED SPECIFICALLY AT THE GARMENT INDUSTRY, BUT THE LABOR MINISTRY HAS A CADRE OF INSPECTORS WHO MONITOR WORKPLACE CONDITIONS SUCH AS NOISE AND AIR QUALITY IN ALL INDUSTRIES.

2. (U) THE GOVERNMENT DOES NOT COLLECT INDUSTRY-SPECIFIC STATISTICS ON LABOR INSPECTIONS, VIOLATIONS, AND CASES OF RESTITUTION OF BACK WAGES IN THE GARMENT INDUSTRY. PERIODIC REPORTING ON THE INDUSTRY WOULD HAVE TO RELY MORE ON DISCUSSIONS WITH LABOR ACTIVISTS AND ACADEMICS THAN ON DETAILED GOVERNMENT STATISTICS. POLOFF SPOKE THIS WEEK WITH FATHER TRESOLINI OF THE CATHOLIC LABOR PROJECT IN SEOUL. TRESOLINI, A LONG-TIME LABOR ACTIVIST HERE, SAID MUCH OF THE LOW-END GARMENT PRODUCTION HAS MOVED OFFSHORE IN THE PAST TEN YEARS. CONSEQUENTLY, MANY OF THE WORST SWEATSHOPS ARE GONE. HE BELIEVES THAT

KOREA'S STRONG FAMILY STRUCTURES AND EMPHASIS ON EDUCATION FOR CHILDREN MAKES EXPLOITATION OF CHILD LABOR IN THE GARMENT SECTOR VIRTUALLY NON-EXISTENT. LIKE MANY OTHER EMPLOYERS IN KOREA DURING THE CURRENT FINANCIAL CRISIS, APPAREL MANUFACTURERS ARE FALLING BEHIND IN WAGE PAYMENTS. A TEXTILE UNION OFFICIAL TOLD POLOFF THAT SEVERAL FIRMS ARE TWO MONTHS BEHIND IN PAYMENTS, AND PROSPECTS FOR QUICK RESTITUTION ARE SMALL. EMPLOYERS HAVE NOT DEVELOPED CODES OF CONDUCT SPECIFICALLY FOR THE APPAREL INDUSTRY.

CHRISTENSON

**SECT:** SECTION: 01 OF 01

**SSN:** 3479

**TOR:** 980617024438 M3338274

**DIST:**

SIT: NSC

# Cable

**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
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**LINE2:** ZNR UUUUU ZZH (CCY ADX4FC3A4 MSI5196)  
**LINE3:** R 020620Z JUL 98  
**LINE4:** FM AIT TAIPEI  
**OSRI:** RUEHIN  
**DTG:** 020620Z JUL 98  
**ORIG:** AIT TAIPEI  
**TO:** RUEHC/SECSTATE WASHDC 9777  
**INFO:** RUEHBJ/AMEMBASSY BEIJING 1147  
 RUEHKO/AMEMBASSY TOKYO 7465  
 RUEHHK/AMCONSUL HONG KONG 2467  
 RUEHUL/AMEMBASSY SEOUL 0252  
 RUEHML/AMEMBASSY MANILA 5584  
 RUEHBK/AMEMBASSY BANGKOK 7364  
 RUEHGP/AMEMBASSY SINGAPORE 8429  
 RUEHGZ/AMCONSUL GUANGZHOU 8633  
 RUESLE/AMCONSUL SHANGHAI 7868  
**SUBJ:** DEPT OF LABOR STUDY ON WORKING CONDITIONS IN  
 THE APPAREL INDUSTRY

SENSITIVE BUT UNCLASSIFIED: HANDLE ACCORDINGLY

**TEXT:**

////////////////////////////////// INCOMPLETE MESSAGE //////////////////////////////////

UNCLAS SECTION 01 OF 02 TAIPEI 002951

C O R R E C T E D C O P Y (SENSITIVE CAPTION)

SENSITIVE

DEPT PLEASE PASS TO AIT/W AND DEPARTMENT OF LABOR

DEPT FOR EAP/RSP/TC AND DRL/IL - JAMES EHRMAN

DEPARTMENT OF LABOR FOR DOL/ILAB - JORGE PEREZ LOPEZ

E.O. 12958: N/A

TAGS: ELAB, EIND, ETRD, PHUM, SOCI, TW

SUBJECT: DEPT OF LABOR STUDY ON WORKING CONDITIONS IN  
THE APPAREL INDUSTRY

SENSITIVE BUT UNCLASSIFIED: HANDLE ACCORDINGLY

SUMMARY

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1. (U) THE "SWEATSHOP" PROBLEM IN THE APPAREL EXPORT  
INDUSTRY IS LARGELY ABSENT ON TAIWAN. THE ISLAND HAS

COMPREHENSIVE LABOR STANDARDS LAWS AND ENFORCEMENT REGULATIONS. RISING WAGES AND LIVING STANDARDS HAVE FORCED THE BULK OF TAIWAN'S APPAREL INDUSTRY TO LOWER-WAGE COUNTRIES IN EAST AND SOUTHEAST ASIA. THE AVERAGE SALARY FOR THE REMAINING WORKERS, WHO INCLUDE A SMALL NUMBER OF FOREIGN GUEST LABORERS, IS ABOVE TAIWAN'S MINIMUM WAGE. NON-GOVERNMENTAL LABOR GROUPS ARE ACTIVE IN TAIWAN, ALTHOUGH MOST ARE CONCERNED WITH BROADER LABOR ISSUES RATHER THAN WORKING CONDITIONS IN THE APPAREL EXPORT SECTOR ONLY. END SUMMARY.

2. (SBU) ON JUNE 24, ECONOMIC OFFICER MET WITH DIRECTOR TAI-CHI DOONG OF THE COUNCIL OF LABOR AFFAIRS' DEPARTMENT OF LABOR STANDARDS TO DISCUSS WORKING CONDITIONS IN TAIWAN'S APPAREL EXPORT SECTOR. DIRECTOR DOONG POINTED OUT THAT TAIWAN HAS A COMPREHENSIVE LABOR STANDARDS LAW. AS WELL AS ENFORCEMENT RULES FOR THE LABOR STANDARDS LAW. THE COVERAGE OF THESE LAWS EXTENDS TO THE APPAREL INDUSTRY. THE INDUSTRY MUST ALSO COMPLY WITH TAIWAN'S LABOR SAFETY AND HEALTH LAW GOVERNING WORKING CONDITIONS, AS WELL AS ENFORCEMENT RULES FOR THIS LEGAL CODE. DUE TO THE UNIFORM COVERAGE OFFERED BY THE EXISTING LAWS, THERE ARE PRESENTLY NO TEXTILE INDUSTRY-SPECIFIC LAWS OR ENFORCEMENT STRATEGIES IN PLACE. ASIDE FROM A REVISION TO THE LABOR STANDARDS LAW ALLOWING MORE FLEXIBLE WORKING HOURS, NO BASIC LABOR LAW CHANGES ARE UNDER CONSIDERATION, AS THE AUTHORITIES CONSIDER THE LAWS TO BE ADEQUATE.

3. (SBU) DIRECTOR DOONG ALSO NOTED THAT THE APPAREL INDUSTRY IN TAIWAN IS FAIRLY SMALL, MOSTLY DUE TO HIGH WAGES ON THE ISLAND. ALTHOUGH WAGES IN THE APPAREL INDUSTRY ARE AROUND 30 PERCENT LOWER THAN THOSE FOR THE MANUFACTURING SECTOR AS A WHOLE, THE AVERAGE MONTHLY WAGE IN THE APPAREL INDUSTRY STILL STANDS AT USD 724 PER MONTH, WELL ABOVE THE LEGAL MINIMUM WAGE (USD 453 AT THE PRESENT EXCHANGE RATE). TO ESCAPE THESE RELATIVELY HIGH WAGES, A LARGE SEGMENT OF THE INDUSTRY HAS RELOCATED, MOSTLY TO THE PEOPLE'S REPUBLIC OF CHINA OR TO SOUTHEAST ASIAN COUNTRIES SUCH AS INDONESIA OR THE PHILLIPINES. THUS EMPLOYMENT IN THE INDUSTRY HAS DECLINED FROM 143 THOUSAND IN 1987 TO 76 THOUSAND IN 1997. DOONG ADDED THAT THIS TRANSITION HAS BROUGHT ABOUT THE ONLY MAJOR LABOR ISSUE CONCERNING THE TEXTILE INDUSTRY ON TAIWAN: WORKER RETIREMENT FUNDS OFTEN DISAPPEAR ALONG WITH THE FACTORIES. THIS, NOT WORKING CONDITIONS, HAS BEEN THE MAIN SOURCE OF LABOR COMPLAINTS IN THIS INDUSTRY.

4. (U) DIRECTOR DOONG POINTED OUT THAT TAIWAN ALSO HAS VERY FEW FOREIGN WORKERS EMPLOYED IN APPAREL MANUFACTURING. DUE TO LOW UNEMPLOYMENT OF AROUND 2 TO 3 PERCENT, TAIWAN ANNUALLY BRINGS IN HUNDREDS OF THOUSANDS OF FOREIGN WORKERS. BUT OF THIS NUMBER, ONLY 3790 ALIEN WORKERS WERE RECORDED IN THE TAIWAN WEARING APPAREL INDUSTRY IN APRIL 1998. AND UNLIKE THOSE IN OTHER ECONOMIES IN EAST AND SOUTHEAST ASIA, GUEST WORKERS IN TAIWAN ARE ENTITLED TO THE MINIMUM WAGE, WHICH CURRENTLY STANDS AT USD 453 PER MONTH.

5. (U) NON-GOVERNMENTAL LABOR ORGANIZATIONS ARE ACTIVE IN TAIWAN. THESE GROUPS INCLUDE THE LABOR-MANAGEMENT RELATIONSHIP ASSOCIATION, QUASI-LABOR UNIONS SUCH AS THE TAIWAN LABOR FRONT AND THE NATIONAL FEDERATION OF LABOR UNIONS, AND RELIGIOUS GROUPS LIKE RERUM NOVARUM LABOR, ALL OF WHICH OFFER ASSISTANCE TO LOCAL AND FOREIGN WORKERS. HOWEVER, THESE GROUPS ARE CONCERNED WITH BROAD LABOR ISSUES, NOT SPECIFICALLY WITH APPAREL INDUSTRY WORKING CONDITIONS.

6. (U) IN ADDITION TO THE COUNCIL OF LABOR AFFAIRS, COUNTY AND CITY GOVERNMENTS ALSO CONDUCT INSPECTIONS OF WORKING CONDITIONS AROUND THE ISLAND. BUT BY DIRECTOR DOONG'S OWN ADMISSION, THE INSPECTION RATE FOR THE APPAREL INDUSTRY IS LOWER THAN THAT FOR OTHER SECTORS. INSTEAD, THE AUTHORITIES CONCENTRATE THEIR ENFORCEMENT

**SECT:** SECTION: 01 OF 02

**SSN:** 2951

**TOR:** 980720032316 M3383936

**DIST:**  
SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
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**LINE2:** ZNR UUUUU ZZH  
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**LINE4:** FM AMEMBASSY BANGKOK  
**OSRI:** RUEHBK  
**DTG:** 080409Z JUL 98  
**ORIG:** AMEMBASSY BANGKOK  
**TO:** RUEHC/SECSTATE WASHDC 2256  
RUEHC/DOL WASHDC  
**INFO:** RUEHXS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS  
RUEHIN/AIT TAIPEI 6853  
RUEHBJ/AMEMBASSY BEIJING 0659  
RUEHKO/AMEMBASSY TOKYO 8576  
RUEHWL/AMEMBASSY WELLINGTON 0063  
RUEHBY/AMEMBASSY CANBERRA 6994  
RUDKIA/AMCONSUL CHIANG MAI 2127  
**SUBJ:** DOL STUDY ON WORKING CONDITIONS IN THE APPAREL  
INDUSTRY  
**TEXT:**  
UNCLAS BANGKOK 009060  
  
STATE FOR EAP AND DRL/IL - JAMES EHRMAN  
  
DOL FOR ILAB - JORGE PEREZ LOPEZ  
  
E.O. 12958: DECL; N/A  
TAGS: ELAB, ECON, ETRD, PHUM, SOCI, TH  
SUBJECT: DOL STUDY ON WORKING CONDITIONS IN THE APPAREL  
INDUSTRY  
  
REF: STATE 93338  
  
1. SUMMARY: CONDITIONS FOR WORKERS IN THE APPAREL  
INDUSTRY IN THAILAND DO NOT CONSTITUTE A WIDESPREAD  
"SWEATSHOP" PROBLEM. HOWEVER, THE WORKING ENVIRONMENT IN  
MOST FACTORIES IS POORLY POLICED AND ISOLATED VIOLATIONS  
UNDOUBTEDLY OCCUR. THOUGH THAILAND HAS IN RECENT YEARS  
ADOPTED A COMPREHENSIVE LABOR CODE WHICH MATCHES  
INTERNATIONAL STANDARDS FOR WORKING HOURS, COMPENSATION, AND  
OCCUPATIONAL HEALTH AND SAFETY, ENFORCEMENT OF THESE LAWS IS  
A MAJOR ISSUE. THE NATURE OF THE GARMENT INDUSTRY, THE  
MAJORITY OF THE FACTORIES ARE SMALL TO MEDIUM-SIZED AND  
EASILY RELOCATED, PREVENTS WIDESPREAD UNIONIZATION.  
COMPENSATION ISSUES ARE THE MAIN FOCUS OF WORKER COMPLAINTS.  
THE MINISTRY OF LABOR AND SOCIAL WELFARE DOES NOT KEEP  
SYSTEMATIC STATISTICAL SURVEYS OF EMPLOYMENT OR HEALTH AND  
SAFETY INSPECTIONS FOR THIS SECTOR. END SUMMARY

2. THE THAI APPAREL SECTOR IS COMPOSED OF APPROXIMATELY 3000 LARGELY SMALL AND MEDIUM-SIZED FACTORIES. ONLY 100 FACTORIES ARE CATEGORIZED AS LARGE-SCALE, PRODUCING BRAND NAME GOODS FOR EXPORT TO THE U.S., EUROPE AND JAPAN. LOWER END GOODS, USUALLY PRODUCED IN SMALL FAMILY OWNED BUSINESS, EXPORT MOSTLY TO SAUDI ARABIA AND THE THIRD WORLD. THE INDUSTRY EMPLOYS ABOUT 850,000 WORKERS, WITH LARGE-SCALE FACTORIES EMPLOYING AROUND 50,000 WORKERS. MEDIUM AND SMALL SCALE FACTORIES EMPLOY 350,000 AND 450,000 WORKERS, RESPECTIVELY. THAILAND HAS LOST COMPETITIVENESS IN LOWER-END APPAREL TO CHINA, VIETNAM AND INDONESIA WHICH HAVE MORE ADVANCED PRODUCTION LINES AND LOWER COSTS. DURING THE ECONOMIC DOWNTURN THE EXPORT SECTOR HAS REMAINED FAIRLY STABLE. LAYOFFS IN THE INDUSTRY, USUALLY IN LOWER END SMALLER FACTORIES, HAVE BEEN TIED TO FINANCIAL MISMANAGEMENT NOT TO A DECLINE IN MARKETS.

3. MOST GARMENT WORKERS ARE WOMEN FROM POORER SECTIONS OF THAILAND. THE UNIONS THAT HAVE EMERGED FROM THIS SECTOR HAVE PRODUCED THAILAND'S STRONGEST WOMEN UNION LEADERS. WANPEN PREMKAEW, VICE PRESIDENT OF THE WOMENS' UNITY GROUP SAYS THAT UNIONIZATION OF THE GARMENT SECTOR HAS BEEN VERY DIFFICULT BECAUSE UNION LEADERS ARE LIKELY TO BE LAID-OFF AND FACTORIES ARE EASILY RELOCATED. OVER 70 GARMENT FACTORIES MOVED TO CAMBODIA THIS YEAR IN SEARCH OF CHEAPER WAGE RATES. UNDER THE CURRENT LABOR PROTECTION LAW, WORKERS ARE NOT ENTITLED TO COMPENSATION IF THEY DO NOT RELOCATE WITH THE FACTORY. COMPENSATION AND SAFETY ISSUES PREDOMINATE WORKER'S CONCERNS IN THE GARMENT INDUSTRY.

4. MULTINATIONAL CORPORATIONS OPERATING IN THAILAND GENERALLY FOLLOW LOCAL LABOR LAWS. BUT SOME SMALLER TAIWAN, KOREAN AND AUSTRALIAN OWNED APPAREL PLANTS HAVE RUN INTO TROUBLE IN THE LAST TWO YEARS WHEN THEY SUDDENLY CLOSED FACTORIES AND FLED THAILAND WITHOUT COMPENSATING THEIR WORKFORCE. THE THAI LABOR COURT PROCEDURES FOR WORKER COMPENSATION CLAIMS ARE DESIGNED SO THAT WORKERS DO NOT NEED THE SERVICES OF A LAWYER. THE COURT GETS HIGH MARKS FROM LABOR LEADERS FOR THE SPEED OF ITS DECISIONMAKING AND GENERALLY PRO-WORKER AWARDS. FACTORIES PAY INTO THE SOCIAL SECURITY FUND AND MOST WORKERS ARE PAID THE MINIMUM WAGE BUT A LARGE HOME-BASED SECTOR WORKING FOR PIECE RATES EARN BELOW THE MINIMUM AND ARE WITHOUT WELFARE OR SOCIAL SECURITY BENEFITS.

5. THOUGH ADEQUATE LAWS ARE IN PLACE, THE MINISTRY OF LABOR AND SOCIAL WELFARE HAS A POOR RECORD OF LABOR INSPECTIONS AND ENFORCEMENT OF SAFETY AND HEALTH REGULATIONS. THERE ARE ONLY 400 LABOR INSPECTORS NATIONWIDE. UNION LEADERS SAY THAT INSPECTIONS ARE FEW AND THAT INSPECTORS ARE EASILY BRIBED. MOST FACTORY MANAGERS IN CHARGE OF OCCUPATIONAL HEALTH AND SAFETY ISSUES ARE POORLY TRAINED. THE MINISTRY DOES NOT KEEP ACCURATE STATISTICS ON APPAREL INDUSTRY EMPLOYMENT OR SAFETY INVESTIGATIONS. IN THE PAST YEAR, LABOR LEADERS HAVE PRESSED THE GOVERNMENT TO ESTABLISH AN INDEPENDENT TRIPARTITE BOARD INCLUDING REPRESENTATIVES OF INJURED WORKERS AND EXPERTS, TO TAKE OVER THE SOCIAL SECURITY SYSTEM AND TAKE CHARGE OF SAFETY AND

HEALTH ISSUES. THE GOVERNMENT, WHILE INITIALLY INTERESTED IN THE IDEA, HAS BACKED OFF ITS SUPPORT BECAUSE OF BUREAUCRATIC RESISTANCE INSIDE THE MINISTRY OF LABOR.

ITOH

**SECT:** SECTION: 01 OF 01

**SSN:** 9060

**TOR:** 980708001620 M3367188

**DIST:**

SIT: NSC

# Cable

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**PREC:** IMMEDIATE  
**CLASS:** UNCLASSIFIED  
**LINE1:** OAAUZYUW RUEHBKA9270 1942352-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** O 132352Z JUL 98  
**LINE4:** FM AMEMBASSY BANGKOK  
**OSRI:** RUEHBK  
**DTG:** 132352Z JUL 98  
**ORIG:** AMEMBASSY BANGKOK  
**TO:** SECSTATE WASHDC IMMEDIATE 2399  
**INFO:** ////  
**SUBJ:** THAI PRISONER TRANSFER REQUESTS

**TEXT:**

UNCLAS BANGKOK 009270

FOR CA/OCS/ACS/EAP, EAP/BCLTV, AND L/LEI

E.O. 12958: N/A

TAGS: CJAN, CASC, PREL, TH

SUBJECT: THAI PRISONER TRANSFER REQUESTS

REF: A) JULY 9, 1998 ROYCE/MOORE FAX B) JUNE 1998  
BENNETT/BEATTY FAX

1. THIS IS AN ACTION REQUEST. SEE PARA FIVE.

2. SUMMARY: POST WISHES TO ALERT THE DEPARTMENT TO THE IMMEDIATE, NEGATIVE IMPACT THE DEPARTMENT OF JUSTICE'S DENIAL OF THAI PRISONER TRANSFER REQUESTS WILL HAVE ON OUR ABILITY TO DEAL WITH THE THAI GOVERNMENT ON U.S. PRISONERS' TRANSFER APPLICATIONS. THE DOJ DECISION WILL ALSO HAVE LONGER-TERM, BROADER IMPLICATIONS FOR BILATERAL LAW ENFORCEMENT COOPERATION. POST REQUESTS THAT THE DEPARTMENT CONVEY TO THE DOJ AT AN APPROPRIATE LEVEL OUR DEEP CONCERN AND REQUEST RECONSIDERATION OF THE THAI PRISONERS' APPLICATIONS. THE DEPARTMENT OF JUSTICE INFORMED US IN A LETTER (REF A, POST WILL FAX TO CA/OCS) THAT APPLICATIONS FOR TRANSFER FROM SIX THAI PRISONERS SERVING SENTENCES IN THE U.S. ARE ABOUT TO BE FORMALLY REFUSED. THE LETTER INVITES US TO SUBMIT ANY INFORMATION WHICH WE WOULD LIKE TO HAVE CONSIDERED BEFORE THE FORMAL REPLY IS SENT TO THE EMBASSY OF THAILAND. POST HAS ALREADY INFORMED DOJ THAT WE HAVE INFORMATION TO SUBMIT AND ARE COORDINATING WITH THE DEPARTMENT. END SUMMARY.

3. BACKGROUND: IN REF B, POST TRANSMITTED TO CA/OCS AN ARTICLE APPEARING IN THE JUNE 24 ISSUE OF THE BANGKOK POST, A LOCAL ENGLISH LANGUAGE PAPER, STATING THAT EIGHT THAI PRISONERS IN THE U.S. HAD APPLIED FOR TRANSFER UNDER THE TREATY AND THAT THEIR REQUESTS WERE UNDER CONSIDERATION BY

U.S. AUTHORITIES. REF A FROM DOJ'S INTERNATIONAL PRISONER TRANSFER UNIT, OFFICE OF ENFORCEMENT OPERATIONS, CRIMINAL DIVISION, INDICATES THAT THE DOJ DISAPPROVED SIX OF THE EIGHT CASES LAST YEAR WHEN THE PRISONERS' SUBMITTED THEIR OWN APPLICATIONS (THIS WAS THE FIRST WE HEARD THAT THE CASES WERE PROVISIONALLY REFUSED). NOW THAT THE THAI GOVERNMENT HAS FORMALLY SUPPORTED THE REQUESTS BY AGREEING TO ACCEPT ITS PRISONERS BACK TO THAILAND, DOJ MUST MAKE A FORMAL REPLY.

4. AS THE DEPARTMENT IS AWARE, FOURTEEN AMERICAN PRISONERS TRANSFERRED BACK TO THE U.S. EARLIER THIS YEAR. THERE ARE SEVEN MORE WHO WILL BE ELIGIBLE FOR TRANSFER DURING THIS CALENDAR YEAR. THIS NUMBER DOES NOT INCLUDE THE SIXTEEN WHO HAD THEIR LIFE SENTENCES REDUCED BY ROYAL PARDON AND WHO, BY OCTOBER 1998, ALL WILL HAVE REACHED THE FOUR YEAR MINIMUM PERIOD OF INCARCERATION IMPOSED BY THE THAI GOVERNMENT. WE HAVE BEEN PURSUING DISCUSSIONS WITH THE THAI GOVERNMENT ON THEIR BEHALF (THE THAIS MAINTAIN THIS GROUP MUST SERVE THE FULL EIGHT YEAR MINIMUM FOR LIFE SENTENCES, AS IF THE ROYAL PARDON HAD NEVER BEEN GRANTED). A FAVORABLE OUTCOME TO OUR DISCUSSIONS WAS ALWAYS A LONG SHOT, BUT WITH THE DENIAL OF THE THAI PRISONERS' APPLICATIONS ONE THING IS CERTAIN: NO FURTHER CONSIDERATION WHATSOEVER WILL BE GIVEN TO THIS GROUP.

DOJ'S RECONSIDERATION OF THE SIX CASES AND, REGARDLESS OF OUTCOME, COORDINATE WITH THE DOJ ON THE WORDING OF THE NOTIFICATION TO THE THAI GOVERNMENT. WE WILL ALSO WANT TO GIVE ADVANCE NOTICE TO THE MINISTRY OF FOREIGN AFFAIRS BEFORE THE DECISION BECOMES PUBLIC AND HAVE PRESS GUIDANCE ON HAND ONCE THE DECISION IS CONVEYED. THE DOJ DECISION, ESPECIALLY A NEGATIVE ONE, WILL DRAW CONSIDERABLE AND UNFAVORABLE MEDIA ATTENTION HERE.

6. REF A INDICATES THAT THE DECISION TO DENY THE APPLICATIONS OF THE SIX IS BASED PRIMARILY ON THE EGREGIOUS NATURE OF THE CRIME (THE NOTORIOUS EL MONTE SWEATSHOP CASE), FEARED RETALIATION AGAINST THE FAMILIES OF THE VICTIMS/WITNESSES, AND THE PERCEPTION (PRESUMABLY BY THE COURT IN CALIFORNIA) THAT THE GOVERNMENT OF THAILAND DOES NOT VIEW THIS AS A SERIOUS CRIME. THE LETTER SOLICITS ANY INFORMATION WE HAVE TO REFUTE THESE POINTS. IN COMMUNICATING WITH DOJ, THE DEPARTMENT MAY WISH TO DRAW ON THE FOLLOWING:

A) AGREEING TO THE TRANSFER OF THE PRISONERS IN NO WAY CONDONES THE SERIOUS CRIMES COMMITTED; WE MAKE THIS VERY POINT REPEATEDLY WITH THAI AUTHORITIES WHEN U.S. PRISONERS APPLY FOR TRANSFER. U.S. TRANSFERREES ARE FOR THE MOST PART CONVICTED OF HEROIN TRAFFICKING, ALSO AN EGREGIOUS CRIME.

B) REGARDING THE FEAR OF RETALIATION AGAINST RELATIVES OF THE THAI WITNESS/VICTIMS SHOULD THE PRISONERS BE RETURNED TO THAILAND, THIS EXISTS WHETHER THE CRIMINALS ARE INCARCERATED IN THE U.S. (WHERE WE UNDERSTAND MANY OF THE WITNESS/VICTIMS NOW RESIDE) OR IN THAILAND. SINCE THE PERPETRATORS OF THE SWEATSHOP RING WERE RELATED TO EACH OTHER, IN THEORY THEY HAVE RELATIVES OR CONTACTS IN THAILAND WHO COULD, AGAIN IN THEORY, RETALIATE AGAINST WITNESSES FAMILIES IN THAILAND

EVEN WHILE THE PRISONERS REMAIN BEHIND BARS IN CALIFORNIA. ON JULY 13, POST CONTACTED THE HUMAN RIGHTS LAWYER WHO REPRESENTED WITNESS/VICTIMS WHO RETURNED TO THAILAND AND ASKED WHAT THE RETURNEES EXPERIENCED. WE WERE TOLD THAT THERE WERE REPORTS OF THREATS MADE IN 1995 AROUND THE TIME THE CASE BECAME PUBLIC, BUT THAT THERE HAVE BEEN NO REPORTS OF ANY THREATS SINCE AUGUST, 1995.

REF: A) JULY 9, 1998 ROYCE/MOORE FAX B) JUNE 1998

C) THE PRESENT THAI GOVERNMENT IS SERIOUS ABOUT TACKLING THE PROBLEM OF ILLEGAL LABOR AND ALIEN SMUGGLING FROM THAILAND TO OTHER COUNTRIES. THAILAND ITSELF ATTRACTS ILLEGAL LABORERS FROM NEIGHBORING COUNTRIES AND IS IN THE MIDST OF A MAJOR CRACKDOWN ON THESE CASES - ARRESTING AND DEPORTING ILLEGAL WORKERS AND ARRESTING THE ORGANIZERS. IN THE PAST MONTH, THE THAI IMMIGRATION DEPARTMENT HAS ARRESTED ITS OWN OFFICERS WHO WERE FACILITATING THE ILLEGAL TRAVEL OF CHINESE OUT OF THAILAND, HEADED TOWARD NORTH AMERICA. RECENTLY OFFICIALS FROM THE MINISTRY OF LABOR CALLED ON U.S. EMBASSY OFFICERS TO SEEK ASSISTANCE IN COMBATING THE ACTIVITIES OF BROKERS WHO CONTROL THE FLOW OF ILLEGAL WORKERS TO SAIPAN. WHILE SAIPAN IS NOT PART OF THE U.S., IT NEVERTHELESS INDICATES A SERIOUS ATTEMPT TO ADDRESS THE ISSUES OF ILLEGAL LABOR AND MIGRATION WHICH IN THE PAST WERE NOT SUBJECT TO SCRUTINY AND PROSECUTION BY THE THAI GOVERNMENT.

D) THAILAND HAS, AT OUR REQUEST, RETURNED CLOSE TO 50 CRIMINALS TO THE U.S. IN RECENT YEARS, EITHER VIA FORMAL EXTRADITION OR DEPORTATION. WE, ON THE OTHER HAND, HAVE DENIED THE SOLE EXTRADITION REQUEST SUBMITTED BY THAILAND (PHRA YANTRA'S CASE). TO DENY THAILAND'S REQUESTS UNDER THE PRISONER TRANSFER TREATY AS WELL AS THE EXTRADITION TREATY WILL JEOPARDIZE WHAT WE HAVE BEEN CALLING A PRODUCTIVE LAW ENFORCEMENT PARTNERSHIP. THE THAI GOVERNMENT, AND THAI PUBLIC, WILL RIGHTLY QUESTION WHY THE COOPERATION IS ALL ONE WAY - IN FAVOR OF THE U.S. ALONE.

7. PLEASE ADVISE IF FURTHER INFORMATION IS NEEDED. PLEASE ALSO ADVISE ON THE STATUS OF THE REQUESTS FOR TRANSFER OF TWO OTHER THAI PRISONERS CITED IN THE NEWSPAPER ARTICLE: YONGYUDH RAKPONG, 48, INCARCERATED IN CALIFORNIA; AND SUVICH TECHAPANARATANA, 45, INCARCERATED IN ARIZONA. DEPARTMENT'S ASSISTANCE IS APPRECIATED.

ITOH

**SECT:** SECTION: 01 OF 01

**SSN:** 9270

**TOR:** 980713203537 M3375162

**DIST:**

SIT: BADER BUSBY GAGNON JORDAN NAPLAN NORRIS PRITCHARD RAGAN SCHWARTZ  
WIPPMAN

SIT: NSC

# Cable

**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
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**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 060703Z AUG 98  
**LINE4:** FM AMEMBASSY JABRTA  
**OSRI:** RUEHJA  
**DTG:** 060703Z AUG 98  
**ORIG:** AMEMBASSY JABRTA  
**TO:** RUEHC/SECSTATE WASHDC 2957  
**INFO:** RUEHC/DEPT OF LABOR WASHDC  
 RUEHS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS  
 RUEHOL/AMEMBASSYONN 0950  
 RUEHBY/AMEMBASSY CANBERRA 3137  
 RUEHTC/AMEMBASSY THE HAGUE 0531  
 RUEHGV/USMISSION GENEVA 0956  
 RUEHBS/USEU BRUSSELS  
 RHHMUNA/USCINCPAC HONOLULU HI  
 ZEN/AMCONSUL SURABAYA  
**SUBJ:** DOL STUDY ON WORKING CONDITIONS IN THE APPAREL  
**TEXT:**

////////////////////////////////// INCOMPLETE MESSAGE //////////////////////////////////

UNCLAS SECTION 01 OF 02 JAKARTA 004169

STATE FOR DRL/LEA - JAMES EHRMAN

DOL FOR ILAB - JORGE PEREZ LOPEZ

USEU, CANBERRA, AND THE HAGUE FOR LABATTS

GENEVA FOR JOHN LONG

CINCPAC FOR FPA AMB SALMON

E.O. 12958: N/A

TAGS: ELAB, PHUM, PGOV, ID

SUBJECT: DOL STUDY ON WORKING CONDITIONS IN THE APPAREL  
INDUSTRY: INDONESIA

REF: STATE 93338

1. (U) FOLLOWING ARE EMBASSY JAKARTA'S RESPONSES TO REFTEL, KEYED TO FORMAT IN REFTEL'S PARA 6.

A. SPECIFIC HOST COUNTRY LAWS, POLICIES, INITIATIVES, AND ENFORCEMENT STRATEGIES TO REGULATE WORKING CONDITIONS IN THE APPAREL EXPORT SECTOR.

INDONESIAN GOVERNMENT (GOI) LAWS, POLICIES AND ENFORCEMENT

RESOURCES ARE NOT SPECIFICALLY FOCUSED ON THE APPAREL INDUSTRY. RATHER, THEY APPLY TO AND ARE DISPERSED AROUND THE COUNTRY THROUGHOUT THE FORMAL SECTOR OF THE ECONOMY. GOI ENFORCEMENT ACTIVITY IS LIMITED BY THE SMALL NUMBER OF INSPECTORS (1300 FOR THE ENTIRE COUNTRY), AND PUNISHMENT OF COMPANIES FOR VIOLATION OF LABOR LAWS AND REGULATIONS IS RARE. WE ARE NOT AWARE OF ANY NEW INITIATIVES TO STRENGTHEN ENFORCEMENT DURING THE PAST YEAR.

IN 1997 THE GOI ENACTED A NEW "LAW ON MANPOWER AFFAIRS" WHICH, AMONG OTHER THINGS, SPECIFIES MINIMUM REQUIREMENTS FOR WORKING CONDITIONS (WORK HOURS, REST TIME, PAY, AND SPECIAL RESTRICTIONS TO PROTECT WOMEN, ADOLESCENTS, AND CHILDREN UNDER THE AGE OF 15 WHO ARE FORCED FOR ECONOMIC REASONS TO WORK). THE LAW ALSO SETS FORTH INVESTIGATIVE AND ENFORCEMENT POWERS OF THE DEPARTMENT OF MANPOWER (DOM), PROVIDES ENFORCEMENT MECHANISMS, AND SUBSTANTIALLY INCREASES PENALTIES FOR VIOLATIONS. THE 1997 LAW IS IN SOME RESPECTS AN IMPROVEMENT ON EXISTING LAW (E.G., HEAVIER PENALTIES FOR VIOLATIONS, STRONGER ANTIDISCRIMINATION PROVISIONS) BUT A STEP BACK IN OTHER AREAS (E.G., LIMITATIONS ON THE RIGHT TO STRIKE). DOM IS CURRENTLY WRITING REGULATIONS TO IMPLEMENT THE MANPOWER LAW, WHICH GOES INTO EFFECT ON OCTOBER 1, 1998.

THERE ARE ACTIVE PARTNERSHIPS BETWEEN LOCAL AND FOREIGN NGO'S WORKING TO IMPROVE WORKING CONDITIONS AND TREATMENT OF WORKERS IN THE APPAREL INDUSTRY AND THROUGHOUT THE INDUSTRIAL SECTOR. THEY HAVE MADE IMPORTANT STRIDES IN RAISING WORKERS' AWARENESS OF THEIR RIGHTS AND MEANS OF SEEKING REDRESS FOR VIOLATIONS AND GRIEVANCES. THERE HAVE BEEN DISCUSSIONS BETWEEN FOREIGN APPAREL INDUSTRY COMPANIES AND UNION AND NGO REPRESENTATIVES CONCERNING IMPLEMENTATION OF COMPANY CODES OF CONDUCT AND INDEPENDENT MONITORING OF LABOR PRACTICES IN THE CONTEXT OF THE APPAREL INDUSTRY PARTNERSHIP.

B. WHAT INFORMATION IS AVAILABLE THAT QUANTIFIES THE RESULTS OF THE LAWS, POLICIES, INITIATIVES, ETC. REFERRED TO ABOVE?

THE GOI PUBLISHES STATISTICS ON INVESTIGATIONS OF VIOLATIONS OF LABOR LAWS AND REGULATIONS, ALONG WITH THE NUMBER OF CONVICTIONS AND THE TYPE OF SENTENCE METED OUT. IN 1997, THE DOM INVESTIGATED 31 COMPANIES FOR LABOR LAW VIOLATIONS, OF WHICH 13 WERE TAKEN TO COURT. SIX OF THESE CASES RESULTED IN PRISON SENTENCES FOR COMPANY MANAGEMENT, SIX IN FINES, AND ONE IN ACQUITTAL. THE GOI DOES NOT REPORT RECOVERY OF BACK WAGES (IF ANY HAVE BEEN RECOVERED) OR THE NUMBER OF EMPLOYEES RECEIVING BACK WAGES.

C. ARE SIGNIFICANT ACTIONS BEING TAKEN IN THE NON-GOVERNMENTAL SECTOR (SUCH AS DEVELOPMENT OF CODES OF CONDUCT) THAT COULD LEAD TO IMPROVED COIONS FOR APPAREL WORKERS? ARE MEASURABLE RESULTS AVAILABLE THUS FAR?

MOST MAJOR AMERICAN APPAREL COMPANIES BUYING INDONESIAN PRODUCTS HAVE SOME FORM OF CODE OF CONDUCT, AS DETAILED IN THE DOL STUDY, "THE APPAREL INDUSTRY AND CODES OF CONDUCT". MOST REQUIRE THAT THEIR INDONESIAN CONTRACTORS PROVIDE A CERTIFICATE THAT GOODS MADE FOR THE AMERICAN MARKET ARE MADE WITHOUT CHILD LABOR, FORCED LABOR, OR WORK PERFORMED UNDER UNACCEPTABLE CONDITIONS. MOST OF

THESE COMPANIES PROVIDE FOR PERIODIC COMPLIANCE INSPECTIONS OF THEIR CONTRACTORS. REEBOK, NIKE, AND GAP, INC. HAVE RESIDENT LABOR PRACTICES STAFF WHO MONITOR COMPLIANCE WITH THEIR COMPANIES' CODES OF CONDUCT ON AN ONGOING BASIS. WHILE IT IS THOUGHT THAT SOME IMPROVEMENT HAS OCCURRED IN LABOR PRACTICES OVER THE PAST SEVERAL YEARS AS A RESULT OF INTERNATIONAL SCRUTINY OF WORKER RIGHTS OBSERVANCE IN INDONESIA AND ACTIVISM BY LOCAL

**SECT:** SECTION: 01 OF 02

**SSN:** 4169

**TOR:** 980806030948 M3408647

**DIST:**

SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
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**LINE2:** ZNY EEEEE ZZH  
**LINE3:** R 100126Z NOV 98  
**LINE4:** FM AMEMBASSY MANILA  
**OSRI:** RUEHML  
**DTG:** 100126Z NOV 98  
**ORIG:** AMEMBASSY MANILA  
**TO:** RUEHC/SECSTATE WASHDC 4902  
**INFO:** RUEHC/DEPT OF LABOR WASHDC  
RUEHXS/ASEAN COLLECTIVE  
RUEHXI/LABOR COLLECTIVE  
RUEHKO/AMEMBASSY TOKYO 4931  
RUEHIN/AIT TAIPEI 6118  
RUEHBJ/AMEMBASSY BEIJING 4935  
RUEHUL/AMEMBASSY SEOUL 5429  
**SUBJ:** US IMPORTERS SEEK COMPANY CODES TO AVOID  
"SWEATSHOP" HAZARD

SENSITIVE BUT UNCLASSIFIED. HANDLE ACCORDINGLY

**TEXT:**  
UNCLAS E F T O SECTION 01 OF 03 MANILA 013910  
  
SENSITIVE  
  
DEPARTMENT FOR DRL/IL, EB/TRA, EAP/PIMBS  
  
LABOR FOR ILAB (A.SAMET)  
  
E.O. 12356: N/A  
TAGS: ELAB, PHUM, KWMN, ETRD, EINV, PGOV, RP  
SUBJECT: US IMPORTERS SEEK COMPANY CODES TO AVOID  
"SWEATSHOP" HAZARD

SENSITIVE BUT UNCLASSIFIED. HANDLE ACCORDINGLY

1. (SBU) SUMMARY: GARMENT INDUSTRY MEMBERS OF THE AMERICAN CHAMBER OF COMMERCE (AMCHAM) OF THE PHILIPPINES ARE WORKING ON A CONSENSUS "CHAMBER CODE OF CONDUCT" FOR THE APPAREL EXPORT INDUSTRY TO ENCOURAGE THEIR PHILIPPINE SUPPLIERS TO IMPLEMENT LABOR PRACTICES THAT REFLECT INTERNATIONALLY RECOGNIZED STANDARDS. SENSITIVE TO SHIFTS IN CONSUMER PREFERENCES, BOTH US BRAND NAME IMPORTERS AND PHILIPPINE GARMENT FIRMS SEEK WAYS TO ENSURE THAT THEIR MARKET IMAGE IS NOT VULNERABLE TO CHARGES OF ABUSIVE LABOR PRACTICES. THE PHILIPPINE GARMENT AND TEXTILE EXPORT BOARD HAS REVISED ITS STRATEGIC GUIDANCE FOR PHILIPPINE GARMENT MAKERS TO INCLUDE CLOSE ATTENTION TO LABOR STANDARDS AS A KEY TO

SECURING LONG-TERM SUPPLY RELATIONSHIPS. THE SECRETARY'S JULY VISIT HERE HELPED GALVANIZE INDUSTRY MEMBERS TO MAKE PROGRESS ON RESPECTIVE INDUSTRY CODES FOR AMERICAN IMPORTERS AND PHILIPPINE FACTORY SUPPLIERS. END SUMMARY

WORKPLACE CODES: THE GOALS

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2. (SBU) THE AMCHAM'S AMERICAN CHAMBER'S GARMENT COMMITTEE HAS MET FIVE TIMES SINCE MARCH TO WORK OUT A COMMON APPROACH TO PROMOTING COMPANY CODES WITH PHILIPPINE SUPPLIERS. FOLLOWING THE AMBASSADOR'S 1997 ENDORSEMENT OF LABOR CODES OF CONDUCT IN A SPEECH TO THE EMPLOYERS CONFEDERATION OF THE PHILIPPINES' CONVENTION, MEMBERS OF THE AMCHAM LOOKED FOR WAYS TO USE THEIR ORGANIZATION'S NETWORK AND PRESTIGE TO PROMOTE COMPANY CODES AS A MEANS FOR "QUALITY CONTROL" OF THE LABOR COMPONENT IN EXPORT PRODUCTS. THE CHAMBER'S GARMENT COMMITTEE TOOK THE LEAD SINCE THE INDUSTRY IS THE MOST LABOR INTENSIVE AND VULNERABLE TO ALLEGATIONS OF "SWEATSHOP" LABOR PRACTICES. AS ONE OF THE LARGEST EXPORT SECTORS, (\$1.1 BILLION WORLDWIDE IN THE FIRST HALF OF 1998), THE GARMENT INDUSTRY COULD SERVE AS A MODEL OF A SUCCESSFUL INDUSTRY CODE FOR OTHER LARGE EXPORT INDUSTRIES (E.G., ELECTRONICS, AUTO PARTS). THE CHAIR OF THE CHAMBER'S GARMENT COMMITTEE READILY UNDERSTOOD THE TIMELINESS OF ADOPTING AN INDUSTRY CODE, BASED ON HIS FAMILIARITY WITH HOW THE GROWING CONSUMER AWARENESS OF LABOR ISSUES IN THE US COULD BE A THREAT TO HIS BUSINESS OF EXPORTING BRAND NAME BABY CLOTHES TO THE US.

3. (SBU) THE FIRST TASK OF THE GARMENT COMMITTEE WAS TO ENLARGE ITS MEMBERSHIP TO INCLUDE MORE OF THE LOCALLY BASED BUYERS WHO CONTRACT WITH MANILA AND CEBU AREA MANUFACTURERS TO SUPPLY BRAND NAME ITEMS FOR THE US MARKET. THE TRADITIONAL GARMENT COMMITTEE MEMBERS WERE LARGELY MANAGERS OF AMERICAN-OWNED PLANTS HERE (A STEADILY DWINDLING NUMBER). MANY FIRMS WERE ENTHUSIASTICALLY SUPPORTIVE. FOR EXAMPLE, THE LOCAL LIZ CLAIBORNE AND REEBOK OFFICES SAW THE OPPORTUNITY TO FOLLOW UP AT A "GRASS ROOTS" LEVEL ON COMMITMENTS THEIR FIRMS HAD MADE IN THE US APPAREL INDUSTRY PARTNERSHIP ANNOUNCED AT THE WHITE HOUSE IN APRIL 1997. OTHERS WERE MORE CAUTIOUS AND TOOK PART ONLY AFTER INITIAL MEETINGS ESTABLISHED THE CHAMBER'S AGENDA. SOME FEW CHOSE NOT TO TAKE PART BECAUSE THEY FELT THEIR FIRMS HAD ALREADY ESTABLISHED A STRONG COMPANY CODE, WHICH THE CHAMBER'S PROGRAM COULD NOT LIKELY ENHANCE. AT LEAST ONE US FIRM APPARENTLY BELIEVED IT WAS SO UNDER SCRUTINY FOR WORKPLACE PRACTICES THAT IT WAS "GUN SHY" ABOUT JOINING A GROUP EFFORT THAT COULD RESULT IN FURTHER MEDIA QUESTIONS AND COVERAGE.

PROTECTING BRAND NAMES

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4. (SBU) IN JUNE AND JULY 1998 MEETINGS, MEMBERS OF THE NEWLY EXPANDED GARMENT COMMITTEE DISCUSSED THE

FEASIBILITY OF GARMENT INDUSTRY CODES IN THE PHILIPPINES AND THE MARKETING ADVANTAGES THAT MIGHT ACCRUE TO FIRMS THAT USE THEM. THERE WAS A RESULTING CONSENSUS THAT THE CHAMBER SHOULD ENDORSE A CODE AND MOUNT EVENTS TO PUBLICIZE IT. MANAGERS DESCRIBED THEIR "CLOSE CALLS" WITH A TARNISHED BRAND IMAGE FOLLOWING NGO OR MEDIA REPORTS OF WORKPLACE ABUSES IN PLANTS THAT PRODUCED THEIR PRODUCTS. THEY SAID THEIR HOME OFFICES FELT THAT UNCLAS E F T O SECTION 02 OF 03 MANILA 013910

SENSITIVE

DEPARTMENT FOR DRL/IL, EB/TRA, EAP/PIMBS

LABOR FOR ILAB (A.SAMET)

E.O. 12356: N/A

TAGS: ELAB, PHUM, KWMN, ETRD, EINV, PGOV, RP

SUBJECT: US IMPORTERS SEEK COMPANY CODES TO AVOID "SWEATSHOP" HAZARD

IT COULD BE DAMAGING EVEN IF THEIR SUPPLIER FACTORIES WERE SIMPLY LOCATED IN THE VICINITY OF PLANTS SUBJECTED TO "SWEATSHOP" EXPOSURES. FOR THIS REASON, THEY SAID SOME FIRMS HAD RECENTLY CANCELED CONTRACTS WITH SUPPLIER FACTORIES IN THE COMMONWEALTH OF THE NORTHERN MARIANAS (SAIPAN) FOLLOWING WIDESPREAD MEDIA COVERAGE OF WORKER RIGHTS ABUSES THERE.

PHILIPPINE RESPONSE

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5. (SBU) LEADERS IN THE PHILIPPINE GARMENT INDUSTRY AND IN THE DEPARTMENT OF TRADE AND INDUSTRY'S GARMENT AND TEXTILE EXPORT BOARD (GTEB), WHO TOOK PART IN THE JUNE AND JULY MEETINGS, AGREED WITH THE AMERICAN IMPORTERS' VIEW THAT IMPROVED LABOR STANDARDS SERVED THE PHILIPPINE INDUSTRY'S OWN SELF INTEREST. LEADING US FIRMS EMPHASIZED THAT THE PHILIPPINES' CURRENT EXPORT STRATEGY OF CAPTURING UPSCALE APPAREL MARKETS IN THE US REQUIRED THAT LOCAL MANUFACTURERS HAVE "UPSACLE" LABOR PRACTICES. POINTING TO GROWING CONSUMER SENSITIVITY TO OVERSEAS WORKPLACE CONDITIONS, US MANAGERS ARGUED THAT THE PHILIPPINES' MAJOR COMPARATIVE ADVANTAGE IN GARMENT EXPORT MARKETS HAD TO BE BASED ON ITS SUPERIOR QUALITY AND RELIABILITY, INCLUDING A RELIABLY "CLEAN IMAGE" FOR LABOR STANDARDS. A REPRESENTATIVE OF THE GTEB TOLD CHAMBER MEMBERS THE GOP WAS ALREADY PROMOTING IMPROVED LABOR STANDARDS AS A MARKETING TOOL FOR EXPORTS TO UPSACLE MARKETS. (IN A SEPARATE DISCUSSION, A DTI OFFICIAL TOLD US THAT EUROPEAN TRADE OFFICIALS AND BUYERS HAD BEEN THE MOST INFLUENTIAL ON THIS POINT. INFLUENCED BY THE EUROPEAN NGO "CLEAN CLOTHES CAMPAIGN," THE EUROPEAN GARMENT IMPORTERS MADE A NEARLY SOLID FRONT IN RQUIRING BETTER ASSURANCES OF LABOR STANDARDS COMPLIANCE FOR EXPORTS TO THEIR MARKETS. DTI OFFICES FREQUENTLY UPDATE PHILIPPINE MANUFACTURERS BY WEPAGE AND CIRCULARS ON THEIR NEED TO REASSURE EURPEAN BUYERS OF THEIR QUALITY LABOR STANDARDS AS HE PRICE OF EU

MARKET ENTRY.)

OBSTACLES

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6. (SBU) AMERICAN AND PHILIPPINE MANAGERS ALSO DISCUSSED THE OBSTACLES TO EFFECTIVE COMPANY CODES. A KEY PROBLEM IS THE GARMENT INDUSTRY'S WIDESPREAD USE OF SUB-CONTRACTING WITH INFORMAL SECTOR SUPPLIERS. MOST US FIRMS FEEL IT IS ESSENTIAL TO BEGIN CONSOLIDATING PRODUCTION IN FEWER SITES TO PERMIT A CREDIBLE MONITORING OF ANY CODE COMPLIANCE. PHILIPPINE GARMENT INDUSTRY REPRESENTATIVES RAISED CONCERNS OVER INCONSISTENCY AMONG US FIRMS IN IMPLEMENTING A CODE. GARMENT INDUSTRY MEMBERS HAVE COMPLAINED THAT SOME COMPANIES DO NOT FOLLOW UP ON INITIAL LABOR STANDARDS DEMANDS AND EVEN CONTINUE TO USE SUPPLIERS THAT FAIL TO COMPLY. THIS MAKES THEM RELUCTANT TO ABSORB THE COST OF MAKING WORKPLACE REFORMS (E.G., MEETING MINIMUM WAGE STANDARDS AND UPGRADING WORK CONDITIONS). A MANUFACTURER IN BOTH THE PHILIPPINES AND SAIPAN POINTED OUT THE PROBLEM OF "BOTTOM FEEDER" IMPORTERS FOR US DISCOUNT HOUSES WHO HAPPILY USE SWEATSHOP SUPPLIERS SINCE THEY DO NOT FEEL THE MARKET PRESSURES OR THE COMPULSION FROM THE ESTABLISHED BRANDS.

A MONITORING MECHANISM?

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7. (SBU) ANOTHER CHALLENGE IS MONITORING THE PERFORMANCE OF COMPANIES IN IMPLEMENTING THEIR DECLARED CODES. SOME OF THE AMCHAM MEMBERS FELT IT WOULD BE NECESSARY TO ENGAGE AN INDEPENDENT AUDITING FIRM TO MAKE UNANNOUNCED INSPECTIONS IN ORDER TO MAKE A CODE CREDIBLE. OTHERS RECOMMENDED THAT THE AMCHAM OR SOME OTHER BUSINESS ORGANIZATION PERFORM A MONITORING ROLE.

8. (U) THE SECRETARY'S VISIT TO MANILA FOR THE ASEAN MEETINGS (JULY 26-29) HELPED GALVANIZE PROGRESS IN THE COMPANY CODES DISCUSSIONS. THE SECRETARY MET HERE WITH PHILIPPINE WOMEN ECONOMIC LEADERS ON JULY 28, INCLUDING GARMENT INDUSTRY REPRESENTATIVES, TO GAUGE THE EFFECTS OF THE CURRENT ECONOMIC CRISIS ON WOMEN. BOTH TOP WOMEN MANAGERS AND GARMENT TRADE UNION REPRESENTATIVES TOOK PART IN A DISCUSSION OF PROBLEMS IN WAGE AND SAFETY STANDARDS IN THE INDUSTRY. WOMEN INDUSTRY LEADERS  
UNCLAS E F T O SECTION 03 OF 03 MANILA 013910

SENSITIVE

DEPARTMENT FOR DRL/IL, EB/TRA, EAP/PIMBS

LABOR FOR ILAB (A.SAMET)

E.O. 12356: N/A

TAGS: ELAB, PHUM, KWMN, ETRD, EINV, PGOV, RP

SUBJECT: US IMPORTERS SEEK COMPANY CODES TO AVOID "SWEATSHOP" HAZARD

PLEDGED PROGRESS ON ADDRESSING SOME OF THESE ABUSES

THROUGH THE USE OF INDUSTRY CODES OF CONDUCT.

9. (SBU) COMMENT: THE COMPANY CODE CAMPAIGN IS ESPECIALLY TIMELY DURING A PERIOD OF RETRENCHMENTS AND REDUCED DEMAND ENGENDERED BY THE ASIAN ECONOMIC CRISIS. CODES HELP STEM A TREND TOWARDS EROSION OF BASIC LABOR STANDARDS AS SOME FACTORY OWNERS OFFER THEIR WORKERS SUB-MINIMUM WAGES AND A SHIFT TO SHORT-TERM CONTRACTUAL EMPLOYMENT AS PART OF THEIR FIRM'S RESPONSE TO THE CRISIS. FOREIGN BUYERS HAVE ALSO REDUCED ORDERS IN MANY PHILIPPINE GARMENT FACTORIES, CREATING PRESSURES TO CUT PRICES TO PRESERVE SOME EXPORT MARKET SHARE. BOTH NIKE AND REEBOK RECENTLY EVEN ANNOUNCED AN ALMOST COMPLETE TERMINATION OF THEIR FOOTWEAR ORDERS IN THE PHILIPPINES. (THIS IS WIDELY SEEN AS A RESPONSE TO A DOWNTURN IN REGIONAL AND GLOBAL DEMAND. MANAGERS INDICATE THEY ARE MAINTAINING SOME PRODUCTION TIES HERE SINCE PHILIPPINES' LABOR COSTS REMAIN COMPETITIVE.) HOWEVER, THOSE US IMPORTERS WHO HAVE REDUCED ORDERS INDICATE THEY ARE PREPARED TO RETURN TO GREATER PRODUCTION VOLUMES HERE, PARTLY BECAUSE THEY BELIEVE THE PHILIPPINE GARMENT INDUSTRY IS CREDIBLY MOVING TOWARDS COOPERATION ON LABOR STANDARDS ISSUES, HELPING THEM AVOID "BRAND NAME EMBARRASSMENT" IN THE US MARKET.

HUBBARD

**SECT:** SECTION: 01 OF 03

<^SECT>SECTION: 02 OF 03

<^SECT>SECTION: 03 OF 03

**SSN:** 3910

<^SSN>3910

<^SSN>3910

**TOR:** 981109214546 M3549870

<^TOR>981109214636 M3549871

<^TOR>981109214637 M3549872

**DIST:**

SIT: ARVIZU BABBITT BADER BUSBY GUARNIERI LIEBERTHAL NAPLAN OSIUS

PRITCHARD SCHWARTZ WIPPMAN

SIT: NSC

# Cable

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**PREC:** IMMEDIATE  
**CLASS:** UNCLASSIFIED  
**LINE1:** OAAUZYUW RUEHCAA9127 3140137-UUUU--RHEHNSC.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** O 100132Z NOV 98  
**LINE4:** FM SECSTATE WASHDC  
**OSRI:** RUEHC  
**DTG:** 100132Z NOV 98  
**ORIG:** SECSTATE WASHDC  
**TO:** ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS IMMEDIATE  
RUEHIA/USIA WASHDC IMMEDIATE 4853  
RHEHNSC/NSC WASHDC IMMEDIATE 9010  
RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 4438  
RUEHSH/AMCONSUL SHENYANG IMMEDIATE 0751  
RUESLE/AMCONSUL SHANGHAI IMMEDIATE 3139  
RUEHGZ/AMCONSUL GUANGZHOU IMMEDIATE 7337  
RUEHJA/AMCONSUL SURABAYA IMMEDIATE 9141  
**INFO:** RUEHLO/AMEMBASSY LONDON IMMEDIATE 1333  
RUEHFR/AMEMBASSY PARIS IMMEDIATE 9420  
RUEHUNV/USMISSION UNVIE VIENNA IMMEDIATE  
RUEHMO/AMEMBASSY MOSCOW IMMEDIATE 6360  
RUEHGV/USMISSION GENEVA IMMEDIATE 7061  
RUEHOL/AMEMBASSY BONN IMMEDIATE 9872  
RUEHLE/AMEMBASSY LUXEMBOURG PRIORITY 5042  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 8855  
RUEKJCS/SECDEF WASHDC//USDP PRIORITY 0341  
RUEHBS/USEU BRUSSELS PRIORITY  
RHHMUNA/USCINCPAC HONOLULU HI PRIORITY  
RUAGAMS/COMUSKOREA SEOUL KOR//CC/BJ/CJ/EJ/PAJ/SJS/ /PRIORITY  
RUAGAMS/CHJUSMAG SEOUL KOR PRIORITY  
RHHMHAH/CINCPACFLT PEARL HARBOR HI PRIORITY  
RUEKJCS/JOINT STAFF WASHDC PRIORITY 8894  
RUEAIIA/CIA WASHDC PRIORITY 2092  
RUEATIAA/NSA FT GEORGE G MEADE MD PRIORITY  
RUEATRS/TREASURY DEPT WASHDC PRIORITY 0424  
RUCPDOG/USDOC WASHDC PRIORITY 3182  
**SUBJ:** NOVEMBER 9, 1998 PRESS GUIDANCES FOR THE EAP  
REGION  
  
ALL POSTS - ALSO FOR USIS  
**TEXT:**  
UNCLAS SECTION 01 OF 07 STATE 209127  
  
USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON  
  
E.O. 12958: N/A  
TAGS: OPRC, XE, US  
SUBJECT: NOVEMBER 9, 1998 PRESS GUIDANCES FOR THE EAP  
REGION

ALL POSTS - ALSO FOR USIS  
SECDEF - ALSO FOR OASD/PA  
USCINCPAC FOR FPA  
UNVIE FOR FITZPATRICK  
BEIJING - PASS CHENGDU  
USEU FOR RUTH

1. INDEX:

-- BACKGROUND BRIEFING ON TALKS WITH DPRK ON SUSPECT UNDERGROUND CONSTRUCTION (PARAS 2 AND 3)  
-- CAMBODIA: KING SIHANOUK OFFERS OPPOSITION SAFETY DURING NEGOTIATIONS IN PHNOM PENH (PARAS 4 AND 5)  
-- INDONESIA: DEMONSTRATIONS AND PEOPLE'S CONSULTATIVE ASSEMBLY (PARAS 4 AND 6)  
-- CHINA: BAO TONG AND XIE CHANGFA (PARAS 4 AND 7)  
-- U.S. FAILURE TO REGAIN SEAT ON UN ADVISORY COMMITTEE (PARAS 4 AND 8)  
-- U.S. ARREARS TO THE UN (PARAS 4 AND 9)  
  
-- U.S. ARREARS TO THE UN (PARAS 4 AND 9)  
-- LABOR: UNIONS REJECT AGREEMENT ON APPAREL INDUSTRY PARTNERSHIP (PARAS 4 AND 10)  
-- MALAYSIA: MAHATHIR (PARAS 11 AND 12)

2. THE FOLLOWING NOTICE TO THE PRESS ANNOUNCING A BACKGROUND BRIEFING ON UPCOMING TALKS WITH THE DPRK ON SUSPECT UNDERGROUND CONSTRUCTION WAS ISSUED BY THE STATE DEPARTMENT ON 11/9/98.

3. A SENIOR STATE DEPARTMENT OFFICIAL WILL BRIEF THE PRESS TUESDAY, NOVEMBER 10, AT 3:00 PM IN THE STATE DEPARTMENT PRESS BRIEFING ROOM ON THE UPCOMING TALKS WITH THE DPRK ON SUSPECT UNDERGROUND CONSTRUCTION SCHEDULED FOR NOVEMBER 16-18 IN PYONGYANG. THE BRIEFING WILL BE ON BACKGROUND.

CONTACT: RICHARD SCORZA (202) 647-6706.

4. THE FOLLOWING PRESS GUIDANCES WERE PREPARED ON 11/9/98 AND WERE NOT USED BY SPOKESMAN JAMES P. RUBIN AT THAT DAY'S PRESS BRIEFING. POSTS MAY DRAW FROM THESE GUIDANCES FOR USE ON AN IF ASKED BASIS.

5. CAMBODIA: KING SIHANOUK OFFERS OPPOSITION SAFETY DURING NEGOTIATIONS IN PHNOM PENH

CONTEXT: CAMBODIA'S KING SIHANOUK SAID ON NOVEMBER 5 THAT HE IS READY TO PRESIDE OVER TALKS ON A NEW GOVERNMENT AND OPPOSITION LEADERS WORRIED ABOUT THEIR SAFETY CAN STAY IN HIS PALACE DURING THE NEGOTIATIONS. THE KING INDICATED THAT FOLLOW-ON TALKS COULD BE HELD IN BEIJING IF THE CHINESE GOVERNMENT AGREES. SECOND PRIME MINISTER HUN SEN SUPPORTS THE KING'S PROPOSAL, WHILE OPPOSITION LEADERS PRINCE RANARIDDH AND SAM RAINSY HAVE NOT YET RESPONDED FORMALLY TO THE KING'S PROPOSAL. THE RIVAL PARTIES HAVE YET TO AGREE ON A NEW COALITION GOVERNMENT MORE THAN THREE

MONTHS AFTER THE GENERAL ELECTION.

Q: PLEASE PROVIDE FACTS AND COMMENT ON SIHANOUK'S OFFER TO PRESIDE OVER TALKS ON A NEW GOVERNMENT.  
UNCLAS SECTION 02 OF 07 STATE 209127

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: NOVEMBER 9, 1998 PRESS GUIDANCES FOR THE EAP REGION

A: KING SIHANOUK SAID IN A NOVEMBER 7 STATEMENT THAT HE WOULD LEAVE CAMBODIA FOR BEIJING ON NOVEMBER 14, BUT UNTIL THEN WAS READY TO CHAIR TALKS ON A NEW GOVERNMENT IN CAMBODIA BETWEEN THE COUNTRY'S RIVAL POLITICAL PARTIES. THE KING SAID OPPOSITION PARTY LEADERS WORRIED ABOUT THEIR SAFETY COULD STAY IN HIS PALACE DURING THE NEGOTIATIONS.

SECOND PRIME MINISTER HUN SEN SAID HE FULLY SUPPORTED THE KING'S SUGGESTION WHILE OPPOSITION LEADERS PRINCE RANARIDDH AND SAM RAINSY HAVE NOT YET RESPONDED FORMALLY TO THE KING'S PROPOSAL.

KING SIHANOUK HAS AN IMPORTANT ROLE AND HAS CONTRIBUTED TO THE PROMOTION OF PEACE AND STABILITY IN CAMBODIA. WE BELIEVE HIS INITIATIVE TO TAKE STEPS TO PROVIDE FOR THE SECURITY OF OPPOSITION LEADERS CREATES THE ENVIRONMENT FOR TALKS ON FORMING A NEW GOVERNMENT TO GO FORWARD. IT WOULD BE EXTREMELY USEFUL, IN THIS REGARD, IF AUTHORITIES IN PHNOM PENH WERETO REMOVE THE THREAT OF PROSECUTION OF RETURNING POLITICIANS.

WE HOPE CAMBODIA'S POLITICAL LEADERS WILL USE THESE TALKS TO MAKE PROGRESS TOWARDS A PEACEFUL SETTLEMENT OF CAMBODIA'S POLITICAL CRISIS, AND FORMATION OF A REPRESENTATIVE GOVERNMENT, WHICH INCLUDES GENUINE POWER SHARING IN A COALITION.

6. INDONESIA: DEMONSTRATIONS AND PEOPLE'S CONSULTATIVE ASSEMBLY

CONTEXT: UNDER THE INDONESIAN CONSTITUTION, THE PEOPLE'S CONSULTATIVE ASSEMBLY (MPR) IS THE HIGHEST POLITICAL BODY IN THE COUNTRY. WHEN SOEHARTO WAS FORCED TO RESIGN IN MAY 1998, HABIBIE STEPPED INTO THE PRESIDENCY. HABIBIE QUICKLY PROPOSED A POLITICAL REFORM PROCESS WHICH INCLUDED LEGISLATIVE ELECTIONS IN MID-1999, FOLLOWED BY A DECEMBER 1999 MEETING OF THE REVAMPED MPR (WHICH WOULD BE COMPRISED OF THE NEWLY ELECTED HOUSE OF REPRESENTATIVES AND OTHER ELECTED AND APPOINTED MEMBERS) TO SELECT A NEW PRESIDENT AND VICE PRESIDENT. THE UPCOMING NOVEMBER 10-13 SPECIAL SESSION OF THE MPR (STILL COMPOSED OF SOEHARTO-ERA MEMBERS) IS EXPECTED TO APPROVE THESE PROPOSALS, INCLUDING THE NEW ELECTION TIMETABLE. HABIBIE CLEARLY HOPES THAT THE MPR'S ACTION WILL LEGITIMIZE HIS REFORM PLAN. OPPOSITION GROUPS HAVE FLOATED OTHER PROPOSALS AS WELL,

SUCH AS CALLING SOEHARTO BEFORE THE MPR TO ACCOUNT FOR HIS ACTIONS AS PRESIDENT, REVOKING THE INDONESIAN MILITARY'S POLITICAL FUNCTION, OR IMMEDIATELY REPLACING HABIBIE WITH A REPRESENTATIVE OPPOSITION PRESIDENCY. SOME OPPOSITION AND STUDENT GROUPS ARE DEMONSTRATING IN THE RUN-UP TO THE MPR SPECIAL SESSION IN SUPPORT OF THESE GOALS. SOME 200 PEOPLE, REPORTEDLY GOVERNMENT SUPPORTERS, THREW STONES AT A JAKARTA UNIVERSITY BUILDING NOVEMBER 9. POLICE AND SOLDIERS ALSO BLOCKED ACTIVISTS FROM CONVERGING ON

PARLIAMENT. IN THE CITIES OF SEMARANG, SAMARINDA AND PALEMBANG, HUNDREDS OF STUDENTS RALLIED, REPORTEDLY TO PROTEST THE MILITARY'S ROLE IN POLITICS. POLITICAL DEMONSTRATIONS TO DATE HAVE NOT RESULTED IN VIOLENT CONFRONTATIONS, ALTHOUGH THE POTENTIAL FOR SUCH CLASHES WITH SECURITY FORCES MAY INCREASE OVER THE NEXT FEW DAYS.

Q: PLEASE COMMENT ON WEEKEND PROTESTS IN INDONESIA.

A: THE PEOPLE'S CONSULTATIVE ASSEMBLY (MPR), THE HIGHEST POLITICAL AUTHORITY IN INDONESIA, WILL MEET IN SPECIAL UNCLAS SECTION 03 OF 07 STATE 209127

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: NOVEMBER 9, 1998 PRESS GUIDANCES FOR THE EAP REGION

SESSION NOVEMBER 10-13 TO REVIEW AND CONSIDER INDONESIAN GOVERNMENT--PROPOSED POLITICAL REFORMS. THE PROPOSALS INCLUDE A NEW ELECTORAL TIMETABLE, SUCH AS MOVING UP NATIONAL LEGISLATIVE ELECTIONS TO MID-1999, AND CONVENING THE MPR IN A REGULAR SESSION IN DECEMBER 1999 TO SELECT A NEW PRESIDENT AND VICE PRESIDENT.

IT IS WITHIN THE MPR'S AUTHORITY TO CONSIDER OTHER REFORMS AS WELL, WHICH HAS LED OPPOSITION GROUPS TO TRY TO WIDEN THE AGENDA WITH SOME OF THEIR OWN PROPOSALS. OVER THE WEEKEND, AND CONTINUING INTO NOVEMBER 9, A NUMBER OF OPPOSITION PROTESTS HAVE BEEN STAGED IN INDONESIA, INCLUDING AN ATTEMPT BY 2000 STUDENTS TO CONVERGE ON THE PARLIAMENT, WHICH WAS BLOCKED BY SECURITY FORCES. NO VIOLENT CONFRONTATIONS HAVE BEEN REPORTED.

THE U.S. STRONGLY SUPPORTS A TRANSITION TO DEMOCRACY IN INDONESIA. IN PARTICULAR, WE BELIEVE IT IMPORTANT FOR POLITICAL STABILITY AND INTERNATIONAL CONFIDENCE THAT INDONESIA STICK TO THE PROPOSED TIMETABLE FOR FREE AND FAIR, DEMOCRATIC ELECTIONS IN MAY-1999. AS THE SPECIAL SESSION OF THE MPR APPROACHES, IT IS ANTICIPATED INDONESIANS WILL EXERCISE THEIR DEMOCRATIC RIGHTS OF ASSEMBLY AND EXPRESSION TO MAKE KNOWN THEIR VIEWS. WE URGE DEMONSTRATORS AND SECURITY FORCES ALIKE TO SHOW RESTRAINT AND REFRAIN FROM VIOLENCE AND THE USE OF FORCE.

7. CHINA: BAO TONG AND XIE CHANGFA

CONTEXT: ALTHOUGH CHINA'S GENERAL TOLERANCE FOR DEBATE OF POLITICAL, SOCIAL, AND ECONOMIC ISSUES HAS EXPANDED OVER THE LAST TWO YEARS, CHINESE OFFICIALS HAVE RECENTLY TAKEN SEVERAL STEPS THAT DEMONSTRATE SHARP LIMITS STILL EXIST ON FUNDAMENTAL FREEDOMS, INCLUDING FREEDOM OF MOVEMENT, EXPRESSION, AND ASSOCIATION. CHINESE AUTHORITIES HAVE DETAINED A LARGE NUMBER OF DISSIDENTS IN RECENT MONTHS AND TAKEN OTHER STEPS THAT LIMIT POLITICAL

DEBATE. ON NOVEMBER 7, DISSIDENT XIE CHANGFA WAS DETAINED IN CHANGSHA, HUNAN PROVINCE, FOR 10 DAYS FOR IV DISTURBING PUBLIC SECURITY. ACCORDING TO REPORTS, XIE HAD ATTEMPTED TO REGISTER THE CHINESE ASSOCIATION FOR THE PROTECTION OF CIVIL RIGHTS. XIE HAS BEEN DETAINED SIX TIMES THIS YEAR FOR HIS POLITICAL ACTIVITIES, INCLUDING DURING BRITISH PRIME MINISTER TONY BLAIR'S OCTOBER VISIT TO CHINA.

ACCORDING TO PRESS REPORTS, BAO TONG, A FORMER HIGH-LEVEL AIDE TO FORMER COMMUNIST PARTY CHIEF ZHAO ZIYANG, HAS BEEN DENIED A PASSPORT TO TRAVEL TO THE UNITED STATES TO VISIT HIS SON. ACCORDING TO THE HONG-KONG BASED INFORMATION CENTRE OF HUMAN RIGHTS AND DEMOCRATIC MOVEMENT, BAO TONG HAS APPLIED FOR A PASSPORT SINCE MAY, BUT CAN NOT GET THE NECESSARY RECOMMENDATION LETTERS FROM THE GOVERNMENT. BAO TONG SERVED A SEVEN-YEAR SENTENCE FOR HIS ACTIVITIES DURING THE TIANANMEN SQUARE DEMONSTRATIONS AND WAS DENIED HIS POLITICAL RIGHTS FOR AN ADDITIONAL TWO YEARS. HE WAS RELEASED FROM PRISON IN 1996, AND EARLIER THIS YEAR HE WAS INFORMED THAT HIS POLITICAL RIGHTS HAD BEEN RESTORED, A MOVE THAT SHOULD MAKE HIM ELIGIBLE FOR TRAVEL ABROAD.

Q: COMMENT ON XIE CHANGFA'S DETENTION?

A: WE ARE AWARE OF THE REPORT THAT XIE CHANGFA HAS BEEN DETAINED BUT HAVE NO INDEPENDENT INFORMATION. WE ARE UNAWARE OF ANY ACTIONS BY XIE THAT WOULD JUSTIFY HIS DETENTION.

UNCLAS SECTION 04 OF 07 STATE 209127

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: NOVEMBER 9, 1998 PRESS GUIDANCES FOR THE EAP REGION

RECENT ACTIONS BY AUTHORITIES DEMONSTRATE THAT SHARP LIMITS ON WHAT IS PERMISSIBLE CONTINUE TO EXIST AND THAT ORGANIZED OPPOSITION TO THE COMMUNIST PARTY WILL NOT BE TOLERATED.

WE ARE DISTURBED BY THE DETENTIONS OF THE PAST FEW DAYS, INCLUDING THAT OF DISSIDENT XIE CHANGFA, AS WELL AS OTHERS THAT HAVE OCCURRED IN RECENT MONTHS, PLUS RECENT MOVES TO LIMIT POLITICAL DEBATE IN CHINA THAT INDICATE CHINESE AUTHORITIES ARE MOVING TO TIGHTEN RECENTLY

LOOSENED RESTRICTIONS ON THESE FUNDAMENTAL FREEDOMS.

ACCORDING TO THE HONG KONG- BASED INFORMATION CENTRE OF HUMAN RIGHTS AND DEMOCRATIC MOVEMENT IN CHINA, POLICE ANNOUNCED THAT XIE WAS TAKEN INTO CUSTODY FOR 'DISTURBING PUBLIC SECURITY.'" THE INFORMATION CENTRE REPORTED THAT HE HAD ATTEMPTED TO REGISTER HIS ORGANIZATION AS REQUIRED BY CHINESE LAW.

IT IS THE STRONGLY HELD VIEW OF THE UNITED STATES THAT ATTEMPTS TO RESTRICT INTERNATIONALLY RECOGNIZED FUNDAMENTAL FREEDOMS THAT CLEARLY VIOLATE THE INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS ARE STEPS IN THE WRONG DIRECTION.

WE HAVE COMMUNICATED THIS VIEW TO CHINESE AUTHORITIES ON MANY OCCASIONS UNDERSCORING THE IMPORTANCE THAT THE INTERNATIONAL COMMUNITY PLACES ON THE FREEDOMS OF EXPRESSION, MOVEMENT, AND ASSOCIATION.

Q: DO YOU HAVE ANY COMMENT ON CHINA'S REFUSAL TO ISSUE A PASSPORT TO BAO TONG?

BAO TONG COMPLETED A SEVEN- YEAR PRISON SENTENCE FOR HIS ROLE IN THE TIANANMEN DEMONSTRATIONS IN 1996. AS PART OF HIS ORIGINAL SENTENCE HE WAS ALSO DEPRIVED OF HIS POLITICAL RIGHTS FOR TWO YEARS AFTER HIS RELEASE FROM PRISON. EARLIER THIS YEAR, HE WAS INFORMED BY AUTHORITIES THAT HE HAD COMPLETED THE PERIOD OF DEPRIVATION OF POLITICAL RIGHTS.

IT IS UNCLEAR ON WHAT BASIS BAO TONG HAS BEEN DENIED A PASSPORT.

WE NOTE THAT FREEDOM OF MOVEMENT IS GUARANTEED BY UNIVERSAL DECLARATION OF HUMAN RIGHTS AND OTHER INTERNATIONAL HUMAN RIGHTS INSTRUMENTS.

#### 8. U.S. FAILURE TO REGAIN SEAT ON UN ADVISORY COMMITTEE

CONTEXT: LAST FRIDAY, THE U.S. LOST ITS BID TO REGAIN THE SEAT IT HAD LOST IN 1996 ON THE UN ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTION. THERE WERE TWO VACANCIES. THE FINAL VOTE WAS: U.K. 105, ITALY 105, GERMANY 67, U.S. 55.

Q. WHAT ARE THE IMPLICATIONS OF THIS LOSS?

A. THIS IS VERY DISAPPOINTING. AS THE LARGEST CONTRIBUTOR TO THE UN AND THE UN SYSTEM, THE U.S. SHOULD BE REPRESENTED ON THIS COMMITTEE.

MEMBER STATES HAVE SENT THE U.S. A CLEAR MESSAGE, THAT THEY COULD NOT ACCEPT THE U.S. CANDIDATE ON THIS COMMITTEE BECAUSE OF U.S. ARREARS.

THE PRESIDENT HAS INDICATED HIS DETERMINATION TO WORK WITH CONGRESS NEXT YEAR TO SECURE PAYMENT OF ARREARS.

UNCLAS SECTION 05 OF 07 STATE 209127

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: NOVEMBER 9, 1998 PRESS GUIDANCES FOR THE EAP REGION

MEANWHILE, THE U.S. WILL CONTINUE TO PLAY AN ACTIVE PART IN THE DECISION-MAKING ON UN BUDGET AND SPENDING ISSUES IN THE FIFTH COMMITTEE.

9. U.S. ARREARS TO THE UN

CONTEXT: AN ARTICLE IN TODAY'S WASHINGTON TIMES INDICATES THAT THE U.S. STILL OWES THE UN OVER \$1.2 BILLION, DESPITE THE FACT THAT THE U.S. PAID THE UN \$197 MILLION LAST WEEK AND THUS WILL AVOID LOSS-OF-VOTE IN THE UN GENERAL ASSEMBLY IN JANUARY 1999.

THE PAYMENT LAST WEEK REPRESENTS TWO-THIRDS OF OUR CALENDAR 1998 ASSESSMENT TO THE UN REGULAR BUDGET (\$297 MILLION TOTAL) . PAYMENT OF THE REMAINING \$100 MILLION IS SUBJECT TO SEMI-ANNUAL CERTIFICATIONS BY THE SECRETARY OF STATE THAT THE UN HAS TAKEN NO ACTION TO EXCEED A 1998-99 BUDGET LEVEL OF \$2.533 BILLION. THE UN GENERAL ASSEMBLY WILL APPROVE REVISED 1998-99 UN BUDGET ESTIMATES IN LATE DECEMBER. THE CURRENT UN BUDGET LEVEL IS \$2.532 BILLION.

EVEN WITH THIS PAYMENT, UN RECORDS STILL SHOW THE U.S. OWING \$1.28 BILLION ON PAST DUES FOR THE UN REGULAR BUDGET, UN PEACEKEEPING OPERATIONS AND UN WAR CRIMES TRIBUNALS.

QUESTION: IN THE WAKE OF LAST WEEK'S PAYMENT OF \$197 MILLION TO THE UN, DOES THE U.S. NOW INTEND TO ADDRESS THE ISSUE OF LONG-STANDING ARREARS OWED TO THE UN?

ANSWER: LAST MONTH, THE PRESIDENT VETOED AN ARREARS FUNDING PACKAGE - AS CONTAINED IN THE STATE AUTHORIZATION BILL - BECAUSE OF EXTRANEIOUS AND UNACCEPTABLE LANGUAGE RELATING TO INTERNATIONAL FAMILY PLANNING.

HOWEVER, PAYMENT OF THE \$197 MILLION MEANS THE U.S. WILL AVOID LOSS-OF-VOTE IN THE UN GENERAL ASSEMBLY NEXT YEAR.

THE ADMINISTRATION IS COMMITTED TO WORKING WITH THE NEW CONGRESS NEXT YEAR TO REACH AGREEMENT ON SETTLING U.S. ARREARS TO THE UN AND OTHER INTERNATIONAL ORGANIZATIONS.

IT SHOULD BE NOTED THAT MANY CRITICS OF OUR ARREARS ARE DISREGARDING TWO IMPORTANT POINTS:

THE U.S. HAS BEEN PAYING ITS UN ASSESSMENTS VIRTUALLY IN FULL IN RECENT YEARS; AND

WE REMAIN, BY FAR, THE LARGEST SUPPORTER OF THE UN SYSTEM. WE CONTRIBUTE AROUND \$2 BILLION PER YEAR -- AROUND \$1

BILLION IN ASSESSMENTS AND ANOTHER \$1 BILLION IN VOLUNTARY CONTRIBUTIONS (MOSTLY FOR HUMANITARIAN AND DEVELOPMENT PROGRAMS).

10. LABOR: UNIONS REJECT AGREEMENT ON APPAREL INDUSTRY PARTNERSHIP

CONTEXT: IN RECENT YEARS, THERE HAS BEEN AN INCREASE IN PUBLIC CONCERN ABOUT UNSAFE, UNHEALTHY, OR ABUSIVE LABOR CONDITIONS, PARTICULARLY IN FOREIGN FACTORIES THAT PRODUCE CONSUMER GOODS FOR THE AMERICAN MARKET. IN 1996, TV PERSONALITY KATHY LEE GIFFORD GAINED NOTORIETY WHEN THE MEDIA LEARNED THAT SOME OF HER LINE OF WOMEN'S APPAREL WAS MANUFACTURED ABROAD UNDER SWEATSHOP CONDITIONS. MS. GIFFORD VOWED THAT HER COMPANY WOULD NO LONGER USE SUPPLIERS WHOSE WORKERS TOILED UNDER SWEATSHOP CONDITIONS.  
UNCLAS SECTION 06 OF 07 STATE 209127

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: NOVEMBER 9, 1998 PRESS GUIDANCES FOR THE EAP REGION

THE PUBLICITY SURROUNDING THE GIFFORD CONTROVERSY LEAD TO THE 1996 WHITE HOUSE MEETING THAT IN TURN LED TO THE APPAREL INDUSTRY PARTNERSHIP (ALP). THE ALP PARTICIPANTS, INCLUDING APPAREL COMPANIES, TRADE UNIONS, AND NGOS, HAVE BEEN NEGOTIATING AN AGREEMENT FOR THE PAST TWO YEARS. THEIR NEGOTIATIONS HAVE BEEN DIFFICULT. THE COMPANIES AND SOME OF THE NGOS FINALLY REACHED AGREEMENT ON THE TERMS OF THE ACCORD (INTER ALIA, BANNING FORCED OR CHILD LABOR, AND CALLING FOR PAY AT THE MINIMUM WAGE OR BETTER) ON NOVEMBER 4. THE TWO AFL-CIO UNIONS INVOLVED IN THE NEGOTIATIONS REFUSED TO SIGN THE AGREEMENT - PRIMARILY BECAUSE OF CONCERNS ABOUT ADEQUATE MONITORING AND THE LACK OF AN EXPLICIT COMMITMENT TO A LIVING WAGE.

Q: WHAT IS THE ADMINISTRATION'S REACTION TO THE FACT THAT LAST WEEK TWO AFL-CIO UNIONS REFUSED TO SIGN THE AGREEMENT ON THE "APPAREL INDUSTRY PARTNERSHIP" TO ELIMINATE SWEATSHOP CONDITIONS IN THE U.S. CLOTHING INDUSTRY?

A: THE ADMINISTRATION WAS INSTRUMENTAL IN GETTING THE APPAREL INDUSTRY PARTNERSHIP LAUNCHED AT THE WHITE HOUSE MEETING IN 1996, AND WE HAVE BEEN AN ATTENTIVE OBSERVER OF ITS DELIBERATIONS SINCE THEN.

WE REGRET THAT THE TRADE UNIONS INVOLVED IN THE NEGOTIATIONS FOR THE PARTNERSHIP AGREEMENT COULD NOT SEE THEIR WAY CLEAR TO SIGNING THE AGREEMENT ALONG WITH THE OTHER PARTICIPANTS, FROM INDUSTRY AND THE NGO COMMUNITY.

WE HOPE THAT ALL SIDES CONCERNED WILL BE ABLE TO RESOLVE THEIR DIFFERENCES SOON, SO THAT THIS IMPORTANT INITIATIVE CAN BECOME TRULY EFFECTIVE.

11. THE FOLLOWING PRESS GUIDANCE WAS PREPARED BY THE NSC ON 11/9/98. POSTS MAY DRAW FROM THIS GUIDANCE FOR USE ON AN IF ASKED BASIS.

12. MALAYSIA: MAHATHIR

Q: WHAT IS OUR VIEW OF MAHATHIR? DO WE EXPECT HIM AND HIS REPUTATION TO DISTRACT THE IMPORTANT WORK AT APEC?

A: WE HAVE APPRECIATED MANY OF DR. MAHATHIR'S ACCOMPLISHMENTS OVER THE YEARS ON ISSUES SUCH AS REDUCING RACIAL TENSIONS IN MALAYSIA, BUT WE HAVE ALSO HAD OUR SHARE OF DIFFERENCES WITH HIM. MOST RECENTLY, WE HAVE BEEN DEEPLY TROUBLED BY THE CIRCUMSTANCES SURROUNDING THE ARREST OF FORMER DEPUTY PRIME MINISTER ANWAR, AS WELL AS INCREASED RESTRICTIONS THE GOVERNMENT APPEARS TO BE PLACING ON LEGITIMATE POLITICAL EXPRESSION.

WE ALSO DISAGREE OVER THE MOST EFFECTIVE WAY TO RESPOND TO THE GLOBAL FINANCIAL CRISIS.

DESPITE THESE AREAS OF DISAGREEMENT, THE UNITED STATES AND MALAYSIA COOPERATE EFFECTIVELY ON SEVERAL IMPORTANT ISSUES, INCLUDING REGIONAL SECURITY AND INTERNATIONAL CRIME.

WE DO NOT EXPECT OUR DIFFERENCES WITH DR. MAHATHIR, OR DIFFERENCES OTHERS MAY HAVE WITH HIM FOR THAT MATTER, TO DISTRACT FORM THE IMPORTANT WORK THE PRESIDENT AND HIS APEC COUNTERPARTS WILL CONDUCT IN KUALA LUMPUR.

Q: IS THERE ANY IRONY THAT HE REPRESENTS MANY OF THE FLAWS IN THE ASIAN FINANCIAL SYSTEM THAT WE HAVE TO FIX? WILL WE TELL HIM AT APEC THAT HE IS TAKING THE COUNTRY IN UNCLAS SECTION 07 OF 07 STATE 209127

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: NOVEMBER 9, 1998 PRESS GUIDANCES FOR THE EAP REGION

THE WRONG DIRECTION ECONOMICALLY AND POLITICALLY?

A: APEC IS AN IMPORTANT MULTILATERAL FORUM THAT WILL MEET IN MALAYSIA THIS YEAR - IT IS NOT A MEETING ABOUT PRIME MINISTER MAHATHIR OR ABOUT MALAYSIA. WE EXPECT ALL OF THE PARTICIPANTS WILL COME PREPARED TO DISCUSS WAYS TO RESTORE ECONOMIC GROWTH AND PROSPERITY. WE DO NOT BELIEVE DR. MAHATHIR'S POLITICAL AND ECONOMIC PRESCRIPTIONS PROVIDE AN EFFECTIVE OR APPROPRIATE MODEL FOR ACHIEVING THAT OBJECTIVE.  
ALBRIGHT

**SECT:** SECTION: 01 OF 07

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**DIST:**  
SIT: NSC

# Cable

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**PREC:** IMMEDIATE  
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**LINE4:** FM AMCONSUL BARCELONA  
**OSRI:** RUEHLA  
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**ORIG:** AMCONSUL BARCELONA  
**TO:** RUEHC/SECSTATE WASHDC IMMEDIATE 0803  
**INFO:** RUEHMD/AMEMBASSY MADRID 1386  
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RUEHTU/AMEMBASSY TUNIS 0003  
RUEHRO/AMEMBASSY ROME 0009  
RUEHFR/AMEMBASSY PARIS 0069  
RUEHLI/AMEMBASSY LISBON 0016  
RUEHBS/USMISSION BRUSSELS  
RUEHGV/USMISSION GENEVA 0003  
RUEHCL/AMCONSUL CASABLANCA 0010  
RUEHMIL/AMCONSUL MILAN 0012  
RUEHNP/AMCONSUL NAPLES 0001  
**SUBJ:** TRANSMEDITERRANEAN MIGRANTS - FEMALE, ALONE, AND ILLEGAL  
**TEXT:**  
UNCLAS SECTION 01 OF 05 BARCELONA 0416  
  
DEPARTMENT FOR PRM - MRHOuze;  
G - TLOAR; EUR/WE - CHEILEMAN, CA/FPP - MHUGHES; INL - JPULEO  
  
BRUSSELS FOR DEBLAUW  
  
GENEVA FOR RMA  
  
E.O. 12958: N/A  
TAGS: SMIG, PREL, KWMN, KFRD, CVIS, ELAB, SOCI, SP  
SUBJECT: TRANSMEDITERRANEAN MIGRANTS - FEMALE, ALONE, AND ILLEGAL  
  
1. SUMMARY: THE FLOW OF ILLEGAL MIGRANTS FROM NORTH AFRICA AND OTHER DEVELOPING AREAS TO SOUTHERN EUROPE IS INCREASINGLY COMPRISE OF UNEDUCATED, SINGLE FEMALES. IN SOME REGIONS, THE MIGRANT POPULATION IS ALMOST 50% FEMALE. THEY TEND TO BE MORE VULNERABLE TO EXPLOITATION THAN OTHER CATEGORIES OF MIGRANTS. ACCORDING TO SPEAKERS AT A RECENT SEMINAR HELD IN BARCELONA SPAIN, THESE WOMEN ARE PRIMARILY SEEKING FREEDOM FROM OPPRESSIVE CULTURES AND ECONOMIC OPPORTUNITY. ALTHOUGH THEIR DREAMS FREQUENTLY BECOME NIGHTMARES, SOME WOMEN HAVE BEEN ABLE TO INSERT THEMSELVES INTO COUNTRIES OF DESTINATION AND ATTAIN PERSONAL AND ECONOMIC EMANCIPATION. SPAIN'S GEOGRAPHY, CURRENT ECONOMIC BOOM AND TOLERATION OF MIGRANTS, MAKES

IT AN EXCELLENT DESTINATION FOR OTHER WOMEN SEARCHING FOR SUCCESS. HOWEVER, SPAIN'S SCHENGEN COMMITMENT TO ENFORCING THE EUROPEAN UNION'S EXTERNAL FRONTIER OBLIGES IT TO CRACK DOWN ON THIS IRREGULAR POPULATION FLOW. FOR TOO MANY, THE JOURNEY TO FREEDOM WILL END IN THE DANGEROUS WATERS OF THE STRAIT OF GIBRALTAR. END SUMMARY.

OVERVIEW Q INTERNATIONAL MIGRATION, A REGIONAL ISSUE  
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2. A ONE WEEK SEMINAR SPONSORED BY THE CATALAN INSTITUTE OF THE MEDITERRANEAN (CIM) BROUGHT TOGETHER GOVERNMENT OFFICIALS, DIPLOMATS, SCHOLARS AND NON-GOVERNMENTAL ORGANIZATIONS TO DISCUSS THE IMPACT OF SOUTH-NORTH MIGRATION ON WOMEN IN THE WESTERN MEDITERRANEAN REGION. THE SEMINAR COVERED SOCIAL, CULTURAL AND LEGAL CONDITIONS IN COUNTRIES OF ORIGIN (MOROCCO, ALGERIA, AND TUNISIA) WHICH PROPEL EMIGRATION, AS WELL AS FACTORS IN COUNTRIES OF DESTINATION (SPAIN, FRANCE, AND ITALY) WHICH ALSO ENCOURAGE THIS MOVEMENT. THE FRENCH EXPERIENCE IS CONSIDERED PIONEERING IN THE REGION, AND SPANIARDS AND ITALIANS HOPE TO LEARN FROM FRENCH SUCCESSES AND FAILURES.

3. PARTICIPANTS AGREED THAT THE NATURE OF TRANSMEDITERRANEAN MIGRATION DURING THE 1990'S HAS CHANGED SIGNIFICANTLY. MORE THAN EVER, WOMEN ARE LEAVING THEIR NATIVE COUNTRIES, AND INCREASINGLY DOING SO ALONE. IN SPAIN TODAY, APPROXIMATELY 32% OF THE MIGRANT COMMUNITY IS MADE UP OF FEMALES. AN ESTIMATE FOR BARCELONA'S MIGRANT POPULATION IS 46% FEMALE. THEY SEEK FREEDOM FROM RESTRICTIVE CULTURES AND GOOD JOBS ABROAD Q BUT OFTEN FIND THEMSELVES MARGINALIZED, VULNERABLE AND EXPLOITED.

SPAIN/MOROCCO Q UNDER THE MAGNIFYING GLASS  
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4. ALTHOUGH PARTICIPANTS FROM ALL SIX COUNTRIES MADE PRESENTATIONS AT THE SEMINAR, MUCH OF THE DISCUSSION GENERATED BY THE AUDIENCE CONCERNED MOROCCAN WOMEN IN SPAIN (ONE DAY FOCUSED EXCLUSIVELY ON THE LOCAL SITUATION IN CATALONIA). AN ESTIMATED FOUR MILLION MOROCCANS RESIDE ABROAD Q APPROXIMATELY ONE-FIFTH THE TOTAL POPULATION Q AND THEIR REMITTANCES ACCOUNT FOR ABOUT 7.5% OF THE MOROCCAN GROSS DOMESTIC PRODUCT. MOROCCANS FORM THE LARGEST IMMIGRANT COMMUNITY IN SPAIN. THE SEMINAR'S KEYNOTE SPEAKER WAS MOROCCAN STATE SECRETARY FOR COOPERATION AICHA BELARBI, A SOCIOLOGIST BY TRAINING, A UNIVERSITY PROFESSOR, AND A MILITANT OF THE OF THE SOCIALIST UNION OF POPULAR FORCES PARTY.

5. BELARBI STRESSED THAT GOVERNMENTS OF THE NORTH AND SOUTH NEED TO SHARE TOGETHER THE RESPONSIBILITY OF  
UNCLAS SECTION 02 OF 05 BARCELONA 0416

DEPARTMENT FOR PRM - MRHOUBE;  
G - TLOAR; EUR/WE - CHEILEMAN, CA/FPP - MHUGHES; INL - JPULEO

BRUSSELS FOR DEBLAUW

GENEVA FOR RMA

E.O. 12958: N/A

TAGS: SMIG, PREL, KWMN, KFRD, CVIS, ELAB, SOCI, SP  
SUBJECT: TRANSMEDITERRANEAN MIGRANTS - FEMALE, ALONE,  
AND ILLEGAL

MANAGING INTERNATIONAL MIGRATION. SHE HIGHLIGHTED PROGRESS MADE BY MOROCCO TO NEUTRALIZE ROOT CAUSES OF EMIGRATION. HOWEVER, WITH ONLY 14 MILES OF WATER SEPARATING MOROCCO FROM SPAIN AND TELEVISION BROADCASTS TANTALIZING PEOPLE WITH THE FAST, FUN, AND COMFORTABLE LIFE OF THE WEST, THE PULL FACTORS ARE OVERWHELMING. SHE NOTED THAT MOROCCO IS LIKE A TREE -- HER ROOTS ARE IN AFRICA, BUT HER BRANCHES ARE REACHING INTO EUROPE. BELARBI CHIDED THE HYPOCRISY OF WESTERN GOVERNMENTS WHO ADVOCATE OPEN MARKETS AND FREE TRADE, BUT TRY TO LOCK IN PLACE THE MOVEMENT OF PEOPLE. SHE STATED THAT SCHENGENS EFFORTS TO SEAL EXTERNAL FRONTEIRS WOULD NOT STOP INTERNATIONAL MIGRATION, BUT COULD ONLY MAKE IT MORE DANGEROUS FOR MIGRANTS. IN A PRESS CONFERENCE SHE SAID, WE SHOULD SEEK TOGETHER METHODS TO, IF NOT LIBERALIZE THE MOVEMENT OF PEOPLE TO THE WEST, AT LEAST TRY TO MAKE MORE FLEXIBLE SOME OF THE CURRENT METHODS USED TO CONTAIN THIS FLOW. HER SPEECH TOUCHED ON MAIN ISSUES OF THE SEMINAR, WHICH WERE FURTHER DISCUSSED BY OTHER SPEAKERS DURING THE WEEK.

6. PATTERNS OF FEMALE MIGRATION Q INCREASINGLY ALONE AND ILLEGAL

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THE FIRST SIGNIFICANT WAVE OF FEMALE MIGRATION ACROSS THE MEDITERRANEAN BEGAN AFTER STRUCTURAL ADJUSTMENTS IN THE 1970QS. FAMILIES WHO WORKED IN THE TRADITIONAL AGRICULTURAL ECONOMIES OF NORTH AFRICA WERE UPROOTED. INITIALLY, MEN MIGRATED ALONE IN SEARCH OF WORK Q SOME TO OIL-RICH ARAB STATES, BUT MANY MORE TO EUROPE. IN THE 1980QS, WOMEN FOLLOWED THEM (WITH VISAS DESIGNED TO REUNITE FAMILIES). THESE RURAL WOMEN GENERALLY DID NOT WORK OUTSIDE THE HOME IN EUROPE. FRANCE, A PRIMARY DESTINATION FOR THESE MIGRANTS, ENACTED RESTRICTIONS IN 1974 WHICH REFUSED WORK PERMITS TO WOMEN WHO WERE BEING REUNITED WITH THEIR HUSBANDS. SIMILAR CONDITIONS EXISTED IN SPAIN. DURING THIS PERIOD, A SMALLER GROUP OF EDUCATED WOMEN ALSO CAME TO EUROPE AND TENDED TO MARRY EUROPEANS. STATISTICALLY, WOMEN IN THIS PERIOD WERE INVISIBLE -- MERE DEPENDENTS, WITHOUT MUCH OF AN ECONOMIC IMPACT ON THE HOST COUNTRIES.

7. THE 1990QS WITNESSED A DRAMATIC RISE IN SINGLE FEMALES (88% NEVER MARRIED, 7% DIVORCED, 5% WIDOWED) MIGRATING, MAINLY OF THE LOWEST SOCIO-ECONOMIC STRATUS. BECAUSE THEY LACK FAMILY RESPONSIBILITIES IN COUNTRIES OF ORIGIN AND HAVE FEW PROSPECTS OF EMPLOYMENT, THESE WOMEN HAVE LITTLE TO DISSUADE THEM FROM LEAVING. WITHOUT VISAS FOR FAMILY REUNIFICATION OR PROFESSIONAL EMPLOYMENT, THEY ALSO HAVE A GREATER TENDENCY TO ENTER THE COUNTRIES OF DESTINATION WITHOUT AUTHORIZATION. IN SPAIN, IT IS ESTIMATED THAT 60% OF THE FEMALE MIGRANTS ARE IN THE COUNTRY ILLEGALLY. LACK OF EDUCATION, SKILLS, AND LEGAL STATUS MEANS THEY END UP IN EXCEEDINGLY LOW PAID JOBS Q AS DOMESTIC EMPLOYEES, IN

IRREGULAR LABOR SITUATIONS (SWEATSHOPS), IN BROTHELS, ETC. BELARBI CITED A REPORT BY THE INTERNATIONAL ORGANIZATION OF MIGRATION ON TRAFFICKING IN WOMEN FOR THE PURPOSE OF SEXUAL EXPLOITATION WHICH SHE DESCRIBED AS SHOCKING Q BOTH IN TERMS OF NUMBERS AND TREATMENT, SUCH AS VIOLENCE, INTIMIDATION AND DEPLORABLE LABOR CONDITIONS.

PROBLEMS ENCOUNTERED BY FEMALE MIGRANTS  
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8. SINGLE FEMALE MIGRANTS TEND TO BE MORE MARGINALIZED THAN THEIR MARRIED COUNTERPARTS OR MALES. GENERALLY, THEY DO NOT DEMAND HIGHER SALARIES OR TRAINING AND ARE MORE UNCLAS SECTION 03 OF 05 BARCELONA 0416

DEPARTMENT FOR PRM - MRHOuze;  
G - TLOAR; EUR/WE - CHEILEMAN, CA/FPP - MHUGHES; INL - JPULEO

BRUSSELS FOR DEBLAUW

GENEVA FOR RMA

E.O. 12958: N/A

TAGS: SMIG, PREL, KWMN, KFRD, CVIS, ELAB, SOCI, SP  
SUBJECT: TRANSMEDITERRANEAN MIGRANTS - FEMALE, ALONE,  
AND ILLEGAL

SUBJECT TO SEXUAL HARRASSMENT (INCLUDING UNWANTED PREGNANCIES, WHICH EFFECTIVELY DISSUADE THEM FROM RETURNING HOME IN SHAME). IN ITALY, FOR EXAMPLE, A MIGRANT WOMAN IS PAID ONLY 38% OF WHAT AN ITALIAN WOULD EARN FOR THE SAME WORK.

9. LIKE OTHER MIGRANTS, SINGLE FEMALES FIND IT HARD TO ASSIMILATE INTO SOCIETIES OF DESTINATION. THEY DO NOT SPEAK THE LANGUAGE, HAVE NO KNOWLEDGE OF MODERN WAYS OR CONVENIENCES, EXPERIENCE EXTREME CULTURE SHOCK, SUFFER XENOPHOBIC TREATMENT, AND LIVE A CLANDESTINE EXISTENCE. THEY TEND TO LOSE THEIR OWN IDENTITY AS MOROCCANS, ETC. WITHOUT GAINING A NEW ONE.

10. WOMEN WHO HAVE MIGRATED IN FAMILY UNITS, ALSO FACE INDIVIDUAL HARDSHIPS. OLD WOMEN ARE ISOLATED FROM THEIR FAMILIAR COMMUNITY ROLES AND SUPPORT STRUCTURES OF THEIR NATIVE VILLAGES. MIDDLE AGE WOMEN WHO EXPERIENCE A DEGREE OF EMANCIPATION BY WORKING OUTSIDE THE HOME, OFTEN FACE A HUSBAND WHO CANNOT TOLERATE THIS INDEPENDENCE AND MAY BECOME MORE RIGID IN ASSERTING HIS DOMINANT POSITION WITHIN THE FAMILY. GIRLS, EAGER TO ASSIMILATE, LOOK FOR ROLE MODELS AND ADOPT CLOTHING AND HAIR STYLES THAT GENERATE CONFLICT WITH THEIR PARENTS.

ROOT CAUSES -- INEQUALITY IN LAW AND PRACTICE  
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11. PRESENTATIONS EMPHASIZED THAT THE LACK OF GENDER EQUALITY IS THE SINGLE MOST IMPORTANT CAUSE OF FEMALE EMIGRATION. DR. NOZHA SEKIK (INSTITUTE NATIONAL DU PATRIMOINE, TUNIS) PRESENTED A POSITIVE VIEW OF THE LEGAL STATUS OF WOMEN IN TUNISIA, CITING THE PERSONAL STATUS CODE

OF 1956, WHICH AIMS TO GUARANTEE EQUALITY WITH MEN. THE CODE ABOLISHED POLYGAMY, RAISED THE MINIMUM AGE OF MARRIAGE TO 18 AND INTRODUCED OTHER REFORMS REGARDING DOWRY AND DIVORCE WHICH WERE DESIGNED TO HELP TUNISIAN WOMEN. OTHER PROVISIONS SOUGHT TO GUARANTEE GREATER PARTICIPATION OF WOMEN IN THE LABOR FORCE. HOWEVER, THE EXISTENCE OF THE LEGAL FRAMEWORK DOES NOT GUARANTEE ITS IMPLEMENTATION BY SOCIETY Q A PROBLEM CITED BY SEKIK. FURTHERMORE, THE TUNISIAN CODE WAS CRITICIZED FOR BEING MORE PATERNALISTIC THAN EGALITARIAN. A SIGNIFICANT NUMBER OF NGOQS ARE HELPING TUNISIAN WOMEN IMPROVE THEIR SOCIAL STANDING.

12. REGARDING MOROCCO, BELARBI STATED THAT THE CURRENT ADMINISTRATION (ELECTED IN NOVEMBER 1997) HAS SOUGHT TO INTEGRATE WOMENQS ISSUES INTO GOVERNMENTAL PROGRAMS AND IS AWARE OF THE INCREASED PROBLEMS FACED BY FEMALE MIGRANTS ABROAD. SHE OPINED THAT WHILE THE NEW FAMILY CODE OF 1993 HELPED FOSTER INCREASED LEGAL EQUALITY BETWEEN MEN AND WOMEN, DISCRIMINATION AND OPPRESSION, WHICH CONTRIBUTE TO EMIGRATION, STILL EXIST IN THE HOME AND IN THE COMMUNITY. IMPROVEMENTS IN WOMENQS RIGHTS Q INCLUDING EQUAL ACCESS TO HEALTH, EDUCATION, AND EMPLOYMENT Q BELARBI SAID ARE ONLY VISIBLE IN URBAN AREAS WHERE 86% OF GIRLS ARE EDUCATED AND 35% OF WOMEN HOLD PROFESSIONAL JOBS. BECAUSE OF THIS RURAL/URBAN DIVIDE, MANY OF THE WOMEN WHO LEAVE MOROCCO ARE UNEDUCATED, MORE PRONE TO TOLERATE ABUSIVE FAMILY RELATIONSHIPS, AND RECRUITED FOR THE MOST MENIAL JOBS. IN HER PRESENTATION, DR. MARIA ANGELS ROQUE (CIM, BARCELONA) NOTED THAT MIGRATION WITHIN MOROCCO FROM COUNTRYSIDE TO CITIES DOES NOT BENEFIT RURAL WOMEN, BUT SIMPLY PRODUCES A RURALIZATIONQ OF THE UNCLAS SECTION 04 OF 05 BARCELONA 0416

DEPARTMENT FOR PRM - MRHOuze;  
G - TLOAR; EUR/WE - CHEILEMAN, CA/FPP - MHUGHES; INL - JPULEO

BRUSSELS FOR DEBLAUW

GENEVA FOR RMA

E.O. 12958: N/A

TAGS: SMIG, PREL, KWMN, KFRD, CVIS, ELAB, SOCI, SP  
SUBJECT: TRANSMEDITERRANEAN MIGRANTS - FEMALE, ALONE,  
AND ILLEGAL

URBAN AREAS. DR. SELIMA MERNISSI (MOHAMMED V UNIVERSITY, RABAT) STATED THAT ALTHOUGH THE MOROCCAN REFORMS OF 1993 WERE IMPORTANT AND POPULAR, THE STATUS OF WOMEN HAS NOT CHANGED MUCH IN DAY TO DAY LIFE. SHE NOTED THAT OVERALL, ONLY 32% OF MOROCCAN WOMEN ARE EMPLOYED.

13. MERNISSI ALSO STRESSED THAT BECAUSE OF DEVELOPMENTS IN EUROPE, THE GAP IN GENDER EQUALITY BETWEEN EUROPEANS AND NORTH AFRICANS IS INCREASING. DR. DOLORES JULIANO (UNIVERSITY OF MAR DEL PLATA, ARGENTINA) POINTED OUT THAT, IRONICALLY, AS SPANISH WOMEN GAIN EQUALITY WITH MEN AND INCREASINGLY WORK OUTSIDE THE HOME, MIGRANT WOMEN TAKE

THEIR PLACE TO SUPPORT TRADITIONAL FAMILY STRUCTURES WITHIN THE HOME.

WHAT ROLE DOES RELIGION PLAY?  
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14. IN DESCRIBING LEGISLATIVE INITIATIVES, BELARBI MENTIONED THAT THE MOROCCAN GOVERNMENT IS TRYING TO ADAPT ITS LEGISLATION TO BOTH DEMOCRATIC INTERNATIONAL STANDARDS AND MUSLIM LAWS SIMULTANEOUSLY. TO MANY IN THE AUDIENCE, THIS DOUBLE PRONGED APPROACH SEEMED CONTRADICTORY. BELARBI STRESSED THAT WESTERN CONCEPTS OF ISLAM WERE HEAVILY INFLUENCED BY ACTIVITIES OF FUNDAMENTALIST MUSLIMS IN OTHER COUNTRIES AND BY DISTORTED MEDIA IMAGES. THE MOROCCAN VERSION OF ISLAM, SHE INSISTED, WAS TOLERANT AND RESPECTING. BELARBI STATED THAT A GROUP OF INTELLECTUAL WOMEN IN MOROCCO HAS BEEN STUDYING THE KORAN AND THE HADITH IN ORDER TO MEET WITH THEOLOGICIANS AND DISCUSS WAYS IN WHICH RELIGION CAN FURTHER THE EQUALITY OF WOMEN.

15. BELARBI DID CONCEDE, HOWEVER, THAT THE MIGRATION OF MAINLY UNEDUCATED RURAL WOMEN WHO TEND TO BE MORE EASILY EXPLOITED AND DOMINATED CONTRIBUTES TO THE NEGATIVE VIEW OF ISLAM IN COUNTRIES OF DESTINATION. ACCORDING TO MERNISSI, ISLAM CONTRIBUTES TO THE DISPARITY IN GENDER EQUALITY BECAUSE IT ESSENTIALLY EMPHASIZES THE DUTIES OF WOMEN (AS OPPOSED TO THEIR RIGHTS).

SO WHY DO THEY LEAVE?  
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16. ROOT CAUSES OF EMIGRATION ARE UNIVERSAL IN NATURE. THE DIFFERENCE BETWEEN MIGRATION WHICH LEADS TO INTERNATIONAL FRICTION AND INSTABILITY AND THAT WHICH RESULTS IN PERSONAL AND SOCIETAL IMPROVEMENT STEMS FROM THE WAY MIGRANTS ARE TREATED IN COUNTRIES OF DESTINATION. DR. DANIELLE PROVANSAL (UNIVERSITY OF BARCELONA) PROVIDED AN OPTIMISTIC VIEW OF FEMALE MIGRATION USING THE FRENCH EXPERIENCE. WOMEN MIGRANTS LEFT OPPRESSION BEHIND AND THEN WENT THROUGH A CYCLE OF INVISIBILITY, REGULARIZATION, ADVOCACY, CONTRIBUTION, AND INDEPENDENCE. INCREASINGLY, WOMEN (INCLUDING SINGLE WOMEN) FROM THE PHILIPPINES, PERU, AND THE DOMINICAN REPUBLIC LIVING IN SPAIN AND NEIGHBORING COUNTRIES ARE THE SOLE BREAD WINNERS AND SUPPORTERS OF THEIR FAMILIES BACK HOME.

COMMENT  
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17. THE TRUE VALUE OF THIS SEMINAR WAS ITS EXCLUSIVE FOCUS ON WOMEN MIGRANTS -- A CONCRETE ANALYSIS OF THE FEMINIZATION OF THIS GLOBAL ISSUE AND OF CONDITIONS WHICH MAKE THESE MIGRANTS MORE VULNERABLE THAN OTHERS. WHILE EMIGRATION MAY START WITH MEN, SUBSEQUENT WAVES INCLUDE LARGE NUMBERS OF WOMEN WHO VOLUNTARILY LEAVE THEIR HOMES IN UNCLAS SECTION 05 OF 05 BARCELONA 0416

DEPARTMENT FOR PRM - MRHOUBE;  
G - TLOAR; EUR/WE - CHEILEMAN, CA/FPP - MHUGHES; INL - JPULEO

BRUSSELS FOR DEBLAUW

GENEVA FOR RMA

E.O. 12958: N/A

TAGS: SMIG, PREL, KWMM, KFRD, CVIS, ELAB, SOCI, SP  
SUBJECT: TRANSMEDITERRANEAN MIGRANTS - FEMALE, ALONE,  
AND ILLEGAL

SEARCH OF FREEDOM AND OPPORTUNITY. A BOOMING ECONOMY Q PARTICULARLY IN AREAS LIKE BARCELONA Q AND A SYMPATHETIC STREAK FOR MIGRANTS CAN ONLY SERVE TO STIMULATE THE GROWTH OF THIS COMMUNITY IN SPAIN. WHEN THE ECONOMIC DISPARITY IS COUPLED WITH THE PERCEPTION OF AN ANTI-FEMALE PERCEPTION OF ISLAM, FURTHER FEMINIZATION OF MIGRATION IN THIS REGION SEEMS INEVITABLE.

18. ACKNOWLEDGING SPAIN'S RECENT TRANSITION FROM A COUNTRY OF ORIGIN TO ONE OF DESTINATION, CONFERENCE ORGANIZERS INCLUDED A PRESENTATION BY A SPANIARD WHO HAD MIGRATED TO ARGENTINA IN SEARCH OF LABOR THERE. THE IDEA OF LESS-EXPERIENCED COUNTRIES LIKE SPAIN AND ITALY TRYING TO LEARN THE LESSONS OF FRANCE AND OF NORTH AFRICANS DISCUSSING THE ISSUES JOINTLY WITH EUROPEANS SEEMED ENLIGHTENED. SPEAKERS WHO ACCENTUATED A NEED FOR CHANGE, GENERALLY DID NOT MAKE CONCRETE RECOMMENDATIONS.

19. WHILE THE MOROCCAN MFA KEYNOTE SPEAKER DELIVERED SOME TOUGH WORDS, THE ACUTELY SENSITIVE ISSUE OF A SPANISH WALL SEALING OFF THE NORTH AFRICAN ENCLAVES OF CEUTA AND MELILLA WAS IGNORED. THE RECENT SUICIDE IN A CEUTA DETENTION FACILITY OF A NIGERIAN WOMAN WHO WAS SEVEN MONTHS PREGNANT DRAMATIZED THE PLIGHT OF MIGRANTS ATTEMPTING TO ENTER SPAIN ILLEGALLY. SHE HAD BEEN FOUND AT ONE IN THE MORNING, IN THE HILLS NEAR THE MOROCCAN BORDER, ABANDONED AND SUFFERING FROM HYPOTHERMIA. AS ONE SPANISH NEWSPAPER EXPRESSED IT, HER LONG JOURNEY, HER DREAMS, AND HER LIFE ALL ENDED IN THE DETENTION CELL AWAITING DEPORTATION.

SMITH

**SECT:** SECTION: 01 OF 05  
<^SECT>SECTION: 02 OF 05  
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<^SECT>SECTION: 04 OF 05  
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**SSN:** 0416  
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<^TOR>981207114311 M3591391

**DIST:**

SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHBEA1298 3501421-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 161421Z DEC 98  
**LINE4:** FM AMEMBASSY BELIZE  
**OSRI:** RUEHBE  
**DTG:** 161421Z DEC 98  
**ORIG:** AMEMBASSY BELIZE  
**TO:** RUEHC/SECSTATE WASHDC 7727  
**INFO:** RUEHWN/AMEMBASSY BRIDGETOWN 0834  
RUEHKG/AMEMBASSY KINGSTON 0907  
RUEHBS/USEU BRUSSELS  
RUEHGV/USMISSION GENEVA 0015  
RUCPDOG/USDOC WASHDC  
RUEHZA/ALCA COLLECTIVE  
RUEHLO/AMEMBASSY LONDON 0043  
**SUBJ:** MORE ON THE US/EU BANANA DISPUTE  
**TEXT:**  
UNCLAS SECTION 01 OF 03 BELIZE 001298  
  
DEPT FOR ARA/CEN, ARA/CAR AND ARA/EPSC:JSLATTERY  
  
DEPT PASS TO USTR FOR ALGEIER AND IVES  
  
E.O. 12958: N/A  
TAGS: ETRD, EAGR, USTR, BH  
SUBJECT: MORE ON THE US/EU BANANA DISPUTE  
  
REF: A) BELIZE 01222  
B) BELIZE 01249  
C) BELIZE 01251

1. AS PART OF POST'S EFFORTS TO KEEP USG AGENCIES INFORMED OF LOCAL MEDIA AND PRIVATE SECTOR ORGANIZATIONS' REACTIONS TO THE US/EU BANANA DISPUTE (REFTELS), WE WISH TO SUBMIT THE FOLLOWING TWO PRESS RELEASES APPEARING IN THIS WEEKEND'S ISSUE OF ALL MAJOR NEWSPAPERS IN BELIZE AND AN EDITORIAL IN QTE THE REPORTER UNQTE (NOTE: GRAMMATICAL MISTAKES AND FACTUAL ERRORS WERE NOT/NOT CORRECTED):

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BANANA GROWERS ASSOCIATION TAKES A STAND  
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2. BEGIN TEXT: IN THE EARLY SEVENTIES BELIZE WAS ENCOURAGED BY MANY, INCLUDING THE UNITED STATES ( U.S.) TO DIVERSIFY FROM SUGAR, AND BANANAS WERE SEEN AS THE CROP THAT WOULD PROVIDE MASS EMPLOYMENT AND GENERATE THE MUCH NEEDED FOREIGN EXCHANGE.

3. THE U.S. CONTINUES ITS ATTACK ON THE PREFERENTIAL TREATMENT OF CARIBBEAN BANANAS IN EUROPE, OUR ONLY MARKET. WHILE PRESIDENT CLINTON HAS SAID IT IS NOT THE INTENTION OF THE U.S. TO DAMAGE CARIBBEAN BANANA EXPORTS OF THE STATUS OF OUR EXPORTS TO EUROPE, THE U.S.'S CONTINUED ACTIONS ARE CONTRARY.

4. WE, THE BANANA GROWERS ASSOCIATION (BGA), HEREBY ASKS THE U.S.:

- TO REFRAIN FROM ANY FURTHER ACTION ON THE EUROPEAN BANANA REGIME (EUROPE IS OUR ONLY MARKET).
- TO GIVE TO THE NEW EUROPEAN PROPOSAL A PERIOD TO OPERATE AND TO EVALUATE ITS IMPACT.
- TO GIVE OUR INDUSTRY TIME TO MAKE ADJUSTMENTS TO UPGRADE AND/OR DIVERSIFY.

5. BELIZE PREFERS TRADE OVER AID. CONTINUITY OF AID IS ALWAYS UNCERTAIN. BELIZE, LIKE THE REST OF THE CARIBBEAN, PAYS ITS WORKERS ALMOST THREE TIMES MORE THAN LATIN AMERICA (LABOUR REPRESENT ALMOST 40 PERCENT OF TOTAL PRODUCTION COSTS). BANANAS REPRESENT 20 PERCENT OF BELIZE'S FOREIGN EARNINGS AND PROVIDES EMPLOYMENT TO ALMOST 45 PERCENT OF THE SOUTHERN WORK FORCE. THE CARIBBEAN INDUSTRIES COMBINED REPRESENT 3 PERCENT OF THE WORLD PRODUCTION AND 8 PERCENT OF THE EUROPEAN MARKET (OUR ONLY MARKET).

6. A FAILED BANANA INDUSTRY IN BELIZE, LIKE THE REST OF THE CARIBBEAN WOULD RESULT IN:

- MASSIVE UNEMPLOYMENT.
- SETBACK IN ANY DIVERSIFICATION PROGRAMME DUE TO LOSS OF SHIPPING.
- LOSS OF FOREIGN EARNINGS, CONSEQUENCES FOR BALANCE OF PAYMENTS AND EXCHANGE RATE STABILITY.
- INCREASE ANTI-SOCIAL ACTIVITIES, CRIME, DRUGS, ILLEGAL IMMIGRATION.
- SOCIO-ECONOMIC DISLOCATION WITH INCREASE POVERTY.
- GENERAL ECONOMIC INFRASTRUCTURAL AND SOCIAL DECLINE IN AREAS SUCH AS HEALTH AND EDUCATION.
- SEVERE LOSSES OF INVESTMENT CAPITAL BOTH TO LOCALS AS WELL AS AMERICAN INVESTORS.

7. WHILE THE U.S. SAYS THE BATTLE IS WITH EUROPE, THE ECONOMIC EFFECTS WILL BE FELT BY US HERE IN BELIZE AND THE CARIBBEAN. WE WOULD LIKE TO THANK ALL THOSE LOCAL ORGANIZATIONS AND INDIVIDUALS, THE GOVERNMENT OF BELIZE, BOTH REGIONAL AND INTERNATIONAL GOVERNMENTS AND ORGANIZATIONS, THE U.S. CONGRESSIONAL BLACK CAUCUS, AND THE OTHER U.S. CONGRESSIONAL SUPPORTERS FOR THEIR SUPPORT AND SOLIDARITY. LAST BUT NOT LEAST, THE EUROPEAN UNION FOR THEIR CONTINUED EFFORTS IN SECURING A MARKET FOR OUR BANANAS AND THEIR CONTINUED SUPPORT. END TEXT.

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BELIZE BUSINESS BUREAU ON THE U.S. EMBASSY'S PRESS RELEASE  
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8. BEGIN TEXT: IS THE U.S QTE SWEATING THE FEVER UNQTE OF THE INTERNATIONAL OR RATHER MULTINATIONAL PRIVATE COMPANIES? THE USA NEITHER GROWS NOR SELLS BANANAS; WHAT RIGHT SHOULD SHE HAVE TO BE

IN A DISPUTE WITH THE EUROPEAN UNION OVER BANANAS? THIS BANANA DISPUTE IS DEFINITELY BETWEEN THE USA AND BELIZE EVEN IF THEY CLAIM IT IS NOT SO. THE USA IS TRYING TO MUSCLE THE MULTINATIONAL COMPANIES, CHIQUITA, DEL MONTE AND DOLE INTO THE VERY SMALL MARKET SHARE THAT BELIZE HAS IN THE EU BANANA MARKET.  
UNCLAS SECTION 02 OF 03 BELIZE 001298

DEPT FOR ARA/CEN, ARA/CAR AND ARA/EPSC:JSLATTERY

DEPT PASS TO USTR FOR ALGERIA AND IVES

E.O. 12958: N/A  
TAGS: ETRD, EAGR, USTR, BH  
SUBJECT: MORE ON THE US/EU BANANA DISPUTE

9. THE FIVE LATIN AMERICAN BANANA PRODUCING COUNTRIES DO SO AT QUOTE SWEATSHOPS UNQUOTE WITH QUOTE SLAVE LABOUR UNQUOTE WAGES. LATIN AMERICAN WORKERS ARE FORCED TO WORK FOR USD 3.50 PER DAY. THIS IS LESS THAN THE U.S. PER HOUR MINIMUM WAGE. IF THE AMERICAN PUBLIC WERE MADE AWARE OF THE SUB-HUMAN CONDITIONS UNDER WHICH CHIQUITA, DEL MONTE AND DOLE BANANAS ARE PRODUCED THEY WOULD CERTAINLY BOYCOTT THEIR BANANAS.

10. THE IDEA BEHIND WORLD GLOBALIZATION SEEMS TO BE THAT ALL THIRD WORLD COUNTRIES MUST DRAG THEIR DAILY WAGES DOWN TO THAT OF THE COUNTRY WITH THE LOWEST WAGES. THE U.S.'S INTERVENTION CONCERN SHOULD REALLY BE TO ENSURE THAT WAGES IN THESE FIVE LATIN AMERICAN COUNTRIES ARE BROUGHT UP TO BE ON PAR WITH THAT OF BELIZE.

11. IF WORLD GLOBALIZATION MEANS FAIR TRADE, EQUAL OPPORTUNITY FOR ALL, THEN THE WTO HAS TO START TAKING A GOOD LOOK AT THE CONDITIONS UNDER WHICH TRADING COMMODITIES ARE PRODUCED. I AM SURE THAT THE WORLD OPINION IS NOT IN FAVOR OF THE POOR NATIONS LIVING POOR SO THAT THE RICH NATIONS CAN LIVE MORE ECONOMICALLY (CHEAPLY). THE DAYS OF WORLD COMMODITIES PRODUCED BY CHEAP LABOUR SHOULD BE A THING OF THE PAST. IF THESE BANANA COMPANIES CANNOT OR REFUSE TO PAY FAIR PRICES FOR THEIR BANANAS WHICH BRINGS THE WORKERS LIVING CONDITIONS UP TO CARICOM LEVEL, THEN THEY ARE THE ONES WHO THE WTO SHOULD RULE AGAINST - NOT THE COUNTRIES AND COMPANIES THAT ARE PAYING HIGHER PRICES FOR WAGES AND WORLD COMMODITIES, SUCH AS THE EU. THE CONCEPT OF REDUCING TARIFFS ON BELIZE OR ACP BANANAS WILL NOT COMPENSATE FOR THE DISADVANTAGE CREATED BY CHEAP SUB-HUMAN WAGES PAID TO LATIN AMERICAN BANANA WORKERS.

12. THE VERY POLICY THAT THE U.S. IS NOW PURSUING WILL REDUCE BELIZE AND CARICOM BANANA MARKET SHARE. CAN THE U.S. TELL US HOW WE WILL BE ABLE TO SURVIVE WITHOUT LOWERING OUR WAGES AND LIVING STANDARDS OF OUR WORKERS. THIS REALLY IS THE BOTTOM LINE. THE ONLY WAY THE U.S. CAN ENSURE THE INTEREST OF BELIZE AND CARICOM BANANAS IS TO BRING MACHINES INTO PLAY THAT WILL FORCE THE MULTINATIONALS TO BRING UP THEIR WAGES AND THEREFORE THE LIVING STANDARDS OF THE LATIN AMERICAN WORKERS. THIS WOULD ALSO BRING

MORE U.S. DOLLAR EARNINGS INTO THESE COUNTRIES.

13. SINCE HURRICANE MITCH, BANANA PRICES HAVE DOUBLED IN THE U.S. AND MAY GO HIGHER STILL. ARE WE TO BELIEVE THAT THE AMERICANS ARE NOT PREPARED TO PAY THE SAME PRICES FOR BANANAS AS THE EUROPEANS? GIVE US A BREAK! IN OUR OPINION, THE BANANA MATTER IS IN THE HANDS OF THE WTO. THE USA HAS NO AUTHORITY WHATSOEVER TO INTERVENE AND IMPOSE UNILATERAL SANCTIONS. WORK ON THE CONSCIENCE OF YOUR MULTATIONALS. THAT IS NEEDED. END TEXT.

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THE REPORTER EDITORIAL, DECEMBER 13, 1998  
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14. BEGIN TEXT: THE BELIZE BUSINESS BUREAU THIS WEEK, IN ITS STATEMENT ABOUT THE U.S. AND WTO ROLE IN THE BANANA DISPUTE WITH THE EUROPEAN COMMUNITY, MAKES AN INTERESTING OBSERVATION. THE WTO, IT SAID, SHOULD BE CONCERNED ABOUT THE EXPLOITATION WAGES WHICH MULTI-NATIONALS LIKE CHIQUITA PAY THEIR LATIN AMERICAN WORKERS.

15. THERE IS AN IMPORTANT PRINCIPLE OF ETHICS INVOLVED HERE. THE WORLD TRADE ORGANIZATION, SUCCESSOR TO THE GENERAL AGREEMENT OF TARIFFS AND TRADE, IS NOW THE WORLD'S UNDISPUTED ARBITER OF WHAT CONSTITUTES FAIR TRADE. IT POSTULATES THAT IT IS UNFAIR FOR THE EUROPEAN COMMUNITY TO PAY HIGHER PRICES TO CARIBBEAN BANANA PRODUCERS WHO HAVE A COST OF PRODUCTION WHICH IS HIGHER THAN SAY CHIQUITA, WHICH MAKES A PRACTICE OF EXPLOITING ITS BANANA WORKERS.

16. THE QUESTION BEGS ITSELF. UNFAIR TO WHOM? TO CHIQUITA, WHICH IS MAKING MILLIONS BY EXPLOITING CHEAP LABOUR, OR UNFAIR TO CARIBBEAN PRODUCERS LIKE BELIZE, WHO HAVE TO STRUGGLE EVERY DAY TO KEEP THEIR INDUSTRY AFLOAT! SHOULD FAIR TRADE TAKE INTO ACCOUNT THE FACTORS OF PRODUCTION AND THE BENEFICIAL EFFECT OF TRADE UPON THE WIDE MASSES OF POOR PEOPLE, OR SHOULD IT CONCERN ITSELF ONLY WITH THE CHEAPEST PRODUCT LINE AND THE ACCUMULATION OF PERSONAL WEALTH BY THOSE WHO USE REPRESSION TO KEEP THEIR PRODUCTION COSTS ARTIFICIALLY LOW?

17. WHO WILL GET THE REWARDS IN THE BRAVE NEW TWENTY-FIRST CENTURY - THOSE WHO EXPLOIT OR THOSE WHO TRY TO UPLIFT? THE WTO HAS EMERGED AS THE SUPREME ARBITER OF FAIR TRADING PRACTICES FOR THE TWENTY-FIRST CENTURY. WHAT CRITERIA DOES IT USE, APART FROM UNCLAS SECTION 03 OF 03 BELIZE 001298

DEPT FOR ARA/CEN, ARA/CAR AND ARA/EPSC:JSLATTERY

DEPT PASS TO USTR FOR ALGERIA AND IVES

E.O. 12958: N/A  
TAGS: ETRD, EAGR, USTR, BH  
SUBJECT: MORE ON THE US/EU BANANA DISPUTE

THE DRY BONES OF LEGAL REFERENCES, TO CARRY OUT ITS MANDATE?  
DOES THE WTO FEEL ANY MORAL RESPONSIBILITY TO LOOK AT FAIR AND

UNFAIR PRODUCTION PRACTICES SUCH AS POLLUTION, EXPLOITATION, IMPOVERISHMENT? OR CAN IT DETERMINE WHAT IS FAIR OR UNFAIR SIMPLY BY LOOKING AT PRICES AND PRODUCTS?

18. DOES THE WTO CONSIDER ITSELF IN ANY WAY RESPONSIBLE FOR GLOBAL ETHICS - THE ABILITY OF INTERNATIONAL TRADE TO RELEASE CAPITAL, CREATE OPPORTUNITIES AND EMANCIPATE MARGINALIZED AREAS OF THE WORLD? OR IS THE WTO SIMPLY THE GLOBAL GUARDIAN OF UNBRIDLED COMPETITION, THE CONSTANT STRIVING TO OUT PERFORM OTHERS, TO WIN THE CONTEST AT ANY COST, EVEN IF THIS REQUIRES SABOTAGE, BRIBERY, CORRUPTION AND DURESS!

19. WITHOUT SOME KIND OF VALUE SYSTEM, SOME AUTHENTIC MORALITY, THERE IS NO ETHICAL REASON FOR A COMPANY OR MULTINATIONAL TO RESTRAIN ITSELF FROM UNBRIDLED COMPETITION. IF THE WTO SEES ITS WATCHDOG ROLE AS MERELY TO ARBITRATE BETWEEN BOTTOM-LINE MARKET PRICES, IT WILL FAIL TO APPRECIATE ITS BROADER POTENTIAL TO HELP ESTABLISH A NEW GLOBAL ORGANIZATION OF WORLD TRADERS HELPING TO MAKE THE WORLD A SAFER, HEALTHIER AND MORE PROSPEROUS PLACE TO INHABIT. END TEXT.

FRETZ

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