

## **Clean Clothes Campaign response to Adidas**

In July 2012, the 1300 workers from the PT Panarub Dwikarya factory went on a spontaneous strike when their management refused meet for negotiation with the union at a prior agreed upon time and day. The reason for this call for negotiation was the refusal of the management to pay wage increases which had been announced at the start of the year. After the strike, by the end of 2012 the factory had recognized that these wage arrears needed to be paid to the workers.

In addition to their wage demand, this strike at one of Panarub's factories followed a history of reported union busting, in particular the dismissal of union leaders right after the formation of the union SBGTS-GSBI in February 2012. The union reported that prior to the dismissals, the union leaders had been called into the management offices to be told that the management did not want the new union to be established. Although the union leaders were allegedly fired for efficiency reasons, the pattern of dismissing union leaders after the establishment of a union is very common in the industry. However, for unions it is nearly impossible to prove these threat cases in court, as threats against union leaders are not expressed in the presence of witnesses that will provide testimonies.

A final verdict on whether the strike was according to the legal rules has never been given, and the Indonesian law on the right to strike has been criticized for excessive civil or penal sanctions for workers and unions involved in non-authorised strike actions<sup>1</sup>. The dismissal of the 1300 workers in this case has been a prove of this. In addition, the violence used by police and security during the strike was exorbitant. Whether workers could have expected justice from filing their cases at the court remains undecided, but with court proceedings known to take years, the workers instead took recourse to the buyers to ensure their rights to full wages and severance payments were complied with. If adidas and the Mizuno would have fully practised their due diligence from the start of the dispute, the strike would not have happened at all.

Unfortunately the mediation which adidas refers to rang hollow for the workers, as the factory only offered a very low settlement amount, and there was no pressure from the buyers to ensure an acceptable agreement could be reached.

Finally, although the freedom of association protocol formally only covers first tier suppliers, which CCC now reflect in their communication, this case shows that this deficit needs to be addressed. Since adidas has a long term relationship with the Panarub group, adidas should work actively to ensure a negotiated agreement will be reached between the union and the Panarub group to do justice to the 346 workers who are still fighting for justice. In addition, CCC strives for enforceable brand agreements which cover the entire supply chain, to stop avoidance of compliance with decent labour standards through the subcontracting of orders.

## **Clean Clothes Campaign response to Mizuno**

We appreciate that Mizuno has investigated the case when it was brought under their attention by international unions and Clean Clothes Campaign. However, in 2012 this had not led to any solution. The follow up engagement with Mizuno from June 2015 both by CCC and IndustriALL has lead to the company agreeing in November to explore a favorable settlement through negotiations.

---

<sup>1</sup><http://survey.ituc-csi.org/Indonesia.html?lang=en#tabs-2>

CCC welcomes the intention of Mizuno to reach a solution, and urges the company to ensure a swift negotiated settlement will be reached with all the parties involved for the workers who have produced their goods for years.