

Wal-Mart faces Manila labour challenge

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Wal-Mart is being accused of failing to respond to anti-union violence at one of its supplier's factories in the Philippines, in a case that could undermine its drive to improve its reputation on a range of social and environmental issues.

The Worker Rights Consortium, a group backed by leading US universities, says the retailer has "failed to do anything to correct severe violations" at the Chong Won Fashion factory outside Manila, which produces clothing for One Step Up, a Wal-Mart supplier.

The Maquila Solidarity Network, which has been involved in dialogue with the retailer over supply-chain conditions, has also **accused the company** of "delaying taking the necessary steps" to fix the problems at Chong Won.

The WRC launched a detailed investigation into conditions at the factory in November, after its management dismissed 116 striking workers.

Its 49-page report details violence and intimidation used against workers who went on strike in a bid to force the management to bargain with their union. The union had been overwhelming approved in a vote and recognised by the Philippines' department of labour.

Both the WRC and the MSN have attacked Wal-Mart's decision to launch a new investigation into the union dispute at the factory by Verité, a respected not-for-profit monitoring group.

The retailer, which conducted four monitoring visits to the factory last year focused on working conditions, says it wants to "a balanced view" on the dispute that would be mutually acceptable to all the parties involved.

"We need to give them adequate time to thoroughly investigate and find viable solutions," said Amy Wyatt, a Wal-Mart spokeswoman, who said the Verité report should be delivered "very soon".

Wal-Mart has traditionally been bitterly opposed to unions in North America, although it negotiates with the GMB union in Britain. In 2005, it added a requirement to its suppliers' code of conduct saying they must respect workers' rights to freedom of association and not attempt to obstruct legal activities.

Over the past five years, Wal-Mart has significantly expanded its monitoring of conditions at its suppliers' factories. It has also adopted the broadly-accepted industry approach of working to resolve problems, rather than immediately taking away its business. In the Philippines, the company has also held discussions with local labour groups.

"Wal-Mart has had a habit of cutting and running from a factory where there are significant risks of bad publicity," said Bob Jeffcott, MSN's policy analyst. "In this case they've engaged with us. But we're extremely disappointed that they haven't done more to stop the violations."

Scott Nova, the WRC's executive director, complained that Wal-Mart's response to the problems at Chong Won "is about the worst we've seen".

"This is a cut-and-dried case of the breaking of a code of conduct, and they have dragged their feet for half a year," he said.

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