

**BEFORE THE UNITED STATES
TRADE REPRESENTATIVE**

**PETITION TO REMOVE GUATEMALA
FROM THE LIST OF BENEFICIARY DEVELOPING COUNTRIES
UNDER THE GENERALIZED SYSTEM OF PREFERENCES ("GSP")
AND FROM THE LIST OF BENEFICIARY COUNTRIES UNDER THE
CARIBBEAN BASIN ECONOMIC RECOVERY ACT ("CBI")**

**SUBMITTED BY:
AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL
ORGANIZATIONS (AFL-CIO)
SEPTEMBER 2, 2003**

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Introduction

In December, 2002 the AFL-CIO petitioned for the withdrawal of Guatemala's status as a beneficiary developing country pursuant to 19 U.S.C. § 2462(d) on the grounds that the Government of Guatemala (GOG) has not been and is not taking steps to afford internationally-recognized worker rights as defined at 19 U.S.C. § 2467(4). The actions of the GOG described therein demonstrated that Guatemala is not eligible to receive GSP or CBI benefits. Since the presentation of the December, 2002 petition the GOG has failed to demonstrate any progress on the substantive areas mentioned in the petition. In addition, new cases demonstrate that the labor rights violations persist in Guatemala while the previous cases go unresolved.

Inadequate Protections against Anti-Union Discrimination

In Guatemala there is widespread failure to comply with final court decisions ordering the reinstatement in their jobs of workers dismissed for trade union activities, in part because fines for failure to obey these orders are set very low. The ILO Committee of Experts has asked the government of Guatemala to amend section 414 of the Penal Code to strengthen the penalties for failure to obey the orders and sentences of the judicial authority. The ILO found the amount of fines "quite out of date", so that final decisions imposing penalties for anti-union discrimination are not effectively complied with¹.

Obstacles to Union Registration

In Guatemala, section 216 of the Labor Code requires written proof of the will of 20 or more workers to form a union, thus making for a written disclosure of pro-union activists and imposing a literacy requirement. This legal deficiency has been criticized by the ILO².

Restrictions on the Right to Organize Above the Enterprise Level

In Guatemala, the Labor Code imposes a prohibitive threshold of 50 per cent plus one of all workers in an entire industry to achieve industrial union recognition. The U.S. State Department reports that labor activists find this requirement to be, "a nearly insurmountable barrier to the formation of new industrial unions³." This law also been mentioned as a problem by the ILO⁴. This prohibitive requirement can also run afoul of worker's rights standards by requiring the establishment of a de facto trade union monopoly in the industry⁵.

1 ILO CEAR, Individual Observation concerning Convention No. 98, Guatemala, 2002.

2 International Labor Conference Committee, examination of individual case concerning Convention No. 87, Guatemala, 2002

3 U.S. Department of State, *2001 Country Reports on Human Rights Practices*.

4 ILCCR, Examination of individual case concerning Convention No. 87, Guatemala, 2002.

5 The ILO Committee of Experts states, "Convention No. 87 implies that pluralism should remain possible in all cases. Therefore, the law should not institutionalize a factual monopoly; even in a situation where at some point all workers have preferred to unify the trade union movement, they should still remain free to choose to set up unions outside the established structures should they so wish." *Committee of Experts Report*, para. 87.

Requirements for Union Leadership

In Guatemala, only Guatemalan nationals can participate in the creation of a union's executive committee. In addition, a worker must be from the enterprise or occupation represented to be eligible as a trade union leader. The ILO has requested amendments to these laws⁶. This requirement is in violation of guarantees for the right to organize in Convention No. 87⁷.

Restrictions on Federations and Confederations

Guatemala has increased the number of unions required to form a federation and the number of federations required to form a confederation from two to four. Workers are guaranteed the right to join federations and confederations in Article 5 of Convention No. 87⁸. If they can't because there are not four unions available, this hinders the development of industrial relations, in particular for small trade unions that feasibly need the support that federations and confederations can offer.

Limitations on the Right to Strike

In Guatemala, 50 per cent plus one of the workers employed in the enterprise, excluding trusted workers and workers representing the employer, are required to call a legal strike. This provision has been criticized by the ILO⁹. The right to strike, though not explicitly laid out in ILO Convention No. 87 on freedom of association and the right to organize, has consistently been considered by the ILO to be an intrinsic part of these core rights. Strikes are understood to be part of a trade union's "activities and ... programs" under Article 3 of Convention No. 87. The ILO has also based the right to strike on Article 8, paragraph 2 of Convention No. 87, which states that a country's laws shall not impair workers' right to freedom of association. Onerous procedural requirements for calling a strike can thus violate workers' right to organize by making it difficult or impossible to carry out a legal strike. Guatemalan labor law, by requiring 50% plus 1, can make it nearly impossible for workers to exercise their right to strike legally.

There are also severe penalties for striking workers in Guatemala. Section 390(2) of the Penal Code imposes a penalty of imprisonment of 1 - 5 years for anyone engaged in acts for the purpose of paralyzing or disrupting the running of enterprises which contribute to the economic development of the country with the intention of causing damage to national production. Other changes to ease penalties for unlawful strikes have been made to the labor code, but this section remains. In addition, section 379 imposes liability on

6 ILCCR, Examination of individual case concerning Convention No. 87, Guatemala, 2002.

7 The ILO Committee of Experts explains that, "Provisions which require all candidates for trade union office to belong to the respective occupation, enterprise or production unit or to be actually employed in this occupation ... are contrary to the guarantees set forth in Convention No. 87." On nationality, the ILO Committee of Experts states, "Since provisions on nationality which are too strict could deprive some workers of the right to elect their representatives in full freedom, for example migrant workers in sectors in which they account for a significant share of the workforce, the Committee considers that legislation should allow foreign workers to take up trade union office, at least after a reasonable period of residence in the host country." *Committee of Experts Report*, paras. 117 - 118.

8 The ILO Committee of Experts states that "requirement of an excessively large minimum number of member organizations [to form a federation or confederation is] contrary to the clear provisions of the Convention." *Committee of Experts Report*, para. 191.

9 ILO CEACR, Individual Observation concerning Convention No. 87, Guatemala, 2002.

individual workers for legal damages resulting from a strike or other collective action, creating a chilling effect. The right to strike in the rural sector could be undercut by the power of the executive to proscribe work stoppages, which seriously affected the economic activities essential to the nation. The ILO has criticized a number of these provisions as restrictions on workers' right to strike¹⁰.

There are even more restrictions on public employees' right to strike. Restrictions on the right to strike in the public sector must be limited to those workers engaged in providing "essential services", which the ILO has consistently defined narrowly¹¹. In Guatemala, Labor Code reforms give the President broad discretion to define an "essential service." Compulsory arbitration can be imposed in Guatemala without the possibility of resorting to a strike in non-essential public services such as public health, transport and energy provision. The ILO has criticized these provisions¹².

Sex discrimination

The exclusion of domestic workers from protections afforded to other workers under Guatemalan labor law or the interrogation of maquila workers about their reproductive behavior – has a serious adverse impact on workers' exercise of their rights to organize and bargain collectively as well as acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health. The February 2002 report by Human Rights Watch on sex discrimination in the Guatemalan labor force extensively documents this problem.¹³

Labor inspector and labor courts fail to enforce labor laws effectively. Delays in labor court proceedings and non-enforcement of court orders result in the effective denial of justice to workers seeking to exercise freedom of association.

In the area of alternative approaches to enforcing worker rights, the Attorney General has created a special unit to prosecute labor crimes, but of the 80 cases investigated so far, only one has resulted in an arrest.

¹⁰ ILCCR, Examination of individual case concerning Convention No. 87, Guatemala, 2002; and ILO CEACR, Individual Observation concerning Convention No. 87, Guatemala, 2002.

¹¹ The ILO Committee of Experts explains: "The principle whereby the right to strike may be limited or even prohibited in essential services would lose all meaning if national legislation defined these services in too broad a manner. As an exception to the general principle of the right to strike, the essential services in which this principle may be entirely or partly waived should be defined restrictively: the Committee therefore considers that essential services are only those the interruption of which would endanger the life, personal safety or health of the whole or part of the population." *Committee of Experts Report*, para. 159.

¹² ILO CEACR, Individual Observation concerning Convention No. 87, Guatemala, 2002.

¹³ Human Rights Watch, *From the Household to the Factory: Sex Discrimination in the Guatemalan Labor Force*, February 2002.

Status of Oswaldo Monzon Lima Assassination Case

Oswaldo Monzon Lima was killed on June 23, 2000, after being kidnapped. This case continues unresolved. The CGTG has met on various occasions with the Public Ministry to find out how their investigations are advancing, have only received repeated information, have been shown the same reports, or have been asked to provide more information to the Public Ministry. There are several things that the Public Ministry has failed to take into account in the investigative process including the information provided by the Ministry of Energy, Mines and Hydrocarbons as well as information investigations conducted by the police. Many of these investigations could contribute to the investigations of the Public Ministry. In addition, the justice system has given merit and priority to the complaint filed by Mr. Monzon Lima's employer (considered by CGTG to be linked to the murder) than to the victims themselves. Mr. Monzon's employers presented a complaint to the 12th Tribunal of the Penal Sentencing System, for defamation against José Pinzón Salazar, the General Secretary of CGTG after he had publicly said that the assassination of Mr. Monzon Lima was "suspicious" taking into account the background of labor conflicts between Mario Ortiz Barranco, the employer, and Mr. Monzon Lima, union leader representing workers. This complaint seems to be advancing in the justice system without obstacles and is presenting awaiting sentencing in the Supreme Court, while the assassination case has not advanced in the least.

Criminal charges Against National Union Leaders

Rigoberto Dueñas Morales, a leader of the Christian Democratic trade union federation Central General de Trabajadores de Guatemala (CGTG), was arrested and placed in 'preventative' jail in June 2003 on charges that he participated in the misuse and embezzlement of worker contributions to fund the Guatemalan Social Security Institute (IGSS). It is important to note that Mr. Dueñas, who was elected by the Guatemalan labor movement to represent the workers on the IGSS Board of Directors, had no responsibility for the administration of IGSS funds. Yet Mr. Dueñas has been arrested and imprisoned while many of those directly responsible for administering these funds remain free. While Guatemalan trade unions confirm the corruption of the agency, and have for years been demanding the autonomy of the Institute from government influence they believe that Mr. Duenas is innocent and have protested that he is being made a scapegoat in part because he is a union leader. Carlos Wholers, Director of IGSS from January to March of 2003, when the embezzlement took place, is a congressperson for the ruling Frente Republicano Guatemalteco, and a member of the party's Management Committee. He was arrested on 8th August, 2 months after the arrest of Mr. Dueñas, who has received threats to his safety while imprisoned. The Government of Guatemala must take all necessary steps to protect Mr. Dueñas' basic human rights and physical integrity while he is in custody, and ensure that his trial is not delayed.

Case Studies

1. Slow but Decisive Crippling of the SITRABI Banana Workers' Union

The Bobos District plantations were the site of grave labor violations in 1999 when SITRABI union members and leaders were attacked by local armed individuals shortly

DISSY = 1

(C1)

(C2)

DET = 1

DET = 2

THY 1

(C3)

ASS = 1

before holding a protest related to the handing over of three plantations to independent producers under unilaterally determined conditions and without negotiating with the union. The attacks were intended to repress collective action and debilitate the union's efforts to represent workers in the sector. Union members were detained at gunpoint and forced to renounce their affiliations and their employment with the Bandegua company (Fresh Del Monte Subsidiary). The attack precipitated a two-year struggle to gain a trial of the attackers and a two year effort to end the Bobos District conflict and put the workers back to work under new management (independent producers), union representation by SITRABI and collective bargaining agreements.

To date 22 individuals have been convicted of minor trespassing charges in connection with the 1999 assault. Five members of SITRABI leadership remain in exile. And the Bobos District plantations, although independently administered, continue to produce exclusively for the Fresh Del Monte Produce Company.

In October 2000, the unions representing workers from the three independent banana plantations in the Bobos District signed a collective bargaining agreement with Bandegua. The conditions of the contract were not ideal. In particular, wage stipulations were set at the industry minimum. Over the past three years, the unions have engaged management in a continuing process of renegotiation and some improvements in the terms of the contract were achieved. However, in February of 2003, the management of two of the three plantations, Lourdes and Fatima, broke off dialogue with workers and their representatives.

After management's refusal to continue negotiating, a group of nine workers organized an informal work stoppage in the fruit cutting section of the plantation Lourdes. These workers were promptly suspended. In response to the suspensions, 18 workers (including the original nine) set up a road blockade and for two days prevented any product from being transported to the coast for exportation. As a consequence, all 18 workers were fired. This led to more protests and, in turn, more firings. Over a two-week period (approximately February 12 to February 26) over 38 workers were fired and protests (a combination of work stoppages and road blockades) effectively halted production on the three Bobos District plantations.

On March 16, with the number of fired employees at 38, the Guatemalan Department of Labor recommended the reinstatement of 29 employees. The union accepted the offer, but plantation management rejected it. At this point the owner Sergio Gabriel Monzon, signaled his intention to abandon the plantations. Monzon claimed that damages done during the protest had left his property unredeemable. In fact, the damage was sustained during torrential windstorms, and is considered by workers to be largely a result of Monzon's negligence of basic maintenance procedures.

Monzon's refusal to reinstate the fired workers sparked a new wave of protests, and workers from the neighboring Fatima plantation joined roadblocks. The roadblocks, however, proved unnecessary because the storm-damaged plantations never fully recovered their production.

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As of May 1, a total of 98 workers had been fired or suspended from the plantations in question. Monzon had officially announced his intention to sell the Lourdes and Fatima plantations, and had filed both civil and criminal charges against 68 workers *including* members of the SITRABI executive committee. Among the charges, SITRABI leaders have been accused as the intellectual authors of kidnapping, coercion, and extortion. The civil charges sue SITRABI for \$120,000 in damages. In addition, a judge embargoed all SITRABI union dues. This measure threatened to prevent the union from carrying out its representative functions and from providing services to its members including funeral benefits, retirement travel vouchers, worker trainings, and emergency blood transfusions. Subsequently, Bandegua agreed to continue depositing dues payments with the SITRABI cooperative.

The union finally reached an agreement in mid-July with two new producers, one of which administers another plantation in the Bobos District, to put the plantations back into production. This was after negotiations with a different producer had failed. The agreement with the two new producers is that workers will continue to work under their previous contract, extended for an additional two years without a renegotiation (renegotiation was initially scheduled for August 2003 and SITRABI had agreed with the previous producer with whom Bandegua was negotiating, to push back the renegotiation of their contract from six to nine months). The new producers will reinstate all fired and suspended employees (except three workers who received a settlement), and have promised to observe basic maintenance and up-keep on the properties. The union did not achieve any gains on the wage issues that were at the heart of the original protests, meaning essentially that the union and producers have agreed to start from scratch. Workers were not paid since they were locked out in April, and are only claiming two weeks of back pay from Monzon.

Despite the change in producers and a new commitment to reinitiate production on the plantations, Monzon has dropped neither the civil claim nor the criminal charges. The government has agreed not to execute the arrest warrants against the 65 union leaders and members without working closely on the labor issues with the Labor Ministry. Nevertheless the criminal charges have not been dismissed and pose a serious threat to the union leadership. The union's dues are still embargoed and Monzon continues to hold more than a year's worth of union dues that were collected but never handed over to the union. Three of the charges against the unionists are not subject to bond, so SITRABI's executive committee could be imprisoned waiting for trial, which can take years in the Guatemalan system.

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These charges are a direct attack on SITRABI's right to free association. SITRABI connection/ participation in the blockades/ work stoppages at the Bobos district plantations is, at best, indirect. SITRABI has maintained that the protests at the Bobos District plantations were independently organized and carried out. As affiliated plantations, of course, SITRABI's executive committee was aware of the activities of union members at the Lourdes and Fatima. But to suggest that SITRABI's executive committee is the intellectual author of the incidents is a gross mischaracterization of

SITRABI's role in the protests. At no point did SITRABI's executive committee encourage work stoppages or roadblocks. To the contrary, SITRABI strongly advised its union members not to halt production, and as its willingness to accept the labor department's recommendations demonstrate, it has only advocated a peaceful resolution to the present conflict.

SITRABI has initiated a counter-claim against Monzon for the workers' back wages and unpaid union dues. Monzon failed to show up for a May 28 meeting with the labor inspector and the union, claiming that he had been out of the country. Since then there has been no progress with the case against Monzon and no indication of when the judge will find. As time progresses, the union's legal fees are mounting, debilitating the capacity of the union to represent workers and carry out its functions.

It must be emphasized that this is a labor conflict. Roadblocks and work stoppages are a frequently used tactic in the Bobos District. When faced with labor disputes, workers at independent plantations have little recourse but to halt production and prevent exportation. Plantation management generally respects this practice (form of protest). The filing of criminal and civil charges in response to the February protests represents a significant aberration in labor relations in the Bobos District. In the current situation the involvement of criminal and civil courts have nothing to do with recovering damages or seeing justice done, instead it is a blatant attempt to punish the SITRABI union for its activism in the independent banana plantations. It is an attempt to decapitate one of the only sources of organization and support for banana workers in Guatemala and as such presents clear violation of the rights to freedom of association and to bargain collectively. The judicial and executive branches of the Guatemalan Government have failed to act decisively in protecting the union from unwarranted lawsuits and criminal charges.

2. Continuing Violations of Worker Rights in Guatemala's *Maquiladoras*

There are two collective bargaining agreements between employers and workers in the assembly for export zones and maquila sector, where there are approximately 100,000 workers employed. The agreements benefit no more than 1,000 workers, or 1% of the workers in this important sector. It has taken more than a decade of consistent effort on the part of unions to achieve this, and the accumulated loss of hundreds and possibly thousands of jobs as factories have closed down in order to avoid unionization. Union leaders' inability to organize workers in these zones is caused by employer intimidation and pressure as well as unofficial restrictions on their access to the EPZs¹⁴.

A Human Rights Watch report released in February 2002 aptly summarizes the current situation of freedom of association in Guatemala's maquiladora export factories:

...only one labor union, FESTRAS, is organizing in the maquilas. Previous efforts to form labor unions in the maquila sector have met with devastating resistance from the industry as a whole and, at best, government negligence. Unionization efforts have been countered with mass dismissals, intimidation,

14 U.S. Department of State, 2002 *Country Reports on Human Rights Practices*.

indiscriminate retaliation against all workers, and plant closings. Although some unions have been formed in some maquilas, in none of these factories have union member emerged unpunished by management.”¹⁵

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The unions that achieved collective bargaining agreements in June 2003 were the ones organized by FESTRAS at the Choi Shin and Cimatextiles garments plants. These are two plants owned by the same Korean company, run by Korean management, and producing for Liz Claiborne Inc. among other labels. These are small and weak unions, the same that have been at the receiving end of open violence and two years of continuous intimidation since they were legally registered in July 2001. They did not succeed in negotiating agreements because of their power in the plants or the good will of either the employer or the national government to pressure the employer. Rather, a very specific set of circumstances came about that precipitated a rapid change in events, and it remains to be seen whether or not the companies will respect the contents of the agreements.

The first element in this change, and one which dramatically highlighted the government's wish to keep the sector union free, was when Guatemala's Minister for the Economy, supported by the Labor Minister, requested in June the suspension of the export licenses of the two factories, stating that the company had 17 pending cases of labor rights violations and had been a recurrent violator of the Guatemalan labor code. Remarking that he was "getting tough" on infractions, suspension of the only two factories (out of approximately 270 in the country) which have a union presence, was prioritized above implementing graduated measures in all factories to create a climate of respect for worker rights in the plants (for example, inspections followed by remediation of infractions discovered, with all the force of the law to ensure compliance). Suspending the factories export licenses would have in fact closed down the factories and terminated the unions, removing the possibility of improving working conditions in the sector.

The Minister's threats crucially came at the mid-point of negotiations between Guatemala and 4 other Central American countries with the United States for a Free Trade Agreement (CAFTA), and amidst pressure, therefore, to prove that the country does indeed respect internationally recognized labor rights. When pushed by the negative response to the possible closure of the unionized factories, Moreira stated that the only way in which the Choi Shin and Cimatextiles plants would not have their export licenses suspended would be to negotiate a collective bargaining agreement. The factory did not respond well to this challenge, and on June 20th gave the workers paychecks that bounced, blaming the union for the poor economic situation of the factories and creating an atmosphere of confusion within the factories. Union officers expressed concern that they could be violently attacked by other workers, given that the company blamed the union for the possible license suspension and circulated leaflets in the plant to that effect. This did not lay the groundwork for constructive negotiations, even though the workers within the factory were eventually paid. Rather, it presented a possible way to have the factory closed by the government without the company itself having to suffer the criticism of international labor rights activists.

¹⁵ Human Rights Watch, *From the Household to the Factory*, p. 55.

As of the present date, the factories have not been closed down, and collective bargaining agreements are in place. The important point to mention is that the presence of the General Secretary of the International Textile, Garment, and Leather Workers' Federation in Guatemala was necessary for the negotiations to succeed, as was the direct intervention of the Labor Minister, under the very specific threat of jeopardizing the CAFTA negotiations if he didn't act to pressure the company. The unions remain very weak, neither one having reached even 25% affiliation in the corresponding workplaces. Fear of the consequences of associating with union officers is rampant in the factories and communities where the workers live, and the slow and ineffectual response of the authorities to all complaints filed by the union against violations of workers rights at the plants does not make joining the unions seem particularly attractive. Even after having the collective bargaining agreements in place, and the public spotlight on the case, intimidation against the union leaders continues. One executive committee member was fired in August after taking leave of work for a medical appointment. Although the private doctor the union leader saw certified in writing to the factory that time off work was necessary, he later produced a report saying that he had never treated her.

Sun Jai

On March 5th, 2003, the Sun Jai textile factory in Villa Nueva ordered all its employees to punch out early and remove themselves from company property. The factory management claimed that an area teachers' strike would create serious traffic problems, and workers should leave before the end of their shifts. When workers returned to work the next day, March 6th, they found that the factory had closed its doors and sold off all but the oldest machinery.

The closure of Sun Jai was unannounced and illegal. The company and its representatives owe 400 workers a two-week pay check. As well, the workers are entitled to a severance pay and accumulated vacation hours.

The workers of Sun Jai have few recourses. Initially, a group of workers approached the Public Ministry in an attempt to file criminal charges against the factory and its representatives. However, the workers were told that factory closings were not a criminal offense, and were redirected to the Labor Ministry where they filed a complaint with labor inspectors.

The complaint names the company of Sun Jai and its legal representative, a Korean citizen, as the responsible parties. However, the company no longer exists (it was dissolved when the factory closed) and the Korean citizen has returned to Korea. As a result, there is no one available to answer to the charges.

Currently, the complaint is before a labor court judge. Twenty five of the 400 workers have attached their names to a suit that seeks an embargo of Sun Jai property. But because the entity no longer exists, the gesture is essentially a symbolic one. The majority of former employees have returned to work in other textile factories.

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Modas Paraiso

The Modas Paraiso garment factory in Villa Nueva closed on August 6th, 2003. The closure came after a protracted campaign of forced resignations and worker intimidation. The company claimed that it no longer had contracts with major manufacturers. However, as recently as January 2003 the factory employed approximately 700 workers and filled substantial orders for Target brand clothing. Furthermore, Modas Parasio has been one of the more stable factories in the Guatemalan garment industry with more than ten years of production, first in Lago Amatlan and afterwards in Villa Nueva.

Despite its longstanding economic stability, the factory began forcing out its workers in the spring of 2003. By June, the workforce was reduced to 200 employees on only two operating lines. The factory obligated workers to accept very small retirement payments in order to avoid firing them. Under Guatemalan law, fired workers are entitled to a severance payment which is calculated by, among other factors, length of service to the company. Hence, Modas Paraiso would save itself a large amount money if workers accepted the retirement plan and gave up their right to severance pay, which in some cases, after ten years of work, would reach as much as \$1,500.

In the months leading up to the August closing, workers reported serious violations in their rights, including physical abuse, failure to pay social security accounts, and verbal intimidation. Workers that refused to accept the retirement package were told they would receive nothing when the factory inevitably closed.

Eventually, all but one of the workers agreed to the retirement plan. The lone hold out, Natividad Lopez, filed a complaint with Labor Ministry claiming severance pay for her ten years of service. When the Labor Inspectors investigated the case, they determined that Modas Paraiso no longer existed, but its legal representatives had reconstituted the company as Modos Lee, and had opened a new factory in Villa Nueva. The new factory offered jobs to 35 former employees of Modas Paraiso. However, it does not respect seniority or tenure with the previous factory; workers report that everyone started working at the minimum wage.

These two examples demonstrate the impunity that Maquila owners enjoy in Guatemala. They routinely violate workers rights. The Labor Ministry and the Judicial system are not capable of holding violators accountable and when economic costs accumulate for the employer, s/he enjoys the impunity to close a re-open without consequences related to labor regulation.

