



FOR IMMEDIATE RELEASE
October 16, 2003

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Union and Management Settle Dispute at Free Trade Zone Factory in Sri Lanka

(Colombo, October 16) -- The Free Trade Zone Workers Union (FTZWU) and the management of Jaqalanka Ltd today reached an agreement to resolve their dispute over union recognition at the company's apparel factory in the Katunayake Free Trade Zone in Sri Lanka.

The resolution marks the end of months of dispute at this free trade zone facility where more than 300 workers are employed. Jaqalanka was the subject of international labor solidarity campaigns, due to reports of management interference in the activities of the union and inaction on the part of the Sri Lankan Department of Labor and Police to intervene in the situation.

The Fair Labor Association (FLA) became involved in mediating the situation when the FTZWU filed a third party complaint with the FLA. Nike and VF Activewear, two FLA companies that currently source from the factory also requested FLA intervention at Jaqalanka. The case had already led to the filing of a complaint with the ILO Committee on Freedom of Association, and petitions to both the US Government and EU challenging Sri Lanka's trade benefits.

Over the course of this past week, representatives of Jaqalanka, the FTZWU, the Sri Lankan government, Nike, VF, and the FLA participated in meetings convened on behalf of the FLA by the Centre for Policy Alternatives (CPA), an independent public policy organization working on issues of governance and peace in Sri Lanka.

Through these meetings, Jaqalanka management agreed to recognize the FTZWU as the representative of union members at Jaqalanka Ltd. In turn, the union called off the international solidarity campaign that had been waged against Jaqalanka Ltd. in previous months. Both parties committed to participating in a process of healing and reconciliation, and to contributing to an environment conducive to good labor relations.

"Real progress was made this week," commented Auret van Heerden, who facilitated the resolution process, "I am hopeful that the parties involved in the Jaqalanka situation can use this opportunity to prove that freedom of association can lead to workplace relations that are beneficial for everyone."

In order to demonstrate the understanding that was reached and to highlight its focus on workers' freedom of association, copies of the agreement have been displayed on the company's notice board in three languages and a presentation was made to the entire staff at the factory by CPA Executive Director Dr. Paikiasothy Saravanamuttu. The agreement provides that the company's internal grievance procedures will be reformulated in a way that is acceptable to the union and the company. Moreover, training and capacity-building will be provided to workers and management to ensure long-term implementation of the agreement. For the next six months, all involved parties will refrain from any form of public declarations about cases related to this dispute.

"Through CPA, the FLA will facilitate ongoing exchanges between the FTZWU and Jaqalanka management in coming months" explained van Heerden. "Training and capacity-building for workers and management are essential now at Jaqalanka, so that in the long-run, workers and management will not need intervention by the FLA or anyone else. If we are successful, they will be able to resolve issues that arise in the future through established procedures and ongoing collaboration."

It was agreed that this forum would reconvene in six months to evaluate progress achieved in accordance with this agreement.