

The Public Eye Awards 2006

The Positive Award goes to



SINDICATO NACIONAL REVOLUCIONARIO
DE TRABAJADORES DE LA CIA. HULERA EUZKADI, S.A.
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1935
2001-2003

Speech by Germanwatch and FIAN

What can be done when a European corporation breaches the law in a country of the south and violates international guidelines? This was the question addressed by the international campaign of the Mexican Euzkadi workers, Germanwatch and FIAN. Continental, the German tire producer, illegally shut down the Euzkadi plant in El Salto near Guadalajara, Mexico in December 2001. 1164 workers and employees were unlawfully fired. A dispute between the labor union and management preceded the closure.

The decision that led to the violation of Mexican law was made in management headquarters in Hanover, Germany. Of course, the laid-off workers initially attempted to call the corporation to account before the authorities in Mexico. But it was above all the international campaign which moved the company management to give in. For a long time the corporation attempted to deny the breach of law but it was too manifest to be covered up. Several Mexican court decisions agreed with the union. However, Continental used loopholes in Mexican legislation to play for time. In the long run, the damage done to its corporate image on the European market and the fear of further damage was what moved the management of Continental from an uncompromising to a cooperative attitude.

In the end they accepted a solution which met the most important demands made by the labor union: After more than three years of strike, the Euzkadi plant was reopened and the workers returned to their jobs. Moreover, in addition to the legal settlement the workers received 50 percent of the Euzkadi plant capital representing a value of about 40 Million US\$. In effect Continental thereby compensated the largest part of three years' unpaid salaries. The other half was taken over by a Mexican automobile components supplier, who has thereby become a competitor rather than customer of Continental. In the meantime, tire production has resumed. The prospects for economic development are good.

This case exemplifies three important points: First, it is a signal that the behavior of a multinational corporation can be changed. Second, a whole series of instruments and

approaches such as the ILO Standards, the Human Rights Clause in the EU-Mexico Global Agreement or the filing of a complaint under the OECD Guidelines, were applied and their practical value tested. Third, the limits of existing approaches were made clear as was the need to improve these instruments and to create more effective instruments on the national and international level.

Continental is an economically successful corporation, which returned to the DAX 30 in 2004 and has had a significant increase in the value of their stocks in the past years. The chairman of the executive board Manfred Wennemer was voted "Manager of the Year" in 2004 for his reorganization policy. However, corporations also have a responsibility towards society and that includes the creation and the maintenance of employment. At present there are plans to close the plant at the head office in Hanover-Stöcken although other promises were made not long ago and the plant reports high annual earnings. A farsighted corporation will realize that not only short-term closings and profit maximization, but motivated employees and a climate of trust between the labor unions and management will bring about enduring success.

The Euzkadi-Continental case has received much attention in Mexico and from the international community. It is an honor to be granted the "Positive Award" at the "Public Eye Awards 2006" in recognition of a remarkable international campaign which was coordinated by the Euzkadi Labor Union, Germanwatch and FIAN. However, many further actors in Mexico and Europe have contributed to this success. In Brussels, the European Network CIFCA was particularly involved. In Germany, the German Human Rights Coordination for Mexico, the Association of Critical Shareholders in Germany, the Foundation Heinrich Böll, the Church Development Service (EED) and the Protestant Churches in Germany, attac Hanover, the Third World Forum Hanover, the Federal Congress of Development Policy Action Groups (BUKO), the union groups LabourNet, Chemiekreis und laborB, the DGB, the Foundation Friedrich-Ebert, the International Solidarity Workgroup of the Industrial Union of Metal Workers, Verdi Union representatives, the Foundation Human Dignity and the Working World (Stiftung Menschenwürde und Arbeitswelt), numerous members of the German Bundestag from all factions as well as further individual persons. In Switzerland, the Solifonds provided the Euzkadi workers' campaign with substantial financial support.

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Speech by Labor Union SNRTE at the Media opportunity

For the striking Euzkadi workers the support received from the international campaign was crucial. Among the many organizations that expressed their solidarity with us by participating in it the two organizations present here, FIAN and Germanwatch, certainly played a key role. We are sure that we would have lost, had we made the mistake of trying to solve the conflict alone in our country. Or we would still be on strike. In a globalized world, the course of which is influenced by transnational corporations we have to globalize our fight for the defence of our rights.

The key to our success was to be able to count on allies and friends who also believed in this principle and who fought together with us against the German corporation Continental in their own country, at shareholders' meetings, in the media, with members of parliament. They communicated our problem in their country.

We hope that this great experience can benefit other workers and be useful in other similarly important conflicts as a way to an internationalism that serves their fights.

And finally we would like to thank you very much for all the support that we received from so many organizations on the international level.

We will never forget it.

Jesus Torres Nuño, Euzkadi-Labor Union SNRTE

Speech by Labor Union SNRTE at the awards ceremony

The closing of the Euzkadi plant was a hard blow for us workers and our families. Many of our children had to abandon their studies. Like our wives they had to find jobs in the informal sector. They took this upon themselves with impressive dignity. We had their support, and that was the most important thing for us to be able to continue our struggle.

I said informal jobs because in the factories and businesses in both the region of El Salto and in the city of Guadalajara all of us workers, even our wives and children were denied proper employment – a cruel measure, devised to break our resistance. Therefore many of my colleagues tried to get by as masons, loaders or by opening a small business. Over 100 of them were compelled to go to the USA and to look for work there without a legal permit. Furthermore, medical treatment and social security benefits were discontinued. This really worsened our situation a lot. Four of my colleagues actually died because they were denied the necessary medical treatment. But even under these bleak circumstances there were extraordinary moments which expressed their incredible conviction. At the end of December 2004 one of them, Salvador Garcia Álvarez, was diagnosed with cancer. It would have appeared perfectly logical to anybody had he picked up his severance pay in order to get medical treatment and try to save his life. But he preferred to die rather than collect the money. On his dying bed he told us that he would remain with us and our cause to the very end. He did not want to accept anything from the corporation that would force him to abandon the strike.

The key to our success was the unbelievable willingness to fight of the about 1000 Euzkadi workers, my colleagues, who I had the honor of representing in this dispute.

The result is surprising. Today we are co-owners of the most modern tire plant in Latin America. Within six months we had the plant in working condition and manufactured the first tires. At present we are producing 3000 tires per day, in December we produced the 100 thousandth tire. But that is only the beginning. We realize that we are facing a big challenge, because we need to produce a daily minimum of 5000 tires. We are on the verge of attaining this minimal production quota and we know that the plant can produce up to 15'000 tires daily. We are in the process of consolidating the project.

Our co-owner is a Mexican enterprise called Llanti Systems which has been specialized in the tire sales up till now. They are in fact quite successful as all 100 000 tires have been sold. We founded a cooperative, in which all 600 workers who persevered through three years of strike are members and whose management is elected democratically.

It was a conflict between very unequal adversaries which lasted three very long years, one month and ten days and which we considered very, very difficult to solve. However, the support from many organizations in our country and especially the great international solidarity received and the big systematic campaign that crossed borders made it possible for us to realize the motto with which we began the strike “we will persevere one day longer than Continental!”

One key factor to our success was the selfless support by people like Cornelia and Martin, their organizations and many associates which we consider as our brothers and sisters who helped bring this problem into headquarters of the transnational corporation in Hanover, Germany. With the help of the critical shareholders we were able to make our conflict the central matter of discussion at three successive shareholders’ meetings. This became a real problem for the managing board.

We were ready to embark on our fourth trip to Germany, when the corporation suggested a solution to the problem. As this was exactly what we were aiming for and because it represented a solution which was acceptable to all, we ended the strike with an exemplary success. We hope that this experience can help other workers and be useful in other conflicts involving the defense of human rights, the environment and culture. Together we can change the world and counteract the impudence of those who run today’s world economy.

Jesus Torres Nuño, Euzkadi-Labor Union SNRTE