Pico Workers Take on Multinational Dinosaur

For Bernard Hitchcock, former Chief Executive Officer of Pico Products Incorporated, "business as usual" came to a screeching halt last year when workers from Pico's South Korean electronics factory showed up to stage protests and hunger strikes at his home in upstate New York. The workers, all middle-aged women, were after Hitchcock to pay them what they calculated to be about one million dollars in back wages, retirement benefits and severance pay lost when Pico suddenly closed its plant in February 1989 in the face of a unionization drive by the plant's workforce.

What happened at the Pico plant in South Korea is by no means uncommon. Dramatic changes in production processes, inventory and control systems, and transportation and communication have made it possible for multinational companies like Pico Products to shift location with astonishing rapidity. Gone are the days when union struggles took place with a single company making a limited number of products in one geographic area. As millions of workers around the world — among them Pico employees in the Caribbean — have discovered, formerly secure jobs can vanish overnight if a company decides the product would be cheaper to produce elsewhere. Nowadays, workers who want to unionize in any corner of the world to press for higher wages, job security and benefits are often met with the response "if you form a union, we will move to Mexico (or South Korea or Costa Rica or any other low-wage haven)."

Pico Products, in fact, did not even bother with the formalities of threatening the plant workers. According to the Pico Workers Support Committee, ". . . there was no notification of a closing. It was only when the shipments of supplies for production were cut off and bill collectors from subcontractors come knocking at the door that the union became suspicious of a possible closing." Six months later, Pico contracted with a different South Korean plant to produce the same TV components that it had made in the original factory.

Workers Fight Back

What is unusual about the situation at Pico Products, South Korea is that the employees decided to fight back. In fact, the battle to get Pico to honor its commitments to its former workers is precedent-setting in a number of ways:

- while overnight plant closures are common, even in the U.S., it is rare that workers can remain organized for years afterward to press for compensation;
- for Third World employees of U.S.-owned subsidiaries to come to the U.S. to take on the corporate managers is almost unheard of;
- a lawsuit filed on behalf of the Pico workers by the Center for Constitutional Rights (CCR) could result in a settlement that allows foreign employees of U.S. companies to sue their employers in U.S. courts, a major victory for the Pico workers. As CCR Legal Director Frank Deale explained, "this suit is important for all workers in the Third World who work for U.S. multinational corporations because, if successful, such corporations will be held accountable for their illegal actions abroad."

An initial legal ruling by Judge Thomas McAvoy in Binghamton, New York in October 1990 said the workers could seek damages under laws that allow foreigners to sue U.S. citizens. However, various labor laws in the U.S., McAvoy ruled, specifically the Worker Adjustment and Retraining Notification Act, which requires U.S. companies to give 60 days notice if a plant is to be closed, and the Taft-Hartley Act, which protects collective bargaining agreements, do not apply to foreign employees of U.S. companies. (In fact, in the opinion of most progressive American unionists, these laws don't offer much protection even for U.S workers faced with a plant shutdown).

On a political level, the battle over the remains of Pico Product's South Korea factory is important for another reason — it is part of a growing movement around the world to hinder the ability of multinational companies to simply pack up and move when faced with rising labor costs or union drives. For the past few decades, this has been one of the most potent anti-union and anti-worker weapons in the corporate arsenal. Increased mobility on the part of corporations has raised corporate profits and heightened the economic competitiveness of firms able to take advantage of innovations in transport and communications. From the point of view of working people, however, the result has been a general downward pressure on wages and destroyed communities and families in areas where plants have left for cheaper-wage locations.

The strategies and tactics used by the women who used to make cable t.v. components for Pico South Korea serve as an example of the kind of campaign that could be waged by workers from anywhere in the world, albeit with difficulty. The workers realized that the true power at Pico was not in South Korea, but in the U.S. headquarters in upstate New York, and they identified then-CEO Hitchcock as the villain. Through contacts with Korean activists in the U.S., the Pico workers were able to pull together a broad-based support committee to put pressure on Pico through protests, hunger strikes and other kinds of direct action.

The Pico workers will never get their jobs at the Pico factory back, but the precedent they are setting holds important lessons for other unions and workers — and a warning to multinational corporations. The Pico workers see themselves involved in an international struggle," Nora Choi, an organizer with the Pico Workers Support Committee told the *Trendsletter*, "They are hoping that, by winning this case, other Third World workers will not have to go through what they have been through. They see the historical significance in this fight." Choi translated for the workers when they came to the U.S.

Selling Pens to Raise Won

The significance of the fight is indicated by the depth of support the 300 women workers of Pico have received. In South Korea, labor unions across the country sold pens to raise the 4 million won ($5,000) needed to send union president Yoo Jum-Soon, general secretary Hong Song-Rye and rank-and-file member Kan Young-Hyo to New York. In the U.S., hundreds of supporters have organized across the country on behalf of the Pico workers, and organized labor has taken a strong stand in favor of their right to payment of back wages and severance pay.

> ***We thought we were dealing with one employer, Hitchcock. But when we grabbed hold of its tail, we found it was a dinosaur, all multinational companies.***
>
> ***— Pico South Korea Worker***

But for the workers in the now-closed factory, the fight began long before Pico pulled up its stakes. Far from respecting U.S. labor laws on worker compensation or plant closings, Pico was in constant violation of Korean labor legislation regarding the minimum wage and working conditions. According to the Pico Workers Support Committee, starting wages were 700 won less per day than the Korean minimum wage ($1.00 equals about 700 won). In addition:

> *Work consisted mainly of lead soldering in assembly lines, each worker using 1 to 2 kilograms of lead each day. The factory had no ventilation system, and smoke from the soldering caused headaches, dizzy spells, vomiting and bleeding in the nose and throat. The building had no elevator, and workers had to carry heavy loads up stairs, causing chronic physical ailments. Where there was a conveyor system, there was a constant danger of electric shock. The sanitation system was unhealthy and unsafe. There have been many incidents of verbal and physical harassment by American managers.*

To press for better conditions and higher wages, workers fought for and won union recognition in November 1988. Under the terms of the first contract, the workers won some improvements in certain working conditions, but no pay hike. They did, however, formalize the collective bargaining process and agree to negotiate on wages by March 1989. They never got the chance. In February of 1989, Pico pulled out, leaving behind buildings and equipment that had been almost entirely rented. The only things left of any value, according to the Pico workers, were a few used cars abandoned by the plant management.

After quickly figuring out that if they wanted justice they were going to have to go to the source of power in Pico Products, the Pico workers developed a strategy to draw out Hitchcock and put Pico's illegal dealings in the Third World on public display.

continued on page 29