

# Thailand Trade Union Leader Reinstated by New Zealand TNC after International Trade Union Campaign

(Report by Robert Reid, President National Distribution Union, New Zealand)

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On Thursday 6 December Thanetn Jhanluechai; a union leader of the SIG Packaging plant in Rayong, Thailand, was reinstated following his suspension pending dismissal in April 2007. SIG is owned by the Rank Group, which is in turn owned by New Zealand's richest man, Graham Hart who owns the Carter Holt Harvey Group in New Zealand. The reinstatement came after three half day meetings over the last week between the union and Hart's global Human Resources Manager, Kevin MacKenzie.

The reinstatement follows a global campaign of union action that was launched by the New Zealand National Distribution Union (NDU) and Engineering Printing and Manufacturing Union (EPMU) together with two Global Union Federations.

The Thailand SIG Workers Union is affiliated to the Pulp and Paper Federation of Thailand which is in turn affiliated to UNI, the Global Union Federation that represents printing and packaging workers and the ICEM which represents pulp and paper workers.



**Thanetn Jhanluechai**

The terms of the reinstatement and the settlement of other matters surrounding the suspension are confidential. However we are able to report that the reinstatement is immediate and the company will withdraw the application to the Labour Court to terminate the employment of Thanetn. The company also announced that the contract of the local HR manager, whom the union blames for many of the recent problems at the plant, will not be renewed.

## Background

The campaign for the reinstatement of Thanetn Jhanluechai is a great example of how worker internationalism can work in the modern global economy.

SIG runs a packaging plant with 420 workers, of whom 220 are union members in the Rayong Economic Zone of Thailand. SIG union leaders say that they used to have a good relationship with the company, but that all changed when the company hired a new HR Manager and was preparing for sale and then bought by the Rank Group on 7 May 2007.

The workers noticed an increasing attempt to expand production from the time SIG was being prepared for sale in March 2007. The company initiated a 3 shift per day system of four teams on a rotating roster. For many workers this meant a cut in overtime and therefore weekly pay. The workers say that the machinery is old and with a 24 / 7 operation breakdowns and low productivity are a problem.

One line in particular; the sleeve line, was at the centre of the problem. It was often having breakdowns. In mid April 2007 the company was annoyed that most of the workers on that line had taken their Songkran (Thai New Year) Holidays which left the line idle when the company wanted to catch up on work. The company claimed that the decision by workers to take their legal entitlements to holidays was union initiated, to pressure the company into providing more benefits.



**The sign at the gate of one of the Rayong industrial zones**

The company picked on one of the union leaders, Thanetn Jhanluechai, and accused him of organising workers to take their holiday. SIG suspended him pending dismissal as part of its retaliatory action.

Two New Zealand unions involved in the pulp, paper and packaging industry, the NDU and EPMU, immediately took up the case following a chance meeting by the NDU President, Robert Reid, and SIG workers while he was visiting Rayong in May. The unions initially made representations to both the Rank Group and SIG in New Zealand but with no result.

Under Thai Law a union official can only be dismissed with the agreement of the Labour Court. Until that happened Thanetn remained suspended on pay.

There were three inconclusive Labour Court hearings in Rayong on 21 May, 7 and 26 June 2007 regarding the dismissal. The company subsequently cross-filed a claim in the

Chonburi Labour Court. The SIG union believed that the company wanted the case transferred to the next-door province to make it more difficult for union members to attend to support Thanetn, as he has strong support in Rayong.

There were two further inconclusive hearings in the Chonburi Labour Court on 2 and 15 August 2007. In all cases the company offered Thanetn compensation and damages provided he accepted termination. Thanetn rejected those offers on each occasion. The further hearing set down for 17 September in Chonburi was then transferred until 13 December 2007.

The company also used the opportunity of Thanetn's absence from work to try and further undermine the union. Since the suspension of Thanetn, the Employee Committee (EC); the body composed of union nominated worker representatives and management representatives has not held its bi-monthly meeting because the company will not allow Thanetn on the company premises and the union nominees will not attend the meeting without Thanetn. The company's Thailand HR Manager then tried to set up an alternative "activities" committee to replace the EC because he says the EC is not able to fulfil its responsibilities.

The HR Manager also visited the local union organising centre in Rayong. This visit was out of the blue and the HR Manager proposed to the union organising centre staff that Thanetn could be reinstated if he accepted responsibility for persuading workers not to work on a public holiday and accepted a final warning. However Thanetn and the SIG union were concerned with this "compromise" as Thanetn denied that he forced workers not to work on the holiday and does not want such a warning on his record. Thanetn and the SIG Workers Union were also concerned that if he did accept responsibility then the company may backtrack on its agreement to reinstate him and just take his admission of guilt to Labour Court as evidence of wrong doing.

On Thursday 20 September 2007 Robert Reid and Maxine Gay from the NDU visited the SIG Workers Union in Rayong again and worked with them to plan an international campaign.



Thanetn (left) with Robert Reid & Maxine Gay from the NDU.

The first step of the international campaign saw, Philip Jennings, General Secretary of the UNI Global Union write to Karl Eagle, CEO of SIG Combibloc on 2 October 2007 seeking

the immediate reinstatement of Thanetn. The reply from Karl Eagle on 22 October was a complete cop-out. He stated:

*There is a case currently before the Thai Labor Court which involves Khun Thanetn and the next hearing is due to be held on 13 December 2007. SIG Combibloc Ltd. believes that the law is in place to deal with such matters and we shall of course respect the law and any outcome arising out of the conclusion of this case. We do not feel that it would be appropriate at this time to make any further comment.*

An international day of action was then set for 19 November 2007. The NDU and EPMU kicked off the campaign by making media statements in New Zealand, writing again to the Rank Group calling for Thanetn's reinstatement and also drafting background papers on the dispute for New Zealand's Prime Minister and Ministry of Foreign Affairs and Trade.

The NDU and EPMU also started working with their trade union centre, the New Zealand Council of Trade Unions to start the preparation of a case against the Rank Group under the OECD Multinational Guidelines.

The next action was in Thailand later in the day where a group of around 80 SIG union members and supporters went to the NZ Embassy in Bangkok and met with a NZ diplomat. The union submitted a complaint letter regarding the actions of the NZ owned company and profile of the dismissal case.



A number of other global actions then followed New Zealand and Thailand to push for the reinstatement of Thanetn. Actions were held in, Australia, Japan, Turkey, Switzerland Panama, Argentina and the United States.

Members of the Graphical Sector of UNI meeting in Istanbul on 19 November delivered a protest letter to the New Zealand Turkish consulate and UNI Graphical Head, Adriana Rosenzvaig, was interviewed by local TV on the issue.

In Istanbul:



**UNI Graphical group in front of the New Zealand consulate in Istanbul**

In Geneva:



**UNI Delegation in front of New Zealand Mission in Geneva**

In Washington D.C., USA:



**Joe O'Connor, Teamsters, delivers a protest letter to the New Zealand Embassy in Washington**

In Tokyo, Japan UNI-Asia Pacific Graphical's Vice President Bro Hasegawa met Mike Pointer, First Secretary at the New Zealand Embassy, to press the NZ government to intervene to stop the sacking of Thanetn Jhanluechai, of the SIG Workers Union. "Graphical workers in Asia Pacific are concerned at this problem and we all support Bro. Thanetn," he told Mr Pointer, who promised to pass on the protest note to his Prime Minister. Bro Hasegawa is President of ZEN-INSATSU.



**Bro Hasegawa presents letter to First Secretary Pointer**



**UNI's Eiichi Ito and Bro Hasegawa at NZ embassy in Tokyo**

## **Conclusion**

The campaign for the reinstatement of Thanetn Jhanluechai has been a very good example of international trade union solidarity. A strong and determined local union, internationally minded unions in the country where the parent company was headquartered, and the international organisation of the Global Union Federations all combined to make this a successful campaign. The New Zealand unions were able to use their (usually) good relations with the parent company to make representations at the top level of that company.

Hopefully the success of this campaign can be built on through the development of a Framework Agreement between the parent company and the Global Union Federations. An investigation of this possibility will take place in 2008.

“Workers of the World Unite!” has become more than a slogan and is part of the day to day work of all unions in the global economy.