

GoodElectronics is an international network on human rights and sustainable production in the global electronics industry. The 'On the spot' newsletters highlight the work of organisations that participate in the GoodElectronics network. The idea is to provide insight in the activities and strategies of organisations, with a particular interest for such organisations that operate on a grass roots level. For comments and suggestions, please contact GoodElectronics at info@goodelectronics.org.

Hoya Glass Disk (Thailand): a long road to unionisation

In December 2007, workers at Hoya Glass Disk (Thailand) formed a trade union to better promote the interests of the workers at this plant in Lamphun in the north of Thailand. An initial collective bargaining agreement concerning wages, bonuses, allowances and days of leave was concluded with the management in January 2008. Despite this promising start for a more mature social dialogue, the situation deteriorated with the management first ignoring and later actively campaigning against the union. An absolute low was reached in the summer of 2008 when tens of union activists were dismissed and the union's registration was revoked. The perseverance of the workers who founded a new union, combined with external pressure by GoodElectronics brought about the involvement of some of the more progressive customers of Hoya Glass Disk (Thailand). This proved a turning point: dismissed workers were reinstated, and management and union accepted to participate in a series of talks and trainings focused on harmonious communication. At the moment, there is genuine hope Hoya Glass Disk will finally accept and work with the union.

Background – a company and a union

Hoya Glass Disk (Thailand) Co. Ltd. is one of many electronics companies operating in the Northern Region Industrial Estate in the city of Lamphun in the north of Thailand. Hoya Glass Disk (Thailand) (or in short, Hoya-Th) is a subsidiary of the Japanese company Hoya Corporation, a leading supplier of components and devices for semiconductors, LCDs and HDDs. Hoya-Th is a manufacturer of glass magnetic-memory disks, glass substrate, optical lenses and LCD glass panels for some of the biggest hard disk drives companies in the world, such as Seagate, Western Digital and Hitachi GST. These products are then provided to brands such as Hewlett Packard, Dell, Apple, and others



Electronics industry in Thailand

The Northern Region Industrial Estate (NRIE) in Lamphun was established in April 1983, as a result of the Thai government policy to decentralize industry into rural regions. In 2008, there were at least 60 factories in the NRIE, with around 20 factories operating in the General Industry Zone, and over 40 factories in the Export Processing Zone. Industries in the General Industry Zone are focused on agribusiness, food, garment, metals, and other products. In the Export Processing Zone mainly electronics factories are based. In 2008, 60,000 workers were employed in the NRIE. Of all NRIE workers, 80% work at electronics factories. Around 70% of all the workers working in the NRIE are women, most of them aged between 18 and 25 years. Many workers come from other provinces in Thailand. Due to the global economic crisis there have been some reductions of the workforce.

In 2007, workers of Hoya-Th submitted a proposal for a collective bargaining agreement with the objective to improve employment conditions at the company. At that time, workers were increasingly dissatisfied with the management for cutting worker benefits. So far, the company had shown little interest in the proposals of the Welfare Committee in place at the factory regarding workers' issues. According to the workers, the company was violating labour rights by pressuring employees to work overtime and to work on official holidays. Also, the workers were concerned about increasing job



insecurity: in the previous three years, no promotion of daily workers to monthly workers had taken place. In December 2007, workers of Hoya-Th formed a union: the Electronics and Electrical Appliance Relation Labour Union (EEALU). EEALU's application for registration as a labour union was approved by the Ministry of Labour on 19 December 2007. In July 2008, the EEALU membership stood at 3,470 workers of the approximately 4,600 employees working at the factory at that time.

A first agreement, but no viable working relations

In January 2008, a first collective bargaining agreement (CBA) was signed between the management of Hoya-Th and EEALU representatives at the Lamphun province labour office. The agreement endorsed demands made by the union concerning several issues, including employee bonuses; transportation allowances; the increase of all salaries equal to any future increase of the official Thai minimal wage; the transition from daily to monthly salaries; and days of leave. Not all the demands EEALU had formulated were met by the management, but the CBA seemed a good start for further constructive labour relations.

In February 2008, however, the management unexpectedly put up an announcement forbidding EEALU representatives to carry out any union-related activities during working hours or within the compounds of the factory. None of the factory facilities were to be used for union purposes, no announcements of union activities could be made on the grounds of the factory, etc. No more meetings took place

between the management and the union, despite several attempts by EEALU. The union considered the company's stand a breach of the Thai 1975 Labour Relations Act (section 50) which states that: "*An Employer must arrange for a meeting with the Employees' Committee at least once every three months, or upon request with appropriate reasons by more than one-half of the total number of the Committee members or the Labour Union...*".



Between April and August 2008, Hoya-Th sacked a total of 71 union members. This caused severe unrest among the factory workers as the reasons given for the dismissal were generally thought highly questionable. The company accused the workers of 'conspiring to disrepute the company'; 'the misuse of the company's electronic communication media for union purposes'; 'instigating workers to complain to the company's buyers'; and of 'instigating workers to file complaints against managers'.

According to the management, the union activities had caused increased production costs and had prevented the company from reaching its production and sales targets. On 4 August, a group of 21 workers were asked to immediately leave the company compound. However, since it concerned members of the union's Board and Employee Committee, the company could not dismiss the workers without a labour court order. The workers feared that if they left the compound, they would be accused of neglecting their duties, so they decided to stay put. Eventually the company's security guards forcefully dragged them off the compound.

Labour union situation in Thailand

In the NRIE in Lamphun, just as in many other industrial estates, unionisation is a rare phenomenon. The prime attraction of these special industrial zones for companies is the availability of cheap labour. Companies seem to look upon unionisation as an impediment for investment: unionised workers may demand wage increases which may lead to rising production costs, the benefits for the workers are not appreciated. In most industrial estates in Thailand the Industrial Estate Act B.E. 2520 (1977) is in place, a regulation which does not facilitate unionisation. The main obstacle for workers to found a union is the bureaucratic process. It normally takes a long time before registration of a union by the Ministry of Labour is finalised. This leaves governmental officials plenty of opportunity to inform companies of impending union registration. As a result, union leaders are often dismissed even before the union is formally in place. On the other hand, factories where no unions are in place are legally required to install Welfare Committees. The members of Welfare Committees are elected by workers. Welfare Committees have the right to propose wage increase and benefits. However, as demonstrates the situation at Hoya Glass Disk, a Welfare Committee is not always sufficiently influential to ensure labour rights.

The same day, the EEALU was informed by the Ministry of Labour that the December 2007 registration was revoked. Because of this revocation, the company could sack the members of the Board and Employee Committee of the union without a court order. To vent their frustration about the revocation of the union, workers announced a demonstration for the evening of 4 August, also as a means to inform other union members of the incidents of that day. However, the company's supervisors threatened that all the workers joining the demonstration and leaving the factory before the end of the overtime period would be fired at once.

Intimidating practices

Over time, the Hoya-Th management has applied a variety of practices to discourage unionisation:

- Ⓔ Workers have been threatened to be sacked if they would join in union activities;
- Ⓔ Leaflets lambasting the union and its members were widely and repeatedly distributed in the factory and beyond;
- Ⓔ A forged letter popped up, supposedly drafted by the union, addressing companies in the NRIE, requesting them to allow their workers to attend meetings on 1 May 2008 (labour day). The companies addressed did not appreciate this, and blamed EEALU as the apparent sender of the letter;
- Ⓔ Messages were posted on various websites attacking the union and its Board members;
- Ⓔ Union members were warned to be expelled right without a warning would they be caught in wrongdoings of any kind;
- Ⓔ Workers have been forced to sign resignation and lay-off letters under pressure;
- Ⓔ Union members were transferred to other lines of production, purposely severing them from co-workers sympathising with the union's objectives;
- Ⓔ Union members have been made to report every morning to the division supervisors;
- Ⓔ Union members were offered money to quit their activities;
- Ⓔ The number of 'outsourced' workers increased to the detriment of regular workers;
- Ⓔ The number of security guards increased. Guards used force against workers at one occasion at least. Guards were also told to follow and take pictures of workers and union activists while distributing leaflets outside the factory, and to search through personal lockers of union members, supposedly looking for 'contraband cosmetics';
- Ⓔ Management has dispatched anonymous observers to attend workers meetings;
- Ⓔ Supervisors have been instructed that when union members are caught in wrongdoings of any kind they will get expelled right away, without warning.

Workers are not giving up

Immediately after the revocation of EEALU, workers of Hoya-Th decided to found a new union, the Trade Union Electronics and Electrical Equipment Relations (TUEEER). At the time of writing, TUEEER unites around 1,000 members out of the current circa 3,400 workers at Hoya-Th. The membership of this new union is significantly less than before. The main reason seems to be that workers lack confidence because what has happened with the EEALU. Mobilising workers for the union has been made very difficult. Also, the



company has suffered from the economic crises and there have been lay-offs and suspensions. Due to a slow-down in the demand for Hoya-Th products, all outsourced workers have been laid off in January and February 2009. From February 2009 until 22 April, the company closed the factory under the Labour Protection Law, Section 75, which states that the employer has the right to temporarily stop some work sections or all work, while paying the regular employees 75% of their wages. Union activities were hard to maintain during the period of suspension since many workers left the factory.

Interview with the former EEALU treasurer

“First time that I got informed by the company I was fired, I was quite surprised how they could fire us, because we are part of the Union’s Employee Committee. How could the company fire us without a request from the Labour Court? After we were fired we then learned that the Union’s registration was rejected. We understood that this is a systematic process to destroy our Union through cooperation between authorities and our employer. We suspect this because the employer had known before us that the Union registration was rejected, and the employer fired us immediately. We fought for our reinstatement, and I think that we must keep on fighting anyway, to show our workers that having a Union is not wrong and I want every worker to know that the Union is good. I was very happy to be reinstated and I felt confident though I found many obstacles. For example, I did not get reinstated in my former position. The company provided me to audit around a factory, clean gloves, clean store rooms and catch cats. I have no colleagues and the work is unclear designated, I don’t know whether I am still a part of the Welfare Committee because the company did not call us to join the meetings though they still had a meeting. My bonus is reduced and my salary was not increased without any reason. I no longer work shifts, have no overtime and holiday work. My income is thus reduced by 50% in comparison with my former job. The company watches me all the time, so that I cannot talk to production line workers. But I will keep on fighting.”

At the same time, complaints were submitted about the revocation of EEALU’s registration to the Relation Labour Committee, the National Human Rights Commission of Thailand, the Ministry of Labour as well as to the Japanese Embassy. Court cases were filed at the Labour Court. Moreover, international support was sought. The GoodElectronics network called upon the parent company Hoya Corporation, Hoya Glass Disk (Thailand), as well as companies sourcing from Hoya Glass Disk to ensure labour rights at the plant were respected.

The national and international pressure on Hoya Glass Disk ultimately proved to be successful. On 11 June 2009, the labour courts overturned the decision made by the Ministry of Labour to deregister EEALU on 4 August 2008, an important victory for the union.

Buyers are getting involved

Furthermore, buyers sourcing at Hoya-Th (Hewlett Packard and Western Digital), started playing a constructive role in resolving the deadlock between the company's management and the union. In October 2008, the first meeting between the two parties since January 2008 took place, in the presence of an NRIE official. Subsequently, on 13 November 2008, Hoya Glass Disk agreed to cancel the termination notices and to reinstate the workers dismissed between April and August 2008. An agreement was reached between the union and Hoya management. The main points are:

- ③ The dismissed workers will be reinstated. This means that the termination notices are cancelled; the workers will not suffer loss of seniority, will be provided with former benefits and will be paid compensation equalling three times their month salaries;
- ③ The workers will withdraw the complaints they had filed at the Labour Relations Committee (44 cases) as well as the court cases they had started (7 cases). The company in its turn will withdraw the court case it had begun;
- ③ Upon return to their work places at Hoya Glass Disk, the workers will follow company's regulations. The company in its turn has promised to create better labour relations with the workers, in collaboration with the labour union;
- ③ The company has promised not intervene any longer in the activities of the labour union.

Eventually, on 24 November, 36 workers were reinstated at the factory, with the other workers concerned having secured new jobs or having started business in the meantime.

While the agreement stipulated that the earlier employment conditions of the reinstated workers are to remain unaltered, 35 of the 36 workers nonetheless had to accept changes, such as a different ratio between working days and holidays, and fewer to none opportunities to work overtime or on night shifts. The workers were confronted with a significant loss of income, missing out on night shift allowance, overtime work income, overtime food allowance and holiday work income.

In the agreement it is specified that the company, workers and the union agree to cooperate and that the company shall make an effort to enhance good relations with the workers. Any interference that may give rise to conflicts shall be avoided. Despite these clauses, some of the reinstated workers were separated from other workers and were not assigned work directly related to production lines. For example, some were told to catch stray cats, dredge canteen sewages, or simply sit idly in The new union (TUEER) encountered the same problems as the former union (EEALU). Again the management of the Hoya Glass Disk (Thailand) refused to meet with union leaders to discuss labour issues.

Spring 2009, the union submitted a letter of complaint to customers of the Hoya Glass Disk factory, including Hewlett Packard (HP), Seagate and Western Digital (WD), concerning the labour rights violations and the breach of the November 2008 agreement. HP made contact with its first tier suppliers Western Digital and Seagate. Western Digital indicated to take the matter seriously. Seagate has never bothered to respond. By the end of the month of June, the case finally gained momentum, with a series of meetings between HP and WD representatives and the union to hear about the problems of the reinstated workers and the strained communication between the union and the management.

On 30 June 2009, a meeting took place between the union and the Hoya-Th management, in the presence of Mr. Osada, the CEO of Hoya Corporation Japan.

Interview with a former EEALU Sub-Committee member

"Before I was fired (on 4 August 2008), I got transferred to another section. In my former section, I was carrying out my duty as a union Sub-Committee member. I had the task to talk with co-workers about the union and to assist the members who were treated unfairly or whose rights were violated. I am not sure whether this was the reason I was transferred to work in another section where I didn't know anyone. After I was fired I decided to fight for reinstatement because I think the company was not fair to me. During our fight for reinstatement, I was worried and not sure whether I would be reinstated but I had to fight even if I was rejected. I was reinstated on 8 December 2008, but now I still haven't been given work in accordance with the agreement made with the management. The company provided me with work at a new position away from the production line. I don't know any of my new colleagues. This section's purpose is to propose projects to reduce the cost, e.g. reducing water and electricity. However, the company shows no interest in the projects our section has proposed. I feel pressure from the company, they try to frustrate me so that I will resign myself. However, I am sure that I won't resign; I will be strong for my friends and our union."

It was agreed that HP and WD would put in place a process aiming at resolving the communication problems between the Hoya-Th management and the union. A team was put together to act as a coordinated body between the management and the union to resolve conflicts. HP and WD arranged for training in 'peaceful communication' for union and management representatives (both from Thailand and Japan). The training focused on the basic principles of conflict resolution and on grievance procedures. The buyers further promised to ensure that further meetings between Hoya Glass Disk and the union would take place over the next six months – the first rounds of talks indeed took place in September 2009. Here it was decided that the Thai and Japanese management were to meet on a monthly basis with the union representatives. A second round of talks took place in October, this time however formally involving only the Welfare Committee, upon the explicit wish of the Hoya-Th management. Six out of the current seven Welfare Committee members are also union members. Agreement was reached on the following points:

- € Any decision reached will be presented to the workers in the factory in an engaging manner as joint decisions of the management and the Welfare Committee;
- € The Welfare Committee will hold talks with the workers;
- € Issues brought up by the workers will be tabled for the next meetings between the management and the Welfare Committee.

Moreover, a drafting committee consisting of 4 workers' representatives and 4 Thai managers was set up, with the task to elaborate a grievance procedure. Once agreement is reached over a final version, the grievance procedure is to be implemented throughout the company.

The union reports that since then both the management and the union representatives (EEALU and TUEEER) have received communication training, there are some signs of progress:

- ⑥ The reinstated workers who were initially put to work in inferior positions than the posts held before their forceful dismissal have been transferred to meaningful positions according to each individual's ability;
- ⑥ On the basis of issues brought forward by the workers some practical improvements were carried out, such as the positioning of the finger scan equipment; repairs to the toilets; and improvements in the canteen, including the hygiene, the quality, and the quantity of the food served to the workers;
- ⑥ Some labour agency workers who are now directly employed by Hoya-Th have kept their seniority;
- ⑥ The management is not interfering in the activities of the union. The company has ceased to take pictures of union activities, which was felt as a most intimidating practice.

Hope

More than a year and a half after the initial CBA was concluded between the Hoya-Th management and the union, and about a year after the November 2008 agreement was reached, the situation finally now seems favourable for constructive social relations. Soon, the time may be ripe for renegotiating the CBA. Hopefully, the buyers will continue to be involved.

Support

Several organisations have supported EEALU and TUEER in their struggle for recognition and respect for labour rights at Hoya Glass Disk (Thailand), including:

- ⑥ American Center for International Labor Solidarity (ACILS) (Thai office)
- ⑥ Arom Pongphanhan Foundation
- ⑥ Confederation of Thai Electrical Appliances, Electronic, Automobile and Metalworkers (TEAM)
- ⑥ Democratic Movement for the Welfare State
- ⑥ Electronics and Electrical Appliances Worker's Federation of Thailand (TEAM)
- ⑥ Friends for Friends Workers Club
- ⑥ Friends of Women Foundation
- ⑥ GoodElectronics
- ⑥ International Metalworkers' Federation (IMF)
- ⑥ Prachatai Online Newspaper
- ⑥ Thai Labour Solidarity Committee
- ⑥ Thai Center for Labour Rights
- ⑥ Worker Rights Consortium.



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