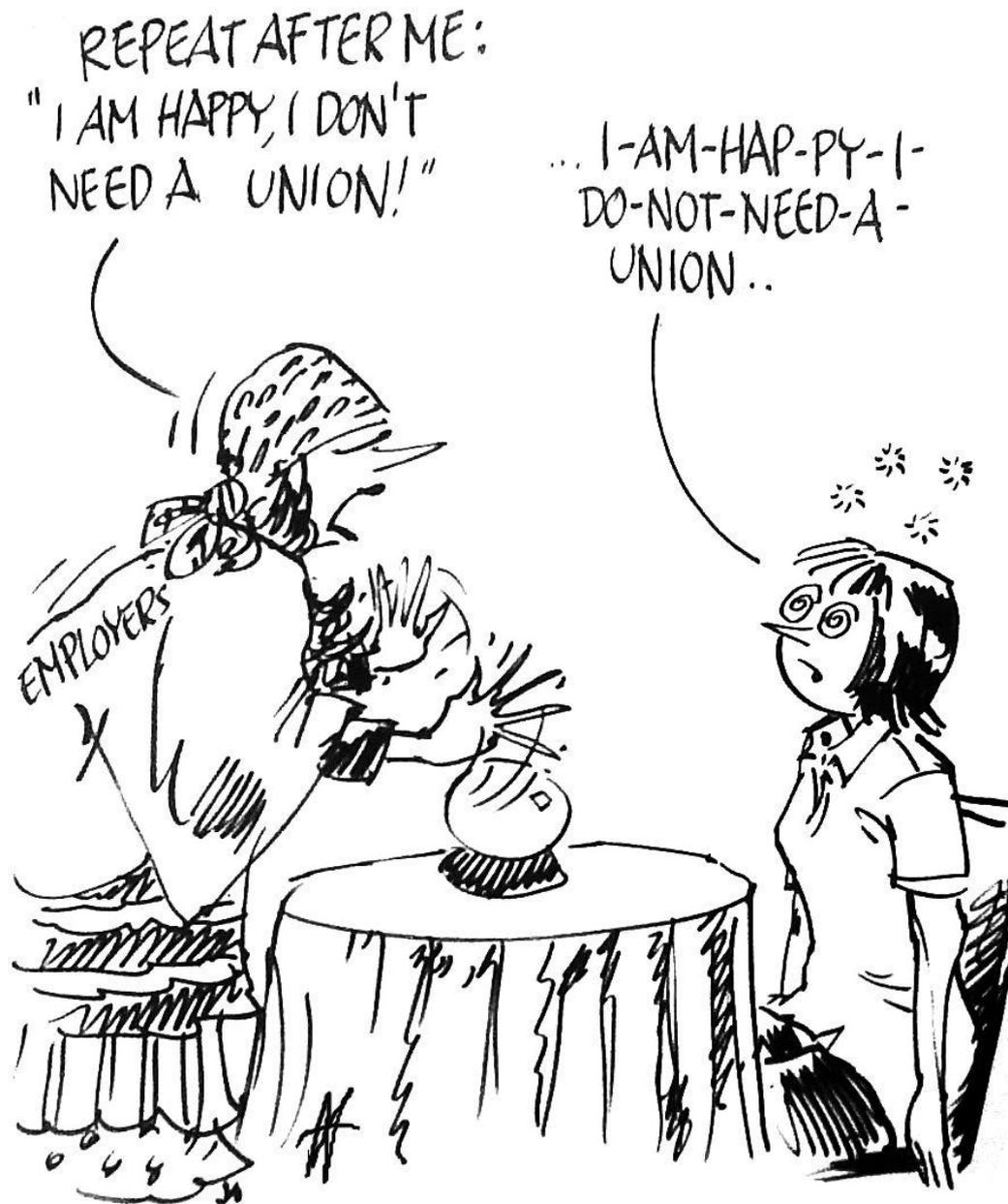


WORKERS' RIGHTS IN THE GLOBAL ELECTRONICS SECTOR

Report of the May 2012 makeITfair and GoodElectronics Round Table

SOMO November 2012



COLOPHON

TITLE: Workers' Rights in the Global Electronics Sector. Report of the May 2012 makeitfair and GoodElectronics Round Table

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This report is published as part of the makeITfair campaign, a Europe-wide project on consumer electronics. MakeITfair aims to inform young consumers about human rights, as well as social and environmental issues along the supply chain. It also addresses consumer electronics companies that can contribute to change.



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FUNDING:



This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of SOMO and can under no circumstances be regarded as reflecting the position of the European Union.

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MAKEITFAIR

makeITfair is a project funded by the European Union that aims to raise awareness regarding the social and environmental impact of electronics production. The makeITfair project has established a set of priorities to make the electronics industry fairer for workers everywhere. By focusing on these priorities, makeITfair is driving forward a powerful agenda for change that will help to improve human rights, workers' rights and sound environmental practices in the product life cycle of consumer electronics around the globe. It's not just the electronics companies that can make big changes. Consumers and especially big purchasers – including public procurers and large retailers such as network providers – can also make a big difference. makeITfair has formulated priorities regarding production, extractives, e-waste, mobile network operators and for public procurers (see <http://makeitfair.org/en/companies/our-demands/makeitfair2019s-priorities> for more information).

makeITfair is co-ordinated by the Dutch organisation SOMO. Project partners are SwedWatch and Fair Trade Center from Sweden, FinnWatch and Pro Ethical Trade Finland from Finland, DanWatch from Denmark, Germanwatch from Germany, Association of Conscious Consumers (ACC) from Hungary, ACIDH from the DR Congo, CIVIDEP from India, Workers Assistance Center (WAC) from the Philippines and Civil Society Research and Support Collective (CSRSC) from South Africa.



THE GOODELECTRONICS NETWORK

The GoodElectronics Network brings together civil society networks, organisations and individuals that are concerned about human rights, including labour rights, and sustainability issues in the global electronics supply chain. This includes trade unions, grassroots organisations, campaigning and research organisations, academia and activists. GoodElectronics has a vision of a global electronics industry characterised by compliance with the highest international human rights and sustainability standards. Labour rights and environmental norms are respected throughout the entire production cycle, from the mining of minerals used in electronics products to the manufacturing phase, and the recycling and disposal of electronics waste, both on the level of companies' own operations, those of their contractors and subcontractors, and in their supply chain.

GoodElectronics specifically promotes the United Nations “Protect, Respect and Remedy” Framework on business and human rights, regarding the state duty to protect against human rights abuses by third parties, including business; the corporate responsibility to respect human rights; and greater access by victims to effective remedy, both judicial and non-judicial. GoodElectronics is an advocate of government regulation regarding respect of workers' rights, corporate accountability and environmental protection. GoodElectronics has formulated [Common demands on the electronics industry](#).



SOMO

SOMO is an independent research organisation. In 1973, SOMO was founded to provide civil society organizations with knowledge on the structure and organisation of multinationals by conducting independent research. SOMO has built up considerable expertise in among others the following areas: corporate accountability, financial and trade regulation and the position of developing countries regarding the financial industry and trade agreements. Furthermore, SOMO has built up knowledge of many different business fields by conducting sector studies.

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ACRONYMS

ACFTU	All-China Federation of Trade Unions
CAFOD	Catholic Agency for Overseas Development
CEREAL	Centro de Reflexión y Acción Laboral
CSO	Civil society organisation
CSR	Corporate social responsibility
EICC	Electronics Industry Citizenship Coalition
ETI	Ethical Trade Initiative
FLA	Fair Labor Association
FNV	Federatie Nederlandse Vakbeweging /Dutch trade union confederation
GeSI	Global e-Sustainability Initiative
ICCR	Interfaith Center on Corporate Responsibility
IDH	Sustainable Trade Initiative
IHLO	Liaison Office of the International Trade Union Movement
IHRB	Institute for Human Rights and Business
IMF	International Metalworkers' Federation
ILO	International Labour Organization
KILSH	Korean Institute for Labor Safety and Health
MNC	Multinational corporation
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
PPP	Purchasing Power Parity
SHARPS	Supporters of Health and Rights of People in the Semiconductor Industry
SOMO	Centre for Research on Multinational Corporations
WMCP	Worker-Management Communication Programme

ACKNOWLEDGMENTS

Many special thanks to Mr Paul Hohnen of Sustainability Strategies for his much appreciated and constructive role as facilitator of the Round Table (www.hohnen.net/).

Thanks also to Alastair Usher of Ergon Associates and Jenny Holdcroft of IMF/IndustriALL for their thoughtprovoking key note speeches on precarious work and wages respectively, as well as to Jeroen Merk of the Clean Clothes Campaign for his introduction to the Asian Floor Wage campaign.

Many thanks to Ms Marisol Sandoval for taking notes throughout the Roud Table and making a first draft of the meeting report.

Last but not least thanks to Ms Gerry, the natural born ambassador for fair trade and fair supply chains. During the Round Table, Ms Gerry hosted the informal evening session where she sweetly called upon the companies to speed up improvements in working conditions, at the same time as urging civil society organisations to keep their calm. To this effect she handed out speed pills and tranquillizers. Ms Gerry encouraged participants to find common ground in their private lives as a stimulus for professional collaboration. Ms Gerry also managed to bring company representatives and labour activists together in an acrobatic act intended to ‘raise the bar’ with regard to labour standards. This act had a strong Ms Gerry signature – a hilarious and light performance with a most serious undertone. For more information, see http://www.metgerry.nl/international_extra.php).

INTRODUCTION

On 9 and 10 May 2012, GoodElectronics and makeITfair organised a Round Table on workers' rights in the global electronics sector with representatives from the electronics industry and civil society organisations (CSOs) from around the globe. About 80 participants came together to exchange information and discuss the key topics of temporary labour and wage issues in the global electronics industry. There were exchanges on migrant labour, the position of employment agencies, living wages, engagement between electronics companies and CSOs, and much more. Discussions took place in the context of the overarching themes of freedom of association and the right to collective bargaining.

The May 2012 meeting followed a first Round Table that makeITfair and GoodElectronics organised in May 2009. The May 2009 meeting enabled a diverse group of participants to bring their own often diverging analyses to the table. The meeting's report presented proposals concerning a range of topics, including the need to work towards formal social dialogue, as well as structural stakeholder consultation and collaboration between the industry and CSOs, in particular also on training projects.

The 2009 meeting called upon the electronics industry to upgrade existing codes of conduct, by following International Labour Organization (ILO) conventions on freedom of association and collective bargaining, and by including clauses on living wages, labour agencies and migrant labour. One proposal was for companies to gear up their purchasing practices, for instance, by including penalties and financial incentives for their suppliers and by developing an in-depth cost-benefit analysis of electronics production. It was suggested that this would pave the way for defining the business case for a living wage. Another set of proposals concerned the problem of temporary labour. It was suggested that companies should provide quantitative data at the factory level on the percentage of workers recruited and hired by labour agencies and think of an acceptable ratio of regular to temporary workers.

In the opinion of makeITfair and GoodElectronics and the participating CSOs, too little progress has been made on these important dossiers since 2009. Major labour rights problems still persist on the work floor, and the ways forward that were identified in 2009 have not yet been put into practice. While individual companies and industry initiatives have made efforts to address labour rights violations, these steps have been inadequate and insufficient. Worse still, the main focus remains on code compliance. Codes of conduct often use weak language, do not cover all relevant issues, monitoring is limited in scope, and enforcement of corrective action plans is poor. Code compliance does not answer to the real needs regarding workers' rights in the global electronics supply chain.

One of the objectives of the May 2012 Round Table was therefore to try to define the common ground once again in terms of problem analysis and in terms of possible actions regarding the original Round Table's themes – temporary labour and wage issues – with a view to contributing to lasting improvements in labour conditions.

The 2012 Round Table hoped to achieve this by:

- Linking and learning among civil society and electronics industry representatives
- providing updates on developments in stakeholder engagement and multi-stakeholder initiatives involving electronics companies including the China programme of the Sustainable Trade Initiative (IDH) and the Fair Labor Association (FLA)
- Providing updates on corporate initiatives regarding labour issues following the makeITfair and GoodElectronics Round Table of May 2009 – including for instance the EICC Worker Management Communication Programme.

This report summarises the discussion of the May 2012 makeITfair and Good Electronics Round Table. It includes chapters on multi-stakeholder engagement, precarious work, wages and freedom of association. All chapters consist of an introduction to the issue as seen by the organisers, a summary of the speeches and presentations made, and highlights of the discussions, followed by some concluding remarks. The final chapter lists the possible steps forward.

The report offers leads for further discussion and engagement between the industry and CSOs. Unfortunately, none of the possible steps forward suggested at this Round Table were accompanied by concrete undertakings.

1. MULTI-STAKEHOLDER ENGAGEMENT AND INITIATIVES

1.1. INTRODUCTION TO THE ISSUE

The GoodElectronics Network sees a crucial role for CSOs in monitoring and helping to improve workers' rights in the global electronics sector. Strong trade unions have a key role to play and should be enabled to engage in genuine social dialogue and collective bargaining, paving the way for mature industrial relations between trade unions and employers. Worker training concerning rights and roles is deemed of crucial importance.

makeITfair calls on companies to work in a multi-stakeholder setting. Companies should include civil society organisations (including trade unions) and workers in their efforts to implement supply chain responsibility.

The multi-stakeholder engagement and initiatives discussed during the meeting included activities of the Electronics Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI), the electronics programme of the Netherlands-based Sustainable Trade Initiative (IDH) in China and the Fair Labor Association (FLA) programme with electronics suppliers in China.

A number of concrete proposals made during the May 2009 GoodElectronics and makeITfair Round Table dealt with engagement. It was noted that the electronics industry and trade unions should invest in making contact – on an international and national level, as well as at a factory level – to work towards formal social dialogue. EICC, GeSi, individual companies and CSOs should also continue to make an effort to reach out to each other in order to set up structural forms of stakeholder consultation and collaboration, especially in Southern and Eastern European production countries. Moreover, recommendations were made regarding joint engagement between industry and civil society on a national level. Suggestions included bringing together supply chain actors to explore the possibilities of setting up national or regional forums focused on bringing about improvements in labour conditions, as well as joint engagement between industry and civil society on training projects – targeting workers, local management and CEO-level management with different types of training.

Three years on, trade unions and non-governmental organisations (NGOs) participating in GoodElectronics and makeITfair are far from content with the level and the quality of engagement that the electronics industry has displayed, despite a number of interesting developments.

In 2004, three electronics brands (IBM, Dell and HP) and five Electronics Manufacturing Services companies (Solectron, Sanmina-SCI, Jabil, Celestica and Flextronics) developed the Electronics Industry Code of Conduct. The **Electronics Industry Citizenship Coalition (EICC)** developed from this initiative. EICC currently has 71 members. EICC develops and offers tools for assessment, auditing and capability trainings, based on the EICC code. Another industry initiative is the Global Electronics Sustainability Initiative (GeSI) in which 31 electronics companies collaborate to address CSR issues but all members have their own codes of conduct. EICC and GeSI work closely together on various CSR issues.

Employing a multi-stakeholder approach, the electronics programme of the **Sustainable Trade Initiative (IDH)** supports the development of sustainable workforce management innovations for more than 100 suppliers in Shenzhen, China, covering 500,000 workers. Different from other corporate social responsibility (CSR) programmes that have been carried out in the industry all along, the programme

steers away from traditional auditing methods and seeks to make a transformative impact by building and up-scaling the capacity of both workers and management. By enhancing worker-management dialogues and developing employees' skills and careers, the programme strives to reduce employee turnover and wastage, boost energy efficiency and improve overall performance of supplier factories.¹ The programme was developed together with electronics companies and CSOs. The CSOs in question are SOMO, the Dutch confederation of trade unions FNV, the GoodElectronics Network, and, in Hong Kong, Globalization Monitor and the Liaison Office of the international trade union movement (IHLO). The programme is funded by IDH and the participating companies, Dell, HP and Philips.² The programme includes the development of detailed supplier improvement plans. A group of management and worker representatives work together to identify workers' needs and causes, and to implement solutions. The programme aims to improve factory performance on critical areas such as worker-management communication, occupational health and safety, human resource practices and environmental issues. In other words the focus is on precarious work, working relations, occupational health and safety and environmental aspects. Participants in the IDH Work Group agreed to respect and acknowledge the fundamental importance of freedom of association and collective bargaining as enabling rights. The strong relationship between these enabling rights and the existence of precarious work and prevailing labour conditions, occupational health, safety and the environmental situation was recognised.

In January 2012, Apple was the first electronics company to join the **Fair Labor Association (FLA)** as a Participating Company. The FLA has started assessments of facilities in Apple's supply chain and has reported findings, including on the FLA website. Apple is the first technology company to join FLA as a Participating Company. FLA Participating Companies agree to uphold the FLA Workplace Code of Conduct throughout their supply chains and commit to the FLA's Principles of Fair Labor and Responsible Sourcing. In 2011, the FLA worked with Apple to assess the impact of Apple's training programmes, which help raise awareness of labour rights and standards among workers in its supply chain. Like all new affiliates, Apple is to align its compliance programme with FLA obligations within the next two years.³ The FLA obligation is to become compliant within the next two years. GoodElectronics and makeITfair will be watching closely to see whether FLA membership means Apple takes action on key problems within its supply chain. At the occasion of Apple joining FLA, makeITfair and GoodElectronics, as well as many other CSOs, publicly questioned if this is a genuine effort by Apple to clean up labour abuses in its supply chain, or merely a way of proving its credentials without actually delivering? In January 2012, for GoodElectronics and makeITfair it was too early to tell.⁴ In February 2012, FLA assessed working conditions and the treatment of workers at three Chinese factories manufacturing Apple products, which are owned and operated by Hon Hai Precision Industry Co., Ltd. (Foxconn) in Shenzhen and Chengdu. On 23 March 2012, GoodElectronics and makeITfair, together with the International Metalworkers' Federation, issued a statement pointing out that the FLA investigation at Foxconn is not being conducted in a proper way. The statement accused Apple of misusing a multi-stakeholder initiative as a PR stunt.⁵ On 28 March 2012, FLA published reports on each of the three factories along with recommendations for improving conditions for workers, and a remediation plan prepared by Apple and Foxconn to address each issue identified during the FLA assessment. In response, on 3 April 2012, makeITfair and GoodElectronics issued another statement, pointing out that the FLA investigative report confirms the occurrence of excessive and unpaid overtime,

¹ For more information, see <http://www.idhsustainabletrade.com/electronics>.

² In September 2012, Apple also joined the IDH electronics programme. "By partnering with IDH's new programme Apple aims to work collaboratively with key stakeholders to improve the social and environmental performance of its supplying factories in China," according to the press release (see <http://www.idhsustainabletrade.com/news/apple-joins-idh-electronics-program-1>).

³ For more information, see <http://www.fairlabor.org/blog/entry/apple-joins-fla>.

⁴ <http://goodelectronics.org/news-en/will-apple-turn-over-a-new-leaf-when-it-joins-the-fair-labor-association>.

⁵ For more information, <http://goodelectronics.org/news-en/goodelectronics-makeitfair-imf-declare-fla-investigation-at-apple-supplier-foxconn-to-be-a-pr-stunt>.

health and safety risks, serious communication gaps between workers and management, wages that are insufficient to cover basic needs, and abuse of student labour. makeITfair and GoodElectronics pointed out that the remediation plans announced by FLA and Foxconn go quite a way towards recommendations made over the years by makeITfair and GoodElectronics and other labour advocates, especially regarding reducing working hours while at the same time protecting workers from losing income and workers' representation. At the same time, GoodElectronics and makeITfair found serious flaws in the root cause analysis and the solutions proposed by FLA.⁶

1.2. HIGHLIGHTS OF THE DISCUSSION

The Round Table offered a plenary brainstorm about the stakeholder engagement and multi-stakeholder initiatives in the electronics industry. Some lead questions were formulated to get the discussion going with the objective of gaining an insight into the different views on stakeholder engagement and multi-stakeholder initiatives. To follow are the highlights of the discussion.

The exchange started off with the question of how to define stakeholders. The term 'stakeholder' was generally understood in a very broad way, including each and every person or organisation that may have an interest in joining the dialogue with companies, including trade unions, NGOs, academics, consumers and governments. It was noted, however, that workers are often forgotten as stakeholders, while from a rights perspective they should be the first people to be taken into account.

“Workers are the best resource companies have for thinking about improvements. Companies need to use workers to identify relevant issues.” CSO representative

The term 'stakeholder' was fundamentally questioned by some participants, as it was seen as masking the particular type of relationship different actors have with a company. Some asked the question: who decides who is a relevant stakeholder?

A major point of concern was the fact that two electronics industry initiatives focusing on sustainability – namely, EICC and GeSI – have not been set up as multi-stakeholder initiatives. Looking at aspects such as governance, representation of beneficiaries, grievance mechanisms, transparency, reporting and rules of engagement, EICC and GeSI score very low points for proper stakeholder engagement. Participants from NGOs and trade unions at the Round Table noted that EICC only engages stakeholders on an *ad hoc* and advisory basis and some expressed their frustrations about the EICC code review process. CSOs do have access to the process and can make suggestions, but year after year these proposals are not taken on board. EICC countered that stakeholders are listened to, and that proposals are taken seriously. Although the suggested wording did not pass due to the existing voting procedures changes were made in the instructions that go with the EICC code.

In this context, the EICC Worker-Management Communication Programme (WMCP) was briefly discussed. EICC, together with GeSI, developed and set up a programme that aims to improve dialogue between workers and management. In the words of EICC, factories lack effective worker management communication systems that empower workers to safely participate and feed back into factory operations. Workers are not sufficiently aware of their key rights and responsibilities. Moreover, the effectiveness and sustainability of worker training efforts are not clear. To address these issues, EICC and GeSI have developed a classroom-based train-the-trainer Worker-Management Communication Programme. The

⁶ Full statement: <http://goodelectronics.org/news-en/investigation-into-apple-supplier-foxconn-confirms-abusive-labour-conditions>

audiences for this training are EICC members and suppliers in the electronics industry supply chain. The training consists of two main components: a train-the-trainer programme for HR/facility managers and resources for workers. The programme focuses on increasing awareness of the business case of work-management communication systems, on how to implement an effective worker-management communication system, and on what and how to communicate regarding workers' key rights and responsibilities (as they relate to the EICC Code/GeSI principles). At the same time, the programme aims to increase workers' awareness of how to participate in factories' worker-management communication systems, and of their rights and responsibilities in key labour, ethics, health and safety, and environmental management as outlined in EICC Code of Conduct/GeSI principles and applicable laws and regulations.⁷ In the eyes of CSO participants, it is telling that EICC mentions engaging with the ILO, yet the ILO conventions have not yet made it to the EICC code.



⁷ For more information, see <http://www.eicc.info/WMCTraining.shtml>.

At the meeting, CSOs argued in favour of EICC upgrading its governance model. It was stressed that EICC needs a tripartite governance model. The UK-based Ethical Trading Initiative (ETI) was suggested as a model. The point of departure for ETI is that corporate, trade union and NGO members play equal parts in shaping ETI's policy and strategy and participating in projects and working groups. This is a far cry from how EICC and GeSi are set up. In response to this suggestion, EICC indicated that it would evaluate its governance model.

Different remarks were made concerning the contact and dialogue between companies and CSOs. On the one hand, CSOs stressed that electronics companies are not easily accessible. One CSO representative commented: *"It is difficult to communicate with companies. This (Round Table) is exceptional."* Company representatives, on the other hand, stated that identifying CSOs that have the capacity and the resources to engage with companies is very challenging as well. NGO representatives acknowledged that they have limited time and resources to invest in dialogue or a project with a company, and will only do so if they can expect that their voice will be heard and a satisfactory outcome can be achieved. Industry and CSO participants alike recognised that it is often challenging to convince brands or suppliers to join in actions or initiatives. This is illustrated by the IDH electronics programme that had only managed to engage three brands and 14 suppliers by May 2012 (by November 2012, this is 4 brands and 22 suppliers respectively).

"It is difficult to communicate with companies. This Round Table is exceptional." CSO representative

From an NGO perspective, there is a risk that companies only choose to cooperate with selected civil society groups that are less critical, avoiding interaction with more outspoken campaigning organisations. This was inadvertently confirmed by the half-jokingly made remark by a corporate representative: *"that the GoodElectronics Network is the industry's greatest challenge"*.

"The GoodElectronics Network is the industry's greatest challenge." Company representative

Another aspect is the focus of CSO-company dialogue. CSOs remarked that such dialogue should rise above dealing with individual cases on an *ad hoc* basis. Instead, it should aim to discuss the wider picture and achieve structural changes.

2. PRECARIOUS WORK: AGENCY LABOUR AND TEMPORARY CONTRACTS

2.1. INTRODUCTION TO THE ISSUE

makeITfair and GoodElectronics have identified a number of problems with temporary contracts in the global electronics sector. Increasingly, workers are on repeated short-term contracts and face extreme job insecurity, which can be very stressful. Temporary workers, including agency workers and students, generally receive lower wages and fewer benefits and entitlements. They often experience conflicts over correct severance pay and holiday entitlement. They are less often eligible for training and have significantly fewer career opportunities. They are often excluded from union membership. Migrants make up a disproportionate percentage of temporary workers. In all, temporary workers are easy prey to discriminatory recruitment and employment practices. With regard to employment relations, makeITfair and GoodElectronics note that, with the use of agency workers, factory owners are increasingly avoiding basic employer obligations. Moreover, the question arises whether companies are actually breaking the law for using repeated short-term contracts.

Precarious work can take various forms, ranging from workers being directly employed by electronics manufacturers based on a limited contract, to workers being hired by employment agencies most often for a limited period of time, to students who are forced to work in electronics factories for periods of up to six months. These temporary workers are often employed during peak times in order to cover high production demands. As already mentioned above, temporary workers are confronted with a number of disadvantages ranging from high job insecurity, lower wages, fewer social security benefits, fewer training opportunities and less information regarding health and safety and weaker protection of their rights, including the right to unionise and collective bargaining. Despite its manifold implications regarding the protection of workers' rights, the issue has so far barely been addressed in codes of conducts of companies and industry associations.

A recent briefing paper on temporary agency work in the electronics sector issued by SOMO in May 2012 identified temporary contracts and agency labour as one of the most pressing challenges in the sector. The briefing paper is based on interviews with workers in electronics factories in countries like Thailand and the Philippines. When asked about one thing that would improve their lives the most, the most frequent answer from workers was receiving a permanent contract and being directly hired by the electronics company instead of an agency.

The electronics industry is only reluctantly admitting problems with temporary labour, which is not yet acknowledged as a pressing labour rights issue.

Company and industry codes of conduct either do not address, or do not adequately address the issue. The EICC Code 4.0 (2012) refers only briefly to temporary workers: "*Participants (to the EICC) are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.*"⁸ No other information or detail is provided. It has not been translated into appropriate questions or guidance in the EICC audit protocol.

⁸ <http://www.eicc.info/documents/EICCCodeofConductEnglish.pdf>

The 2011 update of the Fair Labor Association (FLA) Workplace Code of Conduct does include a more substantial section on employment relationships. It reads as follows: *“The FLA code requires employers to adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations. New benchmarks require workplaces to have in place policies and procedures related to general human resource management and to specific management functions organized along the employment lifecycle, including recruitment and hiring, terms and conditions of employment, administration of compensation, fringe benefits and hours of work, industrial relations, work rules and discipline, skills development, health, safety and environmental management, and termination and retrenchment. Moreover, new benchmarks place greater emphasis on recruitment and hiring processes, including when employment agencies are used, to ensure better protections for workers. The new Code emphasizes employment and workplace protections for precarious workers, particularly migrant, contract and contingent workers.”*⁹ Until now, Apple is the only electronics brand participating in FLA.

At the April 2010 EICC Stakeholder Session in Guadalajara, Mexico, workers’ job stability and freedom of association were discussed extensively. Company comments included, for instance, the need to create a baseline of numbers for temporary and permanent workers, and to ensure training for recruitment agencies on the EICC code and how to apply it. EICC member companies are to ensure employees are able to choose freely to exercise their right to freedom of association; and EICC members are to defend the dignity of workers, to respect human and labour rights, to ensure a safe and healthy work environment, to ensure workers feel safe, to improve direct communication between workers and managers, etc. Moreover, in Guadalajara, a series of concrete recommendations regarding temporary work were formulated, ranging from the need to clarify where in the supply chain the use of temporary workers is the biggest problem; the need to develop with industry legal experts and stakeholders a common definition for when temporary work becomes permanent labour; the suggestion that companies should aim for a maximum of 30% temporary workforce; to the recognition that outside of peak season, companies should agree to an acceptable maximum percentage of temporary labour. In Guadalajara, there was discussion about whether companies can provide breakdown statistics regarding regular and temporary labour or use aggregated statistics.

Since the Guadalajara meeting, however, neither EICC nor individual member companies have made convincing headway on this issue.

Important considerations and goals for makeITfair and GoodElectronics for the 2012 Round Table included:

- the principle of equal pay for equal work
- the notion that precarious or temporary workers deserve higher pay, as compensation for missing out on various benefits, and
- the abolition of student labour.

makeITfair and GoodElectronics headed for the industry to agree to substantiate the need for flexible labour by providing transparency regarding production.

⁹ http://www.fairlabor.org/sites/default/files/fla_complete_code_and_benchmarks.pdf.

2.2. SUMMARY OF KEYNOTE SPEECH

Keynote speech by Jenny Holdcroft IMF/IndustriALL Global Union (PowerPoint presentation)

Key questions

- How does temporary and agency work impact on workers' rights?
- Why is the incidence of temporary and agency work so high?
- Is the amount of precarious work justifiable?
- What needs to be done to reduce it?

What disadvantages do temporary workers face?

- Lower wages and entitlements
- Job insecurity
- Lack of training
- More health and safety problems
- Exclusion from social protection
- Discriminatory recruitment and employment practices.

The widespread use of temporary contracts and outsourcing through agencies effectively denies workers their right to freedom of association.

Why can't precarious workers exercise their union rights?

- Triangular employment relationships
- Who is the employer? Who do they bargain with?
- Catch 22: Principal employer refuses to negotiate, claiming no employment relationship; subcontractor refuses to negotiate claiming no control of terms and conditions of employment
- Legal barriers
- Restrictions on precarious workers joining unions or being covered by collective agreements
- Fear of job loss
- Dismissals for union activity disguised as contract termination.

How do companies use precarious work to resist unionisation and collective bargaining?

- Avoid a permanent workforce and hire by way of agencies, brokers, contractors
- Divide workforce by using multiple agencies
- Threaten dismissal by not renewing fixed-term contracts combined with dangling promises of possible permanent work if workers "behave"
- Create such poor conditions for non-permanent workers that high turnover results
- Take advantage of weak legal protections for precarious workers, or lack of enforcement.

Temporary work in Mexico – reports from Mexican NGO CEREAL

- Personnel outsourcing via recruitment agencies is one of the main causes of labour rights violations
- Unequal treatment of outsourced workers by the companies
- Workers are repeatedly fired and rehired to avoid employment obligations
- Overall, 60% of electronics employment is outsourced to agencies
- Jabil hires all its employees directly and does not use any agencies
- Hitachi uses three different agencies and outsources 90% of its workforce

- Foxconn's response: *"Due to our production volume fluctuation (...) we have the need to hire services from a temporary employment agency in order to face the variable volumes."*

Is this credible?

What level of temporary employment is really necessary?

Temporary work as a human rights issue

2012 Top Ten List of emerging Business and Human Rights Issues as published by the Institute for Human Rights and Business (IHRB):

No. 1 = Combating casualisation of labour and erosion of workers' rights.

UN Guiding Principles on Business and Human Rights

- Corporate responsibility to respect extends to business relationships, including labour supply
- Responsibility to act even when company is not directly contributing to impacts.

OECD Guidelines for Multinational Enterprises

- Incorporates the same principles.

ILO Standards

- C.158 Termination of Employment
"Adequate safeguards shall be provided against recourse to contracts of employment for a specified period of time, the aim of which is to avoid the protection resulting from this Convention."
- ILO Tripartite Declaration on Multinational Enterprises
"Multinational enterprises ... should endeavour to provide stable employment for their employees."
- C.181 Private Employment Agencies
"Measures shall be taken to ensure that the workers recruited by private employment agencies ... are not denied the right to freedom of association and the right to bargain collectively."

What measures have been taken?

Who do the workers bargain with?

How are companies responding?

- 'Encouraging' suppliers, including agencies and subcontractors, to abide by their own code of conduct
- Implementation of company codes is patchy and relies too heavily on self-assessment questionnaires and their own auditing
- Sole reliance on a company-driven CSR approach has proven inadequate to raising labour standards in supply chains.

April 2010: EICC Stakeholder Session in Guadalajara, Mexico: Recommendations

- Clarify where in the supply chain the use of temporary workers is the biggest problem
- Develop a common definition for when temporary work becomes permanent
- Companies should aim for a maximum of 30% temporary workforce
- Outside of peak season, companies should agree to an acceptable maximum percentage of temporary labour.

GDF Suez Global Framework Agreement

- *“GDF SUEZ recognizes the importance of secure employment for both the individual and for society through a preference for permanent, open-ended and direct employment.*
- *GDF SUEZ and all sub-contractors ... shall not seek to avoid obligations of the employer to dependent workers by disguising what would otherwise be an employment relationship or through the excessive use of temporary or agency labour.”*

Inditex/ITGLWF agree to eradicate short-term contracts

- River Rich factory in Cambodia was almost 100% short-term contracts
- Inditex agreed with ITGLWF to change the way it ordered knitwear
- River Rich agreed to give all workers permanent contracts, in stages
- *“River Rich will begin to offer workers on fixed duration contracts contracts of undetermined duration with the aim of eliminating the use of fixed duration contracts.”*

What needs to change?

- Suggestions made in this speech are included in Chapter 7: Possible steps forward.

Supreme court of India, 2 September 2011

“...this new technique of subterfuge has been adopted by some employers in recent years in order to deny the rights of the workmen under various labour statutes by showing that the workmen concerned are not their employees but are the employees of a contractor. ...

Globalisation in the name of growth cannot be at the human cost of exploitation of workers.”

2.3. HIGHLIGHTS OF THE DISCUSSION

On the basis of the programme background and the keynote speech, the issue of temporary and agency labour was discussed intensively during the Round Table both during the plenary sessions and in break-out groups. Representatives from industry, NGOs and trade unions expressed their views on the issue of precarious work in the electronics sector. To follow are the highlights of the discussion.

First of all, there is a need to define which workers we are talking about when we talk about temporary labour. All workers on short term contract are temporary workers, whether they are directly employed or employed indirectly by a labour agency. Most workers who are employed by a labour agency are on short term contracts, but there is also a group of regular agency workers who are on long term contracts. From a trade union/CSO perspective all short term contract workers including directly employed temporary labour fit the definition of precarious labour, as all temporary labourers miss out on benefits and rights and lack job security. Regular agency workers may be on long term contracts but are still considered vulnerable as they also miss out on labour rights.¹⁰

From the industry side, it was argued that there are clear and considerable benefits for companies to hire labour on temporary contracts. Short-term contracts enable companies to test potential employees and to discontinue contracts easily if necessary. Once workers are permanently employed, it is much more difficult to let go of people.

Another argument put forward related to current consumer demands. Brands and contract manufacturers stressed that modern consumers expect continuous innovations and short delivery times; consumer

¹⁰ Also see, ‘Temporary agency work in the electronics sector. Discriminatory practices against agency workers’ SOMO paper May 2012, page 3, table 1.

orientation is driving demand. Allegedly, varying consumer demands create production peaks that make it necessary to hire workers for a limited period of time. This labour demand can best be satisfied through hiring agency workers. In this vein it was stated that life-time employment is an outdated model. From an economic perspective, contract labour is necessary for a company to survive.

In contrast, a conscious consumer perspective was presented, arguing that there is indeed a demand for fair electronics. Demand is strongly influenced by what is offered. There would surely be takers for a ‘fair phone’.

“This [varying consumer demands and labour flexibilisation – POv] is the future lifestyle. We all have to be prepared for new working models in the future.” Company representative

However, it was also pointed out that there are business benefits to safeguarding employees. Stable employment relationships help companies to enhance skills and keep productivity levels up. A high labour turnover is not in the interest of companies.

Trade unions stressed that flexible labour does not have to be abusive labour. The issue is not flexible labour but how flexible labour is managed. IMF/IndustriALL questioned whether temporary labour in itself would qualify as a human rights violation.

An underlying problem that CSOs perceive is that companies treat labour as a commodity, and ignore the human component. Workers should be treated as human beings. Business involves risks and it is unfair to transfer such risks to labourers. Workers do not benefit from business success; they do not share in the profits; why should they have to bear the brunt of fluctuations in demand and production? Moreover, when looking at the costs of labour as a percentage of the total production costs in the electronics production, the labour component sector is very small. This is in absolute as well as in relative terms, when compared to the garment industry, for instance. CSOs argued this should allow for manoeuvring space. Ultimately, workers should benefit from business gains achieved through increases in productivity.

Another argument raised in this context was that the right to work is directly linked to fundamental labour rights, the right to freely set up and/or join a trade union and to bargain collectively in the first place. Moreover, the right to work is linked to basic rights such as the right to education, housing, healthcare, etc. Job insecurity severely restricts the possibility of enjoying these rights. Precarious labour therefore affects the wellbeing of workers on all fronts. On the other hand, with secure, direct jobs, workers will identify with the company they work for and will be able to pursue both their own interests and those of the company.

One NGO representative, himself a former agency worker, highlighted a major problem regarding temporary labour: the common practice of misusing temporary contracts. Often workers work in a factory for many years but never receive a permanent contract. That way, companies do not lose any skills as workers remain in the factory and at the same time avoid any obligations connected to permanent contracts. The company thus benefits from agency labour in a double sense while workers face a number of disadvantages.

Companies present at the Round Table confirmed that they do not have specific policies on the issue of agency labour and precarious work. The general viewpoint was that the issue is sufficiently covered by the parts of codes and audit guides that deal with wages and discrimination.

The role and responsibilities of labour agencies were discussed. Building on the vision expressed in the keynote speech, NGOs and trade unions stressed that the main problem is not the misconduct of agencies but the nature of the triangular employment relationship between workers, agencies and factories, as it sanctifies indirect work relationships and creates loopholes in the protection of workers' rights.

In contrast, company representatives stressed that hiring labour through labour agencies is perfectly legal. Furthermore, they argued that it is the responsibility of labour agencies to ensure that the rights of the workers they are employing are protected. Agency labour as such is not the problem; agency labour becomes problematic when agencies violate workers' rights. However, there are plenty of good labour agencies. One company stated that all labour agencies that have a contract with their supplier factories are audited by third parties regarding their compliance with the EICC code. CSOs countered that, as far as they are concerned, the EICC code is not an adequate standard, as the right to unionise and collective bargaining, and problems related to agency labour are not properly dealt with.

There were different views regarding setting a possible maximum percentage of temporary labour. CSOs demanded that companies should adopt clear policies on the use of temporary labour. Companies argued that it is difficult to define maximum levels of contract and agency labour. The optimum percentage would differ from sector to sector and even from company to company. However, some company representatives agreed that there is no business case for levels of temporary labour that are higher than 50 to 70%. There was general agreement on the need to limit the period of time during which workers are on short term contracts and restrict this to peak seasons. Trade unions strongly argued that the discussion on the maximum number of temporary workers should be part and parcel of collective bargaining.

It was also remarked that labour agencies have an interest in increasing their market share by increasing the number of contract labourers that are hired by factories. There is a window of opportunity to hold labour agencies accountable. It is important to encourage agencies to fulfil their responsibility towards workers. An industry voice remarked that there is a further need for national and international laws that regulate employment relationships. The joint responsibility of labour agencies and governments was stressed. Overall, CSO representatives agreed that the issue of temporary and agency labour needs to be addressed on different levels, but insisted that, in the end, temporary contracts are not an appropriate way of employing workers.

From a CSO perspective the need for flexible labour does not justify hiring temporary workers. Flexibility can also be achieved by hiring permanent employees directly through the company. Flexibilisation of labour is not inevitable, but a political decision. Companies are in the position to decide on the kind of relationship they have with workers. One argument brought up by a trade union representative in this context is that, if contract workers received the same wages and benefits and were granted the same rights as permanent workers, the incentive to hire high numbers of contract workers would be much smaller. Moreover, the amount of contract labour in many factories today far exceeds levels that would be justifiable in terms of production needs.

2.4. UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

The United Nations Guiding Principles on business and human rights were dealt with in a break-out group and frequently referred to throughout the Round Table, in particular with regard to the issue of temporary labour. It was successfully argued that temporary workers fit the definition of 'vulnerable groups' as used in the Guiding Principles.

It was recalled that the responsibility to respect human rights requires that business enterprises: (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.¹¹ Moreover, the responsibility of business enterprises to respect human rights applies to all enterprises regardless of their size, sector, operational context, ownership and structure. That would for instance include SMEs, as well as labour agencies.

EICC stressed that its mission is to support its members to develop and implement standards. The new UN framework has clear implications for the electronics sector. It will affect the EICC code of conduct, policies and tools such as the audit protocol. EICC saw a need to provide guidance to its members with regards to implementation of and risk assessment in line with the Guiding Principles.

¹¹ For more information, see: <http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf>.

3. WAGE ISSUES – MOVING TOWARDS A LIVING WAGE?

3.1. INTRODUCTION TO THE ISSUE

Another pressing issue that affects the lives of workers throughout the electronics manufacturing sector is the level of wages. In many major electronics production countries, minimum wage levels are too low to allow workers to cover their basic needs. Many workers therefore need to work excessive overtime in order to earn enough money to support themselves and their families. Recently the concept of a living wage has been attracting increased attention from various stakeholder groups. As commonly understood, a living wage should cover the basic needs of a worker and a small family and also include some discretionary income. In order to achieve fundamental improvements in regard to wage levels, awareness among companies needs to be raised. In particular, awareness is necessary regarding the fact that payment of minimum wages is often insufficient and instead living wages need to be introduced.

Important notions and goals for makeITfair and GoodElectronics include making a clear link between purchasing practices/buying models, collective bargaining, working hours and wages. In this context, it is key to relate labour costs to selling prices. It is clear that a high percentage of temporary workers with low pay undermine overall wage levels. makeITfair and GoodElectronics aimed for getting an agreement on the definition of a living wage as presented by the OECD, including discretionary income. Also, a living wage, once defined, should not be seen as a maximum wage but as a floor wage.

3.2. SUMMARY OF KEYNOTE SPEECH

Keynote speech on wage issues (PowerPoint presentation) by Alastair Usher, Ergon Associates

What are we talking about?

- Wage standards and real wage levels
- Excessive working hours?
- Wage administration and payroll
- Social security obligations?
- Agency workers' wages?
- Wage share and value distribution

Why are wages difficult for brands?

There are no “absolute” international standards on wage levels

Key factor in cost competitiveness – what does “competitive compliance” look like?

How to implement a commitment on wages?

Voluntary standards – beyond legal minima

- OECD: *“Wages [...] at least adequate to satisfy the basic needs of the workers and their families.”*
- BSCI: *“In situations in which the legal minimum wage and/or industry standards do not cover living expenses and provide some additional disposable income, supplier companies are further encouraged to provide their employees with adequate compensation to meet these needs.”*
- ETI: *“Enough to meet basic needs and to provide some discretionary income.”*
- SA8000 certified: *“Sufficient to meet the basic needs of personnel and to provide some discretionary income.”*



A Living Wage: A wage that provides for an average family unit’s basic needs:

- Cost of housing, energy, nutrition, clothing, healthcare, education, drinking water, transport, childcare
- Discretionary income (savings)
- Calculated to cover care of dependents (consumption units)
- Divided by the average number of adult wage earners in family unit.

Business rationale for addressing wages

- Easier recruitment and retention, reducing recruitment and re-training costs
- Reduction in sickness and absenteeism
- Higher quality staff due to improved attraction, retention and commitment: “employer of preference”
- Improved work quality, productivity, motivation and loyalty
- Improved implementation of new working practices (approach to change)
- Reputational benefits
- Improved relations with employees, communities and shareholders
- Increased consumer spending power/aggregate demand: important local “multiplier effects”.

Final remarks

- Wages are a real issue. As production moves to cost competitive locations, this issue will not disappear, and will likely increase in importance.
- Collective bargaining is the efficient mechanism for wage setting in light of local cost of living/basic needs.
- Living wage = basic needs + discretionary income. There is a clear basis for living wage determination, and many countries have credible basic needs benchmarks.
- Map > benchmark > analyse > consider improvements.
- Improvement more important than finding the ‘perfect calculation’.

3.3. HIGHLIGHTS OF THE DISCUSSION

On the basis of the programme background and the keynote speech, the issue of wages was discussed intensively during the Round Table both during the plenary sessions and in break-out groups. Representatives from industry, NGOs and trade unions expressed their views on the issue of living wages in the electronics sector. To follow are the highlights of the discussion.

One company representative strongly argued that governments are responsible for ensuring decent wage levels by setting appropriate minimum wages, stressing further that there is no role here for companies

In response, CSOs argued that the main problem is that government regulation is either insufficient or not adequately enforced. In many countries, minimum wages are far too low. Referring to minimum wages is no excuse for a company to pay wages that are too low. Companies should not simply follow minimum wage regulation, but they should assess the adequacy of the minimum wage and pay more if it seems necessary. Furthermore, CSO representatives highlighted that businesses want to force down the

minimum wage and threaten governments with leaving the country if minimum wages are raised. Opposition from the business sectors in terms of raising minimum wages is a major problem.

Participants at the Round Table agreed that the discussion on living wages needs to be connected to the issue of working hours and that these two issues can only be solved together. The reason why many workers work excessive overtime is that it is the only way for them to earn enough money to cover their basic living expenses. Without overtime, many workers would be unable to support their families. It is thus not possible to reduce working hours without raising wages.

CSOs would like to see industry taking steps to close the gap between current wages and living wage. Across the board industry representatives agreed that sufficient benchmark data exist; at factory level wage levels are well known. These data can indeed be used to support discussions with regard to the gap between living wage and actual wage levels, for instance by drawing up wage ladders. Also, these data can serve to build a business case on why paying a living wage makes sense. Factors to take into account include productivity, turnover, product quality, markets for products (workers become consumers), supply safety for brands, training costs, etc. There are existing projects that can be used as examples on how to model business benefit. The suggestion was made, for instance, that the HERproject by BSR could expand from health to wages.¹²

In this context the Asian Floor Wage initiative was presented and discussed extensively. In 2009 a large Asian alliance of unions and labour-rights activists defined and calculated a floor wage (minimum living wage) for Asian garment workers. The Asian Floor Wage initiative is an attempt to break open the stalled living wage debate. The floor wage is designed to guarantee that workers receive enough to meet basic needs for themselves and their families. It translates into different local currencies through the PPP (Purchasing Power Parity) conversion factor for each country.

Until recently, most company codes of conduct referred to the legal minimum or prevailing industry standards for defining wage levels. Now more and more attention is being paid to the concept of a living wage. However, there are several reasons why progress regarding wages has been slow:

- Companies argue that there is no living wage definition, basic needs are always different and vary from country to country.
- Companies argue they do not want to endorse an aspirational standard, but only endorse a standard that can be defined, implemented and monitored.
- Companies and trade unions argue that wages should be determined through local bargaining. The problem, however, is that local unions have hardly any bargaining power at a factory level. Bargaining power only exists when different unions are bargaining collectively at a national level, for example, when setting the minimum wage.

The Asian Floor Wage model is trying to deal with all of these areas:

- Local groups in Asia should set the wage standard, Setting wage levels should be an Asian-driven process.
- It gives a clear definition and calculation of a living wage (see below).
- It focuses on the tension between the local and the global. This tension often makes it difficult for local actors to negotiate wage raises: if a wage struggle is won, there is a risk that the company will move on to another country. Therefore it is necessary that workers from different countries cooperate and engage in collective efforts to increase wage levels across the whole region.

¹² Launched in 2007 in China, BSR's HERproject links multinational companies and their factories to local NGOs to create sustainable workplace programs that increase women's health awareness. For more information, see: <http://herproject.org/>.

In order to calculate a living wage, the Asian Floor Wage model departs from the cost of food. Calories are taken as the main standard. Calculating the living wage for one day departs from the price for food containing 3,000 calories. Food is considered to amount to 50% of a worker's income. The price for 3,000 calories of food therefore needs to be doubled. As wages should not only cover the expenses of one person but of a small family, this amount needs to be multiplied by the factor of three. The living wage per day can thus be calculated as follows: Price of food containing 3,000 calories x 2 x 3. In 2009, the formula was 475 PPP\$. The minimum living wage benchmarks for 2011 and 2012 are based on the same definition but adjusted for two years of inflation - reaching 540 PPP\$ for 2011.

Apart from this clear definition of a living wage, it is also central for the Asian Floor Wage Campaign to find a strategy to deal locally with the flexibility of global industries. The aim is to engage global industry in bargaining and to involve global groups in local bargaining. The campaign tries to problematise the issue of relocation of production: bargaining should not be limited to a national level but instead a transnational perspective is necessary. For winning local battles, global supply chain strategies are necessary. It is important that workers in different countries unite in order to formulate common demands.¹³

Companies at the 2012 Round Table showed a strong interest in the Asian Floor Wage model. They agreed that the model needs to be studied further, especially in regard to how it can be applied to the electronics sector. Pilot projects are necessary in order to test the implementation of living wages. It is also necessary to educate companies regarding existing models and initiatives for calculating and implementing a living wage.

¹³ For more information, see: <http://www.asiafloorwage.org/index.htm>.

4. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

4.1. INTRODUCTION TO THE ISSUE

A paper that was published by SOMO in May 2012 served as background to the discussions on freedom of association and collective bargaining at the May 2012 Round Table. ‘Freedom of association in the electronics industry’ is based on extensive and on-going research carried out since 2004. This research shows that workers in the electronics industry are categorically denied the right to associate freely and bargain collectively. Workers in electronics companies are usually not allowed to elect their own representatives; nor are they able to communicate, let alone negotiate, with management. The absence of these rights makes it almost impossible for workers to improve their working conditions. These findings are in sharp contrast with reports from electronics brand companies, which claim that compliance of their suppliers with freedom of association and, in some cases collective bargaining, is high. SOMO concludes that freedom of association is often not well defined in codes, it is not well audited, and violations are not addressed in most cases.¹⁴

The EICC Code of Conduct 4.0 includes reference to freedom of association: *“Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. The rights of workers to associate freely, join or not join labor unions, seek representation, and join workers’ councils in accordance with local laws shall be respected. Workers shall be able to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment.”*¹⁵ CSOs, including trade unions, have repeatedly criticised the EICC for not including the right to collective bargaining, for using ambiguous language and for referring specifically to local laws, which could curtail the right to association. So far, CSO proposals for upgrading the EICC code on this point have not been included.

During the Round Table, a panel discussion was organised allowing representatives from CSOs in electronics production countries to present their views on the situation regarding freedom of association and collective bargaining in their respective countries. Corporate representatives commented upon the CSO presentations. In the course of the Round Table additional information with regard to the specific situations in the different countries was shared.

4.2. CHINA

The Chinese government has not ratified the ILO conventions 87 and 98, which are related to freedom of association and the right to collective bargaining. Only one state-controlled trade union, the All-China Federation of Trade Unions (ACFTU), exists. Workers are thus not free to join the trade union they want to join. There are on-going violations of trade union rights and labour rights in China.

4.3. MEXICO

In Mexico, the number of workers in unions is low and anti-union activities by companies, as well as by the government, are high. Only 8% of the unions in the country are democratic. Most are controlled by government and have no regular meetings or elections. Some unions are controlled by companies. Furthermore so-called “ghost unions” exist in order to avoid the formation of real unions. Ghost unions

¹⁴ http://somo.nl/publications-en/Publication_3804/at_download/fullfile.

¹⁵ <http://www.eicc.info/documents/EICCCodeofConductEnglish.pdf>

are unions that are officially registered as trade unions but do not actually exist. In Mexico, the right to belong to a union exists only on paper. At a company level, misinformation and misunderstanding regarding unions prevail. Companies often argue that good complaint systems are enough and would substitute the need to form a union.

In *The crisis that never went away: Labour conditions in the Mexican electronics industry* the December 2011 report by CEREAL, the top three most pressing issues in the domain of labour rights in the electronic industry in Mexico are presented as follows: phantom unions and lack of freedom of association; low wages; and the excessive use of temporary work.¹⁶



“Many issues that we are pursuing as an NGO could be resolved if a union would exist, such as for example wage issues and entitlement for paid holiday.” NGO representative

4.4. INDIA

In India, the right to join a trade union is laid down in the constitution. Furthermore, the Industrial Dispute Act defines any attempt to curtail the rights of workers and trade unions as an unfair labour practice. The situation for unions in the Indian mobile phone manufacturing sector is not good. Out of five companies in the NOKIA Special Economic Zone, only two have unions. The installation of unions in those two companies was the result of continuous protests and strikes – the result of a long workers’ struggle during which many workers were dismissed. Strong anti-union attitudes by companies also prevail in India. Contract workers are not allowed to join a union because the company argues that they are not the worker’s principle employers. Workers who tried to join a union have been dismissed.

¹⁶ For full report see, http://goodelectronics.org/news-en/the-crisis-that-never-went-away-report-on-labour-conditions-in-the-mexican-electronics-industry/at_download/attachment.

4.5. THE PHILIPPINES

Despite the fact that the Philippines has signed ILO conventions on union rights, it is hard to join a union in the country. This is especially the case in export processing zones, in which “no union, no strike policies” are common. Union busting and discrimination against union members prevail. Companies employ various different strategies for avoiding the unionisation of their workforce. One strategy is that, as in Mexico, the company sets up ghost unions that are officially registered but do not really exist.

4.6. THAILAND

More than half of the approximately 500,000 workers in the electronics industry in Thailand are agency workers. Just like migrant workers, they are not organised or unionised. Migrant workers and contract workers are denied the right to form a union. Unionisation levels are very low, at around 1.3%. Workers who struggle to set up unions are accused of creating an anti-investment climate. Union busting practices exist. One strategy is the criminalisation of union activists. There is collusion between employers, government officials and the police. So-called “labour management trainings” are held in order to teach managers how to suppress unions.

“In Thailand, workers are seen as enemies, not as partners. The only solution for workers is to get together and organise. Organise! Organise!” Labour activist

Short-term contract workers or flexible workers have become quite popular among employers, as they reduce the cost of production. Because migrant workers in Thailand – if they are registered at all – only have temporary permits, they are by definition contract workers. Thailand has about two million workers from neighbouring countries like Burma, Laos and Cambodia. Labour experts forecast an increase in the use of contract workers. The high number of contract workers (around 60%) reduces the collective bargaining power of workers.

During the 2011 flooding crisis, contract workers were hit hard; most of them did not get the pay compensation of 75% of their wages that regular workers received during suspension of production. Another vulnerable group are workers of 45 years and older. They are often the first ones to be laid off, while their chances of finding new employment are effectively slimmer.¹⁷

“Minimum wages for Asian electronics workers amount to an average of \$120 a month. Workers who are protected by collective bargaining agreements may earn on average around \$240 a month. This is a clear argument in favour of unionisation.” Trade union representative

4.7. HIGHLIGHTS OF THE DISCUSSION

On the basis of the programme background and the country-specific presentations freedom of association and the right to collective bargaining were discussed intensively during the Round Table. Representatives from industry, NGOs and trade unions expressed their views on these issues. To follow are the highlights of this discussion.

¹⁷ For more information, see GoodElectronics. On the Spot: Labour issues in the Thai electronics industry, April 2012 <http://goodelectronics.org/news-en/labour-issues-in-the-thai-electronics-industry>.

During the Round Table meeting, participants agreed that there is no 'one size fits all' solution to labour rights issues. The situation varies from country to country. Country differences in particular exist with regard to freedom of association and collective bargaining.



Where CSO see a clear catalyst role for trade unions, among the companies present, there were two diverging views on union rights. According to one view, trade unions are not necessarily the right response for solving labour right problems. In Mexico, for instance, union leaders were seen as only striving to serve their own benefits. Unions were seen as undemocratic and decisions were seen as being taken without worker participation. One company argued that NGOs are increasingly taking over union activities. According to this view, NGOs refuse to recognise that companies put a lot of effort into hearing from the workers and making them feel that they have a voice. According to this viewpoint, employees do not want to join a union because unions only benefit union leaders rather than employees.

On the other hand, some companies acknowledged the importance of trade unions. Two companies specifically stressed that their companies use the EICC code but have added the element of freedom of association and collective bargaining activities. According to this view, a good understanding between union and management is important for resolving labour rights issues. Dialogue with unions is important in order to achieve a prosperous economy for all members involved. Collective agreements lead to satisfaction for everybody. Restricting the right to unionise is seen as a major problem. Companies are responsible for the workers in their supply chain understanding their rights. Raising awareness about union rights among management and workers is necessary to move forward. Furthermore, companies should advocate the possibility of unionising in their public policy.

The roles of companies regarding unions were discussed. Some companies stated that they support workers' efforts to form a union. IMF/IndustriALL Global Union made it very clear, however, that companies cannot set up unions. In fact, all participants agreed that it is not the role of the company to form a union. As a principle, the formation of a union should be a bottom-up process initiated by workers. IMF/IndustriALL stressed that they have affiliated trade unions in many electronics production countries, and that they can help companies to identify trade unions in their respective sourcing countries.

Company representatives argued that not much can be expected from them regarding freedom of association when operating in countries with stringent labour law, such as in China. This was countered by CSOs, which stress that there is always space for parallel means. Reference was made to the ETI base code, which runs as follows: *“Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.”*¹⁸

Company representatives also mentioned that they are unable to change legal restrictions against forming independent unions that exist in China. Company representatives were doubtful whether one individual company can be instrumental in changing the law. On the other hand, CSOs stressed that companies can have a major influence over public policy-makers. There are positive examples of companies calling for the release of political prisoners, for example.

NGOs and trade unions highlighted the importance of differentiating between company communication channels (workers communicate with management, for instance via hotlines) versus the fundamental right to form and join a union. The fundamental right to unionise exists independently of whether workers form or join a union. Workers have the right to unionise and therefore companies need to allow unionisation.

“Internal grievance mechanisms are good but do take away responsibility to grant workers a right to unionise. Worker committees are no substitute for an independent trade union. There is a right to unionise – whether workers exercise it or not!” NGO representative

CSO participants pointed out that there is a discrepancy regarding company audits and CSO research in regard to freedom of association. While CSOs have identified limitations in the right to unionise as one of the main labour rights problems, company audits show very low non-compliance in this respect. A company representative highlighted that companies need to improve methods of detecting freedom of association issues.

¹⁸ <http://www.ethicaltrade.org/eti-base-code>.

CSOs stressed that, in many countries, active repression against unions is common. Businesses have to take some responsibility for tackling this problem. This would require developing guidelines about how companies could support workers, to install policies that ensure that workers are not fired for union activities, and to engage in proactive work to build dialogue between management and workers. Another NGO representative stressed that large companies have a significant influence over public policy decisions. Furthermore, companies are part of trade associations that are even more powerful. Guiding Principles on Business and Human Rights highlight the responsibility of companies to respect human rights, independently of what governments are doing.

“Respecting national law, doesn’t mean that companies have to do every bad thing which national laws allow you to do.” Trade union representative

Many possible actions and interventions related to freedom of association and collective bargaining were discussed, such as including freedom of association in auditing procedures, providing stringent auditor trainings on this topic, and monitoring of audits (See Chapter 7: Possible steps forward). Without denying the importance of such steps, IMF/IndustriALL made a very strong call to understand freedom of association as it is meant. The essence of freedom of association is: independent trade unions set up by workers that can bargain on working conditions and wages on behalf of the workers. No worker-management communication programme or auditing scheme can beat that. If ultimately labour rights are to be respected and fair wages are to be earned in the electronics sector, the industry should dare to stand above the compliance model and ensure that freedom of association and collective bargaining are commonplace in their workforces.

5. PROTEST LETTER REGARDING THE 55TH SAMSUNG OCCUPATIONAL CANCER VICTIM

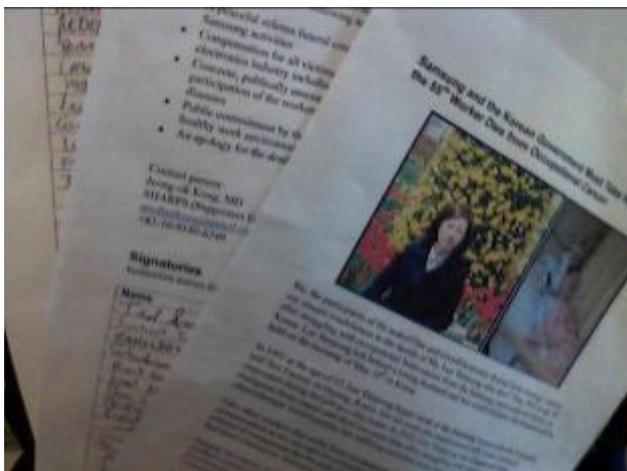
At the Round Table meeting, Dr Jeong-ok Kong, an occupational health physician who is attached to the Korean Institute for Labor Safety and Health (KILSH) as well as to Supporters of Health and Rights of People in the Semiconductor Industry (SHARPS), informed the audience about the unfortunate death of Ms Lee Yunjeong. A former Samsung worker, Lee Yunjeong died on 7 May 2012 at the age of 32, after struggling with occupational brain cancer. SHARPS is keeping track of the occupational cancer victims at Samsung. Ms Lee is the 55th victim to date.

In 1997, at the age of 17, Lee Yunjeong began work at the Samsung Semiconductor Assembly and Test Factory in Onyang, Korea. For six years she experienced daily toxic chemical exposure during her job as a chip tester. In 2010, Lee Yunjeong was diagnosed with malignant brain cancer. She underwent surgery and chemotherapy but to no avail.

At the Round Table, Dr Kong related how Lee Yunjeong had applied for workers' compensation at the relevant government department. However, the Korean government refused to compensate her because she could not prove which specific toxic chemicals she had been exposed to. Samsung supported the government's decision. In 2011, despite her illness, Lee Yunjeong filed a lawsuit against the government's denial of workers' compensation. Samsung lawyers fought against the lawsuit on behalf of the government, arguing that no compensation should be provided to Lee Yunjeong or her family. Unfortunately, Lee Yunjeong died before the lawsuit could be decided.

Dr Kong called upon the Round Table participants to sign a protest letter: 'Samsung and the Korean Government Must Take Responsibility as the 55th Worker Dies from Occupational Cancer'. Demands formulated in the letter included:

- Compensation for all victims of occupational diseases, particularly those from the electronics industry, including Samsung
- Concrete, publicly announced actions by Samsung, accompanied by substantial participation of the workers to prevent toxic chemical exposures and occupational diseases
- Public commitment by the Korean government and Samsung that the right to a safe and healthy work environment is a fundamental human right.¹⁹



¹⁹ For more information, see <http://stopsamsung.wordpress.com/2012/05/09/protest-letters-from-the-participants-of-the-makeitfair-and-goodelectronics-round-table-meeting-on-the-death-of-lee-yunjeong/>.

6. CONCLUDING REMARKS

Generally, all participants agreed that the Round Table was a useful meeting. The different stakeholders do not often meet face to face, and this opportunity to meet, connect and discuss in a multi-stakeholder setting was appreciated. The exchanges were appreciated for their informative and practical character. The information on the Asian Floor Wage campaign and the IDH programme in China in particular were appreciated. From an investor perspective it was remarked that the shared information and analysis concerning temporary labour and wage issues is most relevant with regard to investment decisions.

The need to foster mutual trust and understanding was, again, mentioned as being important. Especially on the ground, trade unions and labour groups experience on a daily basis how hard it is to get through to companies, in particular to big brands, with information about violations and abuses. Language forms a practical obstacle. CSO participants made the case that employers seem to look upon workers as enemies, not as partners.

The big brands expressed the hope that CSOs may come to understand the complexity of pushing corporate accountability issues in the supply chain. It was also acknowledged that the corporate representatives that participated in the Round Table may have difficulties in successfully passing on the messages and insights acquired within their respective companies.

It was expressly regretted that a number of major players did not join the Round Table.

“It is interesting to see that there are companies that are sincere. I have never seen this sincerity before. I hope this kind of effort will not be undermined by other companies that are not here.” CSO participant

It remains to be seen to what extent all participants will succeed in keeping in touch. People were saying that follow-up meetings on a yearly or bi/annual basis would be appreciated. At the same time, CSOs clearly indicated that they were not interested in going through the motions of meeting, presenting problems and exchanging views, when companies fail to make progress in improving labour conditions in their supply chain. To illustrate the CSO concerns the Soesterberg Principle was recalled. This Electronic Sustainability Commitment was adopted by the Trans-Atlantic Network for Clean Production on 16 May 1999, and runs as follows: *“Each new generation of technical improvements in electronic products should include parallel and proportional improvements in environmental, health and safety as well as social justice attributes”*.²⁰

While some corporate representatives acknowledged that there is still a long way to go towards respecting labour rights in the global electronics sector, others stressed that a lot has already been achieved, both by individual companies and by the industry associations. It was mentioned for instance that since the start of EICC contact between brands and contract manufacturers has tremendously developed. Industry representatives spoke of the need ‘to get there gradually’. On the whole, the industry did not seem to be sharing the sense of urgency that trade unions or CSOs conveyed. A lone corporate voice clearly said to feel the push and the need to speed up with the implementation of freedom of association and collective bargaining.

Trade unions and NGOs alike emphasised the need to look upon workers as rights holders. This, however, seemed somewhat of an alien/new concept to the industry at large, although it is part and parcel

²⁰ <http://www.cleanproduction.org/Electronics.Green.php>

of the UN Guiding Principles on Business and Human Rights. The interest of the EICC and individual companies in looking at how to apply the UN Guiding Principles with regard to temporary labour was therefore welcomed.

A concern expressed by CSOs dealt with the voluntary nature of contemporary CSR initiatives and codes. In the view of CSOs, trade unions in particular, the compliance approach is not the right way to further freedom of association, deal with wage issues or resolve issues around temporary labour. Companies should stand above just ticking a box on an audit list. A comprehensive approach, including a broad human rights perspective based on internationally agreed human rights standards, is needed. It should not be a question of mitigating and managing discrepancies – that is too minimalistic an approach. Over-focusing on tools is not the right way forward.

Some companies questioned the idea that codes of conducts should be purely voluntary. It was brought forward that, in some respects, regulation and clear legal frameworks may be necessary as certain issues cannot be fixed by voluntary initiatives alone. This was, however, not a generally shared notion among the corporate participants

“CSR is a voluntary issue for companies and it should remain like that also in the future. In certain aspects, however, it could be helpful to have some slight regulation in order to move things forward.” Company representative

7. POSSIBLE STEPS FORWARD

A great number of possible steps forward were discussed at the Round Table, most of them put forward by the CSO representatives present. Many suggestions had been made before, at previous occasions including the makeITfair and GoodElectronics 2009 Round Table and the EICC stakeholder meeting in Guadalajara of April 2010. As many of these suggestions have not yet been put to practice, they were presented anew. There are clear leads for further discussion and engagement between the industry and CSOs and substantial proposals for electronics companies to work on, even though none of the possible steps that were passed in review at this Round Table were accompanied by concrete undertakings.

Distinction is made here between suggestions that met some interest and support by the industry, and other proposals put forward by CSO that did not yet earn the industry's applause.

7.1. GENERAL SUGGESTIONS

Proposed steps forward that met corporate support

- Companies, both brands and suppliers, to **engage with CSOs, including trade unions**, on an on-going basis.
- Company representatives to **bring information and insights back to their respective companies as well as to the EICC** to bring things forward.
- **EICC to provide a platform** for further discussion on the topics that were discussed at the Round Table.
- Companies to **look into and learn from relevant CSR initiatives in other sectors**. The **Asian Floor Wage** initiative was qualified as most useful, for instance.²¹
- Electronics companies to **apply the UN Guiding Principles on Business and Human Rights**. **By performing human rights due diligence** electronics companies can minimise the actual and potential risks of human rights violations. Due diligence would include carrying out risk assessments, before investing and/or sourcing in a country, and looking into relevant labour laws and practices. According to EICC, this new framework has clear implications for the electronics sector. It will affect the EICC code of conduct, policies and tools such as the audit protocol.
- Company and industry codes of conducts are purely voluntary. In addition, **regulation and clear legal frameworks** need to be developed.

Other CSO proposals

- The electronics industry to **consider the total human costs of electronics production**, including costs of **occupational and environmental health and safety**.
- Electronics industry and CSOs to **define clear and measurable improvements** and to measure corporate efforts against such benchmarks.
- Companies to **respond to CSO requests for information and corrective action**, as well as to initiatives for dialogue.

²¹ At the EICC membership meeting in July 2012, for instance, makeITfair partner Swedwatch made a presentation about the application of the UN Guiding Principles on Business and Human Rights in the garment sector.

7.2. SUGGESTIONS WITH REGARD TO MULTI-STAKEHOLDER INITIATIVES

Proposed steps forward that met corporate support

- EICC to internally re-evaluate its governance model. EICC to **involve stakeholders** in these to and communicate about the progress in evaluation and updating.

Other CSO proposals

- While updating its **governance model**, EICC should take the tripartite governance model of the Ethical Trading Initiative (ETI) as an example.
- The electronics industry to practise **transparency** and share detailed supply chain information with CSO stakeholders.

7.3. SUGGESTIONS WITH REGARD TO TEMPORARY LABOUR

Proposed steps forward that met corporate support

- Electronics companies to **carry out a risk assessment** of the potential human rights violations **relating to temporary (agency) labour**, based on the premise that temporary workers fit the definition of ‘vulnerable groups’ as used in the UN Guiding Principles on Business and Human Rights.
- EICC to **take up temporary labour as a guinea pig topic for the application of the UN Guiding Principles in the electronics sector**. To discuss at the July 2012 EICC membership meeting.²²
- Electronics companies to **carry out a gap analysis regarding numbers and rights of temporary workers and permanent workers**. EICC as well as individual companies to develop policies and tools to this end. The electronics sector, together with stakeholders, to develop a framework that defines when temporary work needs to become permanent labour linked to legal definitions.
- Electronics companies to **ensure permanent workers and agency workers receive the same rights and benefits**, on the basis of the **principle of equal pay for equal work**.
- Companies to **reduce the periods of excessive temporary worker use**.
- Electronics companies/EICC to **develop a business case that excludes the use of short term labour**, taking into account training and retention costs.
- Electronics companies to **encourage labour agencies to fulfil their responsibility towards workers and look into auditing and certification of labour agencies**. Companies to **facilitate training for recruitment agencies** on implementation of codes of conduct. As the occasion arises electronics companies should **hold labour agencies accountable** for labour abuses.

Other CSO suggestions

- Electronics companies to **bring down the extent of precarious work by reducing the incidence of temporary work to genuine operational requirements**. Companies to **agree to an acceptable maximum per temporary workforce** during as well as outside the peak season. Some company representatives agreed that there is no business case for levels of temporary labour that are higher than 50 to 70%. Tentatively maxima of 15-30% were mentioned.
- Brands to **communicate** to their suppliers the need to stop the excessive use of temporary contracts.

²² GoodElectronics members CAFOD, IMF/IndustriALL and ICCR were invited to the July 2012 EICC membership meeting and participated in in-depth discussion on the application of the UN Guiding Principles on Business and Human Rights.

- Electronic companies to **collect and disclose data on numbers and percentages of temporary workers** for production sites as well as on a per country basis, in a joint, regional or even sector-wide collaborative approach.
- **Electronics companies and EICC to complement codes of conduct** with detailed sections on temporary labour/employment relationships and adapt audit systems accordingly.
- Companies to **investigate and address the specific needs of temporary workers** in their supply chain, specifically including **migrant workers**

7.4. SUGGESTIONS WITH REGARD TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Proposed steps forward that met corporate support

- Companies to **play a constructive and facilitating role in informing, training and empowering workers with regard to their rights.**
- Companies **not to meddle in forming or running unions.**

Other CSO proposals

- Companies to **stand above the minimalistic compliance approach.**
- Electronics companies to **respect the right of all workers to form and join trade unions of their choice and to bargain collectively** – on the level of companies’ own operations, those of their contractors and subcontractors, and in their supply chain. Companies to facilitate training by specialised organisations for both management and workers with regard to workers’ representation. Companies to **actively protect workers** that join a trade union, speak openly with management, or file a complaint.
- Companies to **allow and/or push for democratic worker elections.** This is particularly important in China, where freedom of association is restricted. Where relevant, companies to **promote ‘parallel means’** for independent and free association and bargaining.
- Companies to **remove barriers to unionisation for temporary workers and migrant workers** in their supply chain.
- Before investing and/or sourcing in a country, electronics companies to **carry out a risk assessment** of the potential human rights violations relating to freedom of association. Companies to take into account country-specific constraints such as the no-union-no-strike policy in export processing zones in the Philippines or the ghost unions in Mexico.
- **EICC** as well as individual companies to **include stronger language on freedom of association and collective bargaining in the code of conduct** at the next code review. Verbatim suggestion by makeITfair and GoodElectronics in 2011, in line with the proposal by IndustriALL: *“Participants are to respect the right of all workers to form and join trade unions of their choice and to bargain collectively in accordance with ILO Conventions 87 and 98. In cases where freedom of association and collective bargaining are restricted by law, participants will facilitate parallel means of independent and free association and bargaining. Workers and their representatives shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation discrimination or harassment.”*
- EICC, as well as individual companies, to **improve audits and audit guidance – for these to be instrumental in detecting violations of freedom of association.** This entails a number of elements, including good auditor training; country-specific auditor guidance on freedom of association; allowing for a reasonable amount of time for audits; collaborating with CSOs including trade unions; off-site workers’ interviews; looking into relationships between management and trade unions; checking the quality of collective bargaining agreements and the adherence to these; etc.

- Companies to **define corrective action plans** when non-compliances on freedom of association and collective bargaining are found and to **publicly report** on these. Companies to **ensure that workers are made aware of audit findings and corrective action plans**.
- Companies to **ensure effective independent complaint mechanisms are in place** to give workers a possibility to complain in case of violations and to check if indeed improvements are being done.
- Brand companies to **broadcast the message that freedom of association and collective bargaining are among the most important labour rights that need to be upheld.**²³

7.5. SUGGESTIONS WITH REGARD TO WAGES/LIVING WAGE

Suggestions that met corporate support

- Companies and CSOs to **proceed discussing and resolving wage and living wage issues in connection to problems with regard to working hours and overtime**.
- Companies to **get educated** regarding existing models and initiatives for calculating and implementing a living wage, including working with wage ladders. Companies to **study the Asian Floor Wage model**.
- EICC and/or individual companies to **set up pilot projects test the implementation of living wages**.

Other CSO proposals

- Electronics companies to carry out a **risk assessment** of the potential human rights violations, before investing/sourcing in a country, looking into relevant labour laws and practices relating to wages.
- Companies should **promote collective bargaining** to improve wages and conditions for all workers in their supply chain. Brands to make binding agreements with suppliers, agencies and contractors in respect of freedom of association.
- Electronics companies to make a concerted corporate effort to **test the payment of industry floor wages**, to see what difference that would make for workers as well as for the business.

²³ For more information, see also http://somo.nl/publications-en/Publication_3804/at_download/fullfile.

ANNEXES

ANNEX 1: LIST OF PARTICIPANTS

Organisation / Company	Family name	First name	Country
Civil Society Organisations (CSOs)			
achACT	Caudron	Jean-Marc	Belgium
Association of Conscious Consumers ACC	Perényi	Zsófia	Hungary
CAFOD	Lindsay	Anne	UK
CBBRC / Integrated Philippines Electronics Network iPEN	Simplina	Helen	Philippines
Centro de Reflexión y Acción Laboral CEREAL	Reyes Linares	Pedro Antonio	Mexico
Centro de Reflexión y Acción Laboral CEREAL	Burgueño González	Felipe	Mexico
Cividep	Ceresna-Chaturvedi	Laura	India
Coalicion de Extrabajadores y Trabajadores de la Industria Electrónica Nacional CETIEN	Cajero Cantor	Maria de Lourdes	Mexico
Danwatch	Rasmussen	Jacob	Denmark
EIEUSRPM - Electronics Industry Employee's Union Southern Region Peninsular Malaysia	Ahmad	Mohd Salleh	Malaysia
Electronic Industry Employees Union	Periera	Bruno	Malaysia
Ergon Associates	Usher	Alastair	UK
Ethical Trading Initiative ETI	Kessler	Dimitri	China/Hong Kong
Fair Trade Centre	Elfstrom Fauré	Eléonore	Sweden
FinnWatch	Purje	Henri	Finland
FNV Bondgenoten	Kaag	Astrid	Netherlands
FNV Mondiaal	Nommensen	Andriette	Netherlands
Foundation Centrum CSR	Piskalski	Gregor	Poland
German Watch	Heydenreich	Cornelia	Germany
Global Nature Fund	Hartmann	Tobias	Germany
Globalization Monitor	Wong	May	China/Hong Kong
GoodElectronics Network	Overeem	Pauline	Netherlands
IMF/IndustriALL Global Union	Holdcroft	Jenny	Switzerland
IMF/IndustriALL Global Union	Matsuzaki	Kan	Switzerland
International Campaign for Responsible Technology ICRT	Smith	Ted	USA
ITUC/GUF Hong Kong Liaison Office IHLO	Chan	Vikki	China/Hong Kong

Jongeren Milieu Aktief JMA	Gankema	Paulien	Netherlands
Korean Institute of Labor Health and Safety KILHS	Kong	Jeong-ok	South Korea
Maquila Solidarity Network MSN	Yanz	Lynda	Canada
Network of Action for Migrants in Malaysia NAMM	Fernandez	Charles Hector	Malaysia
NXP MWAP / Integrated Philippines Electronics Network iPEN	Alcantara	Reden	Philippines
Oxfam GB	Wilshaw	Rachel	UK
Pro Ethical Trade Finland EETTI	Staffans	Lotta	Finland
Rank a Brand Foundation	Oskam	Niels	Netherlands
Rank a Brand Foundation	van Schaaijk	Imke	Netherlands
Solidarity Center Thailand / GoodElectronics Thailand GET	Silapong	Sakoldet	Thailand
SOMO	Schipper	Irene	Netherlands
SOMO	de Haan	Esther	Netherlands
Students and Scholars Against Corporate Misbehaviour SACOM	Chan Sze Wan	Debby	China/Hong Kong
Swedwatch	Kakuli	Anna	Sweden
Swedwatch	Ewing	Jonathan	Sweden
UNITE	O'Gallagher	Kevin	UK
Women and Men Progressive Movement Foundation / GoodElectronics Thailand GET	Trakoonhutip	Suchart	Thailand
Worker Rights Consortiu WRC / GoodElectronics Thailand GET	Gehrt	Bent	Thailand
Workers Assistance Center WAC / Integrated Philippines Electronics Network iPEN	Tuico	Cecilia	Philippines
Electronics industry			
HP	Turner	Mike	USA
Belgacom	van Asselberghs	Lutgart	Belgium
Dell	Allen	Susie	USA
Deutsche Telekom / GeSI rep. Co-Chair Supply Chain Working Group	Veloso	Antonio	Germany
EICC	Dittmer	Wendy	USA
Flextronics	Kercsmar	Rita	Hungary
Flextronics	Nardecchia	Sebastian	USA
Flextronics	Solorio	Karelli	Hungary
Jabil	Elder	Graeme	Scotland
KPN	Rutten	Edwin	Netherlands

Stand above this!

LG Electronics	Albuquerque	Claudia	Netherlands
Medtronic	Light	Kiersten	USA
Microsoft	Digenan	John	USA
Philips	Cornelissen	Emile	Netherlands
RIM	Bawden	Arnie	England
Samsung	Skeates	Bill	Europe
Sony	Tomita	Hidemi	Japan
Sony	Loen	Frans	Germany
STMicroelectronics	Cacciatore	Kate	Switzerland
Vodafone	de Jong	Martin	Netherlands
Vodafone	Shah	Paras	UK
Other			
ASN Bank	Van der Zwaan-Plagman	Hansje	Netherlands
FLA - Fair Labor Association	Brindle-Khym	HeeWon	USA
Harris Services	Harris	Anthony	UK
IDH	Lempers	Monique	Netherlands
IDH	Bosgra	Esther	Netherlands
Infact	Spaulding	Ian	China/Hong Kong
Institut für Sozialforschung	Pawlicki	Peter	Germany
Oekom Research AG	Rühle	Philipp	Germany
State University of New York	Sonnenfeld	David	USA
Sustainalytics BV	Koizumi	Reginald	Netherlands
University of Manchester, School of Environment and Development	Raj	Gale	UK
University of Salzburg, Austria / SwedWatch	Sandoval	Marisol	Austria

ANNEX 2: PROGRAMME



Workers' rights in the global electronics sector

Programme

Overall moderation by Mr Paul Hohnen, [Sustainability Strategies Amsterdam](#)

Wednesday May 9

9:45 *Registration, coffee & tea*

10:15 **Start, welcome, presentation of programme, objectives, practical information** - *plenary*

10:45 **Key Note Speech 'Precarious Work, Decent Work - Outsourcing in the Global Electronics Sector'** - *plenary*

International Metalworkers' Federation (IMF)

11:15 **Brainstorm about stakeholder engagement and multi stakeholder initiatives in the electronics industry** – *plenary*

Objective: to get an idea of the different views on stakeholder engagement and multi stakeholder initiatives

12:15 *Lunch (in house)*

13.15 **'House of Commons Debate' on Temporary Labour and Wage Issues** - *plenary*

Two debater camps (industry and civil society) discuss given propositions

Objective: get an idea of different views on temporary labour and wage issues

14.30 **Panel Discussion about Implementation of Freedom of Association and Collective Bargaining** – *plenary*

Panellists (industry and civil society) are questioned by moderator about situation in China, Thailand, Philippines,

India, and Mexico respectively

Objective: identify best practices implementation of Foa and CB

16 *Break*

16.15 **Session on Temporary Labour** - *plenary / in break-out groups*

Participants are divided over break-out groups to discuss different aspects of temporary labour

Group discussions are kicked-off by thought provoking expert views

1. Agency Labour as a CSR issue (kick-off Irene Schipper SOMO)
2. Temporary labour and unionisation and collective bargaining (kick-off Kan Matsuzaki IMF)
3. Industry's initiatives regarding temporary labour (kick-off EICC)

4. Look at temporary labour from a due diligence (Ruggie) point of view (kick-off Kate Cacciatore STMicroElectronics)
5. Temporary labour, migrant labour (kick-off Charles Hector NAMM)

Groups to report back to plenary

Objective: Agree on actions to address situation of temporary workers

17:30 **Recap of the day: what are the different positions? Where is common ground?** - plenary

17:45 **Closure**

18:30 *Joint dinner*

Thursday May 10

8:30 *Registration, coffee & tea*

9:00 **Start, brief recap discussion 1st day**

9:30 **Session on Wage Issues** - plenary / in break-out groups

Plenary introduction on wage issues, living wage by Alastair Usher Ergon Associates

Participants are divided over break-out groups to discuss different wage related issues

Group discussions are kicked-off by thought provoking expert views

1. What can the electronics industry learn from the Asia Floor Wage campaign? (kick-off Jeroen Merk Clean Clothes campaign)
2. Multi stakeholder Initiatives in the electronics sector and a living wage (kick-off IDH)
3. How to guide suppliers towards living wage? (kick-off Alastair Usher Ergon Associates)

Groups to report back to plenary

Objective: Agree on actions to address wage issues, work towards the payment of living wage

11 *break*

11:15 **Recap overall discussion, summarise positions, name gaps in positions, common ground** - plenary

Objective: Proposals for follow-up

12 **Closure**

12:15 **Press conference**

13 *Joint lunch*