

Electronics Industry Labour Standards

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In January 2004 CAFOD launched its 'Clean up your computer' campaign to focus attention on working conditions in the electronics industry in developing countries. High profile campaigns about clothes, trainers and toys helped make people aware of the issue of working conditions in global supply chains. But labour standards in the electronics industry had received less attention. More than half of UK households have a computer, but consumers often do not associate high tech products with 'sweatshop' conditions.

Computer supply chains are complex. Manufacturing or assembly workers usually work for subcontractors or recruitment agencies rather than a recognisable brand. Research carried out in 2003-4 with partners in Mexico, China and Thailand revealed electronics workers facing discrimination in recruitment, abuse of short-term contracting, dangerous working conditions, excessive overtime and wages well below the legal minimum.

ILO core standards

As a first step in tackling these abuses, CAFOD called for leading computer companies to adopt and implement supplier codes of conduct that met international labour standards. The campaign focused on the three biggest PC manufacturers – Hewlett Packard, Dell and IBM. Although HP had a supplier code when the campaign began, this did not meet the ILO's four core labour standards.

These standards - freedom of association and the right to collective bargaining; elimination of all forms of forced or compulsory labour; effective abolition of child labour; elimination of discrimination in relation to employment - are rights which all workers should enjoy, not optional extras.

Industry code

Thousands of CAFOD supporters sent messages to the chief executives of Hewlett Packard, Dell and IBM asking them to guarantee core ILO standards for the workers in their supply chains. The companies responded promptly. Dell and IBM both introduced codes of conduct for their suppliers in spring 2004, and later that year all three companies joined with five large manufacturing firms to launch a sector-wide Electronics Industry Code of Conduct (EICC).

Since then Microsoft, Cisco, Intel, Sony and others have signed up to the industry code. This progress is encouraging, but more action is required if computer workers in Guadalajara in Mexico or Guangdong in China are to see improvements on the factory floor.

The new electronics industry code must be strengthened to meet ILO core standards. The EICC does not give workers the right to join independent unions or negotiate improved working conditions. This is also a serious weakness of the companies' individual codes. Evidence from other sectors shows that codes and audits have limited success in achieving improvements at factory level without real participation from employees. Unions have a vital role in informing workers and enabling them to improve their working conditions.

Exclusion clause

The industry code refers explicitly to the right to join labour unions, but the focus is on complying with local laws (which companies have to do anyway) rather than upholding ILO standards. This effectively undermines the impact for many electronics workers.

In Mexico, for example, employers can choose to offer 'sweetheart deals'. Factories agree an exclusion clause with an existing union so that workers are not able to form their own independent union. CEREAL estimates that in Guadalajara around 50,000 workers are covered by such agreements. Many are not aware that they are in a union.

Feedback

During 2005 the EICC companies sought feedback on their approach to improving labour standards from faith-based investors, NGOs and the SRI community. All three groups highlighted the issue of freedom of association and the right to collective bargaining, but this was not reflected in amendments to the code. The computer companies plan to update the EICC code annually and have committed to obtaining 'regular input from stakeholders'. This is welcome, but a key test will be the extent to which stakeholders' views are reflected in changes to code content.

First step

The introduction of supplier codes of conduct is only a first step. CAFOD wants the computer companies to listen to local workers' groups, NGOs and unions to ensure effective implementation and monitoring possible. A positive development in September 2005 was a meeting between EICC companies and CEREAL to discuss the situation in Guadalajara.

HP, IBM and Dell have all made progress on implementing the industry code within the first tier of their supply chain, with HP and IBM publishing data about the problems identified as a result of their audits. More research is now needed to track change on the ground.

As an example, CEREAL has reported improvements in the way employment agencies in Guadalajara operate since the introduction of the industry code. However, there are still instances of repeated short term contracts, worker dismissal without full severance pay, discrimination, and collective agreements with non-active unions. It is also important for the code to have an impact right down the supply chain, not just in the first tier.

Opportunities for collaboration

The computer campaign has attracted interest from the USA, Sweden, Germany and the Netherlands. Other NGOs have been looking at the supply chains of companies such as Fujitsu-Siemens, Acer and Apple. This broader approach brings opportunities for collaboration between organisations working on labour rights and those concentrating on environmental issues.

Much remains to be done to improve conditions for electronics workers. CAFOD advocates a two track approach. First, the companies set a robust standard in an industry-wide code implemented effectively by their suppliers; second, electronics workers are allowed to organise, participate in monitoring processes and, above all, negotiate improved conditions for themselves.

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