Case study - Electronics Watch: Utilising public procurement power to make the largest settlement of migrant worker recruitment fees possible

Written by Peter Pawlicki, Electronics Watch

Project / Programme	Electronics Watch
Region / Country	Thailand and Europe
Website	https://electronicswatch.org/en
Circularity	Risk of forced labour reduced

Overview

Electronics Watch is an independent monitoring organisation providing public buyers with capabilities to monitor their supply chains and verify compliance with the social criteria they have set in contracts for information and communications technology (ICT) hardware.

The Electronics Watch model of worker-driven monitoring and industry engagement has proven successful time and again and has developed into an internationally accepted standard in public procurement.

In 2019, Electronics Watch, its affiliates and its local monitoring partner were able to support over 10,000 migrant workers in Thailand to receive reimbursements for illegal recruitment fees.

About the project

Public buyers such as universities, hospitals, counties, cities and other public institutions buy large volumes of electronic hardware such as desktop/laptop computers, servers, smartphones and printers. The underlying multi-year contracts with electronics brands enable leverage that public buyers can use to address workers' rights and environmental concerns in their supply chains.

Electronics Watch is a network of monitoring partners and of more than 330 public buyers in Europe. Monitoring partners are civil society organisations, located near workers' communities in production regions, who use the worker-driven methodology to monitor for labour rights risks and violations in factories. Based on their reports, Electronics Watch engages with the brand companies, manufacturers and the industry association Responsible Business Alliance (RBA) to work towards remedying the risks and violations that are found.

In the area of monitoring and supply chain transparency alone, in 2020 Electronics Watch:

- Conducted a supply chain screening of major original equipment manufacturers (OEMs) covering 71 suppliers.
- Published a regional risk assessment of Vietnam.
- Assessed risk in 10 factories.
- Documented and responded to workers' rights complaints in five factories.
- Conducted nine full-compliance investigations.
- Engaged with eight brands to improve conditions.
- Verified improved conditions in seven factories.

Risk of forced labour in Thailand

In 2016, the Electronics Watch monitoring partner Migrant Worker Rights Network (MWRN) documented labour rights violations at Cal-Comp in Thailand. Subcontracted migrant workers from Myanmar at Cal-Comp's two facilities in Thailand were at risk of forced labour through debt bondage and withheld documents. The debt bondage was linked to excessive recruitment fees.

At this time Cal-Comp was a supplier of printers, external hard disk drives and other computer peripherals to brand companies like HP, Seagate and Western Digital. A high share of Cal-Comp's workforce in Thailand were migrant workers from Myanmar.

Electronics Watch and MWRN documented a number of labour rights violations, including:

- Passports and other documents were taken and withheld from workers.
- Migrant workers had to pay recruitment fees and related costs to get the job with Cal-Comp. These recruitment fees were excessive and unlawful. Recruitment fees were equivalent to 30 to 90 days of workers' wages.

Electronics Watch learned that labour agents sought to coerce workers at Cal-Comp to lie to social auditors about their recruitment fees and related expenses. These agents threatened workers that buyers would pull their orders if workers reported their full costs in upcoming audits and that workers would, consequently, face dramatically reduced overtime or even lose their jobs.

Industry engagement

The compliance report on all findings was shared with the main brand companies linked to the factories and Cal-Comp as well as the RBA. The RBA conducted independent social audits and developed corrective action plans, while MWRN and Electronics Watch monitored the impact through close communication with workers.

After more than three years of investigations, monitoring and engagement with brand companies, the manufacturer and the RBA, Electronics Watch and MWRN were able to achieve major improvements, including:

- Since 2017, migrant workers employed by Cal-Comp hold their own passports and work permits.
- In November 2019, Cal-Comp fully reimbursed at least 10,570 workers[1] in the largest single company settlement of migrant worker recruitment fees ever.
- Cal-Comp has stopped hiring migrant workers until they have developed an ethical recruitment policy to ensure that no worker pays for their job at Cal-Comp.

Conclusion

This case shows that the Electronics Watch model of worker-driven monitoring is essential to detect and address forced labour. MWRN's rapport with workers, their everyday access to workers, and their ongoing careful recording of workers' recruitment experiences were essential to understanding the full extent of the risks of forced labour and debt bondage that migrant workers face and to defining the full reimbursements and remediation they are owed.

Ongoing industry engagement by Electronics Watch, supported by affiliates' communication with their suppliers, is central to remediating violations and improving working conditions.

Public procurement has strong leverage with its supply chains that it can utilise to support sustainable improvements for workers and affected communities. To be able to drive positive change, public buyers need to be able to rely on independent monitoring for verification.

References and further reading

Cal-Comp Compliance Report. https://electronicswatch.org/en/compliance-report-update-cal-comp-samut-sakorn-and-petchaburi-thailand-october-2018_2555998.pdf

Cal-Comp: A Lesson in the Importance of Worker-Driven Monitoring to End Forced Labour in Global Supply Chains. https://electronicswatch.org/cal-comp-a-lesson-in-the-importance-of-worker-driven-monitoring-to-end-forced-labour-in-global-supply-chains-february-2020_2569307.pdf

Remedy Proposal for Cal-Comp Workers. https://electronicswatch.org/en/remedy-proposal-for-cal-comp-thailand-workers-february-2019_2556087.pdf

Electronics Watch Annual Report 2020. https://electronicswatch.org/electronics-watch-annual-report-2020_2591374.pdf

Footnotes

[1] Electronics Watch. (2020, 28 February). Largest settlement of migrant worker recruitment fees in any one company - how did we get there? https://electronicswatch.org/en/largest-settlement-of-migrant-worker-recruitment-fees-in-any-one-company-how-did-we-get-there-_2569363

Revision #3
★Created 2021-10-20 04:21:06 UTC by Cathy
✎Updated 2021-11-10 20:56:57 UTC by Cathy