



About this information sheet

This information sheet is about freedom of association in the electronics sector. It is part of a series of information sheets by the Centre for Research on Multinational Corporations (SOMO) that aim to support Responsible Investors in their critical engagement with the electronics companies in their portfolio.

In previous sheets three phases in the electronics industry value chain are discussed: mining of metals used in electronics, production in low-wage countries, and the disposal of electronic waste. A recent sheet presents civil society concerns with regard to temporary agency work in this sector. This information sheet looks into policies and practices with regard to the right to organise and the right to collective bargaining in the global electronics industry.

SOMO coordinates the makeITfair project – a public awareness campaign involving European and Southern NGOs, with the goal of enhancing sustainability throughout the electronics supply chain. SOMO is involved in the Procure IT Fair project, and is host to the GoodElectronics Network.



Freedom of association and the right to collective bargaining in the global electronics industry

Freedom of association and the right to collective bargaining are generally seen as enabling rights; workers enjoying these rights are better positioned to secure decent wages and working conditions.

There is a strong relationship between the restriction of these enabling rights and the occurrence of precarious work, substandard labour conditions, occupational health and safety risks. Unorganised workers have limited possibilities for collective action or negotiation with employers. Employee committees cannot replace proper trade unions. Elections of worker representatives should take place in a democratic manner and without interference of the employer.

Mexico

In Mexico, freedom of association and the right to bargain are threatened by 'protection contracts' and 'phantom unions'. Employers conclude contracts with an organisation or a number of individuals who only represent workers on paper. A company with such a contract may appear to be respecting the right to organise. In reality, however, these phantom unions do very little for workers. Unfortunately, these contracts are legitimate documents governed by law. It is tremendously difficult for democratic trade unions to do anything about such practices.

Particular issues and concerns

- ❑ Levels of unionisation in the global electronics industry are very low. Several categories of workers within the electronics labour force suffer limitations to the right to organise, including women, temporary workers, agency workers, migrants, students, etc.
- ❑ In many countries workers are confronted with unions set up in the management's interest that do very little for workers
- ❑ An important part of the global electronics manufacturing industry is located in export processing zones or special economic zones. Organising workers in such zones is very difficult as unions are often denied access.
- ❑ Workers who join a trade union or participate in union activities may be subject to dismissal, discrimination, or harassment.
- ❑ Structured dialogue between companies and organised labour at national or international levels is virtually absent. Proper collective bargaining agreements (CBAs) on factory level are scarce; there are but a handful companies that have concluded international frameworks agreements (IFAs).
- ❑ The code of conduct of the Electronics Industry Citizenship Coalition (EICC) does not include the right to collective bargaining. The EICC code uses ambiguous language and refers to local law rather than to international labour standards. Most company codes are based on the EICC code.
- ❑ Overall, company audits do not pay attention to the right to organise and the right to bargain collectively, violations of these rights are not picked up on, and are therefore not addressed.

China

China is by far the largest producer of electronics. It is particularly troubling that China does not have freedom of association. The All-China Federation of Trade Unions (ACFTU) with its 230 million members operates under the authoritarian leadership of the Chinese Communist Party and is the only recognised trade union. Workers in China do not explicitly have the right to organise, the right to bargain collectively or the right to strike according to the law or the Constitution. This has not prevented workers exercising these rights in practice. It is a very challenging process, however. Employees risk arrest and a jail sentence if they try to set up independent trade unions. Often trade union executives and leaders are simply appointed. Since 2010, demands for higher wages and improved working conditions have risen. China's workers have developed an embryonic system of collective bargaining that could form the basis of an improved system in the future.

Rights, norms and principles

Freedom of association is part of the Universal Declaration of Human Rights. The right to organise and the right to collective bargaining are among the core labour rights laid down by the International Labour Organization (ILO) in Conventions 87, 98, 135 and the ILO Declaration on Fundamental Principles and Rights at Work. The core labour standards are regarded as fundamental principles that defend human rights. Regardless whether countries have ratified or not, all ILO member states are bound to respect these rights. The UN Guiding Principles on Business and Human Rights state that the responsibility of business enterprises to respect human rights refers to internationally recognised human rights asset out for instance in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The OECD Guidelines for Multinational Enterprises incorporate these same principles.



SOMO

Centre for Research on Multinational Corporations

Sarphatistraat 30, 1018 GL Amsterdam, The Netherlands

T: +31 (0)20 639 12 91 - info@somo.nl - www.somo.nl

For questions: Esther de Haan, e.de.haan@somo.nl

Civil society positions

The following demands on the industry with regard to freedom of association are based on the positions of SOMO, makeITfair and the GoodElectronics Network.

- Companies should have proper due diligence processes in place, including a country-specific pre-investment/pre-sourcing risk assessment looking into the laws and practices relating to the right to organise and the right to bargain collectively.
- Companies should allow and facilitate unionisation and collective bargaining in their own production locations as well as at the level of their suppliers. At the same time, companies should not in any way interfere in the formation or the running of a union. Companies should refrain from discriminating between unions, especially at factories where there is more than one registered union. Companies should refrain from forming employee committees that may undermine the role of registered unions.
- Companies should remove barriers to unionisation for women, temporary agency workers, migrant workers, etc. Companies should actively protect workers who join a trade union or participate in trade union activities.
- In countries where the right to organise and the right to bargain are restricted under law, companies should facilitate the development of parallel means for independent and free association and bargaining.
- Companies should apply effective methods to detect violations of the right to organise and the right to bargain. Company codes of conduct need to include proper language on these topics. Other elements that come into play are country-specific auditor training and guidance; allowing for a reasonable amount of time for audits; off-site worker interviews; checking the quality of and the adherence to CBAs; establishment of proper grievance mechanisms; collaboration with civil society organisations; etc.
- Companies should report on non-compliance of the right to organise and the right to collective bargaining.
- Companies should facilitate workers' rights trainings for both workers and management by independent trainers.

Publications

- Freedom of association in the electronics sector. SOMO paper. May 2012.
- Workers' rights in the global electronics sector. Report of the May 2012 makeITfair and GoodElectronics round table. SOMO. November 2012.
- Multinational and trade union freedom. A manual. FNV Company Monitor. September 2010.
- A Decade of Change. The Workers' Movement in China 2000-2010. China Labour Bulletin. Research Reports. February 2012.

Links

- www.somo.nl
- www.makeitfair.org
- www.goodelectronics.org
- www.industrial-UNION.org
- www.fnv.org
- www.clb.org.hk/en

