Global Electronics Industry Becomes The “New Nike”

Huge factories of women workers producing consumer products for Europe and the United States under conditions of long hours, low pay, impossibly high production quotas, often unsafe machinery and unhealthy workplace exposures, and sometimes abusive treatment by supervisors and managers.

Unions are banned; wages are docked for infractions of “factory rules;” weeks of mandatory overtime occur without a day off; the legal minimum wage becomes the ceiling, not the floor; wages owed but never paid; large “recruitment fees” put migrant workers deeply in debt; and labor laws are suspended altogether in the “export processing zones” filled with subcontractor plants producing for global “brand name” retailers.

Sounds like the garment sweatshops and sports shoe factories of the early 1990s – but these are documented conditions found in the global electronics industry at the end of the 21st century’s first decade. A list of just some of the recent reports issued by academic researchers and non-governmental organizations has been posted on our website [http://mhssn.igc.org/ListReports.htm].

It’s not only worker exposures in the production process that are problematic. The raw materials used by the electronics industry include vast amounts of water (the 21st century’s oil) and metals torn from the four corners of the earth, including aluminum, copper, lithium, tantalum, tin, and cobalt (mined in Africa, the electronics industry equivalent of “blood diamonds”).

And then there is the ever-growing tsunami of electronic waste that has flooded countries like China, Ghana and India, where it is “processed” in rudimentary workshops, often by children, in ways that poison the workers and pollute the environment.

(Mexico’s Daycare Fire — Not even babies are protected)

Volume X, Number 2 July 2009

Mexico’s Daycare Fire — Not even babies are protected

On June 5th, 200 babies and small children were dropped off at a private, government-subsidized day care center in Hermosillo, the capital of Sonora state in northern Mexico. A fire broke out next door and soon smoke and fire filled the day care center killing 48 babies and children, and severely burning two dozen more.

It turns out that the owners of the day care center included the wives of two top state officials and a businessman with close links to Eduardo Bours, governor of the state of Sonora.

But the owners did nothing. A few months later the same federal agency that ordered the changes, renewed its contract with the day care center. Without having installed emergency exits or brought the main door up to code, the center continued to pass government inspections, one after another.

In fact, just 10 days before the murderous fire, a federal agency inspector ticked off every line in the safety column of her inspection report as “satisfactory.”

What does this have to do with occupational safety and health in Mexico?

Well, if the Mexican government – for reasons of corruption, incompetence or political connections – will not even protect Mexican babies and children, what chance do workers have?
Letter from the Coordinator

Greetings and I hope everyone is enjoying something of summer break despite the economic meltdown affecting both the developing and developed economies.

We in California, and everyone across the U.S., are beginning to learn what people in the developing world have been forced to endure over the last several decades of budget/financial crises provoked by the “structural adjustment” and “austerity” programs of the International Monetary Fund and World Bank:

- draconian cutbacks in essential social services for all working people, but especially the most vulnerable – blind, disabled, home-bound;
- deepening health care crisis denying care to millions of people, not only the poor but many people with full time jobs;
- huge cuts in education on all levels, starting with over-crowded, under-resourced elementary and high schools, to colleges and universities increasingly out of reach for millions of students;
- the wholesale elimination of “good jobs” with decent pay and benefits, and increasingly precarious employment of low paid, no benefit jobs without long term security, let alone pensions.

In the Third World, these “neo-liberal” policies were the result of massive debt taken out by military dictatorships or other undemocratic governments who stole the money and then took out more loans from the IMF or World Bank with all the “conditions” above. Also important was the role of transnational corporations in pillaging the resources (natural and human) of developing countries, while often destroying the environment they left behind.

In “First World” America, the policies above are the result of reckless greed and zero accountability of the essentially unregulated financial sector that spilled over into the real economy. The proposed “solutions” in the US are the same as the solutions over the last four decades in the developing world: maintain the profits and privileges of the elite, while slashing all social services, undermining education, undercutting “entitlements” like health care and retirement, and leaving protection of our planet and its ecosystems to some distant future.

In Latin America over the last decade, working people have elected a series of governments that actually prioritize the needs their country’s great majority of citizens. This “pink tide” has not solved all their problems, of course, but it’s the first step toward societies where human needs come first. President Obama has claimed this mantle as well, but we’ve seen more continuity than change to date.

It is the efforts of poor people to take control of their own destiny, by the way, is what’s behind the current crisis in Honduras. It’s not “radical” President

MHSSN Participation in 2009 Conferences

Members of our Network will be participating in various conferences on global working conditions in the United States, Canada and Asia this summer and fall. MHSSN participants will include coordinator Garrett Brown and colleagues from partner organizations in the U.S. such as the Labor Occupational Health Program at UC Berkeley, the Labor Occupational Safety and Health Program at UCLA, the Electronics Take-Back Campaign in San Jose, and the Hesperian Foundation in Berkeley.

Among the conferences Network members will be attending are:

- “Transnational Perspectives on Labor and Immigration: Lessons from the Past, Prospects for the Future,” July 16-17th, hosted by the UCLA Institute for Research on Labor and Employment, drawing together key labor activists from Mexico and the United States;
- “Labour, Occupational and Environmental Standards in the Electronics Industry,” August 9-10th, hosted by the University of Suzhou in China and the Asia Monitor Resource Center;
- Annual meeting of the Asian Network for the Rights of Occupational Accident Victims (ANROAV), September 22-24th in Phnom Penh, Cambodia, convened by the 22 member organizations of ANROAV;
- “Occupational Health Policy: Global Issues, Local Solutions,” October 7-8th, hosted by the Pacific Northwest Section of the American Industrial Hygiene Association in Vancouver, Canada;
- “Work and Inequality in the Global Economy: China, Mexico and the United States, October 8-10th, hosted by the UCLA Institute for Research on Labor and Employment, drawing together scholars and activists from China, Mexico and the U.S.

Other members of our Network are heartily encouraged to join us at these events. For details, please contact coordinator Garrett Brown.
Zelaya, a rich rancher and logger, that has rattled the military, landlords and maquiladora operators, rather it is the prospect of a constituent assembly where the great majority – desperately poor citizens – that could result in a new Honduran Constitution that puts society’s needs before those of the tiny elite.

On July 7th the London Guardian newspaper quoted 23-year-old student Alejandra Fernandez as to why she supports Zelaya’s government: “He raised the minimum wage, gave out free school lunches, provided milk for babies and pension for the elderly, decreased the price of public transportation, made more scholarships available for students.’ Others gathered around to mention the roads and schools in rural areas the president had created. ‘That’s why the elite classes can’t stand him and why we want him back,’ Alejandra explained, ‘This is really a class struggle.’”

In the meantime we are continuing to look for funds to carry out projects with partner organizations in the Americas and Asia. These projects, I feel, are part of the world-wide effort to put the needs of the great majority first – in this case, the need and right of working people for safe, healthy workplaces where they can contribute a productive day’s work and go home safe and sound at the end of the shift.

Below I am listing the current “ideas in the works.” Some of these projects are closer to fruition that others. But if you have an interest in working on any of these possible projects, please contact me at garrettgbrown@comcast.net and I can give you all the details.

Possible occupational health and safety projects with the designated partner groups in the next 6-9 months:

- Asia Monitor Resource Center (Hong Kong): health and safety manual for electronics workers in Asia; a “training for action” book to capture the experience and skills of grassroots OHS groups training workers in Asia and the Americas;
- Maquila Solidarity Network (Toronto): an evaluation of ergonomics programs in garment and textile plants in Honduras; an evaluation of health and safety issues at several Mexican auto parts and garment factories;
- Workers Rights Consortium (Washington, DC): a plant-wide health and safety audit of a proposed “no sweat” garment factory in the Dominican Republic; and
- Several grassroots workers centers in China: a health and safety training in Hong Kong for key staff members and leading workers from local groups throughout China

If you have an interest, the appropriate and knowledge, and the time (some of which might actually be compensated) for any of these possible projects, please let me know.

For the first 10 years or so of the global anti-sweatshop movement, the electronics industry generally got a “bye” from campaigners. In part this was due to the industry’s successful public relations efforts to portray itself as a “clean industry,” despite the greatest concentration of EPA “Super Fund” hazardous waste sites anywhere in the United States – 29 in California’s “Silicon Valley” – where the industry was born.

But the industry is now squarely in the sights of environmental, labor rights, and occupational health and safety organizations around the world. Fifteen years later, the global electronics industry – computers, cell phones, game consoles – has become the “new Nike,” the target of ongoing and growing publicity and pressure campaigns. A list of selected research and campaign organizations is also posted on our website [http://mhssn.igc.org/ListOrgs.htm].

In some ways the electronics industry has learned from the mistakes of the garment and sports equipment sector.

In 2001, the Global e-Sustainability Initiative (GeSI) was formed in Europe, and in 2004, the US tech corporations established an “Electronics Industry Code of Conduct,” with the Electronics Industry Citizenship Coalition (EICC) formed in 2007. The EICC now has 45 member companies representing 3.4 million employees and $1.2 trillion in sales.

EICC is trying to establish its code of conduct as the common denominator for (See Global Electronics Industry, page 4)
In July, our Network teamed up with Golder Associates, an international occupational health consulting company, and the Developing World Outreach Initiative (DWOI) of the AIHA Northern California Local Section to send more staff members of Asian non-governmental organizations (NGOs) to professional workshops on workplace health and safety.

Omana George, OHS coordinator, and Choi Wing Sze, China projects coordinator, both with the Asia Monitor Resource Center in Hong Kong, attended a two-day seminar put on by Golder Associates in Singapore on July 21-22nd. The theme of the course was “Managing Industrial Hygiene Risks Through the Next Decade.”

Golder Associates generously provided a 50% “NGO discount” for the course and the fees were paid by our Network and the DWOI.

NGO staffers who attended earlier OHS workshops, with the fees paid by our Network, have written to report on the impact of this opportunity on their work.

Jagdish Patel, coordinator of the People’s Training and Research Centre in Gujarat, India, attended a three-day industrial hygiene seminar put on by Golder Associates in Shenzhen, China in October 2008.

Patel wrote that “it was really an exciting experience.” He noted that “I have been active in the field of OHS since 1986 and did my Diploma in Industrial Safety in 1989. Still this workshop offered lot of new information.”

“The lectures were on the subjects like Basic Toxicology, Quantitative risk assessment, Qualitative risk assessment, Indoor air quality, IH Calculations and data interpretation, control of hazards, ergonomics, asbestos, silica, benzene, nano-technology, welding fumes and so on.

“I am sure the knowledge acquired during these three days will go a long way in spreading the word through our training programs and newsletter we publish,” Patel wrote.

In April 2009, Pralhad Malvadkar of an Indian organization that works with construction workers, and collaborates with the Asian Network for the Rights of Occupational Accident Victims (ANROAV), attended a two-day Golder industrial hygiene workshop in Mumbai, India.

Malvadkar wrote to our Network that “I got a general idea of health hazards in various industries and the agents that carry the hazards and much more about ergonomic hazards, about which I did not know. I am inspired to work on silicosis along with the asbestosis. I am already working on and have established contact and rapport with the organization working with stone mines and quarries in Maharashtra state of India.”

The MHSSN and DWOI are collaborating in fund-raising to be able to send other grassroots NGO staffers to professional OHS classes to build the capacity of their organizations to understand and work on key OHS issues in Asia. Anyone wishing to donate to the fund covering the discounted course fees can send a tax-deductible check to “New Ways to Work,” PO Box 124, Berkeley, CA 94701.

Not surprisingly, the EICC and individual corporation audit summaries indicate a global supply chain with many problems. Industry CSR leader HP reported in April 2009 on its 2008 audits of 129 factories. HP said that 99 plants required follow-up visits due to code non-compliance, and that the “two sections with the greatest number of major non-conformances – health and safety and labor – have improved less than other areas.”

HP reported 51% of audited facilities violated code provisions on working hours, while 26-50% of facilities violated wage and benefits requirements. Apple reported the results of its 2008 supplier audits noting that 59% of plants violated working hours and day of rest provisions, 41% violated wage and benefits requirements, and 26% of facilities violated code prohibitions.

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GLOBAL ELECTRONICS INDUSTRY (from page 3)

The electronics industry is definitely ahead of the historic curve in jumping into “stakeholder engagement” with labor rights and environmental non-governmental organizations. The industry’s PR campaigns are more polished than those of garment or toy transnationals.

But in a more fundamental way, the electronics industry is making exactly the same mistakes as the sweatshop targets of the 1990s. The all-voluntary EICC code of conduct has been heavily criticized for not including key provisions of the International Labor Organization’s (ILO) core labor rights conventions.

The “monitoring” of EICC code compliance in supplier factories has been done through “self-assessment” questionnaires and via ineffective, thoroughly discredited in-house and “third party” audit protocols – all with only a small percentage of plants in the supply chain. The EICC’s 2008 annual report acknowledges that 25% of member companies do not require a “corrective action plan” of their suppliers even when “a major issue was identified.”

Lack of transparency is also a major issue as the audit reports of supplier factories are not publicly available, and, except for Dell and Hewlett Packard, the names of sub-contracted supplier companies are not even disclosed. The name and location of the factories actually producing brand name consumer goods are not reported by anyone.

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(See Global Electronics Industry, page 5)
The reasons for continuing sweatshop conditions in electronics are the same as those for ongoing sweatshops in apparel, toys and sports equipment:

1. A schizophrenic and fatally-flawed business model in which nominal CSR codes are always trumped on the factory floor by the “iron triangle” of ever-lower prices to suppliers, high quality benchmarks, and shortening delivery times;

2. The lack of any meaningful participation by workers in plant-level occupational safety and health programs.

I gave an hour-long presentation on precisely these two problems – and what needs to be done about them – last fall at the Professional Conference in Industrial Hygiene in Florida and the full text of the talk are posted on the Network’s website [http://mhssn.igc.org/PCIH08_GBrown.pdf].

The electronics industry has followed other consumer product sectors in out-sourcing almost all of its production. Now 75% of computer products are made by “contract manufacturers” (CMs) rather than by their “original equipment manufacturers” (OEMs). Several of the CMs, such as Hon Hai/Foxconn or Flextronics, are totally unknown to consumers, but produce billions in sales with hundreds of thousands of workers throughout Asia.

However, the electronics industry has added its own special twist to sweatshop manufacturing – the introduction mass temporary help agency workforces, the most precarious and least paid form of employment. This kind of low cost production is hailed as the “wave of the future.”

The Mexican electronics industry centered in Guadalajara now consists of 55-60% temporary help agency employees, or some 240,000 workers employed by 60 different temporary agencies. These “perma-temp” workers have low pay and virtually no benefits, and, of course, do not work for any of the global electronics giants whose products they make.

So while the electronics industry’s PR and CSR machines hum along, there are gathering clouds over the industry. Environmental and social justice concerns about mining metals and acquiring other raw materials are increasing world-wide, especially in Africa and Latin America (such as with Bolivia’s lithium deposits). The same concerns are growing about what will happen with the 1 billion personal computers now in use, and soon to be junked, as the total number of computers in the world doubles by 2015.

The middle phase – production in contract factories in the developing world – is subject to rising visibility and concerns as more and more reports are issued and scandal campaigns launched. As long as the fatal flaws of current CSR regimes – a schizophrenic business model and exclusion of workers from plant OHS programs – are not recognized and addressed, the “old Nike” and the “new Nike” will do the dance together.
money to install and maintain adequate ventilation systems to eliminate chemical exposures; or mechanize operations to prevent repetitive motion injuries; or re-engineer processes to reduce noise?

If the Mexican elite who make up its political class and who pocketed the government subsidies ($200 a child per month) would never send their own children to this working class day care center, why should anyone be surprised that this same elite – executive managers and partners in many maquilas – could care less about the parents of these children working in their factories.

Mexico has workplace safety regulations that are roughly equivalent to those in the United States and Canada, and it has federal and state enforcement offices with a corps of inspectors.

But Mexico also has a foreign debt of $212 billion and must pay more than $16 billion a year in interest alone. Foreign investment by maquiladora operators is crucial to paying this annual interest. The economic downturn has given regulators the perfect excuse to ignore workplace safety regulations – is economic suicide and a political impossibility.

Mexico’s OHS regs will never – never – be enforced as long as it is saddled with this foreign debt, as long as there is zero political will for enforcement, as long as there are completely insufficient numbers and resources for government inspectors, as long as political and personal corruption is so deep that even the minimal expenses required to prevent 48 babies from being burned alive will not be spent.

Many transnational corporations operating maquiladoras in Mexico believe their factories meet “one global standard” set by the corporation’s “code of conduct.” Our Network’s experience over the last 16 years indicates that all the pretty words of the pre-arranged corporate plant audits and the annual “corporate social responsibility” reports very often bear no resemblance whatsoever to the reality of the factory floor and the conditions lived day in and day out by maquila workers.

It’s not just day care center audits that are “gamed” in abbreviated, pre-arranged inspections; it’s not just day care centers where government officials turn a blind eye; it’s not just day care centers where “capital improvements” are put on hold for one or another reason; and it’s not just day care centers where greed, class bias, incompetence and corruption have combined to take away innocent lives, or left trusting people maimed and scarred for the rest of their lives.

Meanwhile back in Hermosillo, enraged and anguished parents have held marches every weekend since the fire to demand justice for their dead children. By mid-July, 16 people have been arrested, including one or two of the owners, but those detained are mostly low-level state and federal officials.

“Even if the case eventually gets to court, which is not a given,” the New York Times noted on June 23rd, “Mexican trials can take years and often do little to clarify the facts.” The Los Angeles Times reported on July 11th that a Mexican federal justice official revealed that only 3% of criminal cases actually reach sentencing, and that the principal owners of the daycare have fled the country.

“Since the fire on June 5, bureaucrats and politicians have repeatedly promised investigations to root out those at fault,” the New York Times reported, “But many people here suspect a more typical Mexican outcome: an endless investigation that will ultimately point fingers at many and hold no one responsible.”

Quotes of the Month

“Clients talk about high-quality products and human rights in one breath, and in the next they’re telling us we have to cut prices,” says Disney toy supplier Li Wenchen in Dongguan, China…FuLifeng’s Li says he’s reconsidering doing deals with US companies after spending hours on the phone haggling with one unidentified buyer over a small price. “We manufacturers profit off the workers,” he says, “The only profit we make is on how low we can push the price of labour.”

— “China boomtown withers as buyers push workers rights,” John Liu and Stephanie Wong, The Deccan Herald (Bangalore, India), February 2, 2009.

“There are people in that factory. Life is more complex than just shutting something down. It might not be to Levi’s, but it is to this small town. The inhuman nature in the cold numbers of capitalism, that’s what stuns you,” said Mayor Laszlo Varnai…”But now Levi’s is leaving and they didn’t want to talk about how we could get them to stay. They’re acting like they never were part of us. It’s a great blow to this town.”


A year and a half after a landmark labor law took effect in China, experts say conditions have actually deteriorated in southern China’s export-oriented factories, which produce many of America’s less expensive retail goods. With China’s exports reeling and unemployment rising because of the global slowdown there is growing evidence that factories are ignoring or evading the new contract law, and that the government is reluctant to enforce it…”The economic downturn has given regulators the perfect excuse to ignore the law,” says Zhang Zhiru, director of the Shenzhen Chunfeng Labor Dispute Service, a nonprofit group that supports workers.